

**REAL ESTATE APPRAISAL
OF
VACANT LAND COMPRISING ±14,400 SQUARE FEET
SITUATED AT
THE NORTHWEST CORNER OF N.W 1ST AVENUE
& N.W. 4TH STREET
HALLANDALE BEACH, BROWARD COUNTY, FLORIDA**



**FOR:
SHUTTS & BOWEN LLP
200 EAST BROWARD BOULEVARD
FORT LAUDERDALE, FLORIDA 33301
ATTENTION: SIDNEY C. CALLOWAY, ESQUIRE**

**PREPARED BY:
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Walter B. Duke, III, MAI, CCIM
STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER RZ375

January 23, 2014

Mr. Sidney C. Calloway, Esquire
Shutts & Bowen LLP
200 East Broward Boulevard
Fort Lauderdale, Florida 33301

Re: Vacant land comprising $\pm 14,400$ Square Feet
Located at the Northwest Corner of N.W. 1st Avenue & N.W. 4th Street
Hallandale Beach, Broward County, Florida 33009

Dear Mr. Calloway:

As requested, Clobus, McLemore & Duke Inc. (CMD) has performed a real estate appraisal of the above referenced property. The attached Appraisal Report is intended to comply with the reporting standards set forth under Standard Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (USPAP). The subject property represents a $\pm 14,400$, residential zoned parcel of vacant land situated at the northwest corner of N. W. 1st Avenue and N.W. 4th Street. As of the appraisal date the City of Hallandale Beach is in the process of assembling the site for purposes of building a new fire station.

The purpose of the appraisal is to estimate the Market Value "As Is" of the fee simple estate of the subject property as of January 17, 2014. The accompanying Appraisal Report summarizes the neighborhood, site, improvements, approaches to value and other pertinent data that was used to solve the appraisal problem. The appraisal is subject to the assumptions and contingent and limiting conditions set forth in the report. This Appraisal Report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Code of Professional Ethics and Standards of Appraisal Practice of the Appraisal Institute.

This Appraisal Report was prepared for and submitted to Shutts & Bowen LLP for the specific intended use for internal purposes in conjunction with the contemplated purchase of the asset by their client. Unless we consent in writing, this Appraisal Report cannot be used by any other person/entity or any other purpose. If Shutts & Bowen LLP submits the appraisal or directs CMD to submit the appraisal to a third party recipient with the prior approval of CMD, such party should consider the appraisal as one factor and should utilize such within its own independent investment considerations and underwriting criteria as part of its overall investment decision. Such third party recipient is cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions, General Assumptions and Limiting Conditions, and the agreed upon specific scope of work between CMD and Shutts & Bowen LLP in the Appraisal Report.

Extraordinary Assumptions – (1) For the purpose of this appraisal, CMD assumed the subject tract to be part of the proposed assembled site of 1.885 acres, which includes the subject and the other 10 parcels on the subject's block, for the development of a new fire station by the City of Hallandale Beach. (2) Regarding this valuation analysis it is an extraordinary assumption that the subject parcel has a reasonable probability of being rezoned to BG, Business General District.

Hypothetical Conditions – None were employed.

Mr. Sidney C. Calloway, Esquire
Shutts & Bowen LLP
January 23, 2014
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As a result of CMD's investigation and analysis, the Market Value "As Is" of the fee simple interest in the subject property, as of January 17 2014, subject to the stated Extraordinary Assumptions, was estimated to be:

**ONE HUNDRED FOUR THOUSAND DOLLARS
(\$104,000)**

Thank you for the opportunity to serve you.

Sincerely,

CLOBUS, McLEMORE & DUKE, INC.



Walter B. Duke, III, MAI, CCIM
State-Certified General Real Estate Appraiser RZ375



Smith S. Worthy
State-Certified General Real Estate Appraiser RZ3518

CLOBUS, McLEMORE & DUKE, INC.

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Appraisal Summary

CMD File Number	140107-L
USPAP Reporting Format	Appraisal Report
Property Type	±14,400 Square Foot Vacant Parcel of Land
Address	Northwest Corner of N.W. 1 st Avenue & N.W. 4 th Street Hallandale Beach, Broward County, Florida 33009
Parcel/Tax I.D. #	51-42-22-04-0110
Site Size	±14,400 Square Feet (0.3306 Acres)
Property Rights Appraised	Fee Simple
Current Zoning	RD-12, Low Residential Two Family Duplex District
Highest and Best Use	Assemblage with the other 10 adjacent parcels on the block for development with a new fire station
Flood Zone	"X"
FEMA Map Panel Number	12011C0318F; dated August 18, 1992
Census Tract	1004.00

Market Value Indicator:		<u>Per SF</u>
Sales Comparison Approach	\$104,000	\$7.22
Value Conclusion	\$104,000	\$7.22

Date of Appraisal	January 17, 2014
Date of Report	January 23, 2014

Extraordinary Assumptions (1) For the purpose of this appraisal, CMD assumed the subject parcel to be part of the proposed assembled site of 1.885 acres, which includes the subject and the other 10 lots on the block, for the development of a new fire station by the City of Hallandale Beach. (2) Also, it is an extraordinary assumption of this appraisal that the subject parcel has a reasonable probability of being rezoned to BG, Business General District and that the assembled site is vacant.

Hypothetical Conditions	None were employed.
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Appraisers	Walter B. Duke, III, MAI, CCIM Smith S. Worthy 2860 Marina Mile, Suite 109 Fort Lauderdale, FL 33312-4804
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Certification of Appraisal

I certify that, to the best of my knowledge and belief...

- the statements of facts contained in this appraisal report, upon which the analyses, opinions, and conclusions were based, are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analysis, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- my compensation is not contingent upon a minimum valuation or an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice (USPAP).
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- the use of this report is subject to the requirements of the State of Florida relating to review by the Real Estate Appraisal Subcommittee of the Florida Real Estate Commission.
- as of the date of this report, Walter B. Duke, III, MAI, CCIM has completed the continuing education program for Designated Members of the Appraisal Institute.
- as of the date of this report, Smith S. Worthy has completed the Standards and Ethics Education Requirements for Candidates for Designation of the Appraisal Institute.
- Smith S. Worthy made a personal inspection of the property that is the subject of this report on January 17, 2014. Walter B. Duke, III made a personal inspection January 16, 2014.
- no one provided significant professional assistance to the person signing this report. The analyses, conclusions, and opinions contained in the report are the principal effort of the undersigned. However, certain functions, such as data collecting and verification, may have been performed by other members of the staff.
- CMD has performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

As a result of CMD's investigation and analysis, the Market Value "As Is" of the fee simple interest in the subject property, subject to the stated extraordinary assumptions, as of January 17, 2014 was estimated to be **\$104,000**.

CLOBUS, McLEMORE & DUKE, INC.



Walter B. Duke, III, MAI, CCIM
State-Certified General Real Estate Appraiser RZ375



Smith S. Worthy
State-Certified General Real Estate Appraiser RZ3518

PHOTOGRAPHS



AERIAL



VIEW OF SUBJECT PARCEL FACING NORTHWEST



ANOTHER VIEW OF SUBJECT FACING WEST



INTERIOR VIEW OF LOT FACING NORTH



FRONTAGE ALONG 4TH STREET (SUBJECT TO THE LEFT)



STREET SCENE – NORTH ALONG N.W. 1ST AVENUE



STREET SCENE – EAST ALONG N.W. 4TH STREET



**STREET SCENE – WEST ALONG N.W. 4TH STREET
(SUBJECT TO THE RIGHT)**

PREMISES OF THE APPRAISAL

Appraisal Format

Per the prior agreement between CMD, Inc. and Shutts & Bowen LLP this Appraisal Report is presented in an appraisal format which conforms to the Uniform Standards of Professional Appraisal Practice (USPAP).

Type and Definition of Value

The value opinion developed within this analysis is that of Market Value, as defined within the Addenda of this report.

Intended Use of the Appraisal

This Appraisal Report was prepared for and submitted to Shutts & Bowen LLP for the specific intended use for internal purposes in conjunction with the contemplated purchase of the asset by their client. Unless we consent in writing, this Appraisal Report cannot be used by any other person/entity for any other purpose. If Shutts & Bowen LLP submits the appraisal or directs CMD to submit the appraisal to a third party recipient with the prior approval of CMD, such party should consider the appraisal as one factor and should utilize such within its own independent investment considerations and underwriting criteria as part of its overall investment decision. Such third party recipient is cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions, General Assumptions and Limiting Conditions, and the agreed upon specific scope of work between CMD and Shutts & Bowen LLP in the Appraisal Report.

Terms and Definitions

Real Estate and Appraisal specific terms are defined within Addenda of this report.

Property Rights Appraised

The property rights appraised are all of those rights in the Fee Simple Estate.

Date of Appraisal

The effective date of this appraisal is January 17, 2014. This date coincides with the inspection of the subject property, as well as when the subject was photographed.

Date of Report

The effective date of this report is January 23, 2014.

PRESENTATION OF DATA

Property Identification

The subject property represents a vacant ±14,400 residential zoned parcel of land that is located at the northwest corner of N.W. 1st Avenue and N.W. 4th Street in Hallandale Beach, Broward County, Florida. As of the appraisal date, your client, the City of Hallandale Beach, is in the process of assembling the site, which encompasses the entire block, for the purpose of constructing a new fire station.

Assignment Overview

For the purpose of this analysis CMD will apply a market value estimate on a per square foot basis to the subject parcel based on value estimate for the entirety of the 1.885-acre proposed assembled site. Acquisition of the subject parcel is necessary for the development of the new fire station, which will encompass the entire block on which the subject is located.

Scope of Work

The scope of work performed in a real estate appraisal is a description of the amount and type of information researched and the analysis applied in an assignment. Based upon prior agreement with the client, the scope of work for this assignment is as follows:

Property Identification

The subject property was identified by street address, folio number and legal description as provided by the Owner, Client or from in-house records.

Property Inspection

Although not required by USPAP, an exterior tour of the property was conducted on January 17, 2014. The property inspection was considered to be sufficient to identify the relevant property characteristics.

The appraiser's inspection was limited to items and characteristics readily observable without the use of special testing or equipment. The visual inspection conducted was not equivalent to the assessment of a site, building, structure or mechanical system performed by a professional engineer or general contractor. Based upon generally accepted appraisal practices within the South Florida submarket, the degree of inspection was considered adequate to develop a credible appraisal.

Type and Extent of Data Research

Sales and/or listings of comparable vacant industrial zoned land were obtained through a search of the data-services that categorize public records. Data sources included CoStar.com, Loopnet.com and BCPA.net, three (3) of the largest and most reliable

on-line data-services available in South Florida. The Southeast Florida Region was searched for comparable sales. The geographic parameters of the research are consistent with the investment market in which the subject competes. Sales of light industrial parcels were considered. CMD performed research necessary to produce the most current and relevant data available for the assignment. The physical characteristics of the sales were ascertained by a combination of public records, physical inspection, appraiser's files, listing information, verification with buyers, sellers, brokers and records contained in the Property Appraiser's Office. The reported sale price was verified by examining the Florida Documentary Stamp Tax posted on the deed and by telephone verification with a party familiar with the transaction.

Analysis Applied to Arrive at Opinion or Conclusions

The Sales Comparison Approach was applied to develop a credible opinion of value.

Property Information

Information supplied to CMD by the client is assumed accurate. This information included general property information.

Extraordinary Assumptions / Hypothetical Conditions

Extraordinary Assumptions – (1) For the purpose of this appraisal, CMD assumed the subject parcel to be part of the proposed assembled site of 1.885 acres, which encompasses all eleven lots on the subject's block, for the development of a new fire station by the City of Hallandale Beach. (2) For purposes of this valuation analysis it is an extraordinary assumption that the subject parcel has a reasonable probability of being rezoned to BG, Business General District and that the assembled site is vacant.

Hypothetical Conditions – No hypothetical conditions were employed.

Street Address

The property possesses an approximate street address of 400 N.W. 4th Street, Hallandale Beach, Florida 33009.

Legal Description

Lots 2 and 4, Block B of George M. Phippen’s Subdivision, Plat Book B, Page 145, of the Public Records of Broward County, Florida.

Source: *Broward County Property Appraiser*

Owner of Record

Gloria Y. Foster
P.O. Box 2555
Bartow, Florida 33831-2555

Source: *Broward County Property Appraiser*

Property History

No arm’s length transactions involving the subject property have occurred within the past three years.

Pending Sale and/or Listing

The subject is not currently listed for sale.

Real Estate Tax Analysis

In Florida, the assessed values for real and commercial personal properties are established each year as of January 1, by each County Property Appraiser’s Office. Under the Florida Constitution and Statutes, this value is to be the “Just Value” of the property. “Just Value” is considered to be synonymous with “Market Value”. The tax due is computed by multiplying the annual millage rate with the assessed value of the property. Millage rates are the amounts paid to each taxing body for every \$1,000 of Assessed Value (25 mills equal \$25 per \$1,000 of Assessed Value). Millage rates are established by all of the various taxing bodies that exist within a given taxing district.

Schedule of Assessment and Taxation

Property taxes are paid in arrears with the assessment and taxation process spread out over the year, as follows:

January 1 to June 30	Assess all parcels in the county
July 1	Tax Roll certified to Department of Revenue
August 1	TRIM Notices are mailed to property owners
September 15	Deadline to apply for appeal of Assessed Value
November 1	Taxes payable with a 4% discount
December 1	Taxes payable with a 3% discount
January 1	Taxes payable with a 2% discount
February 1	Taxes payable with a 1% discount
March 1	Taxes are due

April 1
 May 31
 June 1

Taxes are past due
 Two-month grace period ends
 Tax Certificates sold at auction

Subject Property's Assessment and Taxation

The assessment and taxation information prepared by the Broward County Property Appraiser's Office is presented as follows:

Assessment and Taxation

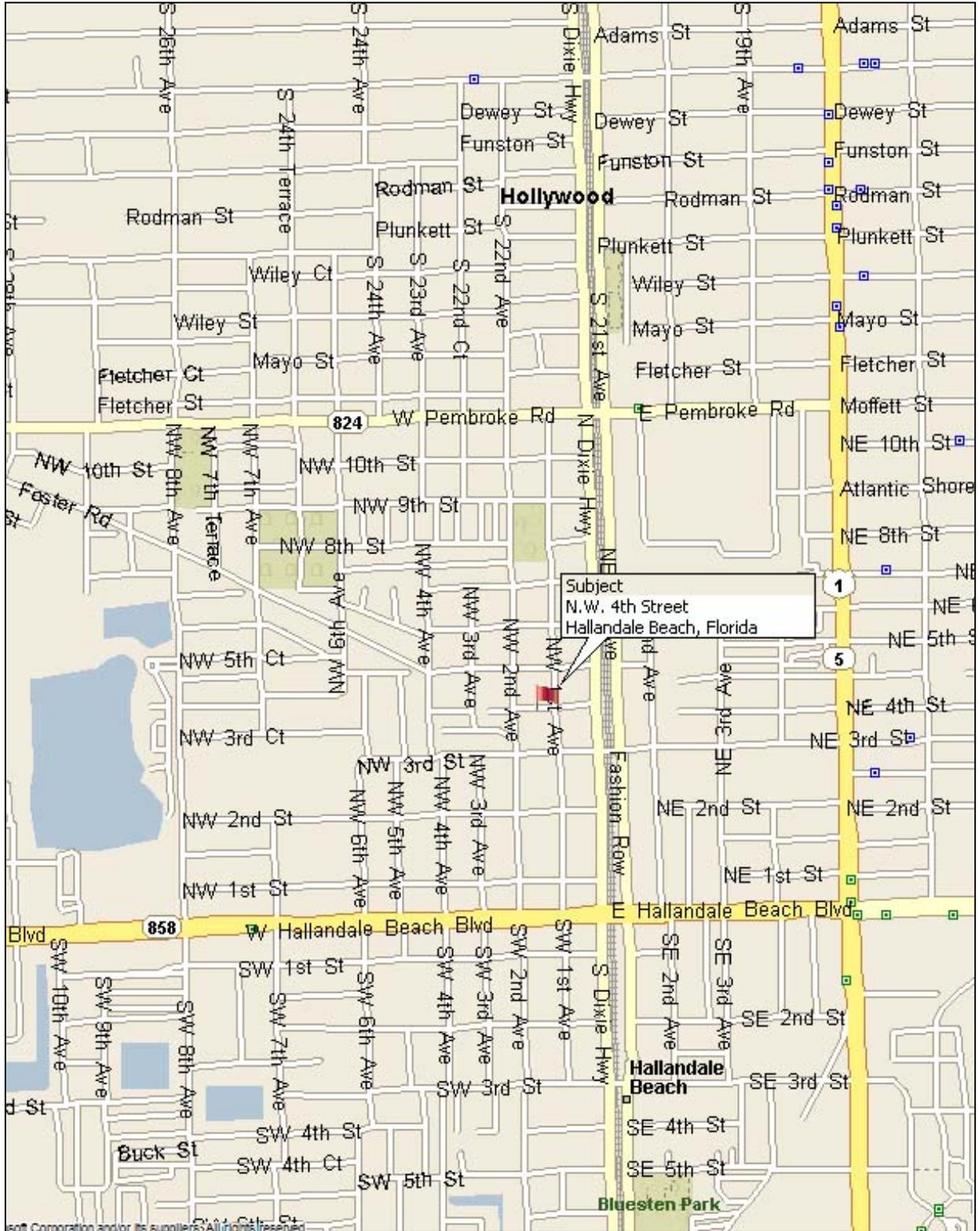
Folio Number(s):	51-42-22-04-0110		
Classification:	Vacant Residential Land		
Tax Year:	2013	2012	2011
Overall Assessment	\$43,200	\$43,200	\$43,200
Ad Valorem Taxes	\$874	\$875	\$889
Non Ad Valorem Taxes	\$0	\$0	\$0
Millage Rate	20.2201	20.2461	20.5706
Total Taxes – Gross	\$874	\$875	\$889
Total Taxes – Discounted*	\$839	\$840	\$853

*Four percent discount for November Payment

Source: Broward County Property Appraiser

The proposed use is for a new fire station and CMD expects an exemption status for the subject property going forward.

Neighborhood Location Map



Area/Neighborhood Description

General Location and Boundaries

The subject property is located within the city of Hallandale Beach which is positioned in extreme southeastern Broward County approximately ten miles south of the Fort Lauderdale Central Business District and 15 miles north of the Miami Central Business District.

Although the subject interacts with and is affected by forces within the overall Broward County market, the area which most directly affects the subject is the area included in its immediate neighborhood. As such, the subject's neighborhood is considered to consist of those properties located within the following boundaries:

- North of the Broward County / Miami-Dade County Line
- South of Hollywood Boulevard
- East of Interstate 95
- West of the Intracoastal Waterway

The subject neighborhood is approximately 90-95% developed with a diverse mix of uses, including office and retail along Federal Highway and Hallandale Beach Boulevard. Residential development is primarily situated east and west of Federal Highway which is an established commercial corridor primarily containing retail and commercial/service properties which cater to the surrounding local population. The area has been fully developed since the mid-1960s. The overall Hallandale Beach market has traditionally been popular with retirees with a large percentage of the residents in the 65+ age bracket. However, the community's location, situated along the Atlantic Ocean between Miami and Fort Lauderdale, as well as the resurgence of development and redevelopment activity in the area along Federal Highway, Hallandale Beach Boulevard and State Road A1A, has attracted younger residents to purchase and rent housing units in this neighborhood in the past few years. Additionally, Hallandale Beach benefits from spillover from Aventura, a very affluent city directly south within Miami-Dade County. As such, Hallandale Beach is currently in a major demographic shift as more young professionals are moving to the area. According to the most recent Census data, the city's median age has dropped from 63 to 48 by 2010.

Roads and Access

The subject area is afforded adequate ease of accessibility characteristics as provided by the local artery/highway network. Federal Highway is the primary north/south thoroughfare through the neighborhood and is an established commercial corridor and considered the primary north/south roadway east of I-95. Major east/west thoroughfares include Hallandale Beach Boulevard, Pembroke Road and Hollywood Boulevard. These

thoroughfares connect with the Interstate 95 (I-95) expressway, one of the most heavily traveled expressways in South Florida. Additionally, I-95 provides direct access to Interstate 595 located six miles north of Hallandale Beach. Interstate 595 feeds directly into the Fort Lauderdale International Airport and Port Everglades to the east and connects with the Florida Turnpike (Florida's main toll expressway) and Interstate 75 to the west.

The subject property is located 15 minutes from the Fort Lauderdale/Hollywood International Airport and Port Everglades, and 30 minutes to the Miami International Airport to the south.

Development Trends in the Area

Development within the city of Hallandale Beach and more specifically the area near the Intracoastal Waterway peaked during the 1960s. Until recently, there was very little development in the area due to the resistance to change by the local government and the lack of desirability of the area compared to other nearby coastal communities. The area was primarily built-out and local population was aging. Between the 1970s and 1990s, the general appearance and overall desirability of properties in the area gradually declined in tandem with the aging of the local population. Over the past several years, redevelopment of existing properties and new development has occurred in the immediate area due to the gentrification and a new, pro-growth philosophy of the city of Hallandale Beach and neighboring Hollywood to the immediate north.

The dominant land use within the subject neighborhood is Gulfstream Park, a 225-acre thoroughbred horse racing facility located along Federal Highway. The development is considered to be a positive influence for the City of Hallandale Beach and surrounding areas as it is a major tourist attraction. Gulfstream is also host to year-round entertainment including concerts, festivals and a full slate of horse racing. January 2006 marked the completion of a major renovation project that consisted of a new and enlarged main track, expanded turf course and expanded 300,000 square foot air conditioned clubhouse. Additionally, Phase I of *The Village at Gulfstream*, which was built by the *Forest City Company*, was completed in early 2010. *The Village at Gulfstream Park* is a 60-acre mixed-use, open air lifestyle center approved for 750,000 square feet of retail, 140,000 square feet of office, 1500 residential units, a 2500 seat cinema and 500-room hotel to be built over a 10-year period. Dozens of retail shops, restaurants and nightclubs have already opened for business including *Williams-Sonoma*, *Pottery Barn*, *The Container Store*, *Brio Tuscan Grille* and *Crate and Barrel*. To date, the cinema and residential units have not been built and there is additional commercial space to be built too.

Other land uses in the area include the *Mardi Gras Casino and Dog Racing Track* located just north of the subject along south side of Pembroke Road. The Diplomat Resort and Convention Center is located directly east of the subject along the Atlantic Ocean. The resort was completely redone in the early 2000s and is one of the premier conference and resort hotels in the region. West of the resort is the Diplomat Landings retail center and the affiliated golf country club with the resort. Major retail uses are noted along Hallandale Beach Boulevard, east of Federal Highway. Hollywood Boulevard to the north and Young Circle in particular are developed with street-front stores and offices. The area is a popular destination for shopping and dining.

A sample of recently completed projects in the area include:

Beach Club, which includes three oceanfront condo towers totaling 1,255 units in 43 and 52 story towers. This project was completed in 2007.

CK Plaza, a strip retail renovation and expansion located at 730 W Hallandale Beach Boulevard containing 17,000 square feet. This project was completed in 2011.

Hallandale Shopping Center, the exterior renovation of an existing 91,000 square foot retail center along with the addition of a new TD bank branch. The project was completed in 2013.

Wal-Mart Expansion, in 2012 Wal-Mart added 18,200 square feet to their existing store located at 2551 E Hallandale Beach Boulevard.

A number of other small commercial and residential projects have also been completed during the last several years as well.

Major developments that have either been approved or are under construction include:

Beachwalk – a 31-story mixed use building with 84 residential units, 432 hotel rooms and restaurant space. Located on the southwest corner of Hallandale Beach Boulevard and the Intracoastal Waterway this project is currently under construction by the Related Group. The hotel portion of the project will be managed by Gemstone Hotels & Resorts. Completion of the project is expected in the first quarter of 2015.

Apogee Beach - a 22-story luxury newly completed condo project of 49-units located at the northeast corner of Hallandale Beach Boulevard and A-1-A. In the summer of 2012, construction of the building commenced and 48 of the 49 units were presold at prices exceeding \$1 million.

Domus Office Center – a planned 19-story class “A” office building with first floor retail to be located on Federal Highway across from Gulfstream Park. The overall project will comprise about 174,000 square feet. Site plan approvals expire in March, 2017.

Hallandale Beach Shops – a planned retail strip center to contain 13,376 square feet of commercial space. Approvals are valid until June, 2014 for this center to be located at 1101 West Hallandale Beach Boulevard.

Hallandale Millennium – this mixed use project is planned to feature a 29-story office building, 179 residential units and 7,770 square feet of retail space. To be located at 2500 East Hallandale Beach Boulevard approvals are valid until October, 2014.

Hallandale Oasis – a proposed mixed use development to include 250 residential units in two 26-story buildings and 120,000 square feet of office space and 33,450 square feet of ground floor retail along East Hallandale Beach Boulevard. Site plan approvals expire in October, 2014.

Hallandale Park Central – to be located at 301 North Federal Highway this project is planned for 372 multi-family units in a six-story building along with 20,200 square feet of retail along Federal Highway. Approvals expire in October, 2015.

Hallandale Square – approved in 2008 this project is planned for 1000 East Hallandale Beach Boulevard and is to consist of 320,000 square feet of retail, 28,000 square feet of restaurants and a 749 seat theatre. Approvals are valid until October, 2015.

The Aventura Hospital is situated south of Gulfstream on the west side of Biscayne Boulevard. Numerous medical office properties are clustered around the hospital. Aventura Optima Plaza will be the newest medical office building in the submarket when completed in early 2013. The improvements have obtained Gold LEED status and are located along the west side of Biscayne Boulevard at N.E. 213th Street, just north of the hospital.

The areas west of Federal Highway consist primarily of older residential uses including multifamily uses and trailer parks. Both the City of Hallandale Beach and Hollywood to the north have enacted community redevelopment plans in order to support redevelopment of the area.

Demographics

A demographic profile for the subject area is presented in the Addenda.

Summary and Conclusions

The subject neighborhood is an attractive location for businesses and residents due to its proximity to the *Gulfstream Racing & Casino* complex. In addition, commercial and retail uses are primarily located along Federal Highway and Hallandale Beach Boulevard with numerous national and local retailers catering to the growing residential base. The subject neighborhood encompasses a wide variety of low-income to high-income residential subdivisions. The subject's immediate area is comprised of mostly lower to middle-income families, while higher-income residents reside to the east. The subject's neighborhood is considered to be an area with an above average demographic profile. There are several successful neighborhood and community retail centers located in both Hallandale Beach and nearby Aventura, particularly along Federal Highway. Demand for newer residential uses should eventually spur redevelopment of some of the older developments in the area due to the close proximity to several major employment centers including Gulfstream, Mardi Gras Casino, the Diplomat Resort and the Aventura Mall to the south of the county line. Based upon the neighborhood's underlying fundamentals, the long term outlook for the area is good, as economic recovery begins to take hold.

Site Description

Physical Characteristics	
Proposed Site Area – SF/Acres	82,105 Square Feet / 1.885 Acres
Subject Site Area – SF/Acres	±14,400 Square Feet
Shape	Rectangular
Topography	Level
Primary Street Frontage - Subject	±95' along the west side of N.W. 1 st Avenue and ±151.6' along the north side of N.W. 4 th Street
Zoning Classification	<p>The subject parcel is currently zoned RD-12, Residential Duplex District. Note: The north portion of the subject's block is zoned B-L, Business Limited District and the south portion is zoned RD-12.</p> <p>The subject parcel has a reasonable probability of being rezoned to BG, General Business District.</p>
Zoning Authority	City of Hallandale Beach
Flood Zone	"X"
Flood Map Panel Number	12011C0318F dated 8/18/92
Census Tract	1004.00
Adjacent Land Uses – North	Residential and Commercial
Adjacent Land Uses – South	Residential and Commercial
Adjacent Land Uses – East	Residential and Commercial
Adjacent Land Uses – West	Residential and Commercial

Market Participants/Most Probable Purchaser

The subject interacts within the southeast Florida real estate market and Broward County in particular. The concept of Market Value relates to the price a typically motivated buyer would pay for a property.

Overall, the subject is considered to be 1.885-acre assemblage site that is suited for commercial and/or civic development. Due to the subject's location surrounded by established residential areas, just east of Interstate 95, a new fire station to service the area is considered to be suitable.

The Highest and Best Use of the 1.885-acre site is consistent with the city's current plan. Therefore, the most probable purchaser of the subject site is considered to be the City of Hallandale Beach or related agency.

Credit Market Yields / Capital Markets

Monetary Rates	Dec-13	Jun-13	Dec-12
Prime Lending Rate	3.25%	3.25%	3.25%
Fed Funds Rate	0.08%	0.07%	0.17%
Three Month Libor	0.24%	0.27%	0.31%

U.S. Treasury Rates	Dec-13	Jun-13	Dec-12
Three Month T-Bill	0.05%	0.04%	0.02%
Six Month T-Bill	0.09%	0.11%	0.05%
10 Year Note	2.85%	3.02%	4.07%
30 Year Bond	3.88%	4.27%	4.95%

Money Market Rates	Dec-13	Jun-13	Dec-12
Bank CD – 1 Year	0.69%	0.60%	0.74%
Bank CD – 5 Year	1.39%	1.41%	1.54%

Source: Bloomberg and RealtyRates

Marketability (SWOT Analysis)

In order to determine the marketability of the subject property, a SWOT analysis has been undertaken. SWOT stands for Strengths, Weaknesses, Opportunities and Threats. Strengths and Weaknesses are internal to the subject and deal with what a property can and cannot control. Opportunities and Threats are external forces that cannot be controlled directly by the subject but the subject can adapt to external factors. Factors serving to affect the desirability and marketability of the subject include:

Strengths

- Good location in close proximity to established residential areas.
- Excellent supply of basic and desirable supporting services in immediate area, i.e., shopping, restaurants, hotels, schools and hospitals.

Weaknesses

- Lack of direct commercial frontage

Opportunities

- Once assembled and rezoned, the larger site area has numerous development possibilities.
- Neighborhood market close to beaches and major employment centers.

Threats

- Inflation.

Exposure Time

Exposure time is a historical event, which, according to the definition of Market Value, precedes the effective date of the appraisal. **Based upon the information compiled in the Sales Comparison Approach to Value section and interviews with market participants, we believe a reasonable exposure time for the subject to be six to twelve months.** Therefore, the market value estimate set forth in this report represents our estimate of value, as of the appraisal date, based upon this precedent exposure to the open market.

Reasonable Marketing Time

The reasonable marketing time represents the most probable time required to expose the subject property on the open market to consummate a sale at a market level price. Based upon interviews with market participants, marketing time is a difficult variable to estimate. Participants interviewed within the course of this report indicated that marketing time is a direct function of price and exposure. These variables are interconnected and cannot be estimated independently. Fundamental economic theory indicates that value and marketing time are directly related, and must be estimated simultaneously in order to be meaningful.

The Reasonable Marketing Period for the subject property is supported by the marketing periods of the comparable sales noted in the Sales Comparison Approach. **Based upon this information, the Reasonable Marketing Period for the subject property is projected to be six to twelve months.** In accordance with Advisory Opinion AO-7 issued by the Appraisal Standards Board of the Appraisal Foundation, the estimate of marketing time is not intended to be a prediction of a date of sale.

ANALYSIS OF DATA

The Appraisal Process

The appraisal process normally gives consideration to the “*three approaches*” as to which they are typically referred. They include the Cost Approach, the Sales Comparison Approach and the Income Approach. The Appraisal of Real Estate, 13th ed., 2008, outlines the mechanics of each approach as follows:

Sales Comparison - Sales of similar, vacant parcels are analyzed, compared, and adjusted to provide a value indication for the land being appraised.

Allocation - Sales of improved properties are analyzed and the prices paid are allocated between the land and the improvements. Allocation can be used in two ways: to establish a typical ratio of land value to total value, which may be applicable to the property being appraised, or to isolate the value contribution of either the land or the building from the sale for use in comparison analysis.

Extraction - Land value is estimated by subtracting the estimated value of the improvements from the known sale price of the property. This procedure is frequently used when the value of the improvements is relatively low or easily estimated.

Subdivision Development - The total value of undeveloped land is estimated as if the land were subdivided, developed, and sold. Development costs, incentive costs, and carrying charges are subtracted from the estimated proceeds of sale, and the net income projection is discounted over the estimated period required for market absorption of the developed sites.

Land Residual Technique - The land is assumed to be improved to its highest and best use. All expenses of operation and the return attributable to the other agents of production are deducted, and the net income imputed to the land is capitalized to derive an estimate of land value. An alternative land residual technique is applied by valuing the land and improvements and deducting the cost of the improvements and any entrepreneurial profit. The remainder is the residual land value.

Ground Rent Capitalization - This procedure is used when land rents and capitalization rates are readily available such as in well-developed areas. Net ground rent, the net amount paid for the right to use and occupy the land, is estimated and divided by a land capitalization rate. Either actual or estimated rents can be capitalized using rates that can be supported in the market. This procedure may be seen as an extension of sales comparison but, where applicable, it provides a specific unit of comparison.

All of these techniques have been considered for purposes of our analysis. However, based on the subject property types and the availability of comparable data, the Sales Comparison Approach has been used to estimate the value of the subject property at its highest and best use.

Highest and Best Use

The definition of highest and best use (*see glossary in Addendum*) implies recognition of the contribution of specific use to the community environment or to community development goals, in addition to wealth maximization of individual property owners. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (Market Value), another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternative term would be most profitable use.

Highest and Best Use As Though Vacant

Highest and best use must meet four criteria: Legal Permissibility, Physical Possibility, Financial Feasibility and Maximum Profitability. We have analyzed the criteria with regard to the subject site as follows:

- Legally Permissible

The most significant legal constraint to land use is zoning which specifies the type and intensity of land use. Zoning laws are designed to allow for the orderly development of communities rather than permitting a disorganized sprawl. The goal in general terms is to provide for comparable neighboring land uses, coordinate the development of primary infrastructure and reduce the overall cost of providing the necessary services to the community.

The subject site is currently zoned RD-12, Residential Duplex District by the City of Hallandale Beach. As of the date of appraisal, the City of Hallandale Beach is in the process of assembling the proposed 1.885-acre site to build a new fire station. As part of the process, it is the client's opinion, as show in the "Land Use and Zoning Due Diligence Analysis" that the subject will be rezoned BG, General Business District. Legally permissible uses of in this zoning district include a variety of uses consistent with the planned use. A copy of this analysis is included in the Addenda. The development of a new fire station also is consistent with the current land use designation for the subject as a Regional Activity Center.

- Physically Possible

The subject proposed assembled site encompasses the entire block, is 1.885-acres and is rectangular in shape. Public utilities are available to the site. This site possesses ±283 feet of frontage along N.W. 1st Avenue, ±286 feet of frontage on N.W. 4^h Street, ±290 on N.W. 2nd Avenue and ±282 feet of frontage along 5th Street (Foster Road). Overall, the subject is physically capable of a variety of uses.

- Financial Feasibility

Financially feasible uses are the logical uses that are physically possible and legally permissible that will produce any net return to the owner of the site. Among uses considered to be financially feasible, there is generally a use that provides the criteria to meet a highest rate of return or value, considering it to be the highest and best use of a site. Based upon the site's size and locational considerations, the site is considered to be well suited for commercial development.

- Maximum Profitability

Maximum profitability deals with the use that will produce the greatest net return to the owner of the site over a given period of time; it is also the highest and best use of the site as if vacant. The site represents a good commercial location in an established residential neighborhood. . Due to the larger size of the assembled site, as well as observations of the region a likely candidate for the site would be development for an educational, recreational or civic use. Therefore, a pre-leased, build-to-suit or owner/user development for use as any type of these facilities, would be considered feasible and represent the maximally productive use of the site.

Sales Comparison Approach to Value

The Sales Comparison Approach is based upon the principal of substitution; that is, when a property is replaceable in the market, its value tends to be set at the cost to acquire an equally desirable substitute property, assuming no costly delay in making the substitution. The application of this traditional appraisal technique requires a systematic procedure, which is outlined as follows:

- Research of the market to obtain information about sale transactions, listings and other offerings of properties similar to the subject.
- Verification of the factual data pertaining to the transaction and determining if the transactions represent an “arm’s length” sale.
- Conclude relative units of comparison recognized by the market and develop a comparative analysis for each unit.
- Contrast the subject property and the sale transactions based upon elements of comparison.
- Reconcile the multiple value indicators into a single indication of market value.

The validity of this approach is very much dependent on the availability or quantity of the data and the relevance or quality of the data. The market data serve as a basis for making comparative sales analyses in order to make a reasonable estimate of the value of the property being appraised. Because no two properties are identical, it is necessary to adjust the prices of the market indicators to reflect the value of the property being appraised. Typically, adjustments are considered to reflect significant differences or factors affecting each property, including, time of sale, terms of the sale, size, location and others. After appropriate adjustments are considered, an indication of market value is estimated.

The subject property as assembled contains a site area of 1.885 acres and is currently zoned BL and RD-12 by the City of Hallandale Beach. The site’s highest and best use was determined for an educational, recreational or civic use. Therefore, the comparable land sales search included sites that were purchased or are zoned for the development of similar type uses.

Of the numerous sales examined, five (5) transactions were determined to be representative of the subject site with regard to physical attributes and proposed use. A summary of the most important details of these transactions is presented on the following page with profiles presented in the addenda. A location map exhibiting each of these sales is presented on the next page.

**Comparable Land Sales Summary and Adjustment Table
Vacant Commercial/Educational/Religious Use Development Sites
Southeast Florida Region**

Property	Subject	Sale No. 1	Sale No. 2	Sale No. 3	Sale No. 4	Sale No. 5
Location	402 N.W. 1st Avenue	NWC of High Ridge Road & Miner Road	7450 Davie Road Extension	2951 S.W. 186th Avenue	West side of Flamingo Road	2800 N. Palm Avenue
City	Hallandale Beach	Boynton Beach	Davie	Miramar	Cooper City	Cooper City
Site Data						
Size - SF	82,105	230,868	155,074	157,993	402,824	261,360
Size - Acres	1.885	5.30	3.560	3.627	9.248	6.000
Utilities	All Available	All Available	All Available	All Available	All Available	All Available
Zoning	BL & BG (Proposed)	PUD	C-3	CF	UC	X-1
Site Condition	Vacant, Cleared	Vacant, Cleared	Vacant, Cleared	Vacant, Cleared	Vacant, Cleared	Raw Land
Planned / Current Use	Fire Station	Educational Facility	Religious Facility	Religious Facility	Charter School	Charter School
Sale Data						
Sale Price	\$1,276,125	\$700,000	\$1,250,000	\$3,500,000	\$2,600,000	
Date of Sale	March 19, 2013	March 14, 2013	January 30, 2013	October 16, 2012	July 22, 2011	
O.R. Book/Page	25906/1350	49636/1391	49474/1330	49165/737	48067/481	
Financing	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent
Price/SF of Site	\$5.53	\$4.51	\$7.91	\$8.69	\$9.95	
Physical Adjustments						
Location	-5%	-5%	-10%	-10%	-10%	-10%
Size	5%	2%	2%	10%	5%	5%
Site Conditions	0%	0%	0%	0%	0%	2%
Subtotal	0%	-3%	-8%	0%	0%	-3%
Adjusted Value Indication	\$5.53	\$4.38	\$7.28	\$8.69	\$9.65	

Comparable Land Sales Location Map



Analysis of Land Sales

As indicated, the unadjusted value indicators range from \$4.51 to \$9.65 per square foot of site area. The most appropriate method to value the subject site is direct comparison with like property sales. However, a comparative analysis is necessary to extract differences, if any, in the features and attributes that differentiate the sales from the subject. In the following pages, a discussion of the various factors that may affect value is set forth.

Conditions of Sale (Motivation) – When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. When non-market conditions of the sale are noted, the sale should be related to the subject only with great care. Typically, market based adjustments are very difficult to make for such situations. All of the sales were verified as arm's-length transactions.

Cash Equivalency – The transaction price of one property may differ from that of an identical property because financing arrangements vary. If a buyer of a certain property assumed an existing mortgage at a favorable (below current market) interest rate, the buyer may have paid a higher price than a purchaser of the subject can be expected to pay under current market financing terms. Other forms of favorable financing often include below market seller financing, such as purchase money and/or wraparound mortgages. The financing arrangements for each comparable sale were analyzed. Each appears to have been conducted with cash or typical financing terms, and reflected no significant effect upon the respective purchase price and, therefore, did not require adjustment.

Market Conditions (Time) – Market conditions may change between the time of sale of a comparable property and the date of the appraisal of the subject. Under these circumstances, the price of the comparable property would be different at the date of the appraisal, and an adjustment should be considered. Time itself does not necessitate an adjustment, but rather a shift in market conditions over time. If market conditions have not experienced any significant change, no adjustment would be required, even if a considerable amount of time had passed.

The demand and marketability for developable land began to decline in 2007 and continued into 2010, with property values finally stabilizing by late-2010. The comparable land sales transferred between mid-2011 and 2013. Therefore, no adjustments were warranted as the each of the sales transferred during the recent stabilization period of land prices.

Location – An adjustment for location may be required if the locational characteristics of a comparable property are significantly different from those of the subject property. The subject's location has been previously discussed. Comparable Land Sale 1 is located in Boynton Beach in Palm Beach County. Land Sales 2, 3, 4 and 5 are located in west Broward, in areas characterized by newer commercial, multifamily and hospitality development. These locations were considered superior to the subject and downward adjustments were applied accordingly.

Zoning – An adjustment for zoning issues may be required if development restrictions and land uses are significantly different from those of the subject site. The subject parcel has a reasonable probability of being rezoned to BG, Business General District which allows for a wide range of business and public use development, including educational use which was determined to be the highest and best use of the site. Each of the comparable sales is zoned for similar purposes; therefore, no adjustments for zoning were warranted.

Physical Attributes / Site Conditions – The subject site possesses a sufficiently large site area, level topography and all utilities are available. For purposes of this land valuation, the site is considered vacant and cleared. Each of the comparable sales has a functional size and shape and all are at or near street level. Sales 1 - 4 were vacant and cleared at the time of sale. Sale 5 was considered to be raw land at the time of sale and as such, is adjusted upward for site conditions. The remaining sales were deemed similar.

Size – In observing and analyzing vacant land sales within the Florida real estate market, a relationship has been noted. Typically, this is an inverse relationship between site size and price per unit (square foot). This is caused by the lower overall acquisition cost of a smaller property, which may be purchased by a larger pool of potential buyers. The comparable sales range in size 3.56 to 9.95 acres. The subject site contains a site area of 1.885 acres, which falls below the range of comparables. All sales reflect positive adjustments for size accordingly.

Reconciliation

Five land sales were analyzed and a comparative process was undertaken whereby direct comparison was made between the subject site and the comparables. The comparable sales required subjective relative adjustments for location, size and site conditions. An adjusted value range of \$4.38 to \$9.65 is indicated. Less emphasis was placed upon the Sale 1, which is located in Palm Beach County. The remaining sales are all located in Broward County.

Based upon the foregoing analysis of the comparables, the proper value indicator for the subject is considered to be \$7.25 per square foot of site area.

Conclusion

Based upon this information and analysis, the proper value indicator for the 1.885-acre proposed site is considered to be \$7.25 per square foot of site area. Thus, the Market Value indicator, via the sales Comparison Approach to Value for the subject parcel totaling 14,400 square feet is calculated as follows:

Sales Comparison Approach – Market Value Indicator

Site Size – Square Feet	14,400
Value Indicator / Square Foot	\$7.25
Sales Comparison Approach – Market Value Indicator	\$104,400
Rounded	\$104,000

ADDENDA

ASSUMPTIONS, CONTINGENT AND LIMITING CONDITIONS

Basic Assumptions, Contingent and Limiting Conditions

This appraisal report is made expressly subject to the following assumptions and limiting conditions and any special limiting conditions contained in the report which are incorporated herein by reference.

This appraisal represents the best opinion of the appraiser(s) as to Market Value of the property as of the appraisal date. The term "Market Value" is defined in the appraisal report.

The legal description furnished is assumed to be correct. The appraiser(s) assumes no responsibility for matters legal in character, nor does he/she render any opinion as to the title, which is assumed to be good. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.

Any sketch in this report is included to assist the reader in visualizing the property. The appraiser(s) has made no survey of the property and assumes no responsibility in connection with such matters.

The appraiser(s) believes to be reliable the information which was furnished by others, but he/she assumes no responsibility for its accuracy.

Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the client, without the previous written consent of the appraiser(s) or the client, and then, only with proper qualification.

The appraiser(s) is not required to give testimony in deposition or in court, or give testimony at a governmental hearing by reason of this appraisal with reference to the property in question, unless arrangements have been previously made with the approval of the appraiser(s). Said arrangements must be prior to 30 days of the anticipated date. Further, the appraiser(s) reserves the right to consider and evaluate additional data that becomes available between the date of this report and the date of trial, if applicable, and to make any adjustments to the value opinions that may be required.

No testimony will be rendered unless the entire appraisal fee has been paid. Further, all testimony will be subject to expert witness fees previously approved by the appraiser(s).

The distribution of the total value of this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

The land, and particularly the soil, of the area under appraisal appear firm and solid. Subsidence in the area is unknown or uncommon, but this appraiser(s) does not warrant against this condition or occurrence. Subsurface rights (mineral and oils) were not considered in making this appraisal.

The appraiser(s) carefully inspected the buildings involved in this appraisal report and damage, if any, by termites, dry rot, wet rot, or other infestations, was reported as a

matter of information by the appraiser(s), but he/she does not guarantee the amount or degree of damage, if any.

All furnishings and equipment, except those specifically indicated and typically considered as a part of real estate, have been disregarded by the appraiser(s). Only the real estate has been considered.

The comparable sales data relied upon in this appraisal is believed to be from reliable sources; however, it was not possible to inspect the interiors of all of the comparable, and it was necessary to rely on information furnished by others as to physical and economic data.

The appraiser(s) has inspected, as far as possible, the land and the improvements thereon; however, it was not possible to personally observe conditions beneath the soil or hidden structural components within the improvements; therefore, no representations are made herein as to these matters and, unless specifically considered in the report, the value estimate is subject to any such conditions that could cause loss in value. Conditions of heating, cooling, ventilating, electrical, and plumbing equipment is considered to be commensurate with the conditions of the balance of the improvements, unless otherwise stated.

Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.

Unless otherwise stated in the report, the existence of hazardous substances including, without limitation, asbestos, radon gas, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of the appraiser(s), nor did the appraiser(s) become aware of such during the appraiser's inspection. The appraiser(s) has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser(s), however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

The appraisal is as of the date specified and covers the legally described property only. The current purchasing power of the U.S. Dollar is the basis for the value reported. The appraiser(s) assumes no responsibility for economic or physical factors occurring at some later date, which may affect the opinions herein stated.

This appraisal is presented as a complete, bound report, and may be considered valid only so long as it is presented in its entirety. Further, all pages listed in the Table of Contents must be present and the appraiser's signature accompanied by the raised seal.

Neither all, nor any part of the content of the report, or copy thereof, [including conclusions as to the property value, the identity of the appraiser(s), or the firm with which the appraiser(s) is connected], shall be used for any purposes by anyone but the

client specified in the report, the mortgagee or its successors and assigns, mortgage insurer, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency or instrumentality of the United States or any State, or the District of Columbia, without the previous written consent of the appraiser(s); nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the appraiser(s).

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser(s) has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser(s) has no direct evidence relating to this issue, the appraiser(s) did not consider possible non-compliance with the requirements of ADA in estimating the value of the property. The appraiser(s) recommends that the entities affected by the Act conduct an "ADA Audit" of the facilities. The ADA Audit should be performed by competent legal professionals who are familiar with the detail and specificity of the Act, in conjunction with architects and engineers versed in its technical requirements. The cost to cure any non-compliant item(s) may serve to reduce the value estimate contained in this report and the appraiser(s) assumes no responsibility for any such condition, nor for any expertise or engineering knowledge required to discover them.

Reliance has been placed upon information provided by the owner, which is assumed to be correct. If any inaccuracies are discovered in this information, the appraisers reserve the right to amend the value conclusion stated herein.

Acceptance of delivery or the payment for this report constitutes acceptance of this condition and all other contingent conditions set forth herein.

DEFINITIONS

APPRAISAL DEFINITIONS

Absolute net (bond) lease. A lease in which the tenant is responsible for payment of all expenses including but not limited to real estate taxes, insurance, maintenance, utilities, janitorial and structural repairs. The intent of this lease type is that the landlord absorbs no expenses relating to the operation or repair of the leased space.

Aggregate of retail values (ARV). The sum of the appraised values of the individual units in a subdivision, as if all of the units were completed and available for retail sale, as of the date of the appraisal. The sum of the retail sales includes an allowance for lot premiums, if applicable, but excludes all allowances for carrying costs.

Appraisal. (Noun) The act or process of developing an opinion of value. (Adjective) Of or pertaining to appraising and related functions such as appraisal practice or appraisal services.

Client. The party or parties who engages an appraiser (by employment or contract) in a specific assignment.

Discounted cash flow (DCF) analysis. The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams as well as the quantity and timing of the reversion and discounts each to its present value at a specified yield rate. DCF analysis can be applied with any yield capitalization technique and may be performed on either a lease-by-lease or aggregate basis.

Effective rent. The rental rate net of financial concessions such as periods of no rent during the lease term; may be calculated on a discounted basis, reflecting the time value of money, or on a simple, straight-line basis.

Extraordinary assumption. An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

Fee simple estate. Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Floor area ratio (FAR). The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. See also land-to-building ratio.

Full service lease. A lease in which the landlord is responsible for payment of all expenses pertaining to real estate taxes, insurance, maintenance, all utilities and janitorial.

Going-concern value.

1. The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; also called value of the going concern.
2. Tangible and intangible elements of value in a business enterprise resulting from factors such as having a trained work force, an operational plant, and the necessary licenses, systems, and procedures in place.
3. The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value.

Gross lease. A lease in which the landlord is responsible for payment of all expenses pertaining to real estate taxes, insurance, and maintenance, but not tenant utilities and janitorial.

Highest and best use. The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Hypothetical condition. That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

Industrial gross lease. A lease in which the landlord is responsible for all payment of all expenses pertaining to base year real estate taxes, base year insurance, and maintenance, but not tenant utilities and janitorial. Tenant is responsible for any increases over base year (first lease year) real estate taxes and insurance.

Inspection, property inspection. In accordance with generally accepted appraisal standards an inspection is the act of touring or viewing a property. It is a cursory or superficial visual observation of the property which is not intended to be confused with an assessment of a building, structure or mechanical systems performed by a professional engineer or general contractor.

Intended use. The use or uses of an appraiser's reported appraisal, consulting, or review assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended user. The client and any other party as identified, by name or type, as users of the appraisal, consulting, or review report, by the appraiser based on communication with the client at the time of the assignment.

Investment value. The value of a property interest to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.

Leased fee estate. An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

Market value. The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and each acting in what they consider their own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. Dollars, or in terms of financial arrangements comparable thereto; and
5. the price represents a normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Neighborhood shopping center. The smallest type of shopping center, generally with a gross leasable area of less than 100,000 square feet. Typical anchors include supermarkets and pharmacies. Neighborhood shopping centers offer convenience goods and personal services, and usually depend on the market support of more than 1,000 households.

Net lease. A lease in which the tenant is responsible for expenses payment of all expenses pertaining to real estate taxes, insurance, maintenance, utilities and janitorial. The landlord is responsible only for expenses relating to structural repairs.

Overall capitalization rate (R_o). An income rate for a total real property interest that reflects the relationship between a single year's net operating income expectancy and the total property price or value; used to convert net operating income into an indication of overall property value ($R_o = I_o/V_o$).

Personal property. Identifiable portable and tangible objects which are considered by the general public as being "person", e.g. furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all property that is not classified as real estate.

Prospective value estimate. A forecast of the value expected at a specified future date. A prospective value estimate is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

Retrospective value opinion. An opinion of value that is likely to have applied as of a specified historic date. A retrospective value opinion is most frequently sought in connection with appraisals for estate tax, condemnation, inheritance tax, and similar purposes.

Scope of work. The type and extent of research and analyses in an assignment.

Shell space. Space in which no interior finishing has been installed, including even basic improvements such as ceilings, interior walls and floor coverings.

Use value.

1. In economics, the attribution of value to goods and services based upon their usefulness to those who consume them.
2. In real estate appraisal, the value a specific property has for a specific use; may be the highest and best use of the property or some other use specified as a condition of the appraisal; may be used where legislation has been enacted to preserve farmland, timberland, or other open space land on urban fringes.

Vacancy and collection loss. An allowance for reductions in potential income attributable to vacancies, tenant turnover, and nonpayment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*.

Variable expenses. Operating expenses that generally vary with the level of occupancy or the extent of services provided.

Yield capitalization. The capitalization method used to convert future benefits into present value by discounting each future benefit at an appropriate yield rate or by developing an overall rate that explicitly reflects the investment's income pattern, value change, and yield rate.

Yield rate (Y). A rate of return on capital, usually expressed as a compound annual percentage rate. A yield rate considers all expected property benefits, including the proceeds from sale at the termination of the investment. Yield rates include the interest rate, discount rate, internal rate of return (*IRR*), overall yield rate (Y_O) and equity yield rate (Y_E).

SUBJECT PROPERTY DATA

COMPARABLE LAND SALE PROFILES

Land Sale No. 1



Property Identification

Record ID	2281
Property Type	Business/Commercial
Address	Boynton Beach, Palm Beach County, Florida 33426
Location	NWC of High Ridge Road & Miner Road
Tax ID	08-43-45-08-17-000-1230, et. al.

Sale Data

Grantor	New Urban High Ridge, LLC
Grantee	Learning Excellence Foundation of South Palm Beach, Inc.
Sale Date	March 19, 2013
Deed Book/Page	25906/1350
Recorded Plat	22/6
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash Equivalent
Verification	Confirmed by Steve Kuhn
Sale Price	\$1,276,125
Cash Equivalent	\$1,276,125

Land Sale No. 1 (Cont.)

Land Data

Zoning	PUD, Planned Unit Development
Utilities	All available
Shape	Generally rectangular

Land Size Information

Gross Land Size	5.300 Acres or 230,868 SF
Front Footage	High Ridge Road, Miner Road

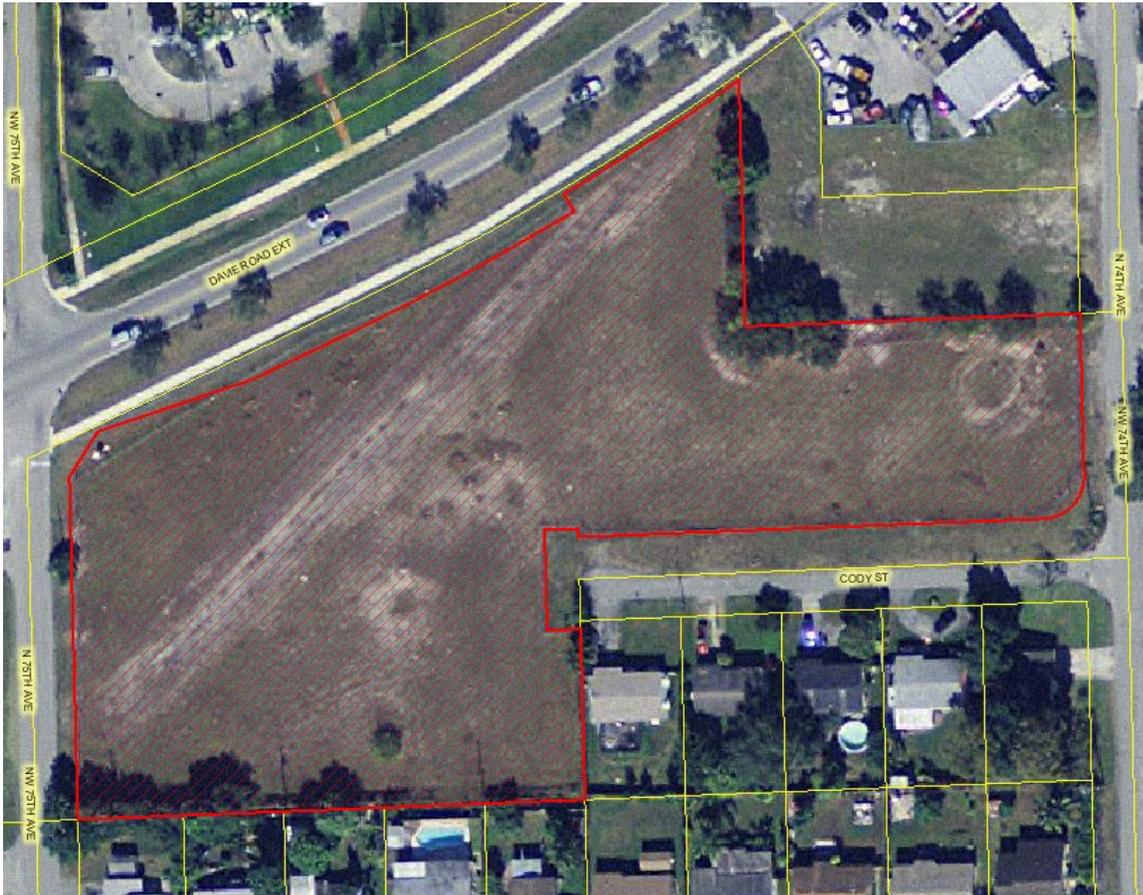
Indicators

Sale Price/Gross Acre	\$240,778
Sale Price/Gross SF	\$5.53

Remarks

This is the sale of a vacant development site located at the northwest corner of High Ridge Road and Miner Road, within the City of Boynton Beach in Palm Beach County. This location is equidistant between Hypoluxo Road and Gateway Boulevard, and is just west of Interstate 95. The 5.300-acre overall site, which was previously planned and approved for a townhome project, is subdivided into 70 individual parcels. The buyer plans to develop the site with an educational facility and ancillary recreational site improvements. The site is situated adjacent to a recently completed charter school facility.

Land Sale No. 2



Property Identification

Record ID	2328
Property Type	Business/Commercial
Property Name	Inter-Generational Day Care
Address	7450 Davie Road Extension, Davie, Broward County, Florida 33024
Location	Central Broward County
Tax ID	51-41-03-63-0010
MSA	Fort Lauderdale
Market Type	Suburban

Sale Data

Grantor	Provincial Realty Associates, Inc.
Grantee	Islamic Movement of Florida, Inc.
Sale Date	March 14, 2013
Deed Book/Page	49636-1391
Recorded Plat	153/27
Property Rights	Fee Simple
Marketing Time	1,261 Days

Land Sale No. 2 (Cont.)

Conditions of Sale	Arm's Length
Financing	Cash
Verification	Other sources: Loop Net, Public Records, CoStar, Confirmed by Albert Owler

Sale Price	\$700,000
Cash Equivalent	\$700,000
Adjusted Price	\$700,000

Land Data

Zoning	C-3, Commercial
Topography	Level at road grade
Utilities	All available to the site
Dimensions	Irregular
Shape	Irregular
Landscaping	None
Parking	None
Rail Service	None
Fencing	None

Land Size Information

Gross Land Size	3.560 Acres or 155,074 SF
Useable Land Size	3.560 Acres or 155,074 SF , 100.00%
Front Footage	434 ft Total Frontage: 434 ft Davie Road Extension

Indicators

Sale Price/Gross Acre	\$196,629
Sale Price/Gross SF	\$4.51
Sale Price/Useable Acre	\$196,629
Sale Price/Useable SF	\$4.51
Sale Price/Front Foot	\$1,613

Remarks

This property had been listed for the past three and a half years for \$1,000,000. The property was purchased by a religious group that owns the property to the east. The purchased was for the development of a day care center which will be in alliance with the Islamic Movement of Florida Group.

Land Sale No. 3



Property Identification

Record ID	2243
Property Type	Business/Commercial
Property Name	Proposed Church Site
Address	2951 S.W. 186th Avenue, Miramar, Broward County, Florida 33029
Location	Southwest Broward County
Tax ID	51-39-25-03-0270

Sale Data

Grantor	Lutheran Church Extension Fund
Grantee	Calvary Fellowship, Inc.
Sale Date	January 30, 2013
Recorded Plat	163/20
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Conventional
Verification	Confirmed by Albert Owler

Sale Price	\$1,250,000
Cash Equivalent	\$1,250,000
Adjusted Price	\$1,250,000

Land Sale No. 3 (Cont.)

Land Data

Zoning	CF, Community Facility
Topography	Generally level, near road grade
Utilities	All available
Dimensions	Irregular
Shape	Irregular
Platting	Yes
Depth	272

Land Size Information

Gross Land Size	3.627 Acres or 157,993 SF
Useable Land Size	3.627 Acres or 157,993 SF , 100.00%
Front Footage	507 ft Total Frontage: 507 ft S.W. 186th Avenue

Indicators

Sale Price/Gross Acre	\$344,636
Sale Price/Gross SF	\$7.91
Sale Price/Useable Acre	\$344,636
Sale Price/Useable SF	\$7.91
Sale Price/Front Foot	\$2,465

Remarks

This is a sale of 3.627-acre development site situated along the east side of S.W. 186th Avenue and a couple hundred feet north of Miramar Parkway, within the City of Miramar in southwest Broward County, Florida. The site is zoned CF District, which allows for public and private school sites, churches, museums, recreational facilities, swimming pools, playgrounds, or any other type of recreational facility, public, private or commercial; as well as public type buildings and areas such as parks, city hall, police and fire departments, and other related municipal functions. The property is slated for development of a church. The original asking price was \$1,700,000 (\$10.76/SF). The property was sold vacant and ready for development. The listing period was just over one year.

Land Sale No. 4



Property Identification

Record ID	2147
Property Type	Business/Commercial
Property Name	Proposed Charter School Site
Address	Cooper City, Broward County, Florida 33330
Location	West side of Flamingo Road, just south of Stirling Road
Tax ID	51-40-02-12-0010

Sale Data

Grantor	Archdiocese of Miami
Grantee	CA Cooper City 6271 SFR LLC
Sale Date	October 16, 2012
Recorded Plat	167/10
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Verification	Confirmed by Steve Kuhn

Sale Price	\$3,500,000
Cash Equivalent	\$3,500,000
Adjusted Price	\$3,500,000

Land Data

Zoning	X-1, Civic District Cooper City
---------------	---------------------------------

Land Sale No. 4 (Cont.)

Topography	Generally level, near road grade
Utilities	All available
Shape	Rectangular
Platting	Yes
Depth	1225

Land Size Information

Gross Land Size	9.248 Acres or 402,824 SF
Useable Land Size	9.248 Acres or 402,824 SF , 100.00%
Front Footage	1842 ft Total Frontage: 617 ft Flamingo Road;1225 ft Luray Road

Indicators

Sale Price/Gross Acre	\$378,478
Sale Price/Gross SF	\$8.69
Sale Price/Useable Acre	\$378,478
Sale Price/Useable SF	\$8.69
Sale Price/Front Foot	\$1,900

Remarks

This is a sale of 9.248-acre development site situated along the west side of Flamingo Road, just south of Stirling Road, within the City of Cooper City in southwest Broward County, Florida. The site is zoned X-1, Civic District, which allows for public and private school sites, churches, museums, recreational facilities, swimming pools, playgrounds, or any other type of recreational facility, public, private or commercial; as well as public type buildings and areas such as parks, city hall, police and fire departments, and other related municipal functions. According to the listing broker, the site was sold to a charter school developer. The sale closed after the approval process was completed. The original asking price was \$4,000,000 (\$9.93/SF). At the time of sale the property had been improved with an older church.

Land Sale No. 5



Property Identification

Record ID	2142
Property Type	Business/Commercial
Property Name	Proposed Franklin Charter School
Address	2800 N. Palm Avenue, Cooper City, Broward County, Florida 33328
Location	SEC of Palm Ave. (NW 101st Ave.) & NW 29th Court
Tax ID	51-41-05-01-0511

Sale Data

Grantor	First Baptist Church of Southwest Broward, Inc.
Grantee	Charter BC Cooper City, LLC
Sale Date	July 22, 2011
Deed Book/Page	48067/481
Property Rights	Fee Simple
Conditions of Sale	Arm's Length (seller retains parking easement)
Financing	Cash to seller
Verification	September 03, 2011; Confirmed by Patricia Friend

Sale Price	\$2,600,000
Cash Equivalent	\$2,600,000

Land Sale No. 5 (Cont.)

Land Data

Zoning	X-1, Civic District Cooper City
Topography	Level; at road grade
Utilities	All available
Shape	Irregular
Landscaping	Raw Land
Parking	Shared Parking Easement with Seller
Platting	Re-plat approved prior to closing
Concurrency	Yes

Land Size Information

Gross Land Size	6.000 Acres or 261,360 SF
Front Footage	Palm Avenue;NW 29th Court
Actual/Planned Building SF	78,700

Indicators

Sale Price/Gross Acre	\$433,333
Sale Price/Gross SF	\$9.95
Sale Price/Planned Bldg. SF	\$33.04

Remarks

This is a 6-acre parcel that was carved out of a larger Agricultural-zoned parcel owned by First Baptist Church of Southwest Broward. The site was under contract to Charter BC Cooper City, LLC for over a year, pending a zoning change to X-1 (Civic District Cooper City), and a re-plat and site plan approvals submitted concurrently to the City of Cooper City in May 2010. The City Council approved the re-zoning and site plan with development approvals for the Franklin Charter School in early 2011. Based on the preliminary site plan, the buyer will construct a 2-story charter elementary school (K-8) with 69 classrooms and a capacity of 1,400 students. The seller retained an easement on the east side of the site that will allow the adjacent church to utilize parking for special events. The site has good frontage along the east side of Palm Avenue (NW 101st Avenue), approximately 1,200 feet north of Sheridan Street, and immediately south of Brian Piccolo Regional County Park, which provides a locational amenity for the proposed school. The aerial photograph was added December 2013 and therefore shows the improvements constructed since the sale.

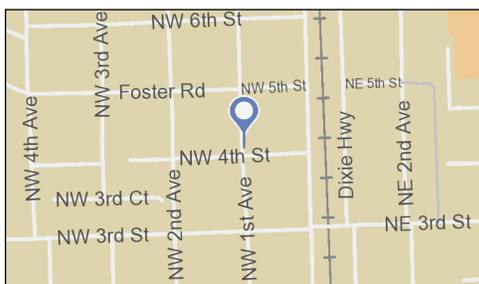
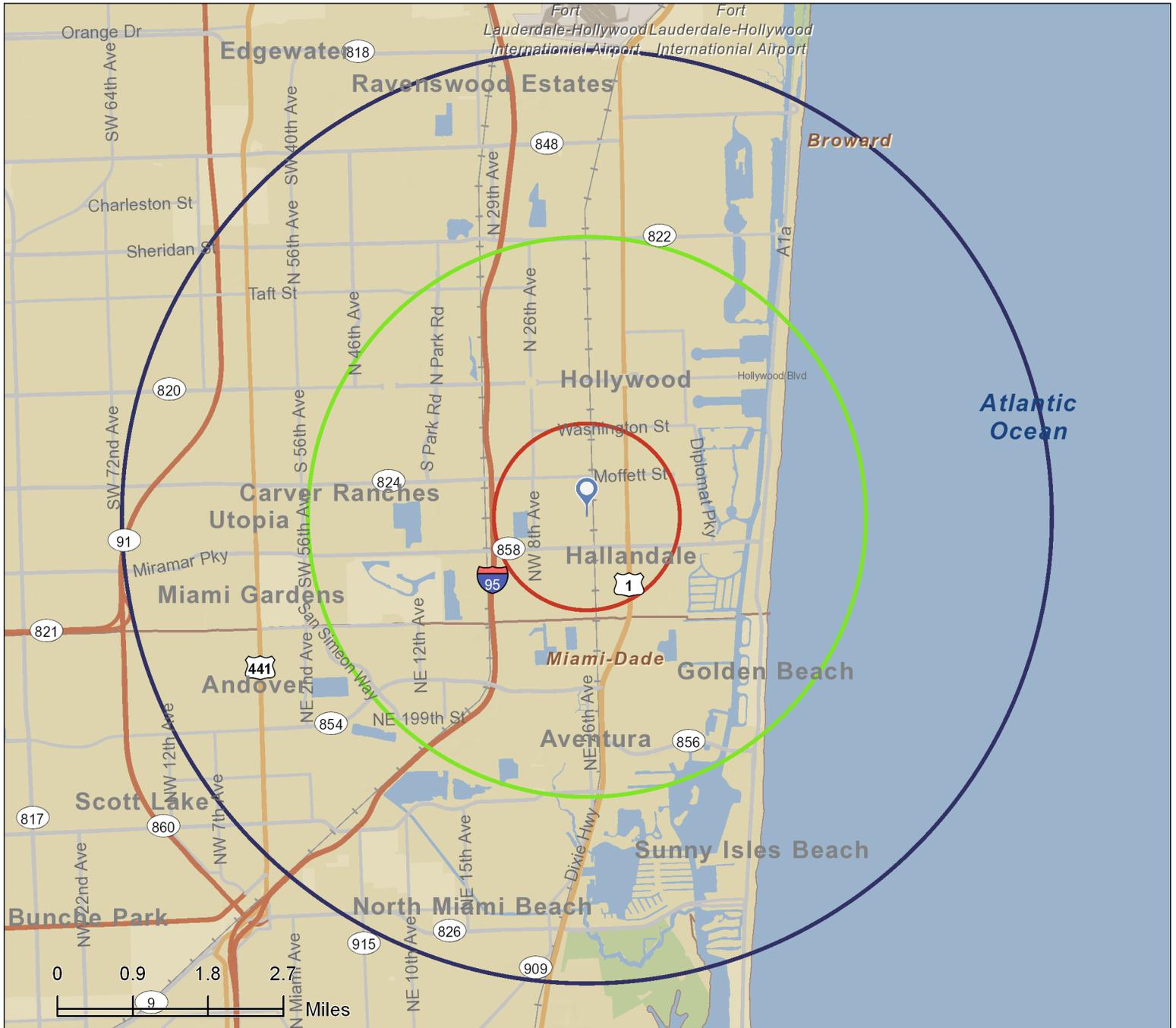
DEMOGRAPHICS



Site Map

402 NW 1st Avenue, Hallandale Beach, FL 33009
402 NW 1st Ave, Hallandale Beach, Florida, 33009
Ring: 1, 3, 5 Miles

Prepared by Walter Duke
Latitude: 25.990215
Longitude: -80.149522





Demographic and Income Profile - Appraisal Version

402 NW 1st Avenue, Hallandale Beach, FL 33009
 402 NW 1st Ave, Hallandale Beach, Florida, 33009,
 Rings: 1, 3, 5 mile radii

Prepared by Walter Duke
 Latitude: 25.99021547
 Longitude: -80.14952229

Summary	Census 2010	2013	2018
Population	22,863	22,814	23,868
Households	9,777	9,679	10,069
Families	5,543	5,465	5,653
Average Household Size	2.33	2.34	2.36
Owner Occupied Housing Units	4,517	4,134	4,425
Renter Occupied Housing Units	5,260	5,545	5,644
Median Age	39.9	40.9	41.9
Trends: 2013 - 2018 Annual Rate	Area	State	National
Population	0.91%	0.99%	0.71%
Households	0.79%	0.98%	0.74%
Families	0.68%	0.87%	0.63%
Owner HHs	1.37%	1.32%	0.94%
Median Household Income	2.19%	3.47%	3.03%

Households by Income	2013		2018	
	Number	Percent	Number	Percent
<\$15,000	2,574	26.6%	2,700	26.8%
\$15,000 - \$24,999	1,524	15.7%	1,183	11.7%
\$25,000 - \$34,999	1,540	15.9%	1,463	14.5%
\$35,000 - \$49,999	1,947	20.1%	1,987	19.7%
\$50,000 - \$74,999	1,159	12.0%	1,300	12.9%
\$75,000 - \$99,999	514	5.3%	790	7.8%
\$100,000 - \$149,999	295	3.0%	460	4.6%
\$150,000 - \$199,999	109	1.1%	166	1.6%
\$200,000+	16	0.2%	21	0.2%
Median Household Income	\$29,001		\$32,325	
Average Household Income	\$36,981		\$41,540	
Per Capita Income	\$15,631		\$17,446	

Population by Age	Census 2010		2013		2018	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	1,473	6.4%	1,406	6.2%	1,441	6.0%
5 - 9	1,236	5.4%	1,303	5.7%	1,336	5.6%
10 - 14	1,215	5.3%	1,200	5.3%	1,321	5.5%
15 - 19	1,285	5.6%	1,207	5.3%	1,224	5.1%
20 - 24	1,479	6.5%	1,505	6.6%	1,441	6.0%
25 - 34	3,157	13.8%	3,047	13.4%	3,149	13.2%
35 - 44	3,237	14.2%	3,044	13.3%	2,875	12.0%
45 - 54	3,435	15.0%	3,294	14.4%	3,185	13.3%
55 - 64	2,881	12.6%	3,069	13.5%	3,274	13.7%
65 - 74	1,874	8.2%	2,036	8.9%	2,544	10.7%
75 - 84	1,134	5.0%	1,185	5.2%	1,461	6.1%
85+	458	2.0%	517	2.3%	617	2.6%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

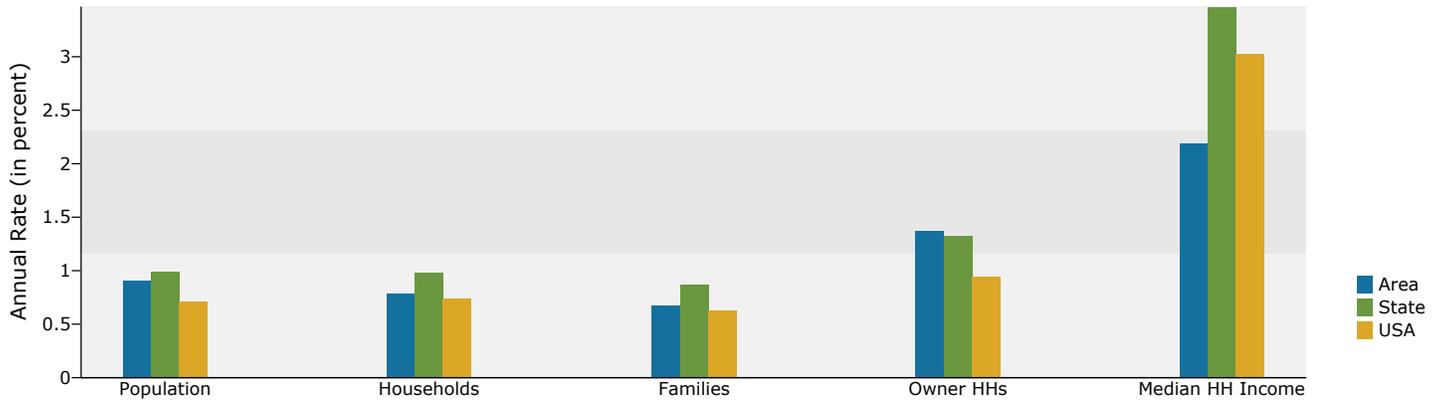


Demographic and Income Profile - Appraisal Version

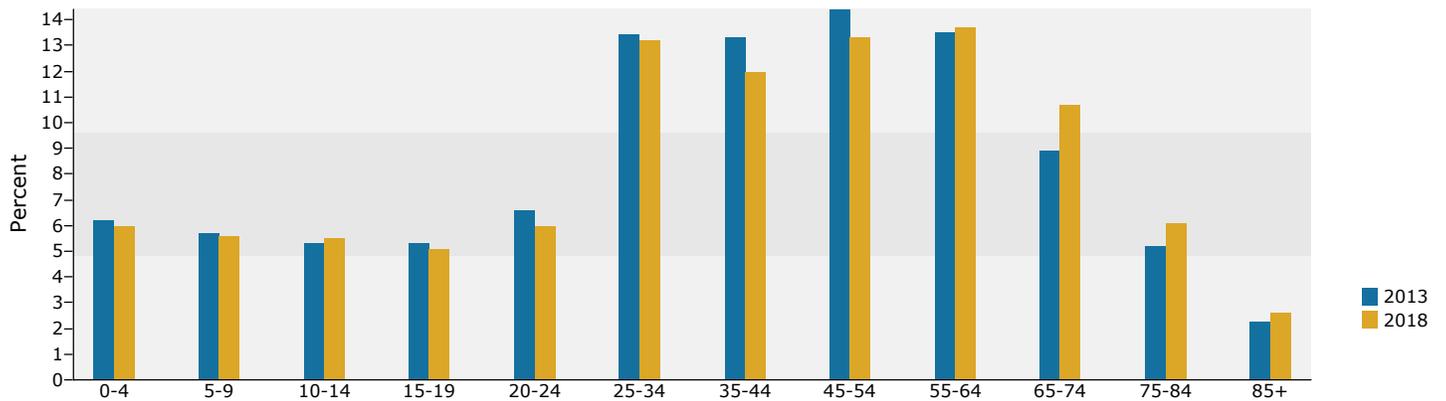
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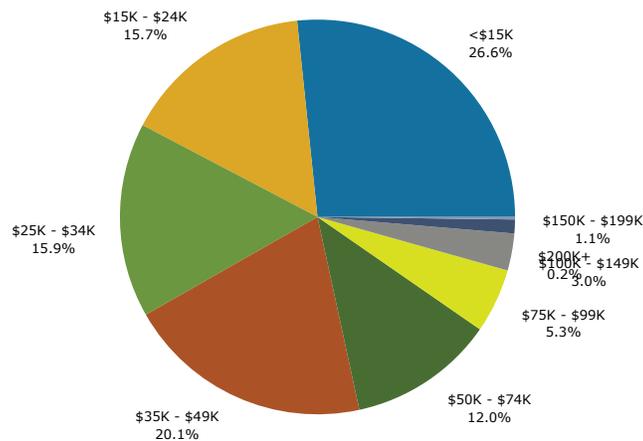
Trends 2013-2018



Population by Age



2013 Household Income



2013 Percent Hispanic Origin: 34.9%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.



Demographic and Income Profile - Appraisal Version

402 NW 1st Avenue, Hallandale Beach, FL 33009
 402 NW 1st Ave, Hallandale Beach, Florida, 33009,
 Rings: 1, 3, 5 mile radii

Prepared by Walter Duke
 Latitude: 25.99021547
 Longitude: -80.14952229

Summary	Census 2010	2013	2018
Population	167,284	169,152	178,140
Households	74,585	74,845	78,483
Families	41,457	41,368	43,051
Average Household Size	2.22	2.24	2.25
Owner Occupied Housing Units	43,987	41,554	44,602
Renter Occupied Housing Units	30,598	33,291	33,881
Median Age	42.7	43.7	44.9
Trends: 2013 - 2018 Annual Rate	Area	State	National
Population	1.04%	0.99%	0.71%
Households	0.95%	0.98%	0.74%
Families	0.80%	0.87%	0.63%
Owner HHs	1.43%	1.32%	0.94%
Median Household Income	3.73%	3.47%	3.03%

Households by Income	2013		2018	
	Number	Percent	Number	Percent
<\$15,000	13,638	18.2%	13,493	17.2%
\$15,000 - \$24,999	10,410	13.9%	7,854	10.0%
\$25,000 - \$34,999	9,200	12.3%	8,399	10.7%
\$35,000 - \$49,999	11,382	15.2%	11,027	14.1%
\$50,000 - \$74,999	12,286	16.4%	13,073	16.7%
\$75,000 - \$99,999	6,615	8.8%	9,363	11.9%
\$100,000 - \$149,999	6,431	8.6%	9,050	11.5%
\$150,000 - \$199,999	2,159	2.9%	2,911	3.7%
\$200,000+	2,725	3.6%	3,313	4.2%
Median Household Income	\$39,384		\$47,308	
Average Household Income	\$61,113		\$72,339	
Per Capita Income	\$27,249		\$32,089	

Population by Age	Census 2010		2013		2018	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	9,403	5.6%	9,043	5.3%	9,375	5.3%
5 - 9	8,254	4.9%	8,800	5.2%	9,185	5.2%
10 - 14	8,113	4.8%	8,155	4.8%	9,077	5.1%
15 - 19	8,101	4.8%	7,950	4.7%	8,167	4.6%
20 - 24	9,053	5.4%	9,565	5.7%	9,580	5.4%
25 - 34	22,147	13.2%	21,334	12.6%	22,178	12.4%
35 - 44	24,136	14.4%	22,916	13.5%	21,825	12.3%
45 - 54	25,166	15.0%	24,903	14.7%	24,450	13.7%
55 - 64	21,655	12.9%	22,938	13.6%	24,962	14.0%
65 - 74	15,186	9.1%	16,683	9.9%	20,105	11.3%
75 - 84	10,671	6.4%	10,890	6.4%	12,628	7.1%
85+	5,399	3.2%	5,976	3.5%	6,608	3.7%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

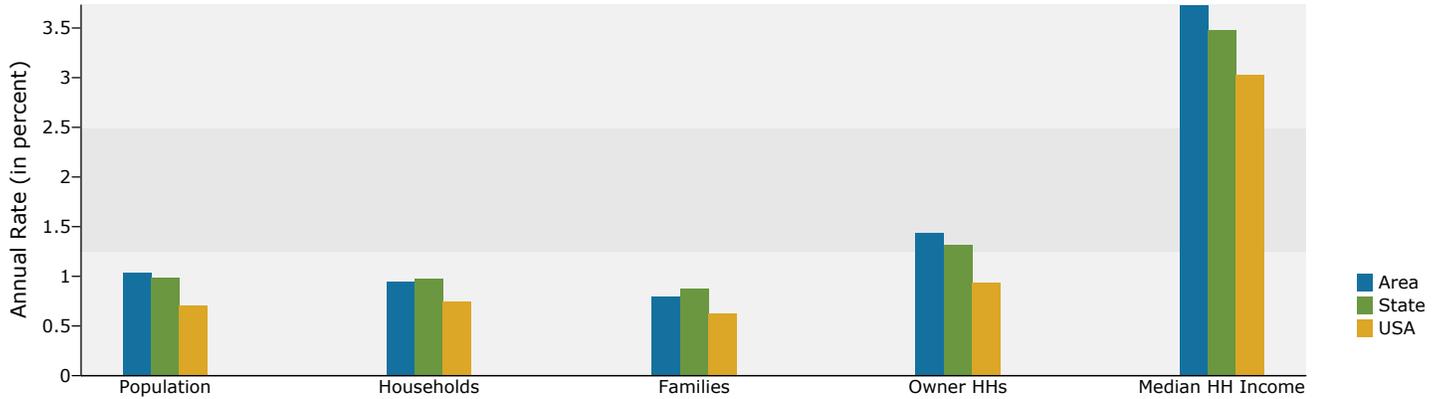


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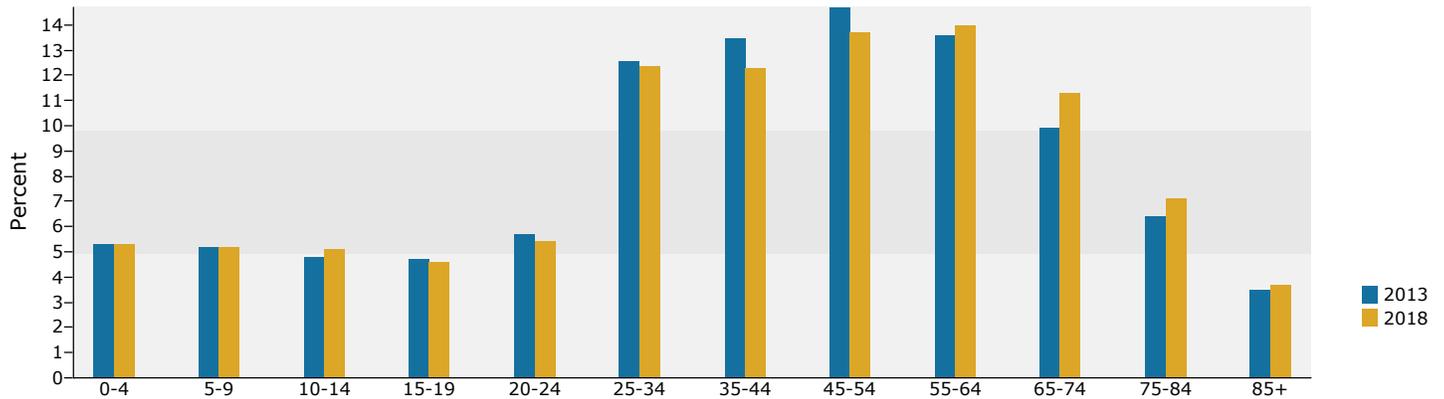
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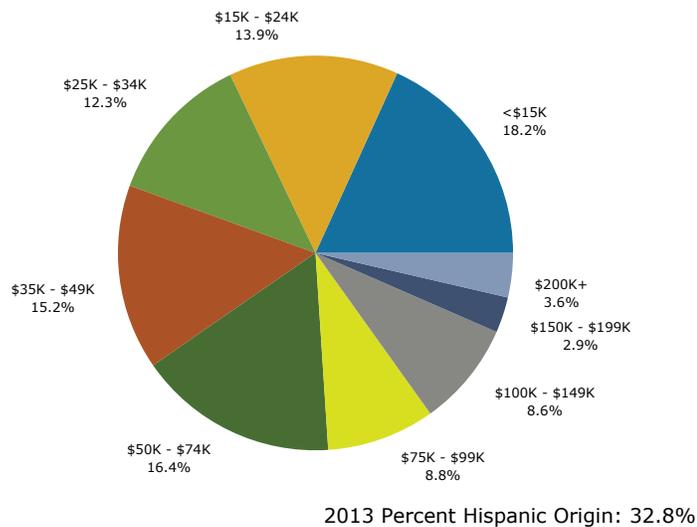
Trends 2013-2018



Population by Age



2013 Household Income



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.



Demographic and Income Profile - Appraisal Version

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Prepared by Walter Duke
 Latitude: 25.99021547
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Summary	Census 2010	2013	2018
Population	375,422	380,274	400,910
Households	156,555	157,614	165,634
Families	93,322	93,441	97,494
Average Household Size	2.38	2.40	2.41
Owner Occupied Housing Units	93,379	88,588	95,381
Renter Occupied Housing Units	63,176	69,026	70,253
Median Age	40.7	41.6	42.4
Trends: 2013 - 2018 Annual Rate	Area	State	National
Population	1.06%	0.99%	0.71%
Households	1.00%	0.98%	0.74%
Families	0.85%	0.87%	0.63%
Owner HHs	1.49%	1.32%	0.94%
Median Household Income	3.53%	3.47%	3.03%

Households by Income	2013		2018	
	Number	Percent	Number	Percent
<\$15,000	28,379	18.0%	28,149	17.0%
\$15,000 - \$24,999	21,152	13.4%	16,085	9.7%
\$25,000 - \$34,999	19,369	12.3%	17,923	10.8%
\$35,000 - \$49,999	24,832	15.8%	23,935	14.5%
\$50,000 - \$74,999	28,274	17.9%	29,936	18.1%
\$75,000 - \$99,999	13,941	8.8%	19,930	12.0%
\$100,000 - \$149,999	12,672	8.0%	18,192	11.0%
\$150,000 - \$199,999	4,279	2.7%	5,759	3.5%
\$200,000+	4,717	3.0%	5,725	3.5%
Median Household Income	\$39,804		\$47,338	
Average Household Income	\$58,881		\$69,072	
Per Capita Income	\$24,453		\$28,579	

Population by Age	Census 2010		2013		2018	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	22,369	6.0%	21,721	5.7%	22,706	5.7%
5 - 9	20,538	5.5%	21,252	5.6%	21,929	5.5%
10 - 14	20,794	5.5%	20,560	5.4%	22,035	5.5%
15 - 19	21,312	5.7%	20,434	5.4%	20,600	5.1%
20 - 24	22,200	5.9%	23,504	6.2%	22,950	5.7%
25 - 34	50,159	13.4%	49,963	13.1%	53,425	13.3%
35 - 44	53,233	14.2%	50,787	13.4%	49,324	12.3%
45 - 54	56,062	14.9%	54,806	14.4%	53,139	13.3%
55 - 64	46,425	12.4%	50,076	13.2%	54,939	13.7%
65 - 74	31,444	8.4%	34,874	9.2%	42,896	10.7%
75 - 84	21,069	5.6%	21,518	5.7%	24,940	6.2%
85+	9,816	2.6%	10,779	2.8%	12,027	3.0%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

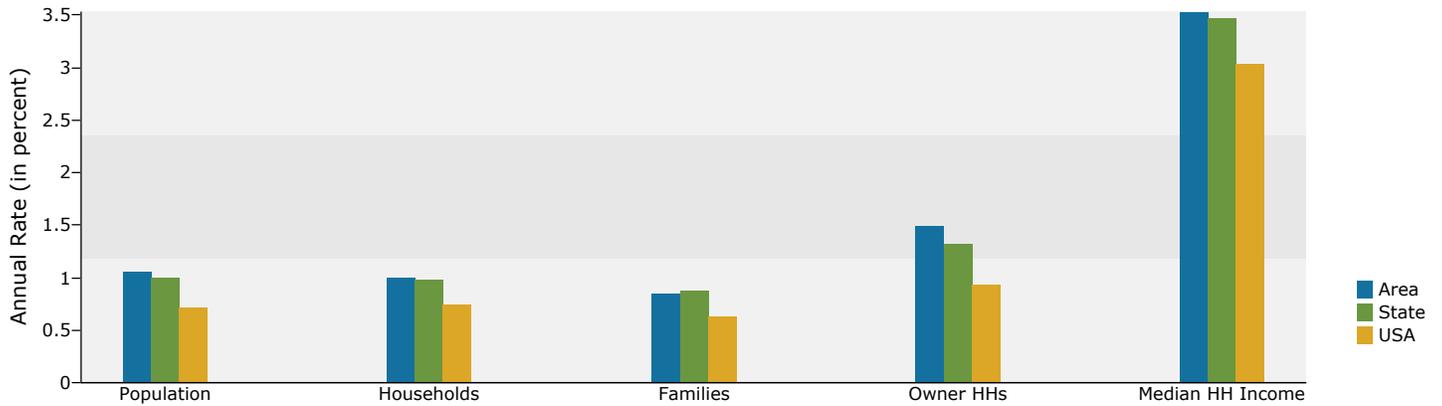


Demographic and Income Profile - Appraisal Version

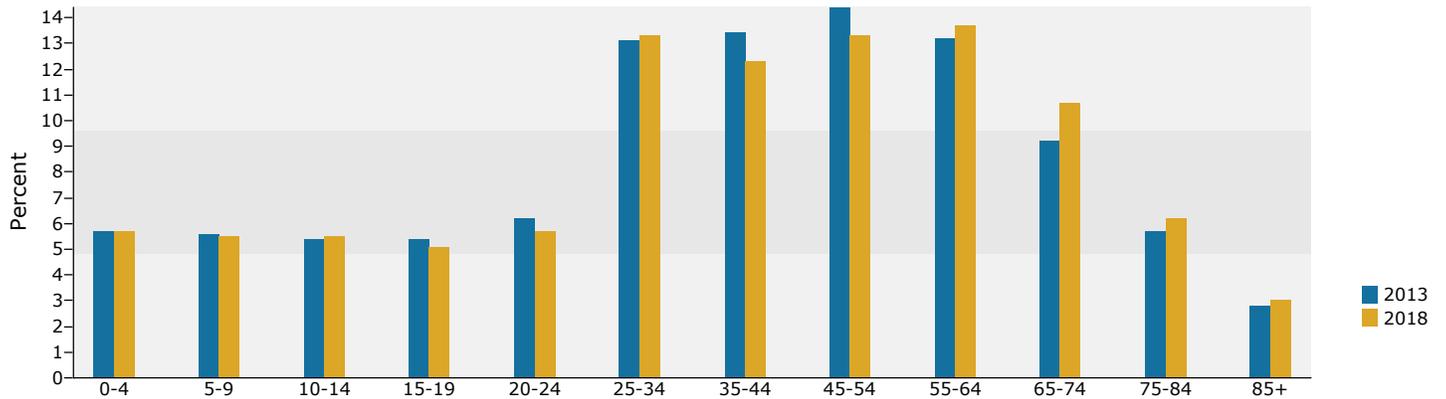
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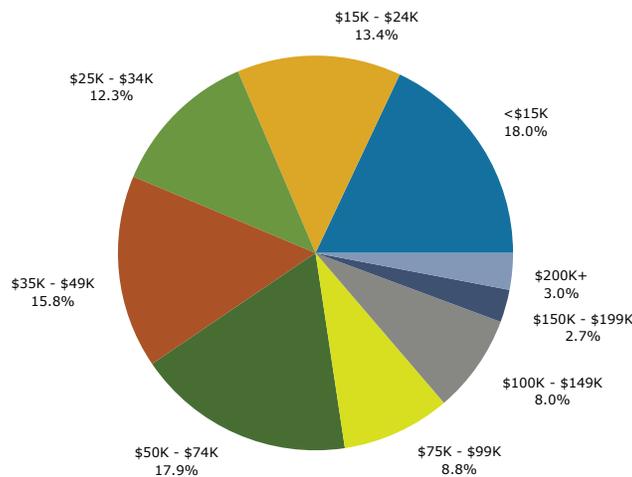
Trends 2013-2018



Population by Age



2013 Household Income



2013 Percent Hispanic Origin: 32.7%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

ENGAGEMENT LETTER



MIAMI - FORT LAUDERDALE - WEST PALM BEACH - KEY WEST

MARINA MILE BUSINESS PARK
2860 MARINA MILE, SUITE 109
FORT LAUDERDALE, FLORIDA 33312

TELEPHONE (954) 587-2701
FACSIMILE (954) 587-2702

WEBSITE www.cmdflorida.com
DIRECT LINE (954) 854-2044
EMAIL duke@cmdflorida.com

Walter B. Duke, III, MAI, CCIM
STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER RZ375

January 7, 2014

Via: scalloway@shutts.com

Sidney C. Calloway, Esquire
Shutts & Bowen LLP
200 East Broward Boulevard, Suite 2100
Fort Lauderdale, FL 33301

Re: City of Hallandale Beach Parcel Acquisition Project – Parcel 11 (Foster), Broward County, Florida

Dear Mr. Calloway:

Thank you for requesting our proposal for appraisal/consulting services. We are pleased to submit this proposal and our Terms and Conditions for the appraisal of the referenced real estate.

PROPOSAL SPECIFICATIONS

Purpose:	To estimate the Market Value of the referenced real estate
Premise:	As-Is
Rights Appraised:	Fee simple
Specific Intended Use:	To provide supportable estimate of value for purposes of property acquisition
Scope of Assignment:	Phase 1: Restricted Appraisal Report Phase 2: Appraisal Report
Appraisal Standards:	USPAP
FIRREA Compliance:	Please note, if this report is not being ordered by a federally regulated banking institution it cannot be compliant with the FIRREA requirements. As such, should you attempt to use this report for mortgage financing or other purposes, we cannot be responsible for a lenders acceptance or rejection of this report.
Fee:	
Expenses:	Fee includes all associated expenses
Retainer:	None
Payment Terms:	Due upon receipt of report
Report Copies:	One (1) PDF copy.
Delivery Schedule:	Phase 1 – 10 to 12 business days from Start Date. Phase 2 – 7 to 10 business days from Start Date
Start Date:	Phase 1 Start Date upon receipt of your signed agreement and the property specific data. Phase 2 Start Date upon written notice by client to proceed.

Sidney C. Calloway, Esquire
Shutts & Bowen LLP
January 7, 2014
Page 2 of 4

Acceptance Date: These specifications are subject to modification if this proposal is not accepted within 2 business days from the date of this letter.

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this agreement as though set forth in full herein.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

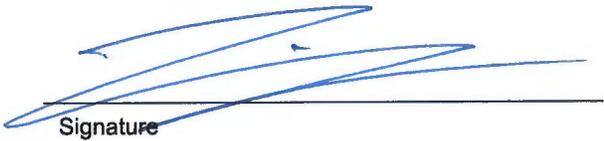
Sincerely,

CLOBUS, McLEMORE & DUKE, INC.



Walter B. Duke, III, MAI, CCIM
State-Certified General Real Estate Appraiser RZ375

AGREED AND ACCEPTED



Signature

1/18/2014

Date

Sidney Calloway

Name (Printed)

Partner

Title

954 524-5305

Phone Number

Fax Number

S.Calloway@shutts-bowen.com

E-Mail Address

TERMS AND CONDITIONS

1. These Terms and Conditions, between Clobus, McLemore & Duke, Inc. (Appraiser) and the Client for whom the referenced appraisal service will be performed, shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state of Florida.
2. Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the appraisal fee is not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the appraisal report.
3. Final payment is due and payable upon delivery of the final report or within thirty (30) days of your receipt of our draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of our draft report.
4. If we are requested to give court testimony, an additional fee will be charged on an hourly basis at our then-prevailing hourly rate. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
5. In the event Client requests additional services beyond the purpose stated in the Agreement, Client agrees to pay an additional charge for such services, plus reimbursement of expenses, whether or not the completed report has been delivered to Client at the time of the request.
6. It is understood that the Client has the right to cancel this assignment at any time prior to delivery of the completed report. In such event, the Client is obligated only for the pro rated share of the fee based upon the work completed and expenses incurred, with a minimum charge of \$500.
7. Additional copies of the appraisal reports are available at a cost of \$100 per original color copy and \$50 per photocopy (black and white), plus shipping costs.
8. In the event Client fails to make payments when due and payable, then from the date due and payable until paid the amount due and payable, shall bear interest at the maximum rate permitted in the state in which the office of Appraiser executing the Agreement is located. If Appraiser is required to institute legal action against Client relating to the Agreement, Appraiser shall be entitled to recover reasonable attorney's fees and costs from Client.
9. Appraiser assumes that there are no major or significant items that would require the expertise of a professional building contractor or engineer. If such items need to be considered in Appraiser's studies, such services are to be provided by others at a cost which is not a part of the fee proposal.
10. In the event of any dispute between Client and Appraiser relating to this Agreement, or Appraiser's or Client's performance hereunder, Appraiser and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of Appraiser executing this Agreement is located. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover from the losing party its expenses, including the costs of arbitration proceeding, and reasonable attorney's fees.
11. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and Appraiser. This assignment shall be deemed concluded and the services hereunder completed upon delivery to Client of the appraisal report discussed herein.
12. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to the best of the Appraiser's knowledge and belief. The Appraiser may rely upon the accuracy of information and material furnished to Appraiser by Client.
13. Appraiser shall have no responsibility for legal matters, questions of surveyor title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the property analyzed.
14. Client shall provide Appraiser with such materials with respect to the Assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the real property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
15. The data gathered in the course of the Assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and the related data to appropriate representatives of the Appraisal Institute if

CLOBUS, McLEMORE & DUKE, INC.

such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.

16. Unless specifically noted in the appraisal, we will not be taking into consideration the possibility of the existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof. Further, Appraiser understands that there is no major or significant deferred maintenance in the property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of this fee proposal.

17. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client approximately result in damage to Appraiser. Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.

18. Please note that Appraiser's consent to allow the appraisal report or portions of the report, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at Appraiser's reasonable discretion and, if given, will be on condition that Appraiser will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Appraiser, by a party satisfactory to Appraiser. Appraiser does consent to Client submission of the complete final report to rating agencies, loan participants or your auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

19. Clobus, McLemore & Duke, Inc. shall have no obligation, liability, or accountability to any third party. Any party who is not the Client or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Clobus, McLemore & Duke, Inc. Client shall not include partners, affiliates or relatives of the party named in the engagement letter. Client shall hold Clobus, McLemore & Duke, Inc. and its employees harmless in the event of any lawsuit brought by any third party, lender, partner or part owner in any form of ownership or any other party as a result of this assignment. The Client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, Client will hold Clobus, McLemore & Duke, Inc. harmless from and against any liability, loss, cost or expense incurred or suffered by Clobus, McLemore & Duke, Inc. in such action, regardless of its outcome.

SPECIFIC PROPERTY DATA REQUEST

Items necessary to prepare the appraisal:

1. Survey

QUALIFICATIONS



MIAMI – FORT LAUDERDALE - WEST PALM BEACH - KEY WEST

MARINA MILE BUSINESS PARK
2860 MARINA MILE, SUITE 109
FORT LAUDERDALE, FLORIDA 33312

TELEPHONE (954) 587-2701
FACSIMILE (954) 587-2702

WEBSITE www.cmdflorida.com
DIRECT LINE (954) 854-2044
EMAIL duke@cmdflorida.com

Walter B. Duke, III, MAI, CCIM
STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER RZ375

QUALIFICATIONS OF WALTER B. DUKE, III, MAI, CCIM

EDUCATION

University of Florida, Gainesville, Florida
Major in Real Estate
B.S. Degree in Business Administration

Appraisal Institute, American Institute of Real Estate Appraisers and Society of Real Estate Appraisers core course, electives, seminars and comprehensive examination.

APPRAISAL/REAL ESTATE EXPERIENCE

1992 – Present	President, CEO and sole shareholder, Clobus, McLemore & Duke, Inc.
1988 – 1992	Senior Appraiser, Clobus Valuation Co., Inc.
1985 – 1987	Staff Appraiser, Clobus Valuation Co., Inc.
1983 – 1984	Broker-Salesperson, Carmel Bay Realty

Appraisal assignments include the valuation and/or evaluation of a wide variety of commercial, residential and industrial properties in Florida prepared for banks, savings and loans, savings bank, insurance companies, estates, governmental agencies, REIT's, mortgage bankers, attorneys and individual investors. Property types include, but are not limited to, proposed and existing office buildings, commercial condominiums, warehouse and industrial properties, shopping centers and retail development, market and tax credit apartments, acreage tracts, commercial/industrial land and special purpose properties including marinas, boatyards, religious and/or educational facilities, fixed base operations (FBO).

Qualified Real Estate Valuation Expert Witness:
U.S. Bankruptcy Court, Southern District of Florida
17th Judicial Circuit Court, Broward County

PROFESSIONAL AND CIVIC AFFILIATIONS

MAI – Member, Appraisal Institute, No. 8584
CCIM – Certified Commercial Investment Member No. 7130
Registered Real Estate Broker-Salesperson – State of Florida, No. 0398146
Certified General Real Estate Appraiser – State of Florida, No. RZ375
Member – Review and Counseling Division – Region X
South Florida-Caribbean Chapter of Appraisal Institute:
President 2000, 2nd Vice President 1999, Secretary 1998, Treasurer 1997
Regional Representative: Region X
City Commissioner – City of Dania Beach (2009 - 2012)
Mayor – City of Dania Beach (2012 - current)
Leadership Fort Lauderdale – Class IV, 1998
Appraisal Institute-Leadership Advisory Council, 1997
Institute Affiliate Member – Realtor Association of Greater Fort Lauderdale
Member – Society of Commercial Realtors of Greater Fort Lauderdale
Member – International Council of Shopping Centers (ICSC)
Member – Appraisal Journal Editorial Review Board
Member – Marine Industries Association of Florida (MIAF)
Member – Marine Industries Association of South Florida (MIASF)
Member – Governmental Affairs Board, RAGFL
Member – Broward County Metropolitan Planning Organization

RECERTIFICATION AND CONTINUING EDUCATION

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAIs and SRAs who meet the minimum standards of this program are awarded periodic education certification. I am currently certified under this program.



MIAMI – FORT LAUDERDALE - WEST PALM BEACH - KEY WEST

MARINA MILE BUSINESS PARK
2860 MARINA MILE, SUITE 109
FORT LAUDERDALE, FLORIDA 33312

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FACSIMILE (954) 587-2702

WEBSITE www.cmdflorida.com
DIRECT LINE (954) 854-2044
EMAIL duke@cmdflorida.com

Walter B. Duke, III, MAI, CCIM
STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER RZ375

QUALIFICATIONS OF SMITH S. WORTHY

EDUCATION

University of Virginia, Charlottesville, Virginia
Bachelor of Arts Degree – 1985

REAL ESTATE APPRAISAL EDUCATION

Has successfully completed the following courses:

Appraisal Institute: Course 510 Advanced Income Capitalization – 2004
Course 540 Report Writing and Valuation Analysis - 2005
Course 530 Advanced Sales Comparison & Cost Approaches – 2006
Advanced Market Analysis and Highest & Best Use – 2012
Advanced Concepts and Case Studies – 2013

APPRAISAL/REAL ESTATE EXPERIENCE

2/2013 – Present	General Appraiser, Clobus, McLemore & Duke, Inc.
3/2002 – 3/2012	Associate Appraiser, Miller, Long & Associates, Roanoke, Virginia

Appraisal assignments include the valuation and/or evaluation of a wide variety of commercial properties in Southwest Virginia and more recently in South Florida prepared for financial institutions, estates and individual investors. Property types include, but are not limited to, shopping centers, office buildings, warehouses and industrial properties, rental apartment projects, residential condominium projects, commercial/industrial land, multifamily land and mixed-use properties.

PROFESSIONAL AFFILIATIONS

Candidate for Designation (MAI) – Appraisal Institute
State-Certified General Real Estate Appraiser – State of Florida License No. RZ-3518
State-Certified General Real Estate Appraiser – Commonwealth of Virginia License No. 4001 009865

RECERTIFICATION AND CONTINUING EDUCATION

The Appraisal Institute conducts a voluntary program of continuing education for its members and affiliates. I am currently seeking the MAI designation under this program.

LICENSES

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AC# 679958 STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD SEQ# L12112300101

DATE	BATCH NUMBER	LICENSE NBR
11/23/2012	128151223	RZ375

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2014

DUKE, WALTER BRYAN III
2860 WEST STATE ROAD 84
STE 109
FT LAUDERDALE FL 33312

RICK SCOTT GOVERNOR KEN LAWSON SECRETARY

DISPLAY AS REQUIRED BY LAW

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AC# 6350800 STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD SEQ# L12091000

DATE	BATCH NUMBER	LICENSE NBR
09/10/2012	000000000	RZ3518

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2014

WORTHY, SMITH S
1511 SW 191ST TERRACE
PEMBROKE PINES FL 33029

RICK SCOTT GOVERNOR KEN LAWSON SECRETARY

DISPLAY AS REQUIRED BY LAW