



**APPRAISAL REPORT
REAL ESTATE APPRAISAL**

Of

N. Dixie Highway CRA Sites

ARC File No. 221608



located on the northwest and southwest corners of
the Dixie Highway and N.E. 38th Street intersection
Oakland Park, Broward County, Florida

Report Date

February 8, 2017

Date of Value

February 1, 2017

Prepared For

Ms. Kathleen Margoles
Community & Economic Development Director
City of Oakland Park
3650 N.E. 12th Avenue
Oakland Park, Florida 33334

Prepared by

Gary A. Benivegna, Associate, FL – RZ2619
Robert B. Love, MAI, SRA, AI-GRS, FL - RZ111



Real Estate Valuation
Market Feasibility & Consulting Services
Appraisal Review and Review Services
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February 8, 2017

Ms. Kathleen Margoles
Community & Economic Development Director
City of Oakland Park
3650 N.E. 12th Avenue
Oakland Park, Florida 33334

Re: N. Dixie Highway CRA Sites
Oakland Park, Broward County, Florida

Ms. Margoles:

At your request, we have prepared an appraisal of the above referenced properties. The subject sites are located on the northwest and southwest corners of the Dixie Highway and N.E. 38th Street intersection in the city of Oakland Park. Site 1, located on the north side of N.E. 38th Street contains 0.907 acres. Site 2 lying on the south side of N.E. 38th Street contains 1.163 acres.

Situated within the Oakland Park Downtown, Culinary Arts District, the sites are zoned Downtown Mixed Use - Dixie Mixed Use. This zoning permits mixed uses including commercial and multi-family residential at a density of up to 36 units per acre.

The purpose of the appraisal is to estimate the Market Values of the fee simple estate for each site. The intended use is to assist in internal evaluation. The value conclusions are subject to the Hypothetical Condition, General and Extraordinary Assumptions and Limiting Conditions contained within the report. In our opinion, our analysis and conclusions conform to the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice as established by the Appraisal Standards Board of the Appraisal Foundation.

As will be discussed in the report, several underground storage tanks had been removed from the north side of Site 1 and there were discharges that occurred prior to January 1989 and the site was approved to be eligible for state administered cleanup under the EDI Program. However, contamination assessment activities were never completed. A 2015 assessment that we were provided recommended that Site 1 remain in the FDEP LSSI program and the Petroleum Cleanup Preapproval Program, until funds become available for additional assessment.

As per the client's request, our market value opinion for Site 1 is subject to the Hypothetical Condition that the site is clean.

We were not provided a Phase I Environmental Site Assessment for Site 2. Our appraisal is subject to the Extraordinary Assumption that Site 2 is free and clear of any adverse environmental conditions.

We have considered the locational and physical attributes of the subject, and made a thorough investigation of the subject market area. Based on our analysis, our opinions of the Market Value of the subjects' fee simple interest subject to the Hypothetical Conditions and Extraordinary Assumption regarding environmental contamination as of February 1, 2017 are as follows:

Site One

\$990,000
NINE HUNDRED NINETY THOUSAND DOLLARS

Site Two

\$1,370,000
ONE MILLION THREE HUNDRED SEVENTY THOUSAND DOLLARS

Sincerely,
AMERICAN REALTY CONSULTANTS, INC.



Robert B. Love, MAI, SRA, AI-GRS
State-certified general real
estate appraiser RZ111

Gary A. Benivegna, Associate
State-certified general real
estate appraiser RZ2619

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Premises

General Assumptions and Limiting Conditions

- Without the cover letter, this appraisal report is incomplete and cannot be relied upon.
- The intended use is to assist in internal evaluation. This appraisal may not be used or relied upon by anyone other than the client, for any purpose whatsoever, without the express written consent of the appraiser. Any party who relies upon any information in this report, without the preparer's written consent, does so at their own risk.
- The legal description furnished is assumed to be correct. No responsibility is assumed for matters legal in character nor is any opinion rendered as to the title, which is assumed to be good and marketable and in Fee Simple.
- No legal opinion related to a title search was provided and all existing liens and encumbrances, including deed restrictions and developers agreements, have not been investigated unless otherwise stated. The property is appraised as though free and clear under responsible ownership and competent management.
- Any proposed or incomplete improvements included in this report are assumed to be completed in accordance with approved plans and specifications and in a workmanlike manner.
- Information furnished by the client and other parties is believed to be reliable, but no responsibility is assumed for its accuracy. We have made our best efforts to verify the provided information, and we have attempted to compare it to market data as a check of reasonableness.
- Any sketches, plats, or drawings included in this report are included to assist the reader in visualizing the property. We have made no survey of the property, and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning restrictions, or violations existing in the subject property.
- The existence of potentially hazardous material or substances used in the construction or maintenance of the building improvements or located at or about the site of the property, including formaldehyde foam insulation, the existence of toxic waste, the existence of mold, asbestos insulation, Chinese drywall or the presence of groundwater or soil contamination has not been considered in arriving at the estimate of value of the subject property. We are not qualified to detect such substances or ascertain the risks associated with them. It is recommended that appropriate experts be retained to investigate and determine to what extent, if any, such substances are present and what risks, if any, are involved. *Our appraisal assumes there is no environmental contamination.*
- We are not required to give testimony or attendance in court by reason of this appraisal, with reference to the property in question, unless arrangements have been previously made.
- No responsibility is assumed for engineering matters, neither structural nor mechanical. Good structural and mechanical conditions are assumed to exist, and no opinion as to these matters is to be inferred or construed from the attached report.
- Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.

- One (or more) of the signatories of this appraisal report is a Member (or candidate) of the Appraisal Institute. The Bylaws and Regulations of the Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report.

Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media or other media for public communication without the prior written consent of the signatories of this appraisal report.

- The value estimate applies only to the entire property, and cannot be prorated to individual portions or fractional interests. Any proration or division of interest will invalidate the value estimate, unless such proration or division of interests is set forth in the report.
- No responsibility is assumed for unusual soil conditions and no opinion as to these matters is to be inferred or construed from the attached report other than those specifically stated in the report. Unless stated otherwise, the soil conditions of the subject property are assumed to be adequate to support development utilizing conventional construction techniques. We recommend the client obtain an opinion from a competent engineering firm.
- Our estimates of future values were formulated based upon market conditions as of the date of appraisal, considerate of future projections concerning supply and demand. The appraiser has no responsibility for significant events that alter market conditions subsequent to the effective date or dates of appraisal.
- The contract for this appraisal is fulfilled by the signer upon the delivery of this appraisal report. Acceptance or use of this report constitutes acceptance of the preceding conditions.
- The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We did not receive a compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. Our appraisal assumes ADA compliance.

Extraordinary Assumptions and Limiting Conditions

- We were not provided a Phase I Environmental Site Assessment for Site 2. Our appraisal is subject to the Extraordinary Assumption that Site 2 is free and clear of any adverse environmental conditions.

Hypothetical Conditions

- As will be discussed in the report, several underground storage tanks had been removed from the north side of Site 1 and there were discharges that occurred prior to January 1989 and the site was approved to be eligible for state administered cleanup under the EDI Program. However, contamination assessment activities were never completed. A 2015 assessment that we were provided recommended that Site 1 remain in the FDEP LSSI program and the Petroleum Cleanup Preapproval Program, until funds become available for additional assessment. As per the client's request, our market value opinion for Site 1 is subject to the Hypothetical Condition that the site is clean.

Certification

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in the property that the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or the parties involved with the assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors that cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The report was also prepared in conformity with the Uniform Standards of Professional Appraisal Practice as established by the Appraisal Standards Board of the Appraisal Foundation.
- Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Gary A. Benivegna and Robert B. Love inspected the properties.
- No one provided significant professional assistance to the persons signing this report.
- We have not previously provided appraisal or other services involving the subject property.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, Robert B. Love has completed the requirements of the continuing education program of the Appraisal Institute.



Robert B. Love, MAI, SRA, AI-GRS
State-certified general real
estate appraiser RZ111

Gary A. Benivegna, Associate
State-certified general real
estate appraiser RZ2619

Executive Summary

Date of Value

February 1, 2017

Date of Report

February 8, 2017

Interest Appraised

Fee Simple

Location

Located on the northwest and southwest corners of the Dixie Highway and N.E. 38th Street intersection, Oakland Park, Broward County, Florida.

Land Area

Site 1, located on the north side of N.E. 38th Street contains 0.907 acres. Site 2 lying on the south side of N.E. 38th Street contains 1.163 acres.

Zoning

Downtown Mixed Use - Dixie Mixed Use

Extraordinary Assumptions

As will be discussed in the report, several underground storage tanks had been removed from the north side of Site 1 and there were discharges that occurred prior to January 1989 and the site was approved to be eligible for state administered cleanup under the EDI Program. However, contamination assessment activities were never completed. A 2015 assessment that we were provided recommended that Site 1 remain in the FDEP LSSI program and the Petroleum Cleanup Preapproval Program, until funds become available for additional assessment. As per the client's request, our market value opinion for Site 1 is subject to the Hypothetical Condition that the site is clean.

We were not provided a Phase I Environmental Site Assessment for Site 2. Our appraisal is subject to the Extraordinary Assumption that Site 2 is free and clear of any adverse environmental conditions.

Market Value Opinions

Site One: \$990,000

Site Two: \$1,370,000

Scope of the Report

The term "scope of the report" means the extent of the process of collecting, confirming, and reporting data.

The subject properties are vacant sites that are zoned mixed use. The intended use of the report is to assist in internal evaluation.

Neighborhood, area, and county trends have been examined utilizing data sources noted in the report. Supply and demand factors relating to warehouse properties have been analyzed in the Highest and Best Use section of the report.

Our market research for comparable land sales was concentrated in the subject's immediate area in Oakland Park and proximate areas. We have utilized public records, published sales services, plus conversations and meetings with brokers and developer's agents in obtaining our market data.

We were provided with the following by the client.

- Sketch of Survey – Boundary Survey of both sites, prepared by Craven, Thompson & Associates, dated 1/12/17
- Tank Closure Assessment (Site 1) dated 6/28/08, prepared by Florida Environmental Engineering, Inc.
- Low Score Site Initiative (LSSI) Site Assessment prepared by Handex Consulting & Remediation, LLC, dated 12/23/15

Gary Benivegna inspected the subject and neighborhood on February 1, 2017. Mr. Love inspected the subject on January 28, 2017.

We developed the most relevant approach; the Sales Comparison Approach to value.

Property Identification

The subject property is comprised of two vacant sites located on the northwest and southwest corners of the Dixie Highway and N.E. 38th Street intersection in the city of Oakland Park. The Site 1, located on the north side of N.E. 38th Street contains 0.907 acres. Site 2 lying on the south side of N.E. 38th Street contains 1.163 acres. Both sites are zoned Downtown Mixed Use - Dixie Mixed Use.

Legal Description

The subjects' legal description are lengthy and can be found in the addenda.

Purpose of the Appraisal

The purpose of the appraisal is to estimate the Market Values of the subjects' fee simple estate.

Intended Use and User of the Appraisal

The intended use is to assist in internal evaluation. The intended user is the City of Oakland Park.

Property Rights Appraised

The property rights appraised in this report is the Fee Simple Estate in the subject property as described herein. Fee Simple Estate is defined by The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, on page 78, as follows:

"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."

Date of Value

The subject property is appraised as of February 1, 2017.

Market Value Defined

The value conclusions are based upon the following definitions of Market Value:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.¹

"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 is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what he considers his own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."²

¹ The Appraisal of Real Estate, 14th Edition by the Appraisal Institute, Page 58.

² Interagency Appraisal and Evaluation Guidelines, Federal Register, Volume 75, No. 237, December 10, 2010.

Probable Purchaser

As set forth within the preceding discussion, the concept of Market Value relates to the price a typically motivated buyer would pay for a property. In the case of the subject property, the most probable purchaser is typically an owner-user or speculative land developer.

The valuation procedures utilized to estimate the Market Value of the subject property are based upon the typical purchase and investment criteria and motivations of such purchasers.

Marketing Period

The "normal" marketing period represents the most probable time necessary to expose and actively market the subject property on the open market, to consummate a sale at a price consistent with the Market Value estimate provided herein.

As vacant mixed-use zoned sites in a retail and residential submarket that is experiencing redevelopment, the subject could be expected to sell within a period of less than twelve months.

The exposure time is estimated to be 9 to 12 months.

Florida Labor Trends

The following information was obtained from the Florida Agency for Workforce Innovation, dated January 20, 2017.

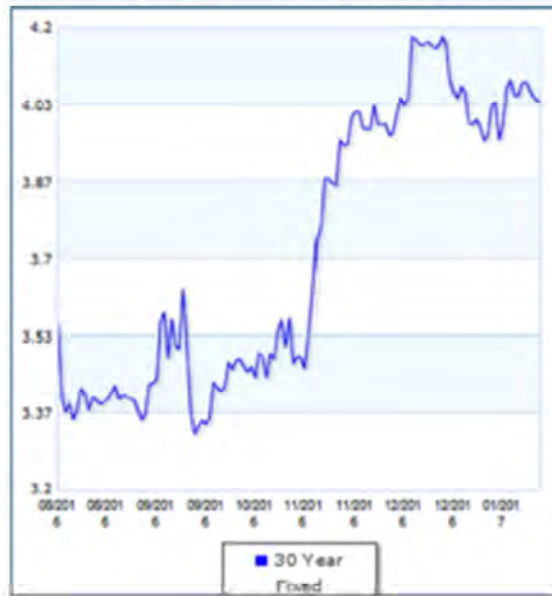
- Florida's seasonally adjusted unemployment rate was 4.9% in December 2016, unchanged from the November 2016 rate, but down 0.2 percentage point from 5.1% a year ago. There were 491,000 jobless Floridians out of a labor force of 9,947,000. The U.S. unemployment rate was 4.7% in December.
- Florida's seasonally adjusted total nonagricultural employment was 8,462,900 in December 2016, a decrease of 700 jobs (less than -0.1%) over the month. The state gained 251,400 jobs over the year, an increase of 3.1%. Nationally, the number of jobs rose 1.5% over the year. Florida's over-the-year job growth rate has exceeded the nation's rate since May 2012.
- The number of jobs in Florida was 8,462,900 in December 2016, up 251,400 jobs compared to a year ago. December 2016 was the 77th consecutive month with positive over-the-year job growth. The industry gaining the most jobs was leisure and hospitality (+53,100 jobs, +4.6%).
- Other industries gaining jobs included education and health services (+46,800 jobs, +3.8%); professional and business services (+46,200 jobs, +3.7%); trade, transportation, and utilities (+35,600 jobs, +2.1%); construction (+22,300 jobs, +5.1%); financial activities (+18,700 jobs, +3.5%); government (+14,100 jobs, +1.3%); other services (+7,600 jobs, +2.3%); and manufacturing (+7,000 jobs, +2.0%).
- Information industry employment was unchanged over the year.
- In December 2016, Monroe County had the state's lowest unemployment rate (3.0%), followed by Hamilton County (3.4%), and St. Johns County (3.6%).
- Hendry County had the highest unemployment rate (8.0%) in Florida in December 2016, followed by Citrus County (6.7%), and Sumter County (6.6%).
- In December 2016, 23 out of 24 metro areas in Florida had over-the-year job gains. The areas with the largest gains were Orlando-Kissimmee-Sanford (+50,300 jobs, +4.2%), Tampa-St. Petersburg-Clearwater (+28,400 jobs, +2.2%), and Ft. Lauderdale-Pompano Beach-Deerfield Beach (+28,100 jobs, +3.4%).
- The Homosassa Springs metro area was unchanged over the year and was the only metro area in Florida without job gains.

Source: Labor Market Trends, February 2017

Credit Market Yields and Economic Data

| Category | | Monday | 1 Month ago | 1 yr. ago |
|------------------------------------|-------------------------------------|----------|-------------|-----------|
| Money Rates | Prime Rate (1) | 3.75% | 3.75% | 3.50% |
| | Federal funds | 0.75% | 0.75% | 0.50% |
| | LIBOR (6 months) [2] | 1.35% | 1.32% | 0.86% |
| Mortgage Rates | 30-yr. fixed-rate (FHLMC) | 3.72% | 3.72% | 3.30% |
| | 1-yr. Treas. ARM index | 0.81% | 0.85% | 0.47% |
| | 11 th district ARM index | 0.60% | 0.60% | 0.66% |
| Treasury Security Rates | 3-month T-bill [3] | 0.52% | 0.52% | 0.34% |
| | 6-month T-bill | 0.64% | 0.60% | 0.47% |
| | 5-year note | 1.90% | 1.89% | 1.25% |
| | 7-year note | 2.24% | 2.18% | 1.61% |
| | 10-year note | 2.45% | 2.38% | 1.87% |
| National Economic Stats [4] | 30-year note | 3.05% | 2.96% | 2.67% |
| | Housing Starts (thous) | 795 | 828 | 768 |
| | CPI | 243.0 | 242.3 | 237.8 |
| | Retail Sales | 469,092 | 465,513 | 448,086 |
| | Gross Domestic Product (billions) | 18,860.1 | 18,675.3 | 18,128.2 |

30 Yr. Fixed Mtg. Rate Trend



[1] Bankrate.com January 31, 2017

[2] Bankrate.com January 31, 2017

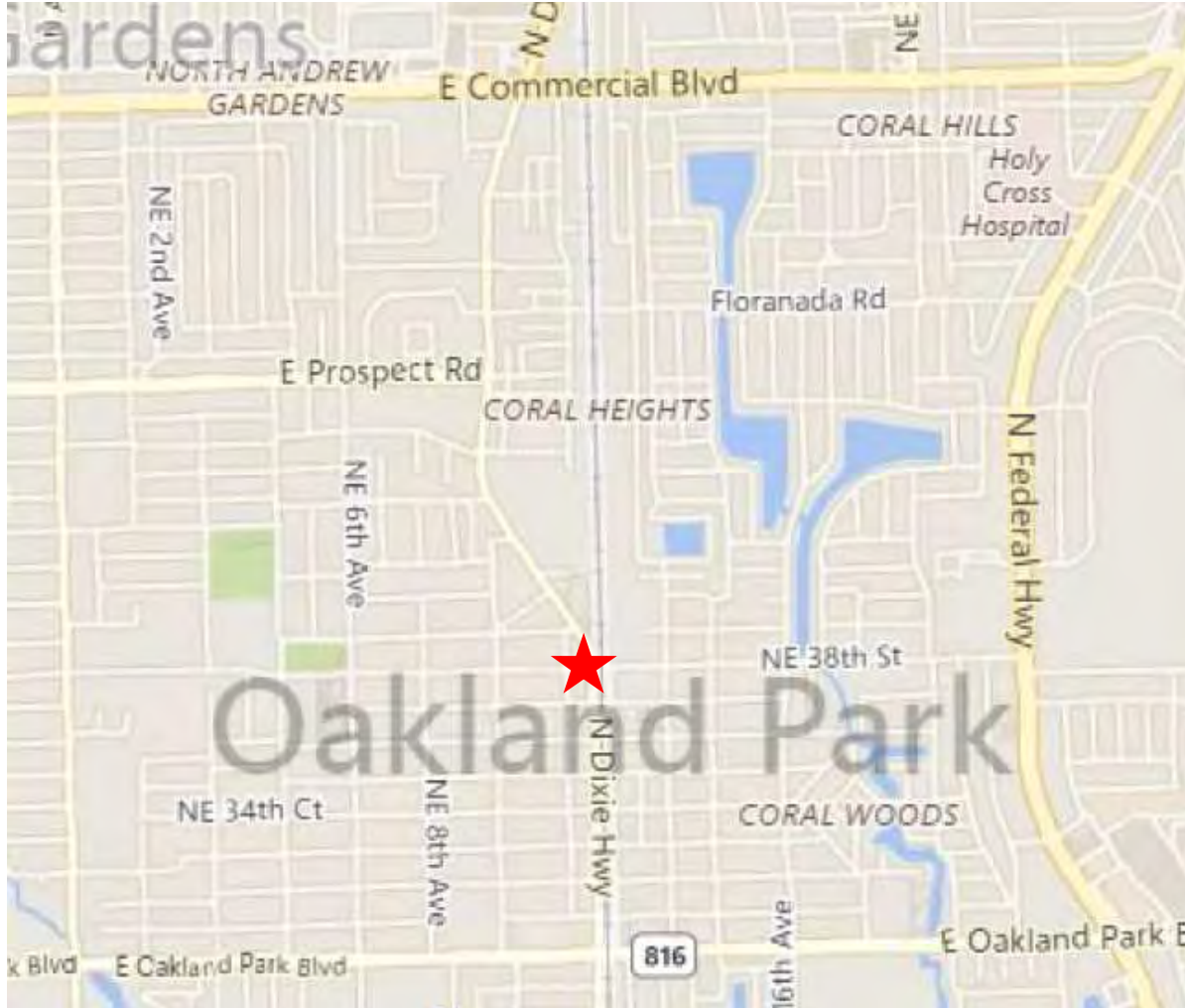
[3] Federal Reserve Statistical Release, January 31, 2017

[4] Bankrate.com January 31, 2017

Property Description

Neighborhood and Area Analysis

Neighborhood and Area Map



The subjects are located on the northwest and southwest corners of the Dixie Highway and N.E. 38th Street intersection in the city of Oakland Park. For the purpose of this analysis, the area and submarket boundaries are well defined by Oakland Park Boulevard to the south, Andrews Avenue to the west, Commercial Boulevard to the north and Federal Highway to the east. The neighborhood includes portions of the cities of Wilton Manors, Fort Lauderdale and Oakland Park.

Land use is predominately residential including older single family homes as well as apartments and condominiums. Commercial properties are predominantly single user retail, small retail strip centers or offices and are located along the primary corridors.

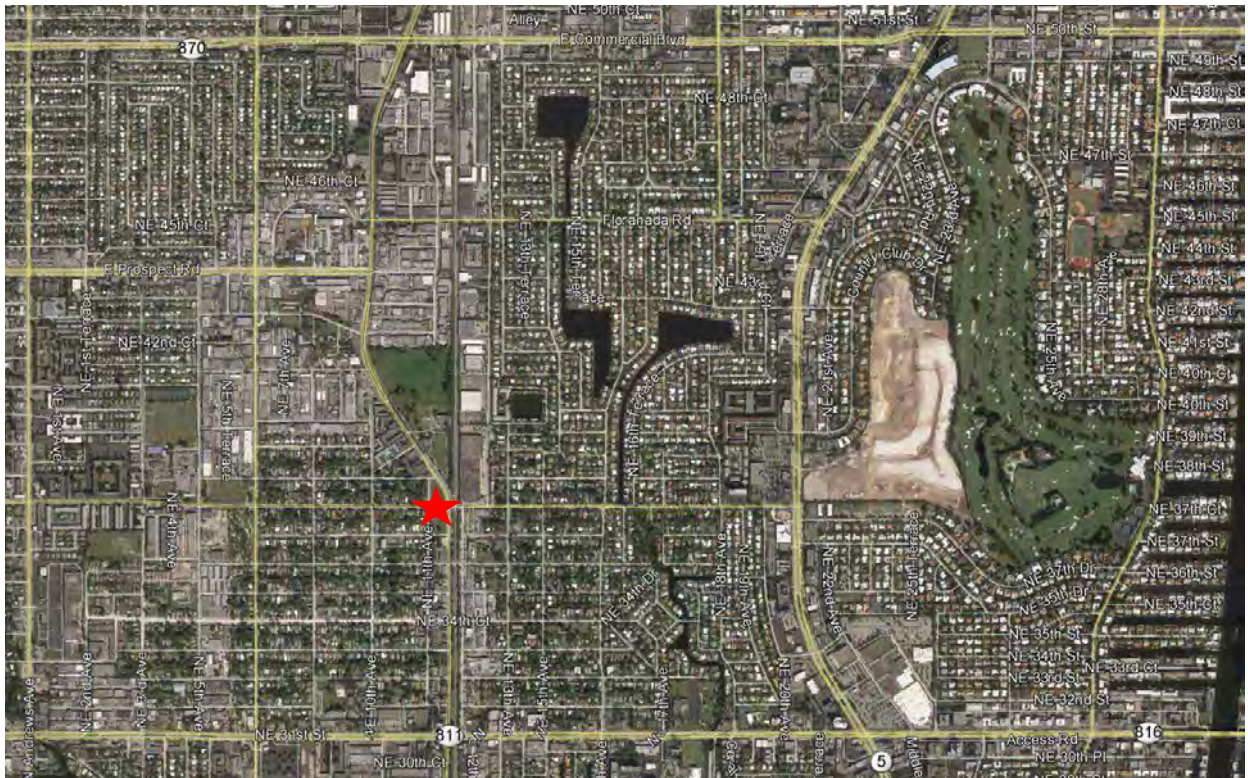
Access

Major east/west access is provided by Oakland Park Boulevard, Commercial Boulevard and Prospect Road. Additional feeder east/west roadways include N.E. 44th Street and N.E. 38th Street.

Commercial Boulevard and Oakland Park Boulevard are major east/west roadways in Broward County running from the Sawgrass Expressway at the western development border of the county to the beaches on the east. Oakland Park Boulevard and Commercial Boulevard interchanges with I-95 approximately three miles west of the subject and US Highway 1 (Federal Highway) approximately one mile east. In addition Commercial Boulevard also has an interchange with the Florida Turnpike.

Major north/south access is provided by Andrews Avenue, Federal Highway and Dixie Highway. Federal Highway (U.S. 1) is a six-lane arterial (in Broward County) that provides north/south travel along the entire eastern seaboard. Dixie Highway and Andrews Avenue are four-lane north/south roads.

Overall, access to and throughout the neighborhood is considered to be average.



Commercial and Service Uses

The subject submarket is suburban residential with supporting community retail and service business land uses. Surrounding residential neighborhoods include single family homes, condominiums and rental communities. Amenities are typical of suburban communities including schools, parks and places of worship.

Similar commercial uses can be found along the N.W. 9th Avenue, N.E. 26th Street and Andrews Avenue corridors, but these are interspersed with both single family and multi-family projects. N.E. 44th Street and Dixie Highway are low grade commercial and industrial corridors.

Within the subject's immediate vicinity commercial uses are primarily single story commercial uses with a variety of retail, restaurants, auto service, service stations and small offices.

The Coral Ridge Mall is a regional shopping center that is located at the intersection of Oakland Park Boulevard and Federal Highway. The center is anchored by Target and a Publix Supermarket.

Other national tenants along Federal Highway include Bed Bath & Beyond, Barnes and Noble, Best Buy as well as numerous furniture showrooms.

The surrounding neighborhoods are improved with a mixture of single-family and multi-family houses as well as condominiums and townhomes.

Surrounding Uses

Most recent and planned development activity in the city is taking place along N. Dixie Highway and N.E. 12th Avenue in the subject's immediate area. City overlay districts promote growth on these corridors and Dixie Highway and N.E. 12th Avenue are planned for street level shops, cafes and bars/clubs to serve a growing population. Recent residential projects include 133 townhouses at 4100 N. Dixie Highway and 40 townhouses at 2900 N.E. 12th Terrace.

The city considers the subject's immediate area as a midtown culinary arts center and has passed zoning regulations meant to stimulate this type of development. Funky Buddha is a highly successful and popular bar/brewery/restaurant located at N.E. 38th Street and N.E. 12th Avenue. Its success has provided great impetus to the city's efforts.

Many older properties in the immediate area are being repositioned and remodeled with new retail, restaurant and office uses. This is an established area with a solid population base, with a mix of moderate, middle and upper income levels.

On the following pages is a demographic summary for the surrounding area.



Demographic and Income Profile

Subjects
 3781 NE 11th Ave, Oakland Park, Florida, 33334
 Ring: 1 mile radius

Prepared by Esri
 Latitude: 26.17415
 Longitude: -80.13215

| Summary | Census 2010 | 2016 | 2021 |
|---------------------------------|-------------|--------|----------|
| Population | 17,752 | 18,800 | 20,121 |
| Households | 8,006 | 8,394 | 8,933 |
| Families | 3,542 | 3,657 | 3,860 |
| Average Household Size | 2.20 | 2.22 | 2.23 |
| Owner Occupied Housing Units | 4,009 | 3,664 | 3,828 |
| Renter Occupied Housing Units | 3,997 | 4,730 | 5,105 |
| Median Age | 40.3 | 40.9 | 40.9 |
| Trends: 2016 - 2021 Annual Rate | Area | State | National |
| Population | 1.37% | 1.29% | 0.84% |
| Households | 1.25% | 1.21% | 0.79% |
| Families | 1.09% | 1.13% | 0.72% |
| Owner HHs | 0.88% | 1.09% | 0.73% |
| Median Household Income | 2.37% | 2.52% | 1.89% |

| Households by Income | 2016 | | 2021 | |
|--------------------------|----------|---------|----------|---------|
| | Number | Percent | Number | Percent |
| <\$15,000 | 1,238 | 14.7% | 1,311 | 14.7% |
| \$15,000 - \$24,999 | 1,065 | 12.7% | 1,318 | 14.8% |
| \$25,000 - \$34,999 | 1,090 | 13.0% | 785 | 8.8% |
| \$35,000 - \$49,999 | 1,419 | 16.9% | 1,213 | 13.6% |
| \$50,000 - \$74,999 | 1,404 | 16.7% | 1,573 | 17.6% |
| \$75,000 - \$99,999 | 868 | 10.3% | 1,040 | 11.6% |
| \$100,000 - \$149,999 | 787 | 9.4% | 1,036 | 11.6% |
| \$150,000 - \$199,999 | 327 | 3.9% | 423 | 4.7% |
| \$200,000+ | 195 | 2.3% | 234 | 2.6% |
| Median Household Income | \$42,205 | | \$47,438 | |
| Average Household Income | \$60,277 | | \$66,390 | |
| Per Capita Income | \$27,059 | | \$29,570 | |

| Population by Age | Census 2010 | | 2016 | | 2021 | |
|-------------------|-------------|---------|--------|---------|--------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| 0 - 4 | 1,070 | 6.0% | 1,081 | 5.7% | 1,176 | 5.8% |
| 5 - 9 | 787 | 4.4% | 936 | 5.0% | 1,028 | 5.1% |
| 10 - 14 | 765 | 4.3% | 839 | 4.5% | 974 | 4.8% |
| 15 - 19 | 911 | 5.1% | 850 | 4.5% | 926 | 4.6% |
| 20 - 24 | 1,099 | 6.2% | 1,196 | 6.4% | 1,216 | 6.0% |
| 25 - 34 | 2,765 | 15.6% | 2,869 | 15.3% | 3,004 | 14.9% |
| 35 - 44 | 2,846 | 16.0% | 2,791 | 14.8% | 2,828 | 14.1% |
| 45 - 54 | 3,350 | 18.9% | 3,214 | 17.1% | 3,068 | 15.2% |
| 55 - 64 | 2,196 | 12.4% | 2,579 | 13.7% | 2,841 | 14.1% |
| 65 - 74 | 1,022 | 5.8% | 1,402 | 7.5% | 1,829 | 9.1% |
| 75 - 84 | 629 | 3.5% | 689 | 3.7% | 856 | 4.3% |
| 85+ | 311 | 1.8% | 357 | 1.9% | 373 | 1.9% |

| Race and Ethnicity | Census 2010 | | 2016 | | 2021 | |
|----------------------------|-------------|---------|--------|---------|--------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| White Alone | 12,258 | 69.1% | 12,282 | 65.3% | 12,589 | 62.6% |
| Black Alone | 3,449 | 19.4% | 4,006 | 21.3% | 4,589 | 22.8% |
| American Indian Alone | 72 | 0.4% | 86 | 0.5% | 98 | 0.5% |
| Asian Alone | 289 | 1.6% | 349 | 1.9% | 417 | 2.1% |
| Pacific Islander Alone | 23 | 0.1% | 27 | 0.1% | 30 | 0.1% |
| Some Other Race Alone | 1,097 | 6.2% | 1,359 | 7.2% | 1,607 | 8.0% |
| Two or More Races | 564 | 3.2% | 691 | 3.7% | 791 | 3.9% |
| Hispanic Origin (Any Race) | 4,597 | 25.9% | 5,743 | 30.5% | 6,957 | 34.6% |

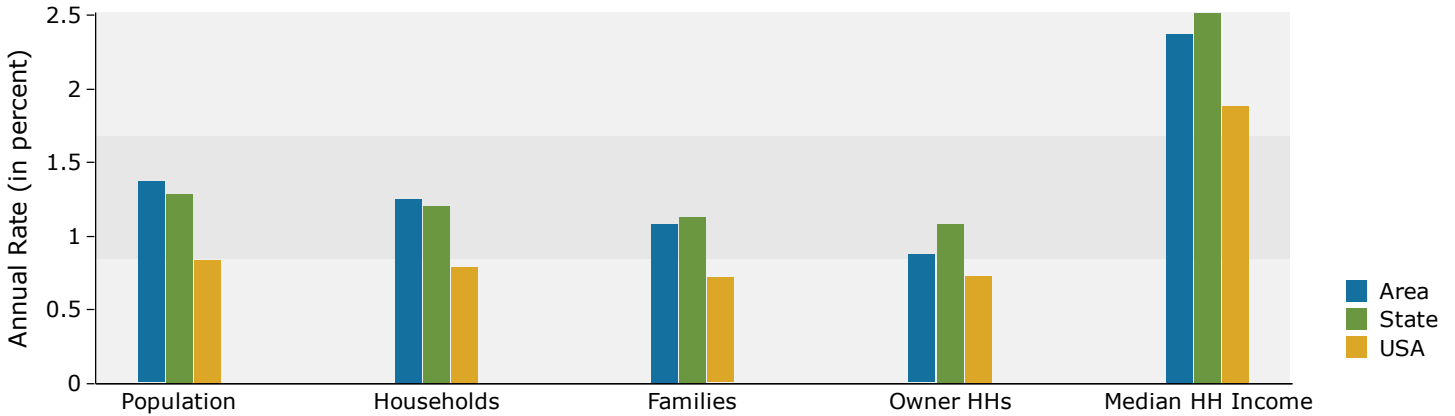
Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

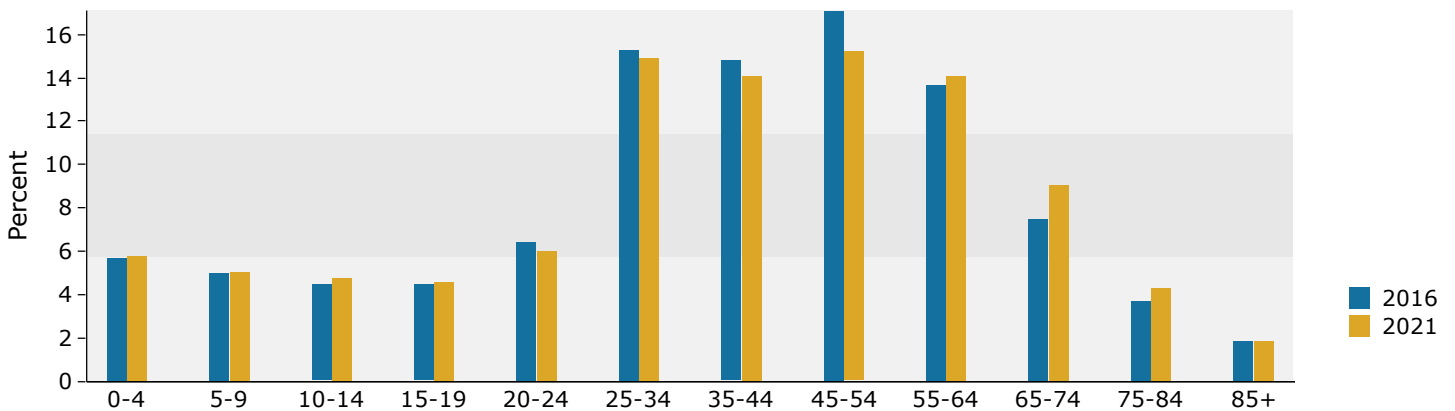
Subjects
 3781 NE 11th Ave, Oakland Park, Florida, 33334
 Ring: 1 mile radius

Prepared by Esri
 Latitude: 26.17415
 Longitude: -80.13215

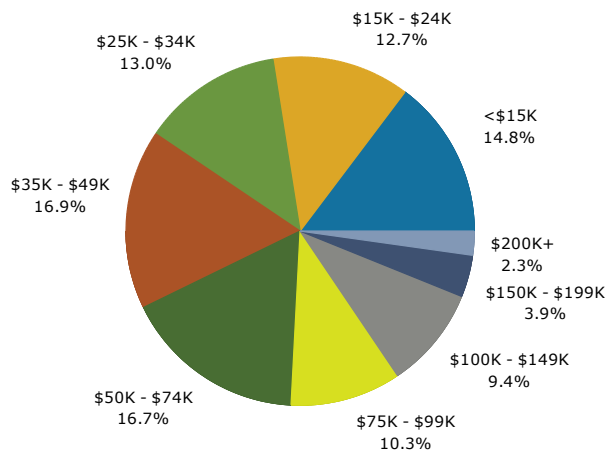
Trends 2016-2021



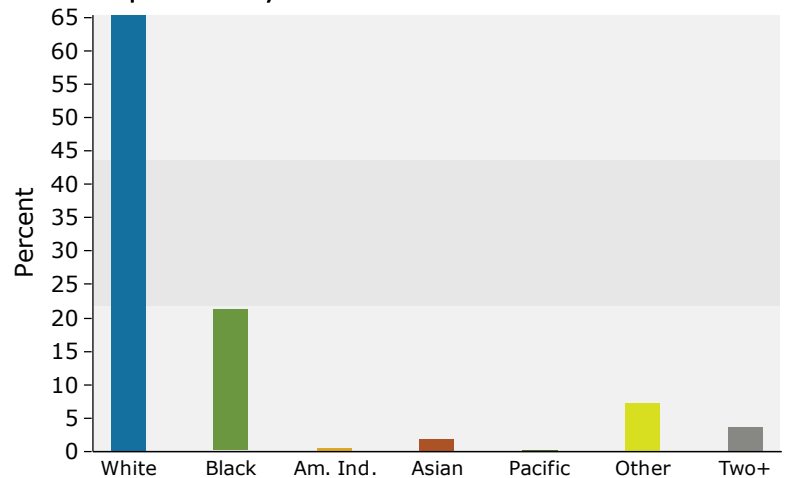
Population by Age



2016 Household Income



2016 Population by Race



2016 Percent Hispanic Origin: 30.5%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.



Demographic and Income Profile

Subjects
 3781 NE 11th Ave, Oakland Park, Florida, 33334
 Ring: 3 mile radius

Prepared by Esri
 Latitude: 26.17415
 Longitude: -80.13215

| Summary | Census 2010 | 2016 | 2021 |
|---------------------------------|-------------|---------|----------|
| Population | 127,028 | 135,542 | 145,683 |
| Households | 60,162 | 63,596 | 67,971 |
| Families | 26,822 | 27,959 | 29,662 |
| Average Household Size | 2.09 | 2.11 | 2.12 |
| Owner Occupied Housing Units | 34,498 | 32,466 | 34,225 |
| Renter Occupied Housing Units | 25,664 | 31,130 | 33,746 |
| Median Age | 44.1 | 45.4 | 45.9 |
| Trends: 2016 - 2021 Annual Rate | Area | State | National |
| Population | 1.45% | 1.29% | 0.84% |
| Households | 1.34% | 1.21% | 0.79% |
| Families | 1.19% | 1.13% | 0.72% |
| Owner HHs | 1.06% | 1.09% | 0.73% |
| Median Household Income | 2.72% | 2.52% | 1.89% |

| Households by Income | 2016 | | 2021 | |
|--------------------------|----------|---------|----------|---------|
| | Number | Percent | Number | Percent |
| <\$15,000 | 8,869 | 13.9% | 9,174 | 13.5% |
| \$15,000 - \$24,999 | 6,938 | 10.9% | 8,435 | 12.4% |
| \$25,000 - \$34,999 | 7,397 | 11.6% | 5,337 | 7.9% |
| \$35,000 - \$49,999 | 9,195 | 14.5% | 7,393 | 10.9% |
| \$50,000 - \$74,999 | 10,504 | 16.5% | 11,995 | 17.6% |
| \$75,000 - \$99,999 | 6,371 | 10.0% | 7,529 | 11.1% |
| \$100,000 - \$149,999 | 7,330 | 11.5% | 9,351 | 13.8% |
| \$150,000 - \$199,999 | 3,305 | 5.2% | 4,413 | 6.5% |
| \$200,000+ | 3,688 | 5.8% | 4,344 | 6.4% |
| Median Household Income | \$48,701 | | \$55,684 | |
| Average Household Income | \$75,479 | | \$83,710 | |
| Per Capita Income | \$35,659 | | \$39,263 | |

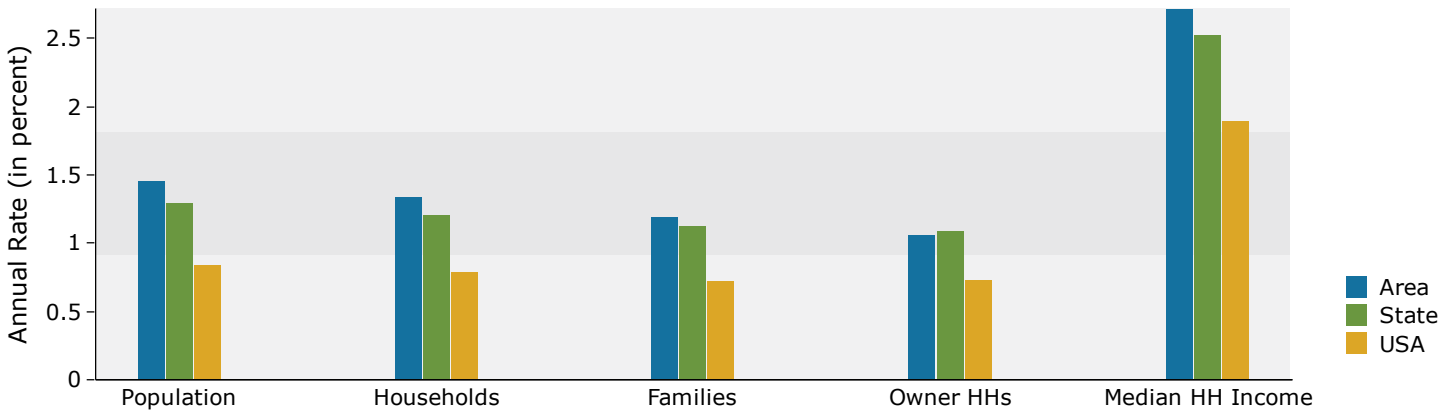
| Population by Age | Census 2010 | | 2016 | | 2021 | |
|-------------------|-------------|---------|--------|---------|--------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| 0 - 4 | 6,124 | 4.8% | 6,240 | 4.6% | 6,805 | 4.7% |
| 5 - 9 | 5,509 | 4.3% | 5,964 | 4.4% | 6,408 | 4.4% |
| 10 - 14 | 5,542 | 4.4% | 5,893 | 4.3% | 6,363 | 4.4% |
| 15 - 19 | 5,921 | 4.7% | 5,829 | 4.3% | 6,176 | 4.2% |
| 20 - 24 | 6,687 | 5.3% | 7,433 | 5.5% | 7,470 | 5.1% |
| 25 - 34 | 16,830 | 13.2% | 17,818 | 13.1% | 19,380 | 13.3% |
| 35 - 44 | 18,681 | 14.7% | 17,855 | 13.2% | 18,533 | 12.7% |
| 45 - 54 | 23,038 | 18.1% | 22,034 | 16.3% | 20,369 | 14.0% |
| 55 - 64 | 18,000 | 14.2% | 21,050 | 15.5% | 22,814 | 15.7% |
| 65 - 74 | 10,763 | 8.5% | 14,366 | 10.6% | 18,009 | 12.4% |
| 75 - 84 | 6,937 | 5.5% | 7,554 | 5.6% | 9,387 | 6.4% |
| 85+ | 2,998 | 2.4% | 3,506 | 2.6% | 3,969 | 2.7% |

| Race and Ethnicity | Census 2010 | | 2016 | | 2021 | |
|----------------------------|-------------|---------|--------|---------|--------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| White Alone | 89,806 | 70.7% | 90,754 | 67.0% | 93,333 | 64.1% |
| Black Alone | 27,118 | 21.3% | 31,974 | 23.6% | 36,972 | 25.4% |
| American Indian Alone | 348 | 0.3% | 430 | 0.3% | 502 | 0.3% |
| Asian Alone | 2,156 | 1.7% | 2,710 | 2.0% | 3,322 | 2.3% |
| Pacific Islander Alone | 73 | 0.1% | 96 | 0.1% | 111 | 0.1% |
| Some Other Race Alone | 4,459 | 3.5% | 5,674 | 4.2% | 6,861 | 4.7% |
| Two or More Races | 3,069 | 2.4% | 3,904 | 2.9% | 4,581 | 3.1% |
| Hispanic Origin (Any Race) | 21,233 | 16.7% | 27,719 | 20.5% | 34,764 | 23.9% |

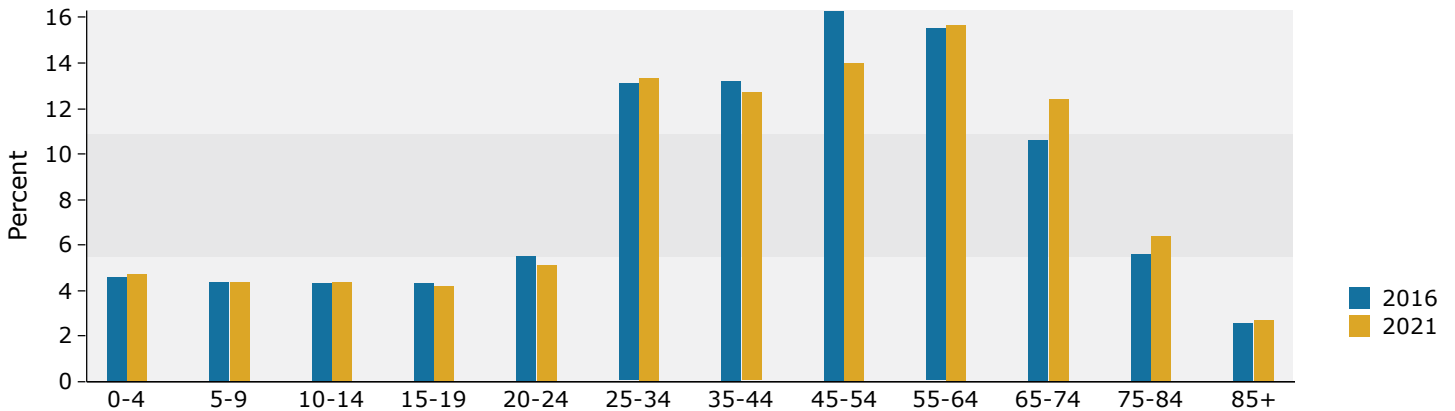
Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

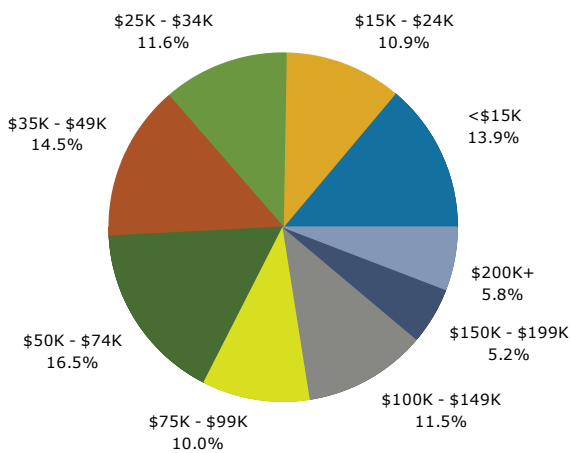
Trends 2016-2021



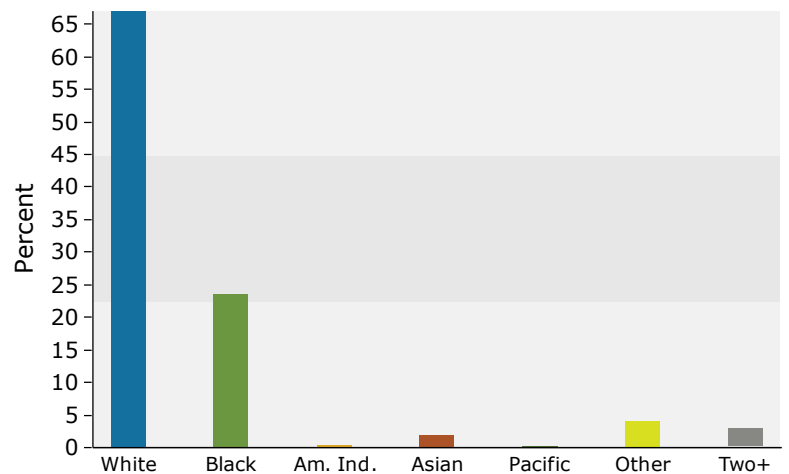
Population by Age



2016 Household Income



2016 Population by Race



2016 Percent Hispanic Origin: 20.5%



Demographic and Income Profile

Subjects
 3781 NE 11th Ave, Oakland Park, Florida, 33334
 Ring: 5 mile radius

Prepared by Esri
 Latitude: 26.17415
 Longitude: -80.13215

| Summary | Census 2010 | 2016 | 2021 |
|---------------------------------|-------------|---------|----------|
| Population | 299,353 | 319,819 | 343,574 |
| Households | 133,441 | 141,063 | 150,690 |
| Families | 65,665 | 68,676 | 72,942 |
| Average Household Size | 2.21 | 2.23 | 2.25 |
| Owner Occupied Housing Units | 73,055 | 68,835 | 72,573 |
| Renter Occupied Housing Units | 60,386 | 72,228 | 78,116 |
| Median Age | 41.8 | 42.7 | 43.2 |
| Trends: 2016 - 2021 Annual Rate | Area | State | National |
| Population | 1.44% | 1.29% | 0.84% |
| Households | 1.33% | 1.21% | 0.79% |
| Families | 1.21% | 1.13% | 0.72% |
| Owner HHs | 1.06% | 1.09% | 0.73% |
| Median Household Income | 3.11% | 2.52% | 1.89% |

| Households by Income | 2016 | | 2021 | |
|--------------------------|----------|---------|----------|---------|
| | Number | Percent | Number | Percent |
| <\$15,000 | 22,535 | 16.0% | 23,383 | 15.5% |
| \$15,000 - \$24,999 | 17,211 | 12.2% | 21,119 | 14.0% |
| \$25,000 - \$34,999 | 17,420 | 12.3% | 12,838 | 8.5% |
| \$35,000 - \$49,999 | 19,750 | 14.0% | 15,811 | 10.5% |
| \$50,000 - \$74,999 | 23,381 | 16.6% | 27,023 | 17.9% |
| \$75,000 - \$99,999 | 13,345 | 9.5% | 16,044 | 10.6% |
| \$100,000 - \$149,999 | 14,477 | 10.3% | 18,410 | 12.2% |
| \$150,000 - \$199,999 | 5,879 | 4.2% | 7,815 | 5.2% |
| \$200,000+ | 7,065 | 5.0% | 8,247 | 5.5% |
| Median Household Income | \$44,077 | | \$51,377 | |
| Average Household Income | \$69,695 | | \$76,873 | |
| Per Capita Income | \$31,309 | | \$34,250 | |

| Population by Age | Census 2010 | | 2016 | | 2021 | |
|-------------------|-------------|---------|--------|---------|--------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| 0 - 4 | 17,210 | 5.7% | 17,325 | 5.4% | 18,560 | 5.4% |
| 5 - 9 | 14,973 | 5.0% | 16,618 | 5.2% | 17,422 | 5.1% |
| 10 - 14 | 14,537 | 4.9% | 15,763 | 4.9% | 17,370 | 5.1% |
| 15 - 19 | 15,779 | 5.3% | 15,330 | 4.8% | 16,356 | 4.8% |
| 20 - 24 | 18,195 | 6.1% | 19,074 | 6.0% | 18,792 | 5.5% |
| 25 - 34 | 41,680 | 13.9% | 44,512 | 13.9% | 47,502 | 13.8% |
| 35 - 44 | 41,251 | 13.8% | 40,532 | 12.7% | 43,279 | 12.6% |
| 45 - 54 | 48,867 | 16.3% | 46,625 | 14.6% | 43,934 | 12.8% |
| 55 - 64 | 38,981 | 13.0% | 45,926 | 14.4% | 49,247 | 14.3% |
| 65 - 74 | 24,526 | 8.2% | 32,382 | 10.1% | 40,278 | 11.7% |
| 75 - 84 | 15,648 | 5.2% | 17,031 | 5.3% | 21,244 | 6.2% |
| 85+ | 7,705 | 2.6% | 8,700 | 2.7% | 9,591 | 2.8% |

| Race and Ethnicity | Census 2010 | | 2016 | | 2021 | |
|----------------------------|-------------|---------|---------|---------|---------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| White Alone | 168,549 | 56.3% | 169,971 | 53.1% | 174,262 | 50.7% |
| Black Alone | 110,574 | 36.9% | 124,671 | 39.0% | 139,514 | 40.6% |
| American Indian Alone | 730 | 0.2% | 890 | 0.3% | 1,032 | 0.3% |
| Asian Alone | 4,404 | 1.5% | 5,465 | 1.7% | 6,599 | 1.9% |
| Pacific Islander Alone | 144 | 0.0% | 181 | 0.1% | 209 | 0.1% |
| Some Other Race Alone | 8,391 | 2.8% | 10,473 | 3.3% | 12,533 | 3.6% |
| Two or More Races | 6,560 | 2.2% | 8,168 | 2.6% | 9,424 | 2.7% |
| Hispanic Origin (Any Race) | 40,455 | 13.5% | 52,241 | 16.3% | 65,118 | 19.0% |

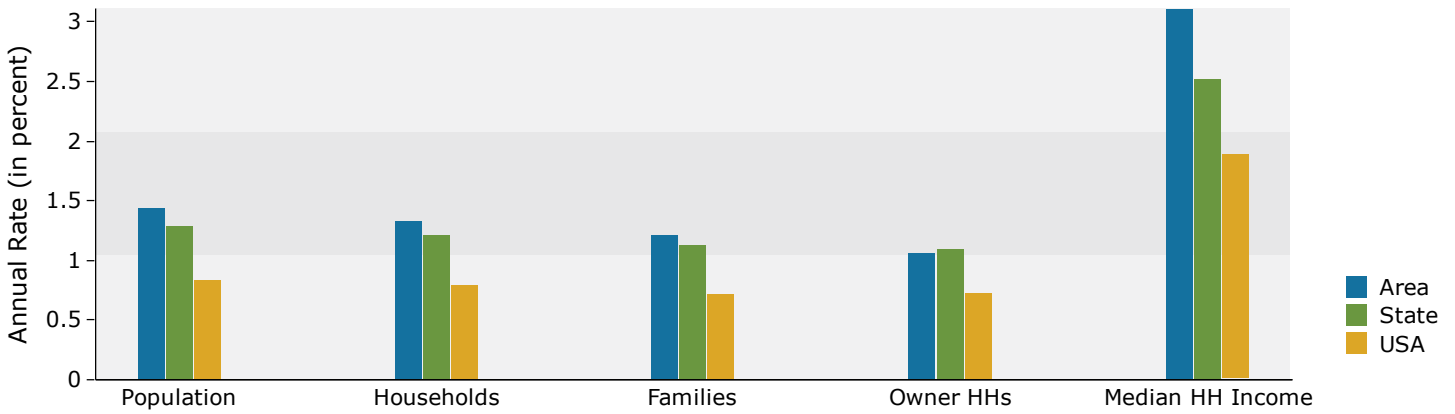
Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

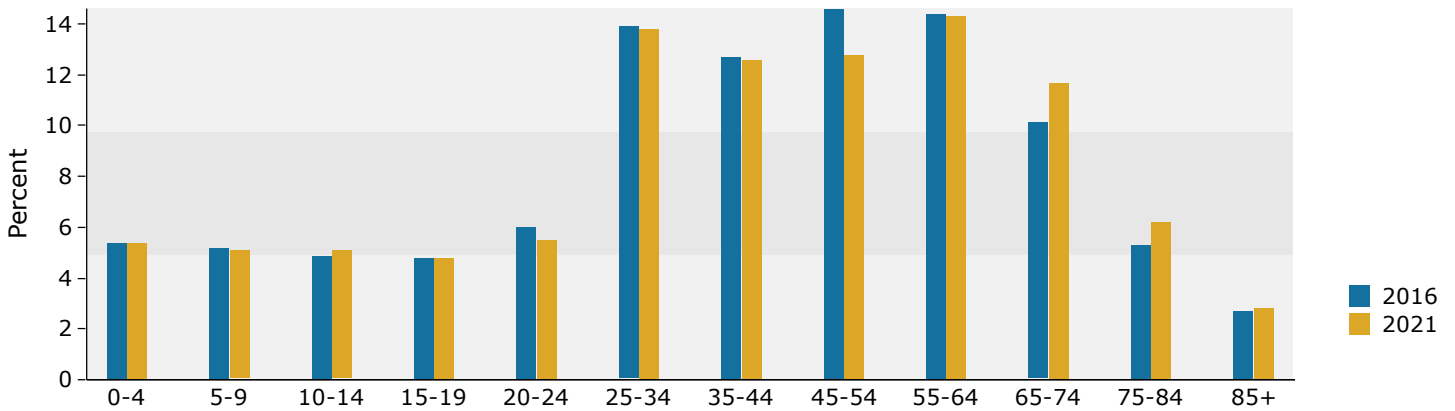
Subjects
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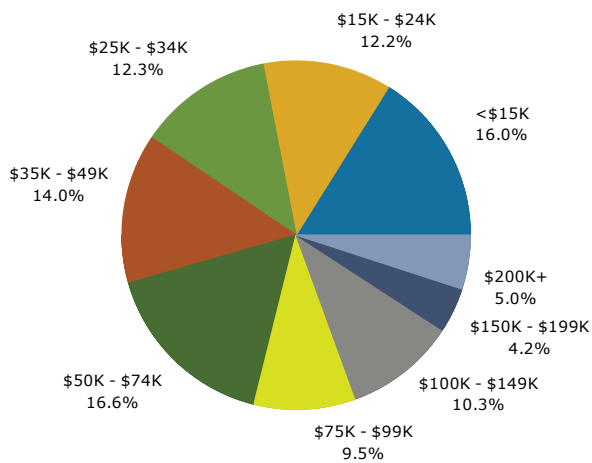
Trends 2016-2021



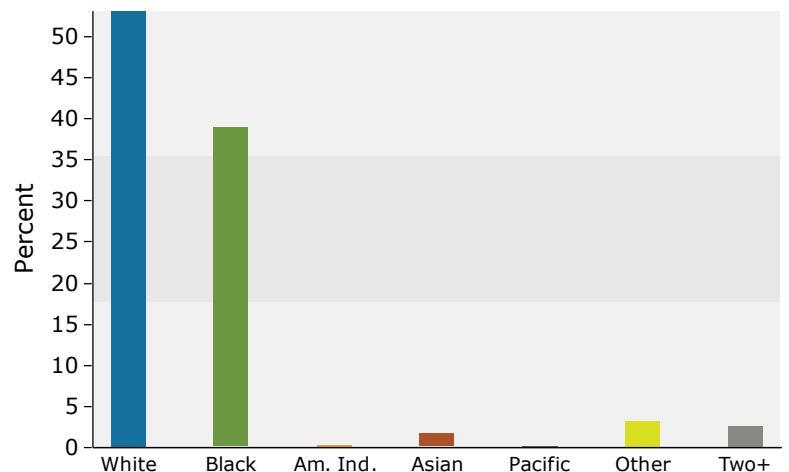
Population by Age



2016 Household Income

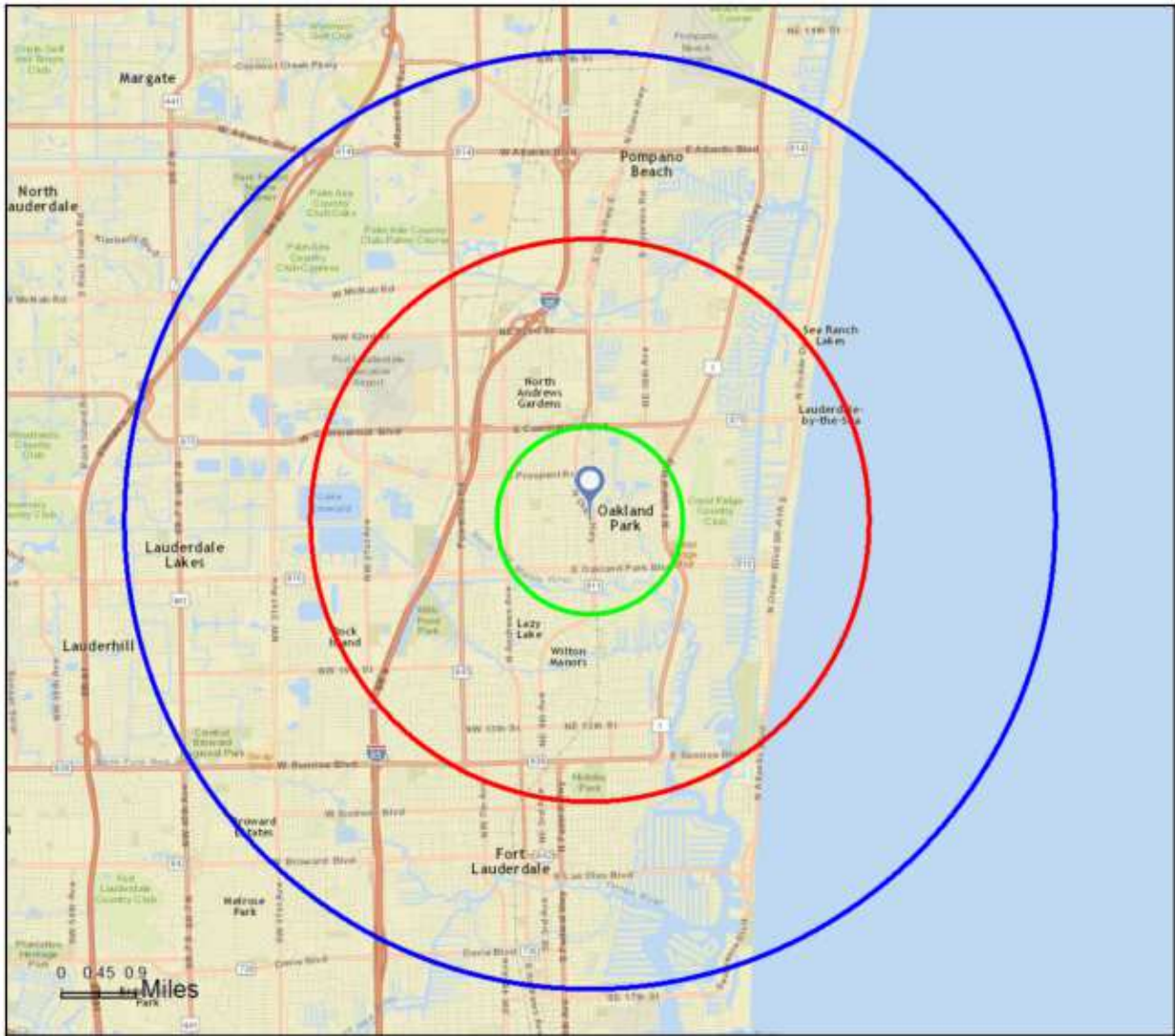


2016 Population by Race



2016 Percent Hispanic Origin: 16.3%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.



Summary

The neighborhood is well established with many older properties being remodeled and repositioned for retail uses. There are several proposed and under development residential projects in the immediate area. Considering the location of the neighborhood, the available land inventory, and surrounding residential and commercial land uses, the long term outlook for the neighborhood is favorable.

Site Description

We were provided a Sketch of Survey – Boundary Survey for both sites, prepared by Craven, Thompson & Associates, dated 1/12/17

Site Size, Shape and Topography

| Site Description | Site One | Site Two |
|------------------|----------------|----------------|
| Land Area - SF | 39,495 | 50,659 |
| Area - Acres | 0.91 | 1.16 |
| Shape | Irregular | Irregular |
| Topography | Level at grade | Level at grade |
| Street Frontages | | |
| Dixie Highway | 320' | 268' |
| NE 11 Ave | 291' | 289' |
| NE 38 St | 137' | 166' |
| NE 39 St | 55' | --- |
| NE 37 St | --- | 188' |
| Water & Sewer | Oakland Park | |
| Electric | FP&L | |

Subsoil Conditions

We have assumed site conditions are adequate to permit construction using conventional construction techniques and we assume no responsibility for hidden or unapparent soil conditions.

Access to the Site

The subjects have frontage along four roads. Site 1 has frontage along N.E. 38th Street, N.E. 39th Street, Dixie Highway and N.E. 11th Avenue. Site 2 has frontage along N.E. 38th Street, N.E. 37th Street, Dixie Highway and N.E. 11th Avenue.

Easements and Encroachments

The surveys do not indicate any easements and we were not provided with a title report. It is an assumption of this report that any easements or encroachments that may exist do not adversely affect the use or market value of the subject property.

Subsoil Conditions

We have assumed site conditions are adequate to permit construction using conventional construction techniques and we assume no responsibility for hidden or unapparent soil conditions.

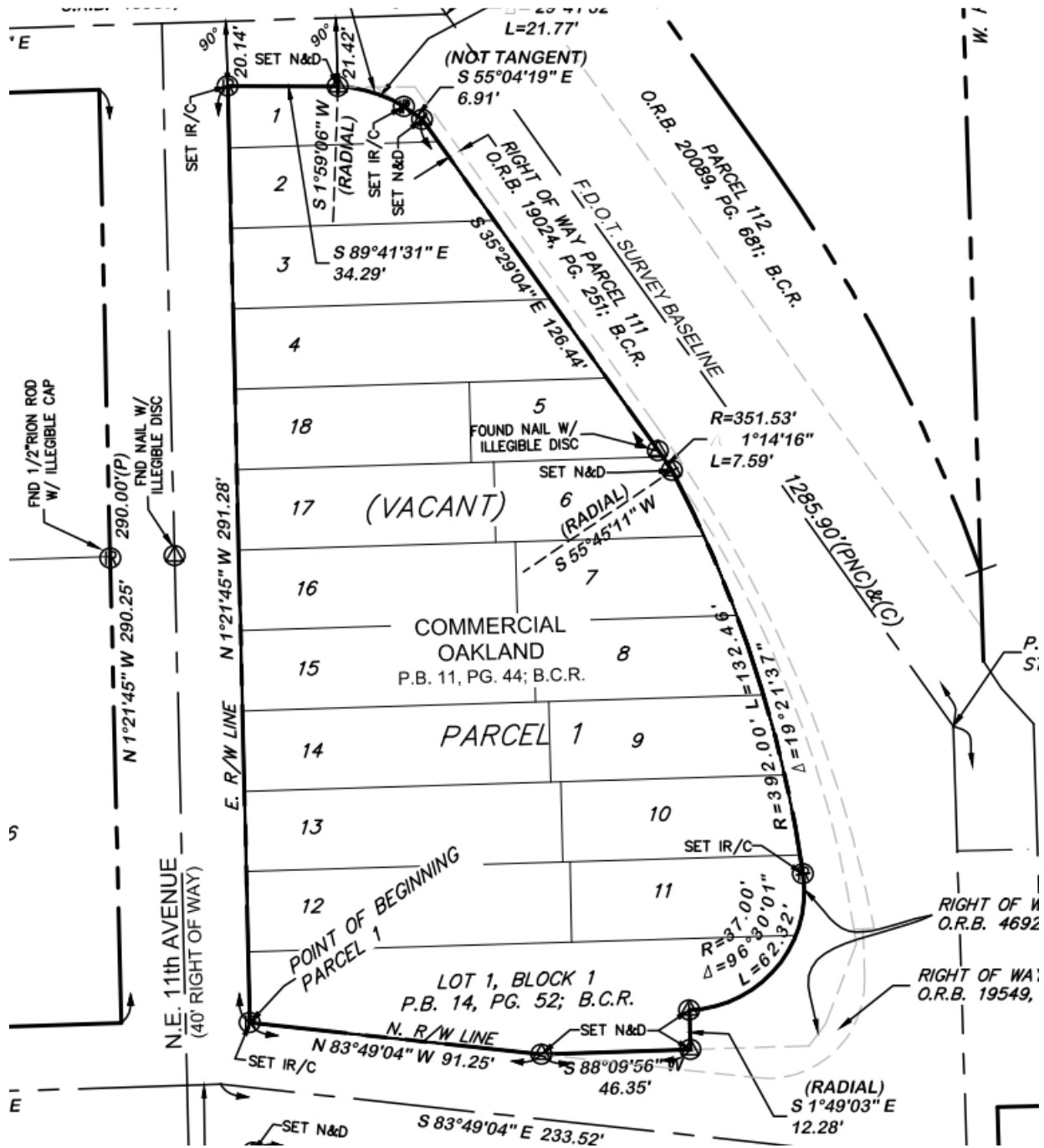
Site One



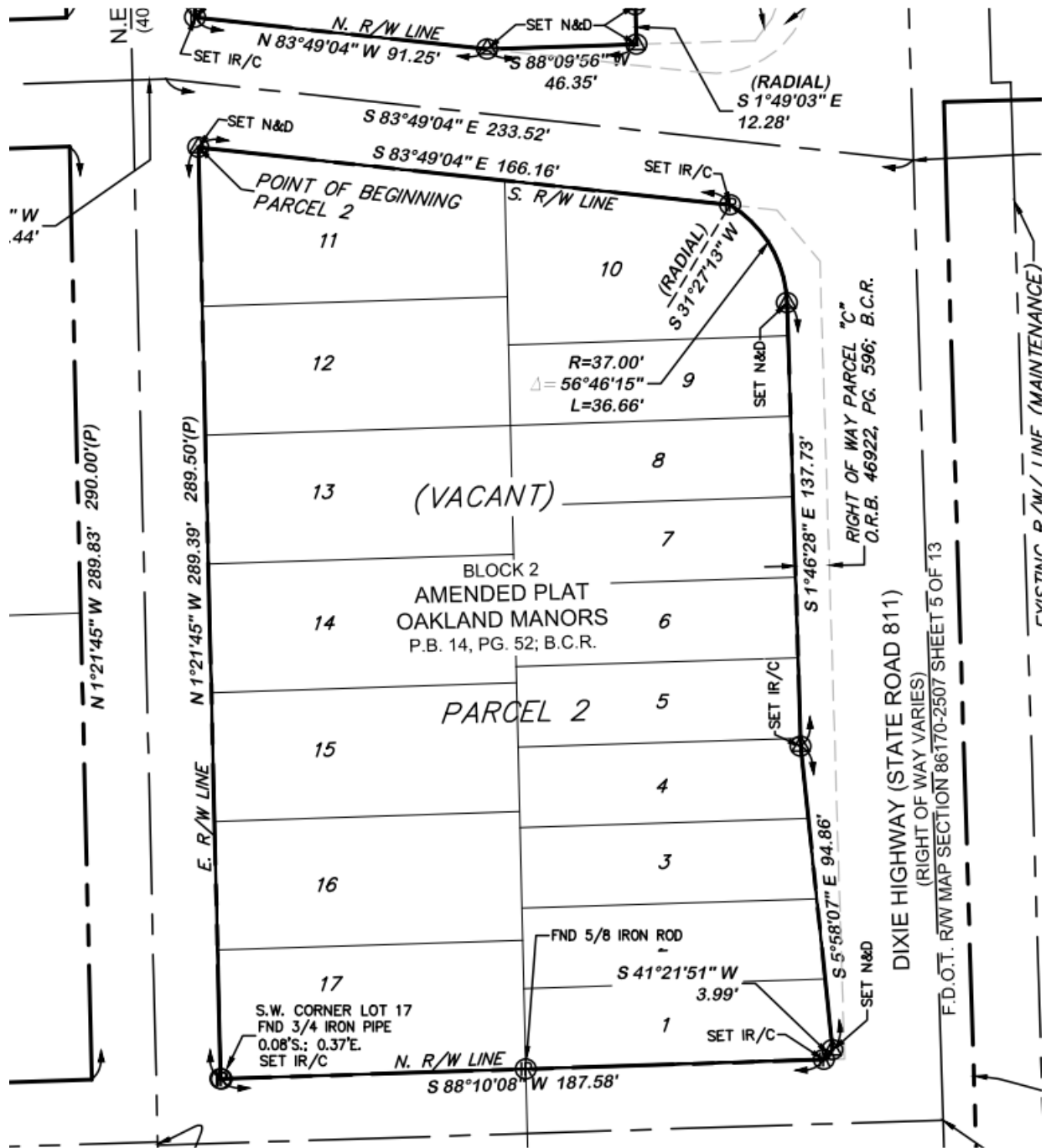
Site Two



Site One Survey



Site Two Survey

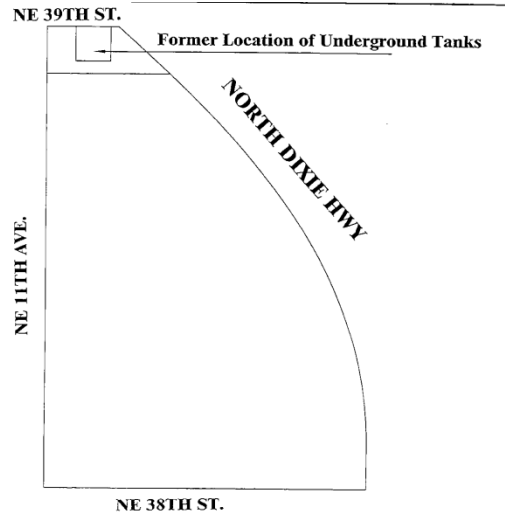


Environmental Hazards

Site 1

We were provided a Tank Closure Assessment (Site 1) dated 6/28/08, prepared by Florida Environmental Engineering, Inc. and a Low Score Site Initiative (LSSI) Site Assessment prepared by Handex Consulting & Remediation, LLC, dated 12/23/15.

There were formerly five steel underground tanks in the north portion of Site 1, as shown in the accompanying sketch. There was a discharge that occurred prior to January 1989 and the site was approved to be eligible for state administered cleanup under the EDI Program. Contamination assessment activities were never completed.



The Tank Closure Assessment in 2008 stated that soil and groundwater testing contamination above regulatory limits was confirmed in the former underground tank area.

The 2015 LSSI assessment stated that based on the data collected during the August 2015 field activities, further assessment and active remediation will be needed for this site. *Based on these conclusions and the requirements under the LSSI Program, in accordance with the applicable portions set forth in Chapter 2010-278, Laws of Florida, Section 376.3071(11), FS, consistent with the guidance documents for the FDEP LSSI program and the Petroleum Cleanup Preapproval Program, HCR recommends that the site remains in the program until funds become available for additional assessment.*

As per the client’s request, our market value opinion for Site 1 is subject to the Hypothetical Condition that the site is clean.

Site 2

We were not provided a Phase I Environmental Site Assessment for Site 2. Our appraisal is subject to the Extraordinary Assumption that Site 2 is free and clear of any adverse environmental conditions.

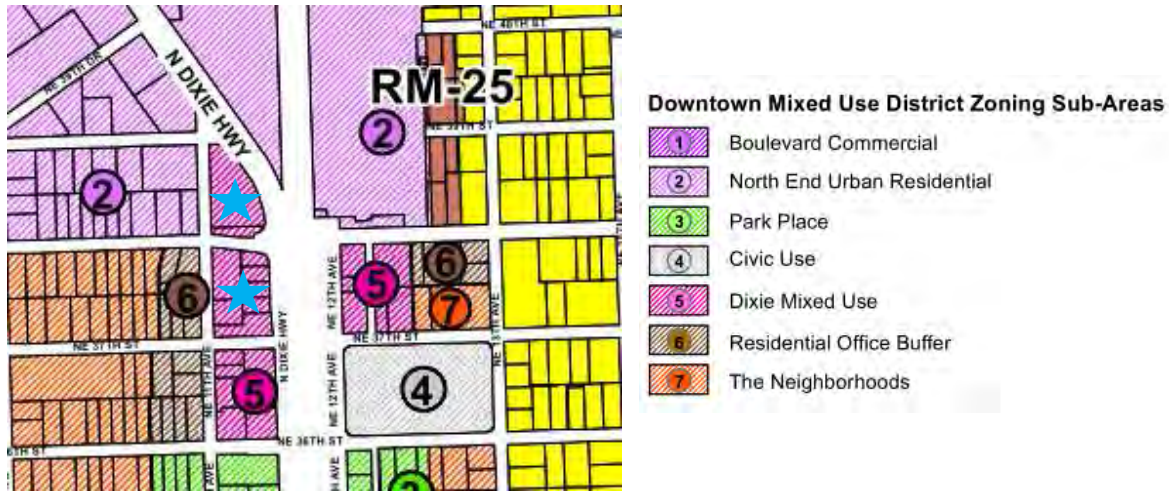
Flood Zone

| | |
|---|---|
| Address (from parcels) | NE 38TH ST |
| FEMA Data Source | DFIRM - Digital Flood Information Rate Map |
| Inside Special Flood Hazard Area? | OUTSIDE SPECIAL FLOOD HAZARD AREA INSIDE SPECIAL FLOOD HAZARD AREA |
| Risk Level | MODERATE RISK AREAS HIGH RISK AREAS |
| Flood Zone(s) | X500 AH |
| Description(s) | X500 = 500-YEAR FLOODPLAIN AH = 100-YEAR FLOODPLAIN |
| Base Flood Elevation | -9999.000000000 5.000000000 |
| NFIP Community Name | CITY OF OAKLAND PARK |
| County | BROWARD |
| State | Florida |
| NFIP Community Number | 120050 |
| NFIP Map Number or Community Panel Number | 12011C0367H |
| Inside CBRA? | FALSE |
| CBRA Type | N/A |
| Map Panel Effective Date | 8/18/2014 |



Zoning

The subjects are zoned Downtown Mixed Use - Dixie Mixed Use.



The Dixie Mixed Use Sub-Area regulations will encourage a mix of commercial and residential uses. Residential uses are prohibited on the ground floor of all buildings developed under the Downtown Mixed Use District Regulations

- Lot Size: None
- Lot Width: None
- Front Setback: 12' – minimum along Dixie Highway
- Side/Rear: 10'
- Maximum Height: 36' – three stories. If Additional Building Height requirements are met, then up to 68' – five stories are permitted
- Density: 45 units per net acre
- Minimum Pervious: 5% of net area
- Residential Unit Area: 1,100 square feet average gross floor area, minimum 900 square feet gross floor area

Tax Assessment Data

The Broward County Property Appraiser establishes assessments for the County and cities within its jurisdiction. Florida statutes require that all real property be assessed at "full cash value", however, depending on the area assessed values sometimes lag the market. Properties are assessed as of January 1st of the respective year. The cited tax amount is entitled to a 4% reduction if paid in November. This discount then reduces at a rate of 1% per month through March, at which time the total tax becomes due and payable.

The 2016 assessments are shown below. The sites are owned by the city and are exempt from real estate taxes.

| 2016 Real Estate Assessments | |
|-------------------------------------|-------------------|
| Folio | Assessment |
| Site One | |
| 4942-23-00-0470 | \$277,790 |
| Site Two | |
| 4942-23-15-0062 | \$121,100 |
| 4942-23-15-0070 | \$60,060 |
| 4942-23-15-0020 | \$86,320 |
| 4942-23-15-0030 | \$35,860 |
| 4942-23-15-0040 | \$35,710 |
| 4942-23-15-0050 | \$35,710 |
| 4942-23-15-0060 | <u>\$31,100</u> |
| | \$405,860 |

The assessments are well below our market value opinions. If the properties were to sell it is highly likely that the Property Appraiser would reassess the properties at approximately 90% of the recorded sale price.

Owner of Record

As per the Broward County Property Appraiser's office, the owner of record and mailing address is:

City of Oakland Park
3650 N.E. 38th Street
Oakland Park, FL 33334

Present Use of the Property

The subjects are two vacant, mixed-use zoned sites.

History of the Subject Property

According to the public records, the most recent title transfers of the subjects occurred in December 2001 and May 2002 when they were purchased by the City.

As per the client the subject properties are not currently listed for sale or have pending contracts for sale.

Market Study

Competitive Market Overview

The following discussion provides an overview of the overall economic conditions of the residential market in Broward County and the subject's market area. We have relied on the Reinhold P. Wolff quarterly housing reports, CoStar and our own research for the Macro and Micro Analysis.

Broward County Residential Market Overview

NEW HOME ACTIVITY

The number of new housing units authorized by building permits in the 3Q 2016 totaled 891 units. This level of activity was 25.0% less than the 1,188 units permitted in the 2Q 2016 but was 5.9% more than the 841 units authorized during the 3Q 2015. The 3,418 dwellings which were permitted through the September of 2016 was 30.3% greater than the 2,624 permitted during the same period of 2015. There were 277 MF units permitted during the 3Q 2016 compared to 350 in the 2Q 2016 and 373 permitted in the 3Q 2015. The 1,919 MF units which were permitted through September 2016 was 31.0% greater than the 1,465 permitted during the same period of 2015. A total of 594 SF homes were authorized by building permits during the 3Q 2016. This is 0.7% less than the 598 units permitted in the 2Q 2016 but 26.9% more than the 468 homes permitted during the 3Q 2015. Through September 2016 a total of 1,499 SF homes were permitted, up 29.3% over the 1,159 permitted during the same period of 2015. A total of 3,806 housing units were started in Broward County during 2015 representing a 7.5% increase over the 3,542 of 2014. It is forecast that a total of 4,498 units will be started in 2016 representing an increase of 18.2% over the level of 2015. In 2017 a total of 5,560 starts are forecast, up 23.6% over the expected total for 2016. MF starts in 2015 totaled 2,119 units representing an increase of 15.9% from the 1,828 of 2014, and in 2016 MF starts are forecast to total 2,389 units, up 12.7% over the level of 2015. In 2017 MF starts are forecast to total 3,060 units, up 28.1% over the expected total for 2016. SF starts totaled 1,687 units during 2015, down 1.6% from the 1,714 of 2014. In 2016 SF starts are forecast to total 2,109 units, up 25.0% from the 1,687 of 2015. In 2017 SF starts are forecast at 2,500 units, up 18.5% over the forecasted total for 2016.

Source: University of Florida, BER

Projections by Reinhold P. Wolf Economic Research

SF= Detached

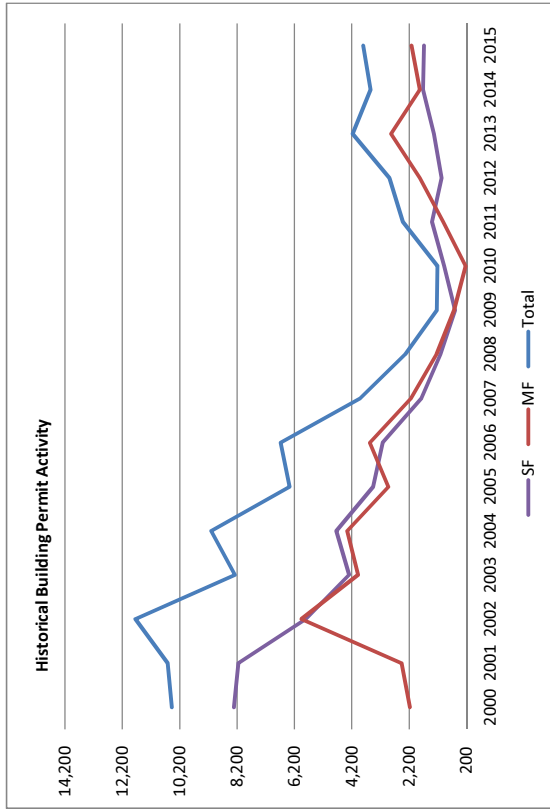
MF=TH, Condo, Rental Apartments

RESALE ACTIVITY-Broward

During the 3Q 2016 there were a total of 7,583 SF homes resold in Broward County representing an increase of 2.0% over the 7,431 resold in the 2Q 2016. Used home sales in the 3Q 2016 were 14.3% greater than the 6,635 resold in the 3Q 2015, one year earlier. The 20,202 used homes sold through September 2016 represented a 13.2% increase over the 17,844 resold during the same period of 2015.

The median price for used SF homes sold during the 3Q 2016 was \$282,577 in Broward County, up 1.1% from the \$279,590 median of the 2Q 2016 and 6.0% higher than the \$266,676 median of the 3Q 2015.

| Year | Building Permit Activity | | | Total | % Chng |
|--------------------------|--------------------------|-------|--------|--------|--------|
| | SF | MF | % Chng | | |
| 2000 | 8,310 | 2,168 | | 10,478 | |
| 2001 | 8,153 | 2,463 | 14% | 10,616 | 1% |
| 2002 | 5,798 | 5,952 | 142% | 11,750 | 11% |
| 2003 | 4,292 | 3,986 | -33% | 8,278 | -30% |
| 2004 | 4,742 | 4,359 | 9% | 9,101 | 10% |
| 2005 | 3,451 | 2,919 | -33% | 6,370 | -30% |
| 2006 | 3,119 | 3,567 | 22% | 6,686 | 5% |
| 2007 | 1,777 | 2,141 | -40% | 3,918 | -41% |
| 2008 | 1,104 | 1,242 | -42% | 2,346 | -40% |
| 2009 | 604 | 637 | -49% | 1,241 | -47% |
| 2010 | 981 | 228 | -64% | 1,209 | -3% |
| 2011 | 1,399 | 1,016 | 346% | 2,415 | 100% |
| 2012 | 1,064 | 1,828 | 80% | 2,892 | 20% |
| 2013 | 1,333 | 2,835 | 55% | 4,168 | 44% |
| 2014 | 1,714 | 1,828 | -36% | 3,542 | -15% |
| 2015 | 1,687 | 2,119 | 16% | 3,806 | 7% |
| Period Comparison | | | | | |
| 2015 | 1,687 | 2,119 | | 3,806 | |
| 2016F | 2,109 | 2,389 | 13% | 4,498 | 18% |
| 2017F | 2,500 | 3,060 | 24% | 5,560 | 24% |
| Last 4 Qtrs Actual | 2,037 | 2,573 | | 4,610 | 2% |



| Year | Used Single Family Homes Sold | | % Chng |
|------------------|-------------------------------|--------|--------|
| | Sales | % Chng | |
| 2006 | 25,926 | | |
| 2007 | 16,552 | -36% | |
| 2008 | 13,559 | -18% | |
| 2009 | 21,462 | 58% | |
| 2010 | 27,390 | 28% | |
| 2011 | 17,381 | -37% | |
| 2012 | 18,145 | 4% | |
| 2013 | 21,170 | 17% | |
| 2014 | 22,597 | 7% | |
| 2015 | 23,948 | 6% | |
| 2015 (thru Sept) | 17,844 | | |
| 2016 (thru Sept) | 20,202 | 13% | |

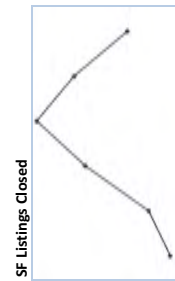
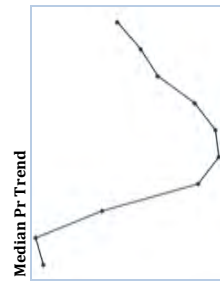
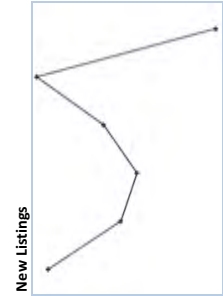
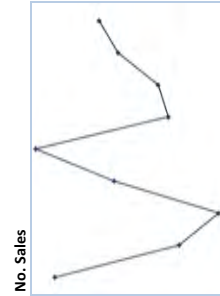
Source: Court records closings by CoreLogic compiled by Reinhold Wolf

| Quarter | New SF Listings | | % Chng |
|---------|-----------------|--------|--------|
| | New Listings | % Chng | |
| 2010 | 27,523 | | |
| 2011 | 24,409 | -11% | |
| 2012 | 23,719 | -3% | |
| 2013 | 25,147 | 6% | |
| 2014 | 28,016 | 11% | |
| 2015 | 20,343 | -27% | |

Note: Does not include TH & condo
Source: Ft. Lauderdale Board of Realtors analyzed by ARC

| Year | Median Price Trends - Used SF Homes | | % Chng |
|--------------|-------------------------------------|--------|--------|
| | Median Pr | % Chng | |
| 2006 | \$326,072 | | |
| 2007 | \$333,584 | 2% | |
| 2008 | \$269,294 | -19% | |
| 2009 | \$176,885 | -34% | |
| 2010 | \$156,884 | -11% | |
| 2011 | \$160,377 | 2% | |
| 2012 | \$180,442 | 13% | |
| 2013 | \$215,995 | 20% | |
| 2014 | \$232,624 | 8% | |
| 2015 | \$254,634 | 9% | |
| 1st Qtr 2016 | \$254,024 | | |
| 2nd Qtr 2016 | \$279,590 | 10% | |
| 3rd Qtr 2016 | \$282,577 | 11% | |

Source: Court records closings by CoreLogic compiled by Reinhold Wolf



| Quarter | SF Listed & Closed | | % Chng | Yrs to Absorb |
|---------|--------------------|--------|--------|---------------|
| | Quater | Closed | | |
| 2010 | 13,864 | | | |
| 2011 | 14,285 | 3% | | 1.71 |
| 2012 | 15,521 | 9% | | 1.53 |
| 2013 | 16,472 | 6% | | 1.53 |
| 2014 | 15,740 | -4% | | 1.78 |
| 2015 | 14,698 | -7% | | 1.38 |

Source: Ft. Lauderdale Board of Realtors analyzed by ARC

Broward County Residential Market Overview

CONDOMINIUM ACTIVITY

A total of 17 new condominium units were reported as sold (deeded) in Broward County during the 3Q 2016. The 3Q 2016 sales were 19.0% less than the 21 sold in the 2Q 2016 and 26.1% less than the 23 sold in the 3Q 2015. The 99 new units sold through September 2016 was 50.3% less than the 199 sold during the same period of 2015. As noted previously, the sales data presented are based on deed recordings.

Noted that condominium sales based on deed recordings lags considerably behind contract sales. This results from the practice of recording sales in bulk after an entire building has been completed and sold rather than as each individual unit is sold.

| Year | Units Sold | % Chng |
|------------------|------------|--------|
| 2004 | 3,795 | |
| 2005 | 12,377 | 226% |
| 2006 | 14,233 | 15% |
| 2007 | 7,904 | -44% |
| 2008 | 2,074 | -74% |
| 2009 | 635 | -69% |
| 2010 | 656 | 3% |
| 2011 | 493 | -25% |
| 2012 | 347 | -30% |
| 2013 | 82 | -76% |
| 2014 | 262 | 220% |
| 2015 | 245 | -6% |
| 2015 (thru Sept) | 199 | |
| 2016 (thru Sept) | 99 | -50% |

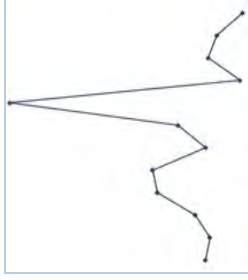
Source: Court records closings by CoreLogic recomplied by Reinhold Wolff

Condominium Units Sold



| Year | Median Pr | % Chng |
|--------------|-----------|--------|
| 2004 | \$222,531 | |
| 2005 | \$218,385 | -2% |
| 2006 | \$231,761 | 6% |
| 2007 | \$265,891 | 15% |
| 2008 | \$270,290 | 2% |
| 2009 | \$222,342 | -18% |
| 2010 | \$247,209 | 11% |
| 2011 | \$399,360 | 62% |
| 2012 | \$191,192 | -52% |
| 2013 | \$220,000 | 15% |
| 2014 | \$212,231 | -4% |
| 2015 | \$188,880 | |
| 1st Qtr 2016 | \$157,499 | |
| 2nd Qtr 2016 | \$184,374 | 17% |
| 3rd Qtr 2016 | \$424,999 | 131% |

Median Condo Price Trend

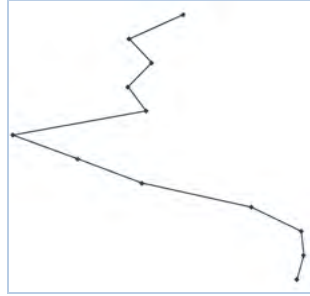


FORECLOSURE TRENDS

Foreclosure Filings

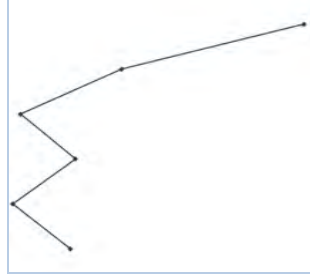
| Year | No. Filed | % Chng |
|------|-----------|--------|
| 2004 | 780 | |
| 2005 | 361 | -54% |
| 2006 | 516 | 43% |
| 2007 | 3,616 | 601% |
| 2008 | 10,415 | 188% |
| 2009 | 14,385 | 38% |
| 2010 | 18,427 | 28% |
| 2011 | 10,158 | -45% |
| 2012 | 11,278 | 11% |
| 2013 | 9,810 | -13% |
| 2014 | 11,198 | 14% |
| 2015 | 7,853 | -30% |

Source: Broward County Property Appraiser



Sources: Broward County, Reinhold Wolff Housing Report, Greater Fort Lauderdale MLS
Broward County Clerk and Property Appraiser's Office

| Qtr | No. | % Chng |
|---------------|-------|--------|
| Jan-Sept 2011 | 7,739 | |
| Jan-Sept 2012 | 8,852 | 14% |
| Jan-Sept 2013 | 7,638 | -14% |
| Jan-Sept 2014 | 8,702 | 14% |
| Jan-Sept 2015 | 6,746 | -22% |
| Jan-Sept 2016 | 3,217 | -52% |



Broward Rental Market Analysis

Reinhold Wolff

As per the 4th Quarter 2016 Reinhold Wolff Broward Quarterly Housing Report, the vacancy rate in mature (18+ months old) rental apartment complexes in Broward County stood at 4.9% in November 2016, up considerably from the 3.7% rate of August 2016 and higher than the 3.4% rate of November 2015.

The vacancy rate was found to be the highest in the N. Pompano/Deerfield Beach area at 9.2%, followed by the Coral Springs/Coconut Creek area at 6.7%. The lowest vacancy rate of 3.1% was found in the Pompano Beach area.

The table below summarizes the county wide Reinhold Wolff report. Note that the occupancy reports are just for apartment buildings 18-months old or older. The subject's neighborhood is in Fort Lauderdale (Area 6). The map on the following page shows the Reinhold Wolff submarkets.

| Area | # Units Surveyed | # Vacant Units | Percent Vacant |
|---|------------------|----------------|----------------|
| AREA 2 - Hollywood/Hallandale | 2,438 | 96 | 3.9% |
| AREA 2A - Pembroke Pines/Miramar | 9,533 | 369 | 3.9% |
| AREA 3 - Davie/Cooper City/Weston | 4,731 | 253 | 5.3% |
| AREA 4 - Plantation | 6,838 | 307 | 4.5% |
| AREA 6 - Fort Lauderdale | 4,704 | 151 | 3.2% |
| AREA 7 - Lauderhill/Lauderdale Lakes/Sunrise | 5,087 | 178 | 3.5% |
| AREA 9 - Pompano Beach | 1,814 | 56 | 3.1% |
| AREA 10 - North Lauderdale/Tamarac | 4,261 | 145 | 3.4% |
| AREAS 12 & 13 - North Pompano/Deerfield Beach | 4,564 | 420 | 9.2% |
| AREA 14 - Coral Springs/Coconut Creek | 10,244 | 682 | 6.7% |
| TOTAL BROWARD COUNTY | 54,214 | 2,657 | 4.9% |

Reinhold Wolff Broward Submarkets Map



The overall average monthly rent for apartments in mature rental developments in Broward County increased by \$8 from August, 2016 to November, 2016. The November, 2016 overall average rent of \$1,619 is 4.2% greater than the \$1,553 average rent found one year earlier.

During the most recent three month period efficiency apartment rents decreased by \$45 to \$1,324, one-bedroom rents increased by \$8 to \$1,391 and two-bedroom rents increased by \$9 to \$1,674. Three-bedroom rents declined by \$2 to \$2,008 in November, 2016. Changes in projects participating in the surveys from one period to another can result in some fluctuations in rents from one period to another.

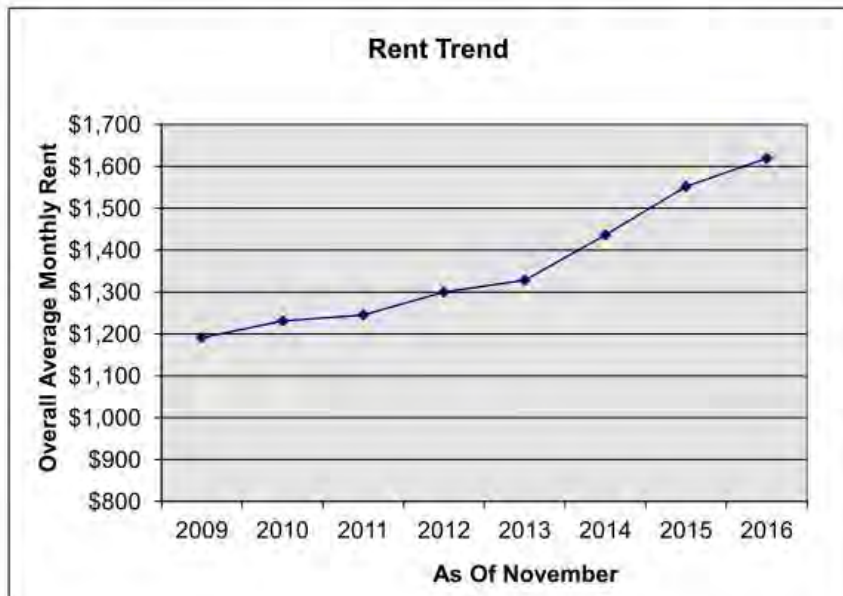
It should also be noted that the rents revealed by the survey data are not necessarily representative of rents which might be obtained in a new rental development. The rents are averaged from projects including some small and older complexes.

The average apartment rents and sizes for each of the areas are shown in the table below.

| Area | Unit Type | # Units In Sample | Average Sq. Ft. | Average Rent Per Sq. Ft. |
|---|----------------|-------------------|-----------------|--------------------------|
| AREA 2 - Hollywood/Hallandale | 1 BR | 1,252 | 762 | 167.5¢ |
| | 2 BR | 1,013 | 1,058 | 153.3¢ |
| | 3 BR | 142 | 1,237 | 154.3¢ |
| AREA 2A - Pembroke Pines/Miramar | 1 BR | 2,578 | 805 | 189.3¢ |
| | 2 BR | 4,971 | 1,091 | 162.1¢ |
| | 3 BR | 1,984 | 1,414 | 141.1¢ |
| AREA 3 - Davie/Cooper City | 1 BR | 1,632 | 845 | 169.4¢ |
| | 2 BR | 2,336 | 1,118 | 155.5¢ |
| | 3 BR | 639 | 1,375 | 154.8¢ |
| AREA 4 - Plantation | 1 BR | 2,166 | 820 | 182.2¢ |
| | 2 BR | 3,491 | 1,086 | 163.6¢ |
| | 3 BR | 968 | 1,338 | 149.8¢ |
| AREA 6 - Fort Lauderdale | 1 BR | 1,922 | 794 | 213.4¢ |
| | 2 BR | 2,180 | 1,188 | 200.6¢ |
| | 3 BR | 416 | 1,487 | 199.4¢ |
| AREA 7 - Lauderhill/Lauderdale Lakes/Sunrise | 1 BR | 1,710 | 763 | 155.9¢ |
| | 2 BR | 3,120 | 1,093 | 126.0¢ |
| | 3 BR | 257 | 1,296 | 129.9¢ |
| AREA 9 - Pompano Beach | 1 BR | 964 | 675 | 206.7¢ |
| | 2 BR | 813 | 1,032 | 153.9¢ |
| | 3 BR | 36 | 1,269 | 152.9¢ |
| AREA 10 - North Lauderdale/Tamarac | 1 BR | 1,805 | 738 | 155.6¢ |
| | 2 BR | 2,062 | 1,033 | 135.6¢ |
| | 3 BR | 394 | 1,287 | 129.7¢ |
| AREAS 12 & 13 - North Pompano/Deerfield Beach | 1 BR | 1,458 | 781 | 148.7¢ |
| | 2 BR | 2,749 | 1,067 | 125.5¢ |
| | 3 BR | 325 | 1,362 | 137.6¢ |
| AREA 14 - Coral Springs | 1 BR | 3,123 | 841 | 167.2¢ |
| | 2 BR | 4,950 | 1,179 | 142.0¢ |
| | 3 BR | 2,091 | 1,429 | 134.9¢ |
| TOTAL BROWARD COUNTY | All Apartments | 52,214 | 1,033 | 156.7¢ |
| | Efficiency | 599 | 678 | 195.3¢ |
| | One-Bedroom | 18,610 | 793 | 175.4¢ |
| | Two-Bedroom | 27,685 | 1,107 | 151.3¢ |
| | Three-Bedroom | 7,252 | 1,391 | 144.3¢ |
| | Four-Bedroom | 68 | 1,778 | 143.8¢ |

The chart below reflects the average monthly rent increases over November 2015 to November 2016.

| Unit Type | Average Monthly Rent | | | Percent Change | |
|----------------|----------------------|----------|----------|----------------|---------------|
| | Nov-16 | Aug-16 | Aug-15 | 08/16 - 11/16 | 11/15 - 11/16 |
| All Apartments | \$ 1,619 | \$ 1,611 | \$ 1,553 | +0.5% | +4.2% |
| Efficiency | \$ 1,324 | \$ 1,369 | \$ 1,278 | -3.3% | +3.6% |
| One-Bedroom | \$ 1,391 | \$ 1,383 | \$ 1,330 | +0.6% | +4.6% |
| Two-Bedroom | \$ 1,674 | \$ 1,665 | \$ 1,606 | +0.5% | +4.2% |
| Three-Bedroom | \$ 2,008 | \$ 2,010 | \$ 1,939 | -0.1% | +3.6% |



During the third quarter 2016 a total of 1,016 new rental apartment units were absorbed in Broward County, 34.2% more than the 757 absorbed in the second quarter of 2016 and 97.3% more than the 522 absorbed in the third quarter of 2015. The 2,310 new apartments absorbed through September, 2016 was 7.4% more than the 2,150 absorbed during the same period of 2015.

A total of 794 new apartment units were completed in Broward County during the third quarter 2016 while 738 had been completed in the second quarter of 2016. A total of 1,304 units were started under construction in the third quarter of 2016 while none had been started in the second quarter of 2016.

For the six month period ending with September, 2016 an average of 296 new rental units were absorbed each month. During the six month period an average of 255 new apartment units were completed per month while 216 were started monthly.

There were 888 new units in inventory as of September 2016, representing three (3) months of supply at the level of absorption over the previous six months. Up to six months supply is considered an acceptable inventory level to have available without indicating an oversupply.

| Time Period | Occupancies | Completions | Starts |
|---------------------------|--------------|--------------|--------------|
| 2012 | | | |
| 1st Quarter | 297 | 346 | 1,995 |
| 2nd Quarter | 302 | 573 | 396 |
| 3rd Quarter | 480 | 227 | 1,241 |
| 4th Quarter | 254 | 297 | 700 |
| 2012 TOTALS | 1,333 | 1,443 | 4,333 |
| 2013 | | | |
| 1st Quarter | 227 | 327 | 693 |
| 2nd Quarter | 284 | 449 | 949 |
| 3rd Quarter | 434 | 728 | 1,236 |
| 4th Quarter | 697 | 626 | 150 |
| 2013 TOTALS | 1,642 | 2,130 | 3,028 |
| 2014 | | | |
| 1st Quarter | 625 | 924 | 0 |
| 2nd Quarter | 778 | 627 | 1,282 |
| 3rd Quarter | 934 | 992 | 1,187 |
| 4th Quarter | 977 | 1,198 | 768 |
| 2014 TOTALS | 3,314 | 3,741 | 3,237 |
| 2015 | | | |
| 1st Quarter | 772 | 581 | 451 |
| 2nd Quarter | 586 | 212 | 634 |
| 3rd Quarter | 792 | 741 | 1,586 |
| 4th Quarter | 677 | 830 | 1,864 |
| 2015 TOTALS | 2,827 | 2,364 | 4,535 |
| 2016 | | | |
| 1st Quarter | 537 | 600 | 1,306 |
| 2nd Quarter | 757 | 738 | 0 |
| 3rd Quarter | 1,016 | 794 | 1,304 |
| Percentage Change: | | | |
| 3Q16 vs. 2Q16 | +34.2% | +7.6% | +100.0% |
| 3Q16 vs. 3Q15 | +28.3% | +7.2% | -17.8% |
| 2014 vs. 2013 | +2.0 Times | +75.6% | +6.9% |
| 2015 vs. 2014 | -14.7% | -36.8% | +40.1% |
| 2016 vs. 2015 | +7.4% | +39.0% | -2.3% |

Macro Retail Overview

The 4th Quarter 2016 CoStar Broward County retail market indicated that there was little change in market conditions in the 4th quarter 2016. The vacancy rate went from 4.9% in the previous quarter to 4.8% in the current quarter. Net absorption was positive 249,572 square feet, and vacant sublease space increased by 20,000 square feet. Quoted rental rates increased from 3rd quarter 2016 levels, ending at \$21.10 per square foot per year. The subject is located in the Fort Lauderdale submarket.

| Submarket | #Bldg. | Existing Rentable Area | Vacancy | | YTD Net Absorption | YTD Deliveries | Under Construction | |
|--------------------------|--------------|------------------------|------------------|------------------|--------------------|------------------|--------------------|----------------|
| | | | Direct | Total | | | | |
| Commercial Blvd | 99 | 1,573,323 | 48,737 | 48,737 | 3.1% | 14,394 | 0 | 8,000 |
| Cypress Creek | 214 | 2,674,208 | 126,916 | 126,916 | 4.7% | 42,073 | 5,655 | 6,200 |
| Downtown Fort Lauderdale | 412 | 4,779,446 | 389,514 | 389,514 | 8.1% | 376 | 6,370 | 72,801 |
| Fort Lauderdale | 2,054 | 18,530,707 | 769,138 | 792,613 | 4.3% | 344,805 | 266,897 | 88,400 |
| Hallandale | 514 | 4,549,167 | 146,171 | 147,421 | 3.2% | 61,869 | 0 | 95,384 |
| Hollywood | 1,062 | 11,610,110 | 491,631 | 497,036 | 4.3% | 304,451 | 238,916 | 140,964 |
| NW Broward/Coral Springs | 647 | 13,561,591 | 610,533 | 663,293 | 4.9% | 88,653 | 18,216 | 51,720 |
| Outlying Broward County | 24 | 453,872 | 26,374 | 26,374 | 5.8% | (8,588) | 0 | 0 |
| Plantation | 547 | 12,165,326 | 1,002,661 | 1,007,981 | 8.3% | 207,827 | 49,526 | 33,597 |
| Pompano Beach | 1,044 | 15,765,997 | 600,059 | 630,822 | 4.0% | 223,473 | 48,736 | 34,688 |
| Sawgrass Park | 83 | 4,568,152 | 121,078 | 121,078 | 2.7% | 36,972 | 0 | 0 |
| Southwest Broward | 589 | 15,155,054 | 554,782 | 559,973 | 3.7% | 80,161 | 50,719 | 215,708 |
| Totals | 7,289 | 105,386,953 | 4,887,594 | 5,011,758 | 4.8% | 1,396,466 | 685,035 | 747,462 |

Source: 4th Quarter 2016 CoStar Retail Report - Broward County

Broward County's retail vacancy rate decreased in the 4th quarter 2016, ending the quarter at 4.8%, which is an overall decrease in the vacancy rate from 5.6% in the 1st quarter 2016.

The amount of vacant sublease space in the Broward County market has trended up over 2016. At the end of the 1st quarter 2016, there were 115,681 square feet of vacant sublease space compared to 124,164 square feet currently.

The largest lease signings occurring in 2016 included the following:

- 111,238 square-feet by Lowes at 11290 W State Road 84
- 21,000-square-feet- by Office Depot at Westview Shoppes
- 40,000-square-feet by Orchard Supply at 2871 N Federal Highway
- 19,666-square-feet by Orchard Supply at Royal University Plaza

Average quoted asking rental rates in the Broward County retail market are up from their levels at the beginning of the year. Quoted rents ended the 4th quarter 2016 at \$21.10 per square foot per year. That compares to \$19.87 per square foot at the end of the 1st quarter 2016. This represents a 5.83% increase from the beginning of 2016.

| Submarket | Quoted Rents |
|--------------------------------|---------------------|
| Commercial Blvd | \$16.85 |
| Cypress Creek | \$22.16 |
| Downtown Ft. Laud. CBD | \$32.14 |
| Greater Fort Lauderdale | \$21.26 |
| Hallandale | \$24.78 |
| Hollywood | \$20.43 |
| NW Broward/Coral Springs | \$20.29 |
| Outlying Broward County | \$26.90 |
| Plantation | \$20.58 |
| Pompano Beach | \$18.18 |
| Southwest Broward | \$25.86 |
| Sawgrass Corporate Park | \$23.79 |
| Broward County Average | \$21.10 |

Source: 4th Qtr 2016 CoStar Retail Report

During the 4th quarter 2016, eleven buildings totaling 168,577 square feet were completed in the Broward County retail market. Over the past year, a total of 685,035 square feet of retail space has been built in Broward County. There were 747,462 square feet of retail space under construction at the end of the 3rd quarter.

Some of the notable 2016 deliveries include:

- 186,000 square foot retail center at 301 S. State Road 7, anchored by a Walmart Supercenter

Micro Analysis

The subject property is a mixed-use zoned site located in the Oakland Park Culinary Arts district. The marketability of the subject property, relative to other competing sites is considered good based on the following issues:

- (+) Located on Dixie Highway, a north/south commercial thoroughfare
- (+) Surrounding complimentary neighborhood, retail and residential land uses.
- (+) Built-up, single family subdivisions and multi-family projects with good demographics, within the immediate area.
- (+) Improving market fundamentals in an area undergoing redevelopment.

Characteristics of the subject project which may detract from its overall appeal and marketability include:

- (-) Site One has an irregular configuration that limits site plans
- (-) Site One requires remediation
- (-) Neither site can be assembled

Consideration has been weighed accordingly to positive and negative factors in assessing the overall marketability of the subject property.

Highest and Best Use

The following definition of Highest and Best Use is utilized in our report:

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
- maximum profitability

The site contains Site 1, located on the north side of N.E. 38th Street contains 0.907 acres. Site 2 lying on the south side of N.E. 38th Street contains 1.163 acres. square feet and is zoned Downtown Mixed Use - Dixie Mixed Use.

Highest and Best Use As If Vacant

The site is accessible from several primary traffic arteries within the area and is of adequate size and shape to support commercial development.

Physically Possible: The subject sites contain 0.91 and 1.16 acres and have corner locations in Oakland Park's midtown district. The sizes of the sites can accommodate a wide variety of commercial or residential uses. The configuration of Site 1 does result in some site plan limitations. All four sides of each site have road frontage, which precludes assemblage with other sites.

Neighborhood and community access is considered good with all off-site infrastructure in-place, including traffic signals, sidewalks, storm water drainage and utilities.

Legally Permissible: The subject properties are platted and located within the city of Oakland Park's downtown district. They are zoned Downtown Mixed Use - Dixie Mixed Use which encourages a mix of commercial and residential uses. Residential uses are prohibited on the ground floor of all buildings developed under the Downtown Mixed Use District Regulations.

Feasibility and Maximum Productivity: In general, the majority of recent new retail development in the Broward County market were either single tenant "build-to-suit" deals, pre-leased power centers, or supermarket anchored shopping centers with substantial pre-leasing secured and credit anchor tenants occupying at least 40% to 60% of the space.

The subject is located within an established residential and retail district that is undergoing redevelopment with good surrounding demographics. As indicated in the Market Study section of this report, demand for residential properties and retail space in the area is good.

In light of the current market conditions, the most productive use of the site as though vacant is for construction of a retail property substantially pre-leased with secure, a long term lease(s) to a creditworthy retail tenant(s). Considering the location of the subject, potential uses include restaurants and multi-tenant retail.

A multi-storied mixed use, commercial and residential project also appears feasible. However, providing sufficient parking for both a retail or restaurant use (which requires a high parking ratio) and a residential component would limit the potential size of the retail component.

Valuation

Appraisal Process

We have utilized the Sales Comparison Approach to estimate the fee simple market value of the underlying land. The Sales Comparison Approach is the analysis of properties that have sold recently and are compared to the subject property. The comparison is applied to the unique characteristics that cause real estate prices to vary. These characteristics may include but are not limited to the date of sale, location, age and quality of construction, size, condition, and the ability to produce investment income.

In applying the Sales Comparison Approach, an appraiser follows a systematic procedure, adjusting each comparable sale to the subject property to compute a value of the subject property. The steps of the procedure are as follows:

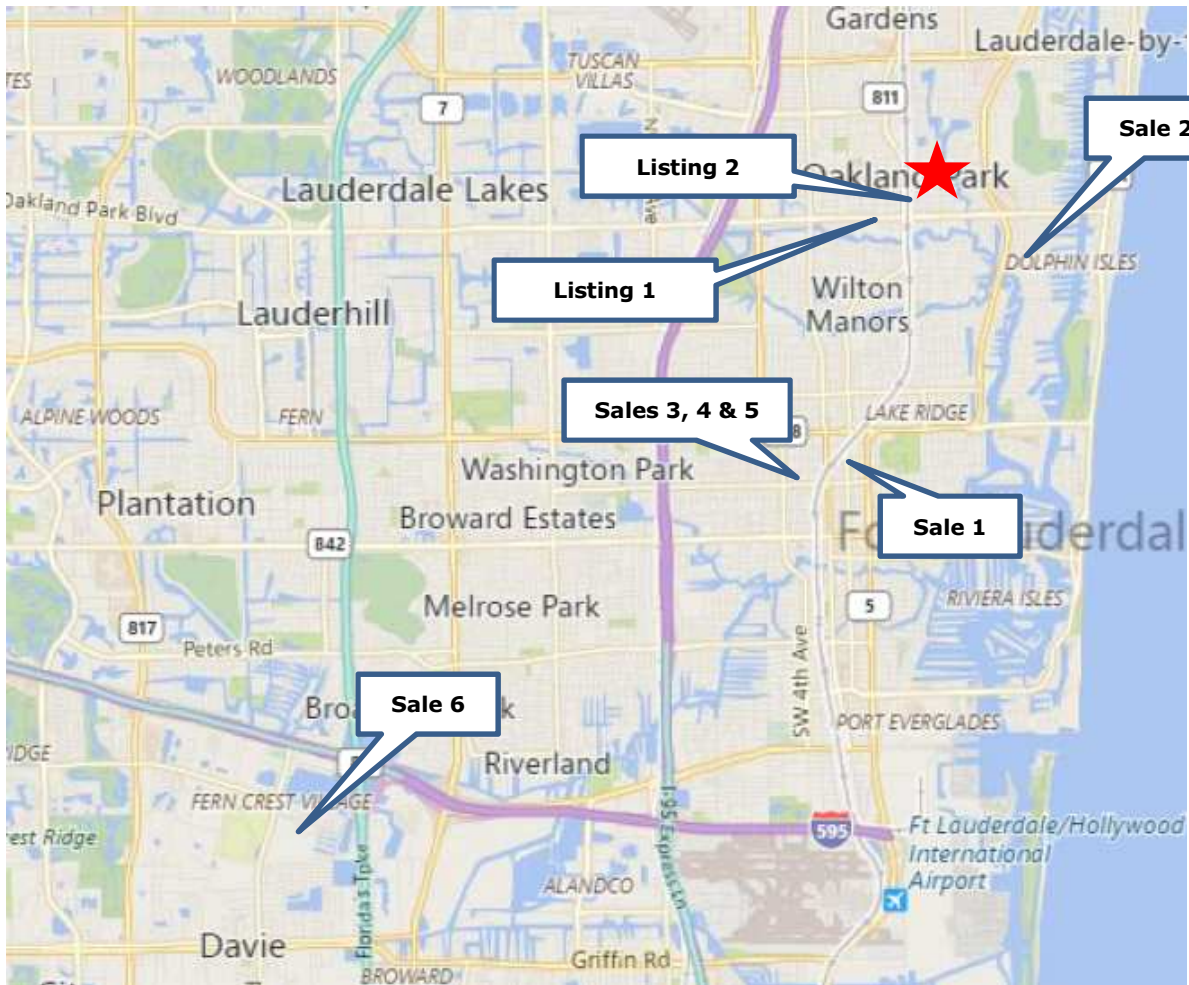
1. Research of the market to obtain information about transactions, listings, and other offerings of properties similar to the subject property.
2. Verify the information by considering whether the:
 - a) data obtained is factually accurate
 - b) transactions reflect arm's-length market considerations
3. Determine relevant units of comparison (e.g., price per square foot correlated with the net operating income per square foot), and develop a comparative analysis for each unit.
4. Compare the subject and comparable sales according to the elements of comparison and adjust the sale price of each comparable as appropriate or eliminate the property as a comparable.
5. Reconcile the multiple value indications that result from the comparables into a single value indication.

Our research concentrated on smaller sites located in the in the area or in similar submarkets, with comparable zoning, that were recently sold. There have been several sales of improved properties in the immediate neighborhood that were purchased to be repositioned and remodeled with new retail, restaurant and office uses. However there have been no recent sales of vacant sites in the immediate area. We did include two listings of vacant sites in the comparable sales analysis.

Six sales of vacant sites with similar zoning that would permit mixed uses similar to that of the subject were found that were considered suitable for comparison purposes. Five are located in Fort Lauderdale and one in the Davie downtown district.

The sales were analyzed on a sale price per square foot of land. On the following pages we summarized the sales and then compared them with the subject.

Land Sales Map



Sale Aerials

Sale 1



Sale 2



Sale 3



Sale 4



Sale 5



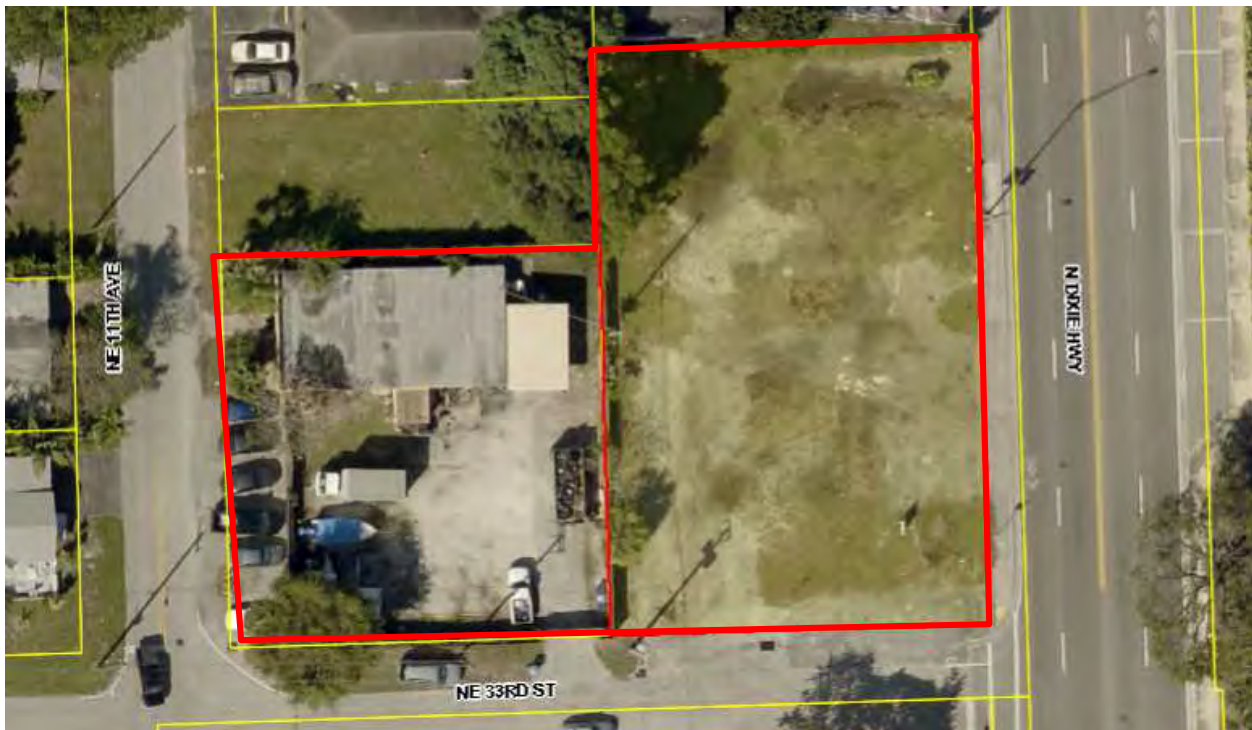
Sale 6



Listing 1



Listing 2



| Land Sales Analysis | | | |
|--|---|--|--|
| | 1 | 2 | 3 |
| Sale Date | 7/25/2016 | 3/25/2016 | 9/8/2015 |
| Location: | NW < Dixie Hwy/NE 38 St Oakland Park | 2980 N Federal Hwy Ft Lauderdale | 714 NW 7 Ave Ft Lauderdale |
| City: | | | |
| Grantor | Ft Laud Children's Theater | Ob R/E Holdings 1692, LLC | Alston-Baker Inv, LLC |
| Grantee | Fv Dev, LLC | 2980 Investments, LLC | 2245 N Miami Ave, LLC |
| ORB | 11389655 | 113626044 | 113231432 |
| Folio Number | 4942-34-07-6190 et al | 4942-25-04-5140 et al | 5042-03-01-1270 et al |
| Sale Price | \$1,300,000 | \$1,730,000 | \$700,000 |
| No. of Acres | 0.81 | 1.01 | 0.632 |
| No. of Square Feet | 39,495 and 50,659 | 43,934 | 27,512 |
| Zoning | DMU-DMU | B-1/RMM-25 | NWRAC-Mue |
| Approvals | Requires approvals | Buyer obtained | Requires approvals |
| Use/Site Conditions | Level at grade | | Filled to grade |
| Traffic Counts | 29,500 | | 12,400 |
| Median HH Income - 1 Mile Radius* | \$45,258 | 46,000 | \$35,044 |
| Sale Price/ Land SF | \$36.96 | \$39.38 | \$25.44 |
| Mkt Condition/Cond of Sale Adjustment | 0% | 0% | 0% |
| Adjusted Sale Price | \$1,300,000 | \$1,730,000 | \$700,000 |
| Sale Price/ Land SF | \$36.96 | \$39.38 | \$25.44 |
| <Other Adjustments> | | | |
| Location/Exposure: | -10% | -25% | 20% |
| Site Conditions: | --- | --- | --- |
| Zoning/Approvals: | -20% | --- | --- |
| Size/Configuration: | --- | --- | --- |
| Total Other Adjustments: | -30% | -25% | 20% |
| Adjusted Sale Price: | \$910,000 | \$1,297,500 | \$840,000 |
| Sale Price/ Building SF | \$25.87 | \$29.53 | \$30.53 |
| Comments: (*) Per CoStar | Located in the Flagler Arts district. Zoning allows 55' to 150' building heights. There is no maximum density and up to 90% plot coverage is permitted. | Located on east side of Federal Hwy, approximately 1 block south of Oakland Park Blvd. Approximately 1/2 the site is zoned B-1, with the eastern portion zoned RMM-25. Buyer is building a 7,900 SF multi-tenant retail building, with Too-Jays as one of the tenants. | Corner site on south side of Sistrunk Blvd, just west of Flagler Village. Zoning permits mixed uses similar to that permitted for subject. |

Land Sales Analysis

| | 4 | 5 | 6 |
|--|---|--|--|
| Subject | 4 | 5 | 6 |
| Sale Date Location: City: Grantor Grantee ORB Folio Number Sale Price No. of Acres No. of Square Feet Zoning Approvals Use/Site Conditions Traffic Counts Median HH Income - 1 Mile Radius* Sale Price/ Land SF Mkt Condition/Cond of Sale Adjustment Adjusted Sale Price Sale Price/ Land SF <Other Adjustments> | 11/30/2015 NW < Sistrunk & NW 7 Ave Ft Lauderdale JPG Investment Prop 2245 N Miami Ave, LLC 113380790 4942-34-07-7540 et al \$901,750 1.043 45,412 NWRAC-Mue Requires approvals Filled to grade 12,400 \$35,044 \$19.86 0% \$901,750 \$19.86 20% --- --- 5% 25% \$1,127,188 \$24.82 | 11/30/2015 NW < Sistrunk & NW 5 Ave Ft Lauderdale Rio Vista Enterprises 2245 N Miami Ave, LLC 113380342 4942-34-07-2260 \$439,000 0.504 21,947 NWRAC-Mue Requires approvals Filled to grade 12,400 \$35,044 \$20.00 0% \$439,000 \$20.00 20% --- --- --- 20% \$526,800 \$24.00 | 9/24/2015 3890 SW 64 Ave Davie Weekly Five Davie, LLC 4th Ave Land Hldgs, LLC 113253297 5041-26-09-0010 et al \$2,615,000 3.09 134,606 RAC-TC (TOS) Requires approvals Filled to Grade 25,500 \$37,973 \$19.43 0% \$2,615,000 \$19.43 20% --- -20% 10% 10% \$2,876,500 \$21.37 |
| Comments: (*) Per CoStar | Corner site on north side of Sistrunk Blvd, just west of Flagler Village. Zoning permits mixed uses similar to that permitted for subject. Being assembled with Sale 5. Site is divided by NW 6 Ave. | Corner site on north side of Sistrunk Blvd, just west of Flagler Village. Zoning permits mixed uses similar to that permitted for subject. Being assembled with Sale 4. | Located on west side of SW 64 Ave in Davie town center. Buyer is proposing development of a 4-story mixed use project (Zona Village). Development will include approximately 22,000 SF of ground floor commercial space and 209 residential units on the 2nd thru 4th floors. |

| Area Listings | | | |
|--|-------------------------|--|---|
| | Subject | Listing 1 | Listing 2 |
| Location: | NW < Dixie Hwy/NE 38 St | 1048 E Oakland Pk Blvd | 3301 N Dixie Hwy |
| City: | Oakland Park | Oakland Park | Oakland Park |
| Folio Number | 4942-23-00-0470 et al | 4942-26-11-0023 | 4942-23-05-6610 et al |
| Listing Price | | \$690,000 | \$1,145,000 |
| No. of Acres | 0.91 and 1.16 | 0.42 | 0.61 |
| No. of Square Feet | 39,495 and 50,659 | 18,499 | 26,780 |
| Zoning | DMU-DMU | B-1 | DMU-DMU |
| Approvals | Requires approvals | Requires approvals | Requires approvals |
| Use/Site Conditions | Level at grade | Level at grade | Level at grade |
| Traffic Counts | 29,500 | 36,000 | 29,500 |
| Median HH Income - 1 Mile Radius* | \$45,258 | \$48,305 | \$45,258 |
| Sale Price/ Land SF | | \$37.30 | \$42.76 |
| Adjusted Sale Price | | \$690,000 | \$1,145,000 |
| Sale Price/ Land SF | | \$37.30 | \$42.76 |
| <Other Adjustments> | | | |
| Location/Exposure: | | --- | --- |
| Site Conditions: | | --- | --- |
| Zoning/Approvals: | | --- | --- |
| Size/Marketability: | | == | == |
| Total Other Adjustments: | | 0% | 0% |
| Adjusted Sale Price: | | \$690,000 | \$1,145,000 |
| Sale Price/ Building SF | | \$37.30 | \$42.76 |
| Comments: (*) Per CoStar | | Has been listed for sale off and on since Nov 2011 at asking prices between \$690,000 and \$1,050,000. | Has been listed between \$1,145,000 & \$1,200,000 since 2013. |

Analysis of Sales

The sale price per square foot is the traditional appraisal technique which analyzes comparable sales on a common unit of comparison. Typically, adjustments are considered on a dollar or percent basis to reflect significant differences affecting each property. We developed a direct comparison analysis using qualitative and quantitative adjustments based on market conditions, location, effective age & condition, size and economic characteristics.

Conditions of Sale: Irregularities of a sale can be noted when a premium or discount results from atypical negotiations. Adjustments for motivation are very difficult to quantify. *All of the Land Sales* were verified as "arms-length" transactions and adjustments for conditions of sale were not warranted for the sales.

Financing Terms: The sale price can be influenced by the financing terms. Therefore, all comparable properties have been considered on the basis of their cash equivalent sale prices. An adjustment for financing terms is warranted if the cash equivalent price is significantly different from the indicated sale price. The sale prices for comparable land sales reflect cash equivalent considerations.

Market Conditions: Market conditions adjustments are sometimes necessary to reflect differences in real estate values over a given period of time. An upward adjustment is applied to the sale price of comparables during periods of inflation or neighborhood growth and development, and downward adjustments in times of oversupply and deflation. *All of the Sales* occurred since September 2015 and an adjustment for market conditions was not warranted.

Location/Exposure: The value of a site is influenced by the desirability of its geographic location. Visibility and access along primary roadways, are important location factors affecting the value of commercial land. In estimating location adjustments we considered surrounding demographics, rents and redevelopment in the area.

Sale 1 is located in the Flagler Arts & Technology that is undergoing significant redevelopment and was adjusted **-10%** for location.

Sale 2 is located on the east side of Federal Highway, along a road with significantly higher traffic counts and stronger surrounding demographics. *Sale 2* was adjusted **-25%** for location.

Sales 3, 4 & 5 are located along Sistrunk Boulevard, just west of the northern portion of the Fort Lauderdale downtown and the Flagler Arts Village. Redevelopment has occurred in the immediate area, but some new projects are not attaining rents similar to that of the subject's area. *Sales 3, 4 & 5* were adjusted **+20%** for location.

Sale 6 is located in the Town of Davie's downtown district that is undergoing redevelopment. Surrounding demographics and rents are inferior to that of the subject. *Sale 6* was adjusted **+20%** for location.

Site Conditions: Adjustments for site conditions were not warranted.

Approvals/Zoning: We have considered the development potential of the subject and sales in terms of zoning and approvals. *Sales 2, 3, 4, 5 and both Listings* have similar zoning to the subject and did not warrant adjustments.

Sales 1 & 6 have more intensive zoning than the subject, with higher density and taller building heights permitted. Both *Sales 1 & 6* were adjusted **-20%** for approvals/zoning.

Site Size/Shape: The subject is bracketed by the sales in terms of size and adjustments for size do not appear warranted for *Sales 1, 2, 3, & 5*. *Sale 4* was adjusted **+5%** because it is comprised of two vacant sites that are separated by N.W. 7th Avenue. *Sale 6* at 3.09 acres was the largest of the sales and was adjusted **+10%** for size.

Reconciliation Sales Comparison Approach

After applying adjustments, the sales ranged from \$21.37 to \$30.53 per square foot of land, with an average of \$26.02 per square foot.

Both Listings at adjusted prices per square foot of \$37.30 and \$42.76 have been on the market for several years and have been included for informational purposes only.

We have considering the size and configuration of the subject sites, as well as the frontage on three streets. With consideration to the irregular configuration of Site 1, the unit price per square foot of land should fall towards the mid-range of the comparable sales, at say **\$25** per square foot of land.

Site 2's configuration and size would allow for more varied site plans and could better accommodate a mixed use project. The unit price per square foot of land for Site 2 is **\$27** per square foot of land.

Based the reconciled units prices for Site 1 & 2, at \$25 and \$27 per square foot, respectively, our opinions of the market values of the subject sites subject to the Hypothetical Conditions and Extraordinary Assumption regarding environmental contamination are as follows:

| Value Indication - Site One | | | Value Indication - Site Two | | |
|------------------------------------|---|------------------|------------------------------------|---|--------------------|
| Site Size (SF) | | 39,495 | Site Size (SF) | | 50,659 |
| Value Indicator per SF | x | \$25.00 | Value Indicator per SF | x | \$27.00 |
| Market Value | | \$987,375 | Market Value | | \$1,367,793 |
| | | \$990,000 | | | \$1,370,000 |

Addenda

- 1) Legal Descriptions**
- 2) Broward County Analysis**
- 3) Professional Qualifications of the Appraisers**

1) Legal Descriptions

Site One**PARCEL 1**

A PORTION OF LOTS 1 THROUGH 11 INCLUSIVE AND ALL OF LOTS 12 THROUGH 18 INCLUSIVE, COMMERCIAL OAKLAND, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 11, PAGE 44 OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA. TOGETHER WITH A PORTION OF LOT 1, BLOCK 1, OAKLAND MANORS, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 14, PAGE 52 OF SAID PUBLIC RECORDS, DESCRIBED AS FOLLOWS:

BEGIN AT THE POINT OF INTERSECTION OF THE EAST RIGHT OF WAY LINE OF N.W. 11TH AVENUE WITH THE NORTHERLY RIGHT OF WAY LINE OF NORTHEAST 38TH STREET; THENCE NORTH 01°21'45" WEST ALONG THE EAST RIGHT OF WAY LINE OF NORTHEAST 11TH AVENUE, A DISTANCE OF 291.28 FEET TO THE INTERSECTION OF SAID EAST RIGHT OF WAY LINE WITH THE SOUTH RIGHT OF WAY LINE OF NORTHEAST 39TH STREET; THENCE SOUTH 89°41'31" EAST ALONG SAID SOUTH RIGHT OF WAY LINE, A DISTANCE OF 34.29 FEET TO A POINT ON THE ARC OF A CIRCULAR CURVE TO THE RIGHT FROM WHICH THE RADIUS POINT BEARS SOUTH 01°59'06" WEST; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 42.00 FEET, THROUGH A CENTRAL ANGLE OF 29°41'32", FOR AN ARC DISTANCE OF 21.77 FEET; THENCE SOUTH 55°04'19" EAST, A DISTANCE OF 6.91 FEET; THENCE SOUTH 35°29'04" EAST, A DISTANCE OF 126.44 FEET TO A POINT OF CURVATURE OF A CIRCULAR CURVE TO THE RIGHT; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 351.53 FEET, THROUGH A CENTRAL ANGLE OF 01°14'16", FOR AN ARC DISTANCE OF 7.59 FEET TO A POINT ON THE ARC OF A CIRCULAR CURVE TO THE RIGHT FROM WHICH THE RADIUS POINT BEARS SOUTH 55°45'11" WEST; THE LAST TWO (2) DESCRIBED COURSES LYING ALONG THE WESTERLY BOUNDARY OF RIGHT OF WAY PARCEL 111, AS DESCRIBED IN OFFICIAL RECORDS BOOK 19024, PAGE 251 OF SAID PUBLIC RECORDS; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 392.00 FEET, THROUGH A CENTRAL ANGLE OF 19°21'37", FOR AN ARC DISTANCE OF 132.46 FEET TO A POINT OF COMPOUND CURVATURE OF A CIRCULAR CURVE TO THE RIGHT; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 37.00 FEET, THROUGH A CENTRAL ANGLE OF 96°30'01", FOR AN ARC DISTANCE OF 62.32 FEET; THENCE SOUTH 01°49'03" EAST ALONG A LINE RADIAL TO THE LAST DESCRIBED CURVE, A DISTANCE OF 12.28 FEET, THE LAST THREE (3) DESCRIBED COURSES LYING ALONG THE WESTERLY BOUNDARY OF THAT CERTAIN RIGHT OF WAY PARCEL "A", AS DESCRIBED IN OFFICIAL RECORDS BOOK 46922, PAGE 596, OF SAID PUBLIC RECORDS; THENCE SOUTH 88°09'56" WEST, A DISTANCE OF 46.35 FEET; THENCE NORTH 83°49'04" WEST, A DISTANCE OF 91.25 FEET TO THE POINT OF BEGINNING, THE LAST TWO (2) DESCRIBED COURSES LYING ALONG SAID NORTH RIGHT OF WAY LINE OF NORTHEAST 38TH STREET.

SAID LANDS LYING IN THE CITY OF OAKLAND PARK, BROWARD COUNTY, FLORIDA AND CONTAINING 39,495 SQUARE FEET (0.907 ACRES) MORE OR LESS.

Site Two**PARCEL 2**

A PORTION OF LOTS 1 THROUGH 10 INCLUSIVE, AND ALL OF LOTS 11 THROUGH 17, BLOCK 2, AMENDED PLAT OAKLAND MANORS, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 14, PAGE 52 OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

BEGIN AT THE POINT OF INTERSECTION OF THE EAST RIGHT OF WAY LINE OF NORTHEAST 11TH AVENUE WITH THE SOUTHERLY RIGHT OF WAY LINE OF NORTHEAST 38TH STREET; THENCE SOUTH 83°49'04" EAST ALONG SAID SOUTHERLY RIGHT OF WAY LINE, A DISTANCE OF 166.16 FEET TO A POINT ON THE ARC OF A CIRCULAR CURVE TO THE RIGHT FROM WHICH THE RADIUS POINT BEARS SOUTH 31°27'13" WEST; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 37.00 FEET, THROUGH A CENTRAL ANGLE OF 56°46'15", FOR AN ARC DISTANCE OF 36.66 FEET TO A POINT OF TANGENCY; THENCE SOUTH 01°46'28" EAST, A DISTANCE OF 137.73 FEET; THENCE SOUTH 05°38'07" EAST, A DISTANCE OF 94.86 FEET; THENCE SOUTH 41°21'51" WEST, A DISTANCE OF 3.99 FEET, THE LAST FOUR (4) DESCRIBED COURSES LYING ALONG THE WESTERLY BOUNDARY OF THAT CERTAIN RIGHT OF WAY PARCEL "C", AS DESCRIBED IN OFFICIAL RECORDS BOOK 46922, PAGE 596, OF SAID PUBLIC RECORDS; THENCE SOUTH 88°10'08" WEST ALONG THE NORTH RIGHT OF WAY LINE OF NORTHEAST 37TH STREET, A DISTANCE OF 187.58 FEET TO THE SOUTHWEST CORNER OF SAID LOT 17; THENCE NORTH 01°21'45" WEST ALONG THE EAST RIGHT OF WAY LINE OF NORTHEAST 11TH AVENUE, A DISTANCE OF 289.39 FEET TO THE POINT OF BEGINNING.

SAID LANDS LYING IN THE CITY OF OAKLAND PARK, BROWARD COUNTY, FLORIDA, AND CONTAINING 50,659 SQUARE FEET (1.163 ACRES) MORE OR LESS.

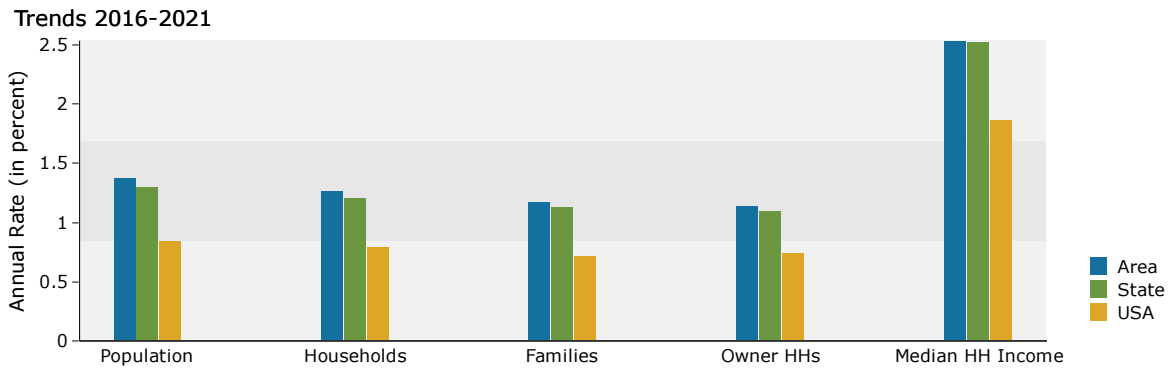
2) Broward County Analysis

Broward County Analysis and Overview

The subject property is located within southeastern Florida in Broward County. Broward County is centrally located between Dade County to the south and Palm Beach County to the north. Broward covers a land area of approximately 1,208 square miles and contains 29 municipalities of which Fort Lauderdale (county seat) and Hollywood are the largest, in terms of resident population.

Population

The number of households in the study area in 2000 was 654,445 and changed to 686,047 in 2010, representing a change of 4.83%. The household count in 2016 was 719,824 and the household projection for 2021 is 766,363, a change of 6.47%. The population in the study area in 2000 was 1,623,018 and in 2010 it was 1,748,066, roughly a 7.7% change. The population in 2016 was 1,853,849 and the projection for 2021 is 1,984,490 representing a change of 7.05%.³



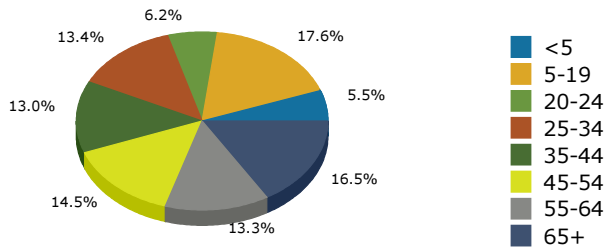
| Summary | Census 2010 | 2016 | 2021 |
|------------|-------------|-----------|-----------|
| Population | 1,748,066 | 1,853,849 | 1,984,490 |
| Households | 686,047 | 719,824 | 766,363 |

³ www.esri.com/bao

Age

In 2000, the median age of the total population in the study area was 37.8, and in 2010, it was 39.6. The median age in 2016 is 40.7 and it is predicted to change in five years to 41.1 years.⁴

2016 Population by Age



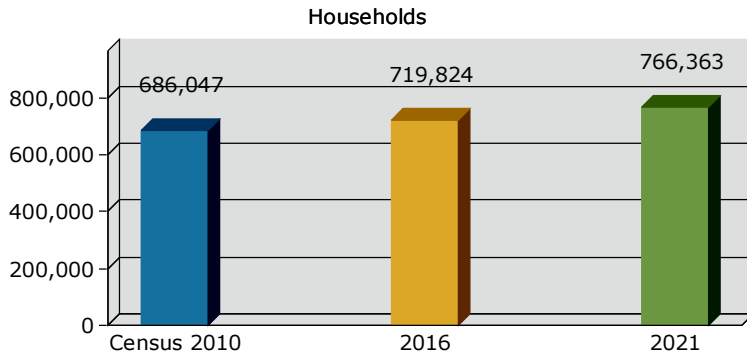
| Population by Age | Census 2010 | | 2016 | | 2021 | |
|-------------------|-------------|---------|---------|---------|---------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| 0 - 4 | 103,256 | 5.9% | 102,632 | 5.5% | 108,820 | 5.5% |
| 5 - 9 | 104,071 | 6.0% | 107,150 | 5.8% | 109,351 | 5.5% |
| 10 - 14 | 112,207 | 6.4% | 111,013 | 6.0% | 117,066 | 5.9% |
| 15 - 19 | 114,200 | 6.5% | 108,286 | 5.8% | 110,405 | 5.6% |
| 20 - 24 | 104,783 | 6.0% | 115,183 | 6.2% | 110,040 | 5.5% |
| 25 - 34 | 224,479 | 12.8% | 248,015 | 13.4% | 274,696 | 13.8% |
| 35 - 44 | 251,425 | 14.4% | 240,511 | 13.0% | 258,307 | 13.0% |
| 45 - 54 | 277,040 | 15.8% | 267,978 | 14.5% | 255,287 | 12.9% |
| 55 - 64 | 207,181 | 11.9% | 247,344 | 13.3% | 267,657 | 13.5% |
| 65 - 74 | 125,353 | 7.2% | 168,902 | 9.1% | 209,963 | 10.6% |
| 75 - 84 | 82,545 | 4.7% | 89,800 | 4.8% | 111,741 | 5.6% |
| 85+ | 41,526 | 2.4% | 47,035 | 2.5% | 51,157 | 2.6% |

| Median Age | |
|------------|------|
| 2010 | 39.6 |
| 2016 | 40.7 |
| 2021 | 41.1 |

⁴ www.esri.com/bao

Housing

Based on the 2016 estimate, Broward County has 719,824 households with an average of 2.55 persons per household. The Median Household Income for Broward is \$52,042.⁵

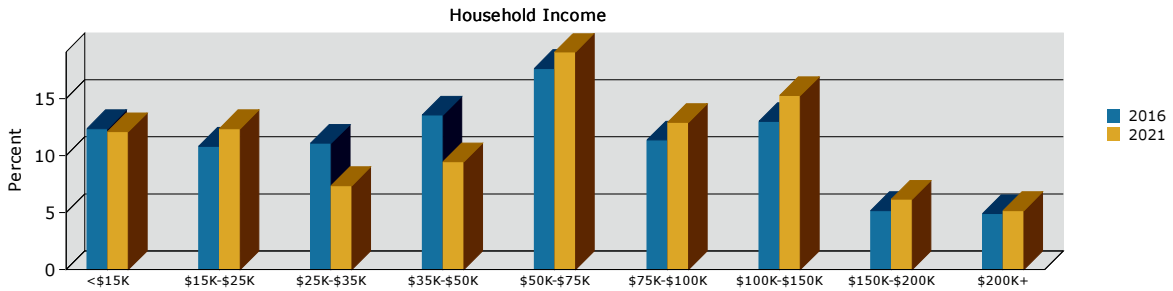


| Household Summary | |
|--------------------------|---------|
| 2000 Households | 654,445 |
| 2000 Average Household | 2.45 |
| 2010 Households | 686,047 |
| 2010 Average Household | 2.52 |
| 2016 Households | 719,824 |
| 2016 Average Household | 2.55 |
| 2021 Households | 766,363 |
| 2021 Average Household | 2.57 |
| 2016-2021 Annual Rate | 1.26% |
| 2010 Families | 434,488 |
| 2010 Average Family Size | 3.14 |
| 2016 Families | 451,978 |
| 2016 Average Family Size | 3.19 |
| 2021 Families | 479,028 |
| 2021 Average Family Size | 3.22 |
| 2016-2021 Annual Rate | 1.17% |

⁵ www.esri.com/bao

Household Income

In 2016, the predominant household income category in this study area is \$50K - \$75K, and the income group that is least represented in this geography is \$200+K.⁶



| Households by Income | 2016 | | 2021 | |
|--------------------------|----------|---------|----------|---------|
| | Number | Percent | Number | Percent |
| <\$15,000 | 89,227 | 12.4% | 92,497 | 12.1% |
| \$15,000 - \$24,999 | 78,163 | 10.9% | 94,836 | 12.4% |
| \$25,000 - \$34,999 | 79,930 | 11.1% | 56,652 | 7.4% |
| \$35,000 - \$49,999 | 97,596 | 13.6% | 72,467 | 9.5% |
| \$50,000 - \$74,999 | 126,946 | 17.6% | 146,534 | 19.1% |
| \$75,000 - \$99,999 | 81,721 | 11.4% | 99,121 | 12.9% |
| \$100,000 - \$149,999 | 93,483 | 13.0% | 116,925 | 15.3% |
| \$150,000 - \$199,999 | 37,611 | 5.2% | 47,755 | 6.2% |
| \$200,000+ | 35,143 | 4.9% | 39,572 | 5.2% |
| Median Household Income | \$52,042 | | \$58,980 | |
| Average Household Income | \$74,796 | | \$81,932 | |
| Per Capita Income | \$29,311 | | \$31,891 | |

⁶ www.esri.com/bao

Transportation

Air: Broward air travel is primarily served by the Fort Lauderdale-Hollywood International Airport located in southeast Broward. This facility has been expanded and will accommodate the needs of a significantly larger number of passengers. The expansion of the airport is expected to reduce the time to travel to the departure gates from all areas of the airport. The major portions of the airport expansion project have been completed.

The new terminal complex is designed to handle origination - destination travelers as opposed to transfers. Fort Lauderdale Executive Airport, Pompano Airpark and North Perry Airport are also located in the county and primarily serve private, charter and corporate aircraft. Passenger activity for the Fort Lauderdale/Hollywood International Airport is summarized in the following table.

**Trend in Passenger Traffic
Ft Lauderdale/Hollywood Intl Airport
1995-2015**

| Year | Total | % Change |
|------|------------|----------|
| 1995 | 9,850,713 | |
| 1996 | 11,163,852 | 13.3% |
| 1997 | 12,277,411 | 10.0% |
| 1998 | 12,453,874 | 1.4% |
| 1999 | 13,990,692 | 12.3% |
| 2000 | 15,860,004 | 13.4% |
| 2001 | 16,407,927 | 3.5% |
| 2002 | 17,037,261 | 3.8% |
| 2003 | 17,938,046 | 5.3% |
| 2004 | 20,819,292 | 16.1% |
| 2005 | 22,390,285 | 7.5% |
| 2006 | 21,369,787 | -4.6% |
| 2007 | 22,681,903 | 6.1% |
| 2008 | 22,621,698 | -0.3% |
| 2009 | 21,061,131 | -6.9% |
| 2010 | 22,412,627 | 6.4% |
| 2011 | 23,349,835 | 4.2% |
| 2012 | 23,569,103 | 0.9% |
| 2013 | 23,559,779 | -0.04% |
| 2014 | 24,648,306 | 4.6% |
| 2015 | 26,941,511 | 9.3% |

Source: Broward County Aviation Department

Land: Rail systems in Broward include AMTRAK, offering passenger service to other Florida cities and other states and the Tri-Rail, a new commuter rail service that began operations in January 1989. It is providing service to Dade, Broward and Palm Beach Counties. It is intended to reduce some of the traffic congestion resulting from Interstate 95 road improvements. Shuttle bus service is reportedly available to increase accessibility to/from Tri-Rail. This commuter rail parallels Interstate 95 and shares the same tracts as AMTRAK. Freight service is provided by the Florida East Coast Railroad and the Seaboard Coast Line Railway.

Local bus service is provided by the Broward County Mass Transit Division. Greyhound and Trailways bus lines provide passenger service throughout the country.

Port Everglades: Port Everglades, located in southeastern Broward County, approximately seven miles north of the southern county line, serves the passenger cruise line and freight/cargo shipping needs of the county. The seaport is readily accessible to both the Seaboard Coast Line and the Florida East Coast Railroads. It is situated approximately two miles east of Fort Lauderdale/ Hollywood International Airport.

A 370,000 square foot convention facility constructed at the north end of Port Everglades was completed in mid-1991. The developer of the facility is also planning to invest in commercial projects at the site to complement the facility. The complex is called the Northport Convention Center and is planned to include two hotels (850± rooms), a shopping mall (370,000± square foot), an office building (275,000± square foot) and of course, the convention facility. It is expected to attract larger and higher quality conventions and meetings and have a significant positive impact on the area.

According to Broward County, Port Everglades is planning to expand their seaport by the Year 2020. This expansion will take into account that containerized cargo activity will double, petroleum will increase by 50% and that more than twice the number of cruise passengers will sail from this port.

Port Everglades is already ranked one of the nation's leading international container ports, a major import destination for refined petroleum products and one of the world's busiest cruise ports.

Sawgrass Expressway: The Sawgrass Expressway represents one of the first highways constructed in Broward County since Interstate 95 was completed in the mid-1970's. Planning for the Sawgrass began in the mid 1960's, but real work began in 1983 when the governor appointed a five-member board called "The Broward County Expressway Authority" whose sole purpose was to plan and implement the construction of this toll road. The road was subdivided into six sections, with six construction teams hired to each build one section.

The Sawgrass has resulted in reducing the traffic load of Interstate 95 and accelerating commercial and industrial expansion in western Broward County. The Sawgrass Expressway has been referred to as the lever that will kick off the next major South Florida "hot spot" in real estate development. The expressway runs north/south in western developed Broward County from its southern terminus point (currently at State Road 84 and Interstate 75) to northwestern Coral Springs where it turns into an east/west expressway traversing part of northern Broward County and extends eastward to Interstate 95 at S.W. 10th Street. An Interstate 95 interchange has been constructed at S.W. 10th Street in Deerfield Beach, a six lane east/west roadway in north Broward County. A two mile stretch of 10th Street now links Interstate 95 and the Sawgrass.

The Sawgrass has toll collection centers at the Florida Turnpike, U.S. 441, Sample Road, Atlantic Boulevard, Commercial Boulevard, Oakland Park Boulevard and Sunrise Boulevard. It connects the cities of Plantation, Sunrise, Tamarac, Coral Springs, Coconut Creek and Deerfield Beach.

Interstate 75: Interstate 75 has been an additional catalyst in the westward expansion of South Florida. The section of State Highway 84 between U.S. 27 and Naples (known as "Alligator Alley") is being widened to accommodate Interstate 75. Currently, the north terminus is located at State Road 84, with exits at Arvida Parkway, Griffin Road, Sheridan Street, Hollywood Boulevard and the Miramar Parkway, before reaching Dade County. Similar to the Sawgrass Expressway, Interstate 75 is accelerating the development of western Broward County between State Highway 84 and the Dade County line. As stated above, the recent linkage of Interstate 75 and the Sawgrass Expressway will enhance the accessibility throughout western Broward County.

Further, it is expected to increase the development of commercial and industrial sites along its corridor, specifically in the areas of Davie, Pembroke Pines and Miramar. With the reduction of travel time to Dade County, it is the most significant factor for the absorption of residential housing in western Broward County.

Interstate 595: Interstate 595 links Port Everglades to the east with Interstate 75 and the Sawgrass Expressway at an interchange west of N.W. 136th Avenue. Interstate 595 parallels the median of State Road 84 west of the Florida Turnpike. It has three lanes in each direction west of the Florida Turnpike and four lanes in each direction to the east of the Turnpike. State Road 84 will continue to be utilized as a local access road. The expressway is now completed and fully operational. Interstate 595 facilitates traffic flow as it is the first east-west expressway system in Broward County. This non-toll roadway reduces travel time between western Broward and the Fort Lauderdale/Hollywood International Airport. It also has interchanges at Hiatus Road, Pine Island Road, Davie Boulevard, State Road 7, Florida Turnpike Interchange, Fort Lauderdale/Hollywood International Airport, I-95 and U.S. 1.

Interstate 95: As of June 1991, major renovations to I-95 were completed. There are now five lanes of traffic in each direction from the Dade county line to Davie Boulevard and from Sunrise Boulevard to Sample Road. Between Davie Boulevard and Sunrise Boulevard and also from Sample Road to the Palm Beach county line there are four lanes of traffic in each direction. The much needed expansion was necessary to service the tremendous increase in traffic due to the population growth in South Florida. The improved highway is expected to relieve the majority of traffic problems experienced in the past. A major help to relieving the traffic problems is a car-pool lane which exists in the areas where there are five lanes of traffic. As previously discussed, Tri-Rail, a commuter rail service, began operations in January 1989. It provides an alternative to Interstate 95, particularly during rush hours.

Summary and Conclusions

Broward County's resident population has illustrated steady growth in the past and this trend is expected to continue throughout the foreseeable future. Broward's economic base is sound, well supported by strong levels of employment, retail sales and effective buying income. Major contributing factors to Broward County's economic stability include the tourist and steadily expanding high technology industries. Major expansion of the County's highways and the Fort Lauderdale/Hollywood International Airport indicate Broward is poised to support continued growth.

3) Professional Qualifications of the Appraisers



Robert B. Love, MAI, SRA, AI-GRS President

Professional Qualifications

Robert Love is the President of American Realty Consultants Inc., founded in 1984 in Fort Lauderdale, Florida. He has 40+ years of experience in valuation and consulting assignments involving residential developments and mixed use projects, office, retail, industrial, residential and special purpose zoned land, and retail, office, rental apartment, condominium apartment and other improved properties. He is a member of the Appraisal Institute and his clients include financial institutions, attorneys, accountants, government agencies, commercial developers, residential homebuilders and investors. Mr. Love's expertise includes:

- The preparation of appraisals, market feasibility studies, partial interest valuation, highest and best use analyses, pricing and absorption studies, economic impact studies, and due diligence reports.
- Third-party appraisal reviews and administrative appraisal services for financial institutions as well as educational seminars with content matter including regulatory issues, appraisal principles and underwriting issues. His prior employment as a manager of the appraisal department for American Savings and Loan complements this service.
- Has testified as an expert witness in Federal Bankruptcy Court in Miami-Dade, Broward, and Palm Beach Counties; Dallas, Texas, and Philadelphia, Pennsylvania; and Circuit Courts in Miami-Dade, Broward and Palm Beach Counties. Expert witness testimony has involved eminent domain, bankruptcy, loan deficiency, contract disputes and foreclosure cases.
- Served as a special master with the Miami-Dade County Property Appraisal Adjustment Board for the 1990 and 1991 assessment years.
- Served as a Special Magistrate with the Broward County Value Adjustment Board, from 1993 to 2007.
- Presents real estate tax appeals before the Value Adjustment Boards in Miami-Dade, Broward and Palm Beach Counties.

Professional Designations, Certifications, Licenses & Memberships

- MAI-Appraisal Institute, Certificate Number 6913
- SRA Senior Residential Appraiser-Appraisal Institute
- AI-GRS General Appraisal Review Specialist-Appraisal Institute
- State - Certified General Real Estate Appraiser - No. 111 (Florida)
- Licensed Real Estate Broker No. 124369 (Florida)
- Realtor®-Realtor® Association of Greater Fort Lauderdale
- Member of the Real Estate Advisory Board for the Bergstrom Center for Real Estate Studies, University of Florida

Academic Education

- Florida International University, Miami, Florida. Master of Science in Management, majoring in Real Estate.
- University of Florida, Gainesville, Florida. Bachelor of Science with honors, major in Marketing, minors in Real Estate and Management.



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD
2601 BLAIR STONE ROAD
TALLAHASSEE FL 32399-0783

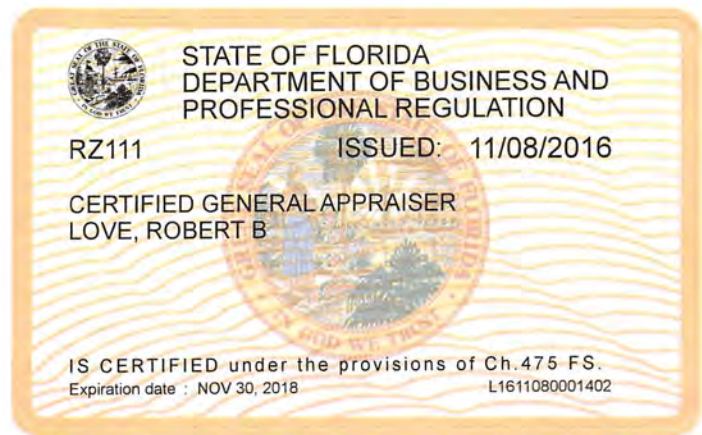
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LOVE, ROBERT B
7320 GRIFFIN RD
SUITE 223
DAVIE FL 33314

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DETACH HERE

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

LICENSE NUMBER

RZ111

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2018

LOVE, ROBERT B
7320 GRIFFIN RD SUITE 223
DAVIE FL 33314



ISSUED: 11/08/2016

DISPLAY AS REQUIRED BY LAW

SEQ # L1611080001402



Gary A. Benivegna

Associate

Professional Qualifications

Gary Benivegna is an Associate of American Realty Consultants, Inc. in Fort Lauderdale, Florida, founded in 1984. He has 27+ years of experience in the valuation and/or evaluation of a wide variety of commercial, residential and industrial properties in South Florida prepared for banks, savings and loans, insurance companies, estates, governmental agencies, real estate trusts and individuals. Property types include, but are not limited to, office buildings, condominium office buildings, warehouse and industrial properties, self-storage facilities, automotive sales and service facilities, retail shopping centers, multiple family apartments, residential subdivisions, acreage tracts, commercial/industrial land and special purpose properties, such as, service stations, municipal buildings, fast food restaurants, and day care centers. Mr. Benivegna's expertise includes:

- The preparation of appraisals, market feasibility studies, partial interest valuation, highest and best use analyses, pricing and absorption studies, economic impact studies, and due diligence reports.

Professional Designations, Certifications, Licenses & Memberships

- State Certified General Real Estate Appraiser No. 2619 (Florida)
- Licensed Real Estate Broker No. BK 461677 (Florida)
- Permitted Real Estate Instructor No. ZH 1001070 (Florida)

Academic Education

- St. Bonaventure University, Olean, New York.
- University of Miami, Coral Gables, Florida.

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BOARD

LICENSE NUMBER

RZ2619

The CERTIFIED GENERAL APPRAISER

Named below IS CERTIFIED

Under the provisions of Chapter 475 FS.

Expiration date: NOV 30, 2018

BENIVEGNA, GARY ANTHONY
7320 GRIFFIN ROAD
SUITE 203
FORT LAUDERDALE FL 33314



ISSUED: 11/29/2016

DISPLAY AS REQUIRED BY LAW

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