

RESOLUTION NO. _____

A RESOLUTION OF THE VICE MAYOR AS ACTING MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, APPROVING THE EXECUTION OF AN AGREEMENT, IN SUBSTANTIALLY THE ATTACHED FORM, BETWEEN THE CITY OF NORTH MIAMI AND OLETA PARTNERS, LLC; AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO DO ALL THINGS NECESSARY TO EFFECTUATE THE SALE OF APPROXIMATELY 50.6 ACRES OF PROPERTY KNOWN AS THE "RESIDENTIAL PARCEL", LOCATED WITHIN THE PREMISES COMMONLY REFERRED TO AS "BISCAYNE LANDING", AND IN CONNECTION WITH SUCH SALE, APPROVING OLETA'S SOIL REMOVAL PLAN OF APPROXIMATELY 194,000 CUBIC YARDS OF FILL MATERIAL OBTAINED FROM THE "BRICKELL CITY CENTRE"; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

WHEREAS, the City of North Miami ("City"), as landlord, and Oleta Partners, LLC ("Oleta"), as tenant, are parties to a certain Lease Agreement dated May 29, 2012 (as amended, the "Lease"), for property commonly referred to as Biscayne Landing (the "Premises"); and

WHEREAS, on July 8, 2014, the City Council of North Miami (the "City Council") adopted Resolution No. 2014-63 (the "Resolution"), which authorized the City Manager and Oleta to negotiate the sale and purchase of approximately 50.6 acres of property, known as the "Residential Parcel"; and

WHEREAS, pursuant to the Resolution and in accordance with the provisions of the City Charter, the City secured three (3) independent appraisers each of whom has provided City and Oleta with a detailed analysis and final appraisals of the estimated fair market value of the Residential Parcel, utilizing the procedure set forth in the Resolution (the "Appraised Value"), attached hereto as Exhibit "A"; and

WHEREAS, negotiations between the City and Oleta have culminated in the preparation of a document entitled "Agreement Regarding Residential Parcel" (the "Formal Agreement"), which provides for the sale of the Residential Parcel by City to Oleta for a purchase price of Twenty Million Dollars (\$20,000,000.00), as well as requiring Oleta to prepare a formal plan for

the removal of approximately 194,000 cubic yards of fill material acquired from the Brickell City Centre site which is presently stored on the Premises; and

WHEREAS, the Vice Mayor as Acting Mayor and City Council believe that it will be in the best interest of the City to adopt this Resolution.

NOW THEREFORE, BE IT RESOLVED BY THE VICE MAYOR AS ACTING MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. Authorization to Execute Agreement. The Vice Mayor as Acting Mayor and City Council of the City of North Miami, Florida, hereby approve the execution of the Formal Agreement, in substantially the attached form as Exhibit "B". The City Manager is authorized and directed to execute the Formal Agreement on behalf of the City once all of the Exhibits to the Formal Agreement have been agreed upon and finalized (pursuant to Section 2 below) and attached to the Formal Agreement.

Section 2. Authority of City Manager and City Attorney. The City Manager and City Attorney are hereby authorized and directed (i) to do all things necessary to negotiate, prepare and finalize all of the Exhibits to the Formal Agreement, and (ii) following the execution of the Formal Agreement by City and Oleta, to effectuate the terms of the Formal Agreement, including but not limited to the preparation and/or delivery of documents required by the Formal Agreement to be prepared and/or executed; and to take all steps necessary and appropriate to consummate the closing of the sale of the Residential Parcel pursuant to the terms of the Formal Agreement without the necessity of further action by the City Council.

Section 3. Effective Date. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by a _____ vote of the Vice Mayor as Acting Mayor and City Council of the City of North Miami, Florida, this _____ day of October, 2014.

PHILIPPE BIEN-AIME
VICE MAYOR AS ACTING MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

REGINE M. MONESTIME
CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: _____

Seconded by: _____

Vote:

Vice Mayor as Acting Mayor Philippe Bien-Aime
Councilperson Scott Galvin
Councilperson Carol Keys, Esq.
Councilperson Marie Erlande Steril

_____ (Yes) _____ (No)
_____ (Yes) _____ (No)
_____ (Yes) _____ (No)
_____ (Yes) _____ (No)

“EXHIBIT A”

PROPERTY APPRAISALS:

1. GALLAHER & BIRCH, INC.
2. INTEGRA REALTY RESOURCES
3. LEWIS APPRAISALS & CONSULTING

NO. 14063

APPRAISAL REPORT

PREPARED FOR

CITY OF NORTH MIAMI

PROPERTY APPRAISED

50.6 ACRES OF RESIDENTIAL LAND

BISCAYNE LANDINGS

NORTH MIAMI, FLORIDA

DATE OF APPRAISAL

SEPTEMBER 21, 2014

**GALLAHER
& BIRCH, INC.**

Real Estate Appraisers & Consultants

APPRAISER

Robert E. Gallaher, MAI CRE

GALLAHER & BIRCH, INC.

Real Estate Appraisers & Consultants

October 4, 2014

Aleem A. Ghany
City Manager
City of North Miami
773 NE 125th Street
North Miami, Florida 33161-5654

Ref: Biscayne Landing Valuation

Dear Mr. Ghany:

At your request, we have made an investigation and analysis in order to develop an opinion of the market value of certain land areas within the Biscayne Landing property east of Biscayne Boulevard in North Miami. You have asked that we estimate the current market value of the city's leased fee interest in 50.6 acres of the residential component of the property. The analysis is made as of September 21, 2014.

This appraisal report is prepared for you with the understanding that the developer will also be using the report.

At your instruction the total ground rent obligation has been pro-rated to the subject 50.6 acres on an equal basis with the other acreage in the development. Also at your instruction we have calculated the value of the leased fee interest under the assumption that the lease will terminate after 99 years and under the assumption that the option to extend the lease will be exercised, resulting in a full term of 198 years.

By agreement between the City and the developer, the total developable acreage is assumed to be 151.6 acres. The subject 50.6 acres are therefore 33.38% of the total developable area and are allocated that percentage of the ground rent obligation.

Under the terms of the lease, the annual rent is equal to \$1.5 million and is payable quarterly beginning in 2017. At each 10-year anniversary the rent increased by \$150,000 per year. For the option period, the rent is assumed to be increased to \$3 million.

Aleem A. Ghany
October 4, 2014
Page 2

The current value of the underlying land is estimated to be \$20,000 per potential dwelling unit based on available market data. Analysis of the total projected unit count indicates 3,052 units are allocated to the subject 50.6 acres, resulting in a total land value of \$60 million.

After consideration of the relative risks associated with the subject development and the return rates available from alternative investments, it is my opinion that the future cash flows and values in the subject lease agreement should be discounted to a present value using a 5% annual return rate. In order to project a future value for the underlying land, the current value of the property was increased at a compounded annual growth rate of 3%.

Using the foregoing parameters, the present value of the leased fee interest in the subject property is calculated to be \$19 million based on the 99-year lease term and \$11.6 million based on the 198-year term.

The subject land is described in the following text, followed by the valuation analysis. This report is submitted in a format as defined under Standards Section 2-2(a) of the Uniform Standards of Professional Appraisal Practice. The report also complies with Chapter 475, Part II of the Florida Statutes.

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

Thank you for this opportunity to have been of service. If you have any questions regarding the report or if we can be of further help, please let us know.

Sincerely

Robert E. Gallaher, MAI CRE
State Certified General Real
Estate Appraiser RZ98

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ADDENDA

Assumptions and Limiting Conditions

Definitions

Approved Development Plan

Land Sales Summaries

Appraiser's Qualifications

SECTION 1 – APPRAISAL REPORT SUMMARY

Property:	50.6 acres of the residential component of the Biscayne Landing property
Appraisal Prepared For:	The City of North Miami
Interest Appraised:	Leased Fee interest in the 50.6-acre residential component
Purpose of Appraisal:	To estimate the market value of the leased fee interest in the 50.6-acre residential component of the Biscayne Landing property
Intended Use of Appraisal:	To facilitate a sale of the leased fee interest to the developer
Date of Value:	September 21, 2014
Date of Inspection:	September 21, 2014
Date of Report:	October 4, 2014
Extraordinary Assumptions:	That the land rent is allocated pro-rata to the subject 50.6 acres and that the total developable land area is 151.6 acres
Hypothetical Condition:	None
Special Instructions:	None
Zoning:	Planned Development District
Property Use:	Vacant land
Land Size:	50.6 acres
Highest and Best Use	3,052 dwelling units
Value Conclusion	
Fee value of land:	\$60 million
Value of Leased Fee Interest	
99-year analysis:	\$19 million
198-year analysis:	\$11.6 million
Appraisal Number:	14063

SECTION 2 – THE ASSIGNMENT

SUBJECT OF THE APPRAISAL

The subject of this appraisal is land within the Biscayne Landing property in North Miami. The overall development site is shown on the aerial photograph here outlined in yellow.

The appraisal is prepared in order to facilitate a transfer of the leased fee interest in 50.6 acres of the property to the developer, Oleta Partners LLC, which is comprised of the Swerdlow Group and LeFrak Organization.



PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to develop an opinion of the market value of the subject real estate as of the effective date of appraisal.

The definition of *Market Value* is shown in the addendum to the report.

INTENDED USE/USERS OF REPORT

This appraisal report is prepared for the City of North Miami and is intended for use in establishing the market value of the subject land in order to facilitate a sale of the city's leased fee interest in the land to the developer. To that end the report may be used by the Oleta Partners LLC well.

The appraisal is intended for no other uses or users.

PROPERTY INSPECTION

The subject property was inspected on September 21, 2014.

EFFECTIVE DATE OF APPRAISAL

September 21, 2014

INTEREST APPRAISED

Leased Fee Interest.

The definition of *Leased Fee Interest* is shown in the addendum.

The interest was created by a 99-year lease created in 2012, the principle elements of which are as follows:

Date of lease:	May 29, 2012
Lessor:	City of North Miami, Florida
Lessee:	Oleta Partners, LLC
Premises:	183.8 acres
Term:	99 years
Renewal option:	99 years
Rent	
Year 1:	\$1,500,000, payable \$375,000 per quarter
Years 2 until 5	\$0
Years 6 to 10:	\$1,500,000
Years 11 to 20:	\$1,650,000
Years 21 to 30:	\$1,800,000
Years 31 to 40:	\$1,950,000
Years 41 to 50:	\$2,100,000
Years 51 to 60:	\$2,250,000
Years 61 to 70:	\$2,400,000
Years 71 to 80:	\$2,550,000
Years 81 to 90:	\$2,700,000
Years 91 to 99:	\$2,850,000
Renewal option years:	Determined by formula
Participation rent	
Retail, office:	1.75% of gross revenue
Residential rents:	1.75% of gross revenue
Hotel income:	2.25% of gross revenue
Apartment sales:	3.25% of revenue above mortgage releases
Option to purchase:	50.6 acres

SPECIAL APPRAISAL INSTRUCTIONS

At the instruction of the client, we have assumed that the rent for the 50.6-acre subject property is a pro-rata share of the overall development site, based on the total developable acres within the property. According to instruction from the client and with concurrence by the lessee, the total developable area within the property is 151.6 acres. The subject 50.6 acres are therefore 33.38% of the total developable area and are allocated 33.38% of the rent obligation.

The pro-rata allocation of the ground rent and the 151.6-acre figure are extraordinary assumptions of this appraisal.

The client also specifically requested that we estimate the value of the leased fee under the premises that the lease renewal option is **not** exercised and that it is exercised.

There were no other legal instructions, hypothetical conditions or other extraordinary assumptions considered in this valuation.

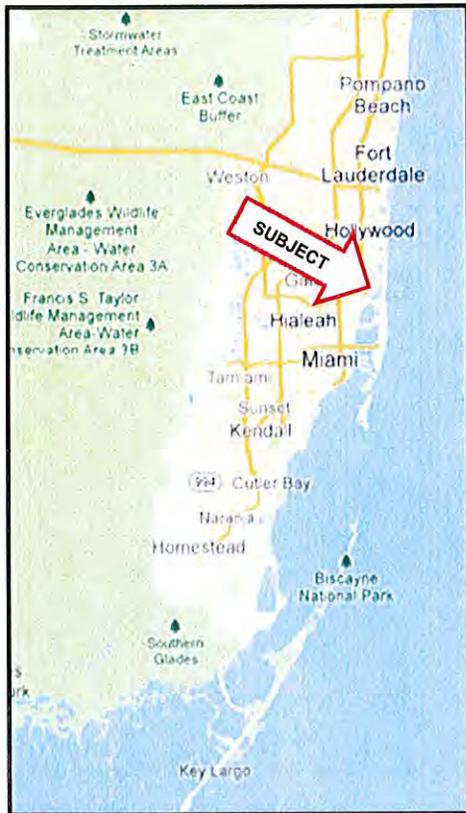
The terms “extraordinary assumption” and “hypothetical condition” have very specific definitions within appraisal standards and these definitions are included in the addendum of the report.

SCOPE OF THE ASSIGNMENT

In order to complete the assignment, the following steps were taken:

- The subject land and the surrounding neighborhood were inspected in sufficient detail to understand the location and market conditions impacting the subject properties.
- Available public data concerning zoning, utilities, street dedications, ad valorem taxes, neighborhood history and land areas were reviewed to acquire a sufficient description of the subject property
- We also reviewed the development plan as prepared by Kobi Karp for Oleta Partners LLC, a copy of which is contained in the addendum.
- We also reviewed various other documents that are contained in the records of the City of North Miami regarding the property and the Biscayne Landing development.
- Of the various analyses available for the valuation of real estate, the sales comparison approach was used to estimate the value of the fee interest in the land and then an income approach was applied to the income stream defined by the lease and the reversionary interest estimated by the sales in order to estimate the value of the leased fee interest. These are the most appropriate methodologies for the analysis of the subject property.
- An investigation was made for market evidence as to the current land value at the subject property using both proprietary and public data sources
- The available data was analyzed and a unit value conclusion was estimated for the fee simple interest in the subject land
- Further investigation was made for data regarding current returns demanded by investors for long-term net leased positions and that data was applied to the income stream and reversionary value of the land

SECTION 3 – DESCRIPTION OF THE REAL ESTATE



IDENTIFICATION OF THE SUBJECT PROPERTY

The subject of this assignment is 50.6 acres of the residential component of the Biscayne Landings Project in North Miami.

LOCATION

The development is east of Biscayne Boulevard, between NE 137th Street and NE 151st Street in North Miami, Florida.

LEGAL DESCRIPTION

The exact legal description for the 50.6-acre subject land is attached to the ground lease agreement as Schedule 33.1. The land is a portion of the legal description shown on page 2 of the Approved Development Plan contained in the Addendum.

The intended users of this report are very familiar with the lease document and proposed development and the precise legal description of the 50.6 acres is included here by reference to the lease document.

OWNERSHIP AND HISTORY

The overall Biscayne Landing site is owned by the City of North Miami and leased to Oleta Partners LLC. The city has owned the land for more than 30 years and the lease was described earlier as created in 2012.

MARKET AREA

The subject property is located within the corporate limits of the City of North Miami. At this location, the boundaries of the city are irregular (as shown on the map below), with areas of the City of North Miami Beach running along Biscayne Boulevard and separating portions of North Miami.

The subject land lies east of Biscayne Boulevard and to the east of the property is a large tract of native land comprised mostly of mangroves, with Biscayne Campus of Florida International University to the east of that and the Oleta River State Park to the northeast.



City of North Miami outlined in red

Two apartment towers and an adjacent parking garage have already been built on the Biscayne Landing site – The Oaks Condominium (shown here).

These buildings are at the northeast corner of the leased site, with access off of the main spine road from NE 151st Street.



The Biscayne Boulevard frontage at this location is a commercial corridor improved with a variety of property types including retail stores, offices, automobile dealerships and office buildings, with some residential uses as well. Beyond the commercial corridor to the west is a mixed use neighborhood with some small warehouses mixed with garden apartments, with single family homes further to the west.

Demographics of the immediate area are as follows:

	1 Mile		3 Mile		5 Mile	
Population						
2019 Projection	14,146		189,303		430,549	
2014 Estimate	13,155		174,813		398,931	
2010 Census	12,677		163,538		378,796	
Growth 2014-19	7.53%		8.29%		7.93%	
Growth 2010-14	3.77%		6.89%		5.32%	
Households						
2019 Projection	5,552		72,834		163,531	
2014 Estimate	5,159		67,427		151,786	
2010 Census	4,953		63,477		144,813	
Growth 2014-19	7.62%		8.02%		7.74%	
Growth 2010-14	6.95%		-1.85%		-2.80%	
Owner Occupied	1,985	38.48%	36,650	54.36%	85,746	56.49%
Renter Occupied	3,173	61.50%	30,777	45.64%	66,040	43.51%
2014 Households by HH Income						
Income: <\$25,000	1,935	37.51%	22,340	33.13%	47,929	31.58%
Income: \$25,000 - \$50,000	1,525	29.56%	17,681	26.22%	39,782	26.21%
Income: \$50,000 - \$75,000	724	14.03%	10,591	15.71%	23,975	15.80%
Income: \$75,000 - \$100,000	333	6.45%	5,736	8.51%	14,659	9.66%
Income: \$100,000 - \$125,000	298	5.78%	3,802	6.64%	9,359	6.17%
Income: \$125,000 - \$150,000	50	0.97%	1,620	2.40%	3,908	2.57%
Income: \$140,000 - \$200,000	130	2.52%	2,225	3.30%	4,760	3.14%
Income: \$200,000+	164	3.18%	3,433	5.09%	7,414	4.88%
2014 Avg. Household Income	52,907		62,496		63,232	
2014 Med Household Income	35,040		39,646		41,187	

The data indicates an immediate area (1 mile radius) of modest income, with a somewhat lower density than the wider, 3-mile area (4,200 people per square mile vs. 6,200). Development of the subject land will bring more density and a more affluent population to the market area.

The intended users of this report are familiar with the governmental, economic and social patterns of the area and detailed descriptions of North Miami are not considered necessary for this report.

GENERAL MARKET CONDITIONS

While most of the United States continues to recover from the 2008/09 recession and the subsequent weakened economy, south Florida's conditions have improved more rapidly due to the influence of foreign capital being invested in the area, both by visitors staying in local hotels and by real estate investors buying commercial and residential properties.

Weakness in the employment outlook on a local basis had some economists concerned about the strength of the recovery, with some experts predicting that Florida would not see real improvement until late this year. But the employment picture continues to steadily improve with the local unemployment rate slowly approaching pre-recession levels. Unemployment rates for the county, state and country (as a percent of the labor force), per the Bureau of Labor, have improved year by year; as shown below.

Location	Dec 2010	Dec 2011	Dec 2012	June 2014
Miami-Ft. Lauderdale	11.8%	9.6%	8.8%	6.3%
Florida	11.1%	9.9%	7.9%	6.2%
Nationwide	9.4%	8.5%	7.6%	6.1%

Source of data: Bureau of Labor Statistics, US Department of Labor

Miami has seen one of the more robust housing recoveries take hold over the past two years, welcome news after having been one of the deepest-affected housing markets across the country. Foreign buyers and cash investors have buoyed the local residential market. The level of interest and activity is on an upward swing as shown by the increased number of transactions and as reported by local lenders. Regional banks are more active in making loans, albeit with more restrictive lending parameters.

The absence of a mortgage market for vacant land had a dampening effect on land values right after the recession, but the rebounding housing markets have been accompanied with rising land values as the major developers again compete for well-located sites. Local lenders are cautiously re-entering the markets.

Overall, the economy continues to improve. Local housing markets are seeing new strength. Demand for land is again driving prices upward, with land in some areas of the county reaching record levels.

ACCESSIBILITY

The overall development site is easily accessible being located east of Biscayne Boulevard between NE 137th and 151st Streets. The site fronts on the Boulevard at 151st Street and at 143rd Street, providing two points of direct access into the development. Both of these intersections are signalized.

Biscayne Boulevard (US Highway 1) is a major north/south artery for all of Miami-Dade County, stretching from the Broward County line to the north to the Monroe County line to the south and connecting many of the county's major cities, including North Miami, Miami, North Miami Beach, Aventura, Coral Gables and South Miami.

The site fronts along NE 151st Street, which is also the entrance to the Biscayne Bay campus of Florida International University.

Access to the county expressway system is via 163rd Street (Sunny Isles Boulevard), which leads directly into the Golden Glades Interchange (intersection of I-95, the Florida Turnpike, US Highway 441 and the Palmetto Expressway), about 3 miles west of Biscayne Boulevard.

STREET IMPROVEMENTS

Biscayne Boulevard is paved with asphalt with three traffic lanes in each direction, plus both right and left turn lanes at the major intersections. The Boulevard has sidewalks, curbs, storm water drainage and streetlights.

NE 151st Street is also paved with asphalt with two traffic lanes in each direction and both right and left turn lanes at the Boulevard intersection, which is signalized. The roadway has sidewalks along a portion of its south side and has curbs, storm drainage and streetlights. 151st Street dead ends in the FIU campus.

The property does not front on 137th Street, being separated from that roadway by a row of single family homes.

As of the date of our valuation NE 141st Street was open from the Boulevard to the development site itself, providing access to the US Post Office at this location and an alternative exit drive for the retail stores south of the roadway. It is paved with asphalt with a single traffic lane in each direction, with sidewalks, curbs, storm drainage and lighting for this short portion only. Beyond the retail store entrance, the road is not paved.

NE 143rd Street is planned to be part of the main spine road of the development. That spine road (as shown on the development plan in the Addendum) winds through the development and eventually connects directly with NE 151st Street at the north boundary of the property. As of the valuation date, the northerly portion of the spine road was open and paved with two traffic lanes in each direction, having sidewalks, curbs, storm drainage and streetlights.

There were no other internal streets within the subject tract as of the valuation date.

PRESENT USE

As of the appraisal date, the subject parcel was vacant land within the overall development area, which was undeveloped as of the valuation date.

ZONING

The overall Biscayne Landings development site is zoned by the city of North Miami as PD, Planned Development District.

Permitted uses in the PD district are as follows:

Parks	Adult living facilities
Community facilities	Educational facilities
Hospitals	Hotels
Recreational facilities	Nightclubs
Offices	Recording studios
Residential uses	Restaurants
Research and technology	Retail sales
Vehicle sales	Mixed uses

Development restrictions are as follows:

Minimum lot size:	2 acres
Minimum lot width:	100 feet
Minimum lot depth:	100 feet
Maximum density	
Mixed use low:	25 dwelling units per acre
Mixed use medium:	40 dwelling units per acre
Mixed use high:	45 dwelling units per acre
Maximum height:	35 feet
Mixed use low:	55 feet
Mixed use medium:	75 feet
Mixed use high:	110 feet
Munisport parcel:	25 stories (the subject land)
Minimum open space:	20%

UTILITIES

The following public utilities are available to the property:

Electricity -	Florida Power & Light
Water -	City of North Miami
Sewer -	City of North Miami

SHAPE AND SIZE OF SITE

The overall Biscayne Landing development site is highly irregular in shape as shown on the aerial photograph in Section 2 above and as shown in the record plat, a portion of which is reproduced here.

According to the record plat, the overall subdivision contains a total of 193.55 acres. But a portion of the original subdivision has already been developed (The Oaks Condominium towers) and is excluded from the Biscayne Landings property considered here.

According to the legal description of the leased property, the total land area is 183.61 acres and excludes Parcels A and B, the developed areas.

The overall site has been subdivided by various land planners over the years, the latest being by Kobi Karp; the plan approved by the city in March 2013. That plan lays out the following areas:



Phase: Development	Area in Ft ²	Acres
Phase 1: Spine Road		
Spine Road	421,895	9.69
Phase 2: Commercial District		
Comm'l, Retail, Mixed Use	1,079,041	24.77
Detention, R/W, open space	190,419	4.37
Passive Park	1,949,583	44.76
Active Park	261,431	6.00
Phase 3: Auto District		
Auto Dealership	319,156	7.33
Detention, R/W, open space	35,462	0.81
Assisted Living Facility	301,425	6.92
Detention, R/W, open space	53,193	1.22
Phase 4: Residential		
Multi-family Residential	3,055,734	70.15
Detention, R/W, open space	115,000	2.64
Hospitality	128,470	2.95
School	87,120	2.00
Total		183.61

The underlying ground lease described earlier defines the leased premises as 183.8 acres. Notwithstanding the areas shown on the Karp development plan, we will use the 183.8-acre figure for valuation purposes.

Of the 183.8 acres, it is estimated by the developer, with agreement by representatives of the City that the net developable land area is 151.60 acres. The subject of this appraisal is 50.6 acres of those 151.60 developable acres.

Notable dimensions from the record plat are as follows:

Frontage on Biscayne Boulevard at 143 rd Street -	207.49 feet
Frontage on Biscayne Boulevard south of 151 st Street -	629.65 feet
Frontage on NE 151 st Street -	1,400 feet, including the excluded parcels

TOPOGRAPHY

The land is uneven, with significant changes in elevation for south Florida land. Having formerly been a landfill site, the property was filled with garbage and debris and then covered with a layer of clean soil. Now that it is being developed, the overall site is being leveled to create developable parcels and park areas, with the subterranean debris relocated to areas that are not intended for development.

The land is not sufficiently stable for construction of major buildings and the future apartment towers will have to be built on pilings or grade beams.

The continued maintenance and monitoring the of environmental contamination are an integral part of the development agreement for the subject property. As the intended users of this report are very familiar with that agreement, further discussion or analysis of the environmental issue are not included here.

LISTING OF SUBJECT

As of the appraisal date, the subject property was not actively marketed for sale.

ENVIRONMENTAL CONSIDERATION

While it is beyond the appraiser's expertise to determine the presence or extent of any environmental contamination within the site, it is incumbent upon us to comment as to any visible evidence of contamination or any apparent source of potential contamination.

The Biscayne Landings property is a former city landfill site. As such, a substantial portion of the land has garbage, plant material and other unstable deteriorating debris under the top layer of soil. The property has been the subject of a number of environmental studies and there is currently a maintenance plan that involves collection of ground water and disposal of that water via an injection well at the easterly side of the property.



Ground water collection pump at south end of site

Injection well facility at east side of site



IMPROVEMENTS

As of the valuation date, there were no land improvements or building improvements within the subject 50.6 acres. The overall development site does have a sales office at the northwest corner of the overall site and a temporary administrative office near the west boundary and 143rd Street.

ASSESSED VALUE AND TAXES

The overall Biscayne Landings property is assessed and taxed by Miami-Dade County as follows:

Tax ID Number	06-2221-034-0010
Land area in square feet:	8,008,777.8
Building area:	none
Market values	
Land:	\$28,998,891
Building:	544,268
Extra features:	<u>+ 65,916</u>
Total	\$29,609,075
Assessed values:	\$29,609,075

The valuation techniques employed by the Miami-Dade County Property Appraiser's office, while appropriate for the mass appraisal process and sufficiently accurate to establish the overall tax base for the county, are not adequately focused to be indicative of the market value of a single parcel of real estate. Therefore, the above-assessed values are not considered indications of the market value of the subject land.

SECTION 4 – HIGHEST AND BEST USE ANALYSIS

The highest and best use of a specific property is determined by the competitive forces within the specific market of which the property is a part. Consequently, the analysis of highest and best use is an economic study, one in which the available possible, legal and feasible uses must be compared. See the definition at the Addenda.

"Highest and Best Use", as defined, requires that any potential use be legally permissible, physically possible, financially feasible and provide the maximum return to the owner. The analysis is required both for the site alone, as though it were vacant and for the property as actually improved as of the appraisal date, if improvements are in place. The subject being vacant land, only the use as vacant is considered.

Legal Uses

The legal uses of a property are generally defined by the governing zoning code and land use plan. In this case, the overall property of which the subject is a part is zoned for mixed-use development. The property has gone through years of development analysis with a number of optional development plans created and considered. The development plan drawn by Kobi Karp is the latest configuration and that plan has reportedly been approved by the City. That plan is therefore assumed to be a legal use of the overall property.

Physically Possible Uses

The proposed development plan is obviously physically possible due to large size of the overall development site. Alternative development plans are also possible, but would be unlikely to result in a more dense development.

Development of the land will require extraordinary foundation work to compensate for the unstable fill material at the site.

Financially Feasible

Improving market conditions indicate that development of the residential products proposed for the subject land is financially feasible after years of negative market conditions. The proposed development of the subject property as shown herein represents one possible scenario for development, with a combination of residential towers and commercial development along with a hotel and an assisted living component.

The proposed development of the overall site, as shown in the earlier map represents a financially feasible use of the subject overall development tract.

Maximally Productive

The most productive use of a site is one that maximizes the utility of the property, while incorporating market demands into the overall design. The current development of the overall site is based on the informed, investment backed expectations of an experienced developer and that plan is considered to be the maximally productive use of the overall property.

SECTION 5 – VALUATION OF THE LEASED FEE INTEREST

There are three generally accepted approaches to the valuation of real estate –

The depreciated cost approach, an estimate of the cost to reproduce the subject improvements, less the accrued depreciation, plus the value of the land;

The income approach, the translation of a property's anticipated income production into a value estimate;

And the sales comparison approach, a comparison of recent sales of similar properties to the subject, with appropriate adjustments made to the sales.

The appraisal assignment is to estimate the market value of the leased fee estate in the property.

The valuation of the subject leased fee interest requires a combination of the income and sales comparison approaches used in concert with each other. The value of the leased fee interest is equal to the present value of the income stream due under the terms of the lease, added to the present value of the reversionary interest in the fee value projected to the end of the lease term. The present value calculations are a derivative of the income approach to value. The sales comparison approach is used to establish the current value of the subject land and then that value is projected into the future and then discounted to a present value using another income type analysis.

In order to complete the assignment, the following components are required:

- Projection of the income stream to be received from the leasehold estate
- Projection of the likely value of the property at the end of the lease term
- Determination of an appropriate discount rates to apply to revenue projections and the reversionary interest in the fee estate

These components are discussed as follows

Projection of Income Stream

The terms of the lease agreement were summarized above in Section 2 and are summarized as follows:

Date of lease -	May 29, 2012
Lessor -	City of North Miami, Florida
Lessee -	Oleta Partners, LLC
Term of lease -	99 years, with a renewal option for an additional 99 years
Rent -	\$1.5 million beginning in 2017 and continuing until the tenth year of the lease The rent increases by \$150,000 each ten years Rent for the option period is set by formula The rent is payable quarterly, in advance
Expenses -	The rent is intended to be net to the Lessor

The subject 50.6 acres is as part of the total 183.8 acres shown described in the legal description of the leased land. More importantly, the 50.6 acres is 33.8% of the 151.60 net developable acres. The 151.6-acre figure is calculated by the developer with agreement by the City.

Therefore 33.38% of the rent for any given period is allocated to the subject land.

Estimate of the Fee Simple Value in the Property

The overall Biscayne Landings development is to include up to 4,390 dwelling units. The development plan indicates a total of 70.15 net acres for residential development; a density of 60.3 units per acre. The subject 50.6 acres would therefore be allocated 3,052 of the 4,390 units.

There are very few opportunities in south Florida for developers to purchase land with sufficient size or zoning for 3,000 residential units. We made an investigation for sales of land that could be developed with large residential projects. The results of that investigation are shown on the following schedule. The data is presented in chronological order, oldest to most recent, with the subject data shown at the top.

Sale	Location	Date	Acres	Units	Price	\$/Unit
Subj.	Biscayne Landing	Sep-14	50.60	3,052		
1	8215 SW 72 Ave	Jul-07	4.94	750	\$35,000,000	46,667
2	Miami World Center	various	20.38	5,476	98,139,100	17,922
3	8200 NW 107 Ave	Jan-12	225.00	4,600	100,000,000	28,261
4	NW 62 St/107 Ave	Dec-12	20.40	1,109	44,650,000	40,261

Sale 1 is the smallest of the four transactions. It is 5-acre tract located north of the Dadeland Mall in south Miami-Dade County. The property sold prior to the Great Recession and the buyer had planned to demolish the existing 145-unit garden apartment buildings and replace them with 750 new condominium apartment units. The sale is substantially smaller than the subject, both in terms of land area and number of units, but it is one of the four largest sales we considered comparable to the subject apartment land.

Sale 2 is the assembly of the Miami World Center site in downtown Miami. This development has been under way for 10 years as of this writing, with the first acquisitions occurring in 2004. Subsequent to the recession, a substantial portion of the site was foreclosed by its lender, and then bought back out of foreclosure by one of the original partners in the assembly. Lawsuits are pending between the former partners in the project.

The total acquisition price for the current developer is equal to approximately \$98 million. There is an additional tract of land but that portion is planned for a hotel and is not included in the total shown here. The overall site can be improved with about 5,500 dwelling units, albeit at a much higher density than is contemplated at the subject site. Overall acquisition cost is therefore equal to about \$17,850 per unit, including a commercial retail component that will occupy the first levels of the planned high-rise towers.

Sales 3 and 4 are large tracts of land in the northern portion of the Town of Doral. Both tracts were acquired by affiliates of the Lennar Corporation and will be improved with a range of housing products. Sale 3 is a larger tract of land, but includes substantial areas that will be left in a natural state; average density is 20 dwelling units per acre. Sale 4 has more than twice the density at an average 54 units per acre. Sale 3 was a distress sale, the seller facing foreclosure and the buyer also bought community development district bonds that were in default for a reported additional \$30 million (which is included in the total price shown on the schedule). Both tracts are zoned for planned unit development and include the potential for commercial components that are not possible at the subject, but which positively impact the price of the land.

Elements of Comparison

According to *The Appraisal of Real Estate* (fourteenth edition), published by the Appraisal Institute, "*Elements of comparison are the characteristics of properties that cause the prices paid for real estate to vary. Adjustments are made to the price of each comparable property to make the comparable equal to the subject on the effective date of the value estimate.*"

The basic elements of comparison are as follows:

- Real property rights conveyed
- Financing terms (i.e. cash equivalency)
- Conditions of sale (i.e. motivation)
- Expenditures made immediately after purchase
- Market conditions (i.e. time)
- Location
- Physical characteristics (e.g. size, access, condition, etc.)
- Economic characteristics (e.g. lease provisions, expense ratios, etc)
- Use (e.g. zoning, water rights, environmental issues, building codes)
- Non-realty components of value (e.g. business value, franchises)

All of the sales were of the fee simple interests in their respective properties. The sales were either for all cash or were financed with institutional debt. The sales were arm's length, but both Sales 2 and 3 were purchased under duress or foreclosure circumstances; Sale 2's circumstances have even given rise to a number of lawsuits. Most of the sites required post-closing expenditures, usually for land clearing and filling.

Each of the sale properties is zoned for residential development, at varying densities, some including a commercial component. Being vacant land, there were no economic characteristics that impacted prices and there were no non-realty components of value.

The most significant element of comparison over recent years has been the changing market conditions. After the financial crises of the fall of 2008, commercial mortgage financing virtually disappeared and demand for all types of development property declined markedly.

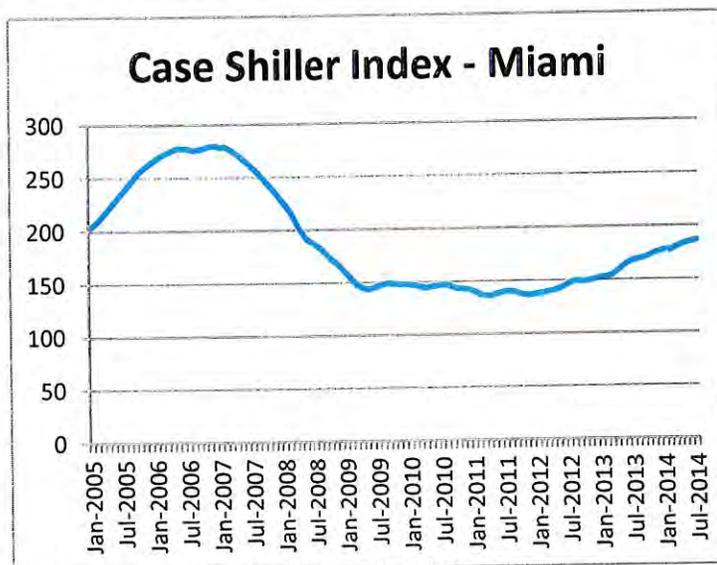
The appraisal date for this appraisal is September 2014, well into the current economic recovery. Sale 1 occurred prior to the stock market crash in late 2008 and the recession of 2009, but after housing prices began to decline. The other sales all closed post-recession.

For purposes of this analysis the significant elements of comparison are the **timing and conditions of the sales**, the relative **locations** of the tracts, their **physical characteristics** and the **variations in allowable densities**. These differences are discussed below.

Market Conditions (Timing)

As stated earlier, Sale 1 closed prior to the recession and its price needs to be adjusted for the changing market conditions between the time of the sale and the appraisal date.

In order to make a reasonable adjustment we reviewed changes in home prices as reported in the Case Shiller Index for the Miami market area – it is reasonable that land for residential development should logically track the value of the product that can be built on it.



The data shows residential real estate values in mid-2014 were about where they were in early 2008 after beginning their decline in late 2006 and early 2007. According to the actual index figures for July 2007 and July 2014 (the latest available at this writing) the index is down by 28%. Adjusting the \$46,667 per unit price of Sale 1 by 28% results in an adjusted price of \$33,600 per unit.

Conditions of the Sales

Sale 2 is a very complicated transaction involving a massive 20-acre assembly of land in the downtown Miami core. The assembly began in 2004, was partially foreclosed after the market decline and then the foreclosed land was repurchased by one of the original investors as the market began to recover. As of this writing, the Miami World Center is nearing a ground-breaking and plans have been announced for a large multi-level mall and a convention hotel.

The transaction is included because of the large number of dwelling units included in the acquisitions, even though the parcels were purchased over a long period of time and involved some bank foreclosures and resales. After deducting the land area and acquisition price of the site for the convention hotel, the balance of the land can be developed with 5,476 dwelling units in multiple high-rise apartment towers. The overall acquisition price is equivalent to \$17,922 per dwelling unit, including the retail component.

Sale 3 is the result of another foreclosure and the purchase of community development bonds that had gone into default. Lennar purchased the development land from Century Home Builders. The combined price of the recorded land purchase and the CDD bonds is the \$130 million shown on the schedule. Again the circumstance of the sale must be considered as they relate to the \$28,261 indicated price per potential dwelling unit.

Location

The subject parcel is located in North Miami. Sale 1 is in the Dadeland area in the southern portion of the county, Sale 2 is in the Miami CBD and Sales 3 and 4 are in Doral.

All three of the sale locations indicate higher household incomes than the subject area, indicating an ability on the part of the local population to purchase higher priced housing. However the Biscayne Landing development promises to create a new city within the city and will, to a degree, become a draw unto itself, raising the average income level of the households in North Miami.

The first two towers built at the Biscayne Landing development show an average price for 2014 unit sales of \$325,355. By comparison the average condominium apartment price in Doral for 2014 is \$321,486, a very similar figure.

No specific adjustments have been made for location.

Physical characteristics and density of development

The physical elements in valuing residential sites include land area, street frontage, configuration and topography and differences in these characteristics precipitate adjustments to the unit values of the sales.

The major physical difference between the subject land and the sales is the size of each property and the underlying historic landfill issue at the subject. At 3,000 dwelling units, it is reasonable to conclude that the subject land would have a lower unit value than Sale 1 at 750 units, but a higher price than Sale 2 at nearly 5,500 units.

Similarly, Sale 2 at 269 dwelling units per acre density would be expected to have a lower per unit price than Sale 3 at 20 units per acre. But Sale 1 at a relatively high density has one of the highest per unit prices, even after adjustment for the changing market conditions.

Sales 1, 2 and 4 each had substantial infrastructure in place at their respective location at the time of the sale. The subject requires substantial land development work and infrastructure installation before building construction can begin, as well as on-going maintenance of the landfill area and monitoring of the ground water.

Sales 3 and 4 are both zoned for planned unit development, providing potential for a commercial component, similar to the Biscayne Landing property that is excluded from the subject land and this analysis.

Conclusion

The foregoing sales schedule is repeated below with the data arrayed in unit price order, highest to lowest.

Sale	Location	Date	Acres	Units	Price	\$/Unit
4	NW 62 St/107 Ave	Dec-12	20.40	1,109	\$44,650,000	\$40,261
1	8215 SW 72 Ave	Jul-07	4.94	750	35,000,000	33,600
3	8200 NW 107 Ave	Jan-12	225.00	4,600	100,000,000	28,261
2	Miami World Center	various	20.38	5,476	98,139,100	17,922

Based on the available data, it is my opinion that the market value of the underlying land at the subject property is at the lower end of the indicated range of unit values. The relative size of the development, the on-going environmental maintenance and monitoring costs and the remaining infrastructure costs were all considered in concluding at a value of approximately \$20,000 per dwelling unit

$$\$20,000 \text{ per unit} \times 3,062 \text{ units} = \$61,040,000$$

It is my opinion therefore that the value of the 50.6 acres that comprises the subject property was \$61 million as of the valuation date.

Projection of value at end of lease term

The value of the underlying land must be projected to the end of the lease term (either 99 years or 198 years) using some reasonable measure of value inflation. That inflation rate would logically be based on some historic rate of change in values.

One measure of historic change is the Consumer Price Index as published by the Bureau of Labor Statistics. While recent inflation levels have been relatively low – 1% to 2% per year, the historic rate for the past 100 years averaged about 2.25%. By contrast real estate values have increased by 3.5% to 4.5% depending on what measure is used.

For valuation purposes I have used an annual inflation rate of 3% as a reasonable projection of increasing values for the lease terms.

If the value of the underlying land of \$45.78 million increases by 3% each year for 99 years, the market value of the land at the end of the initial lease term will be \$854 million.

If the value of the underlying land of \$45.78 million increases by 3% each year for 198 years, the market value of the land at the end of the option lease term will be \$15.9 billion.

Discount Rate

An amount of money due in the future is worth something less than that amount today. The current value of the leased fee interest is the *discounted* present value of the property in the future (at the lease termination date) plus the *discounted* present value of the income stream over the remaining lease term.

An investor purchasing the leased fee interest in the property is primarily buying a cash flow for the investment term. In making a purchase price decision, the risks inherent in the cash flow generated by the property would be compared to the risks inherent in cash flows from other investments

In this case, the ground rent from the lease is considered virtually guaranteed. The annual ground rent payment of \$1.5 million is currently 0.8% of the value of the land. Most net leases are written with the rent in a range of 9% to 10% of the value of the underlying asset. With the rent being such a nominal percentage of the value of the asset and considering that the rent will be passed along to the eventual tenants or buyers of the residential units built at the property (similar to the owners in The Oaks), there is little risk of default.

As of the appraisal date (September 2014) the following interest rates were available in the market:

30-year fixed residential mortgage	4.12%
15-year fixed residential mortgage	3.24%
30-year US Treasury Bond	3.13%
10-year US Treasury Bond	2.45%
Prime lending rate	3.25%

Treasury instruments are virtually risk free as they are backed by the United States Government. The rate of return is related to the length of the investment period; longer-term mortgages and "Treasuries" yield higher rates than shorter-term instruments due to the increased risk of an extended time period. The lower rates of these investments are directly related to their lower risk compared to mortgages.

A review of corporate bond rates, available as of this writing, indicates the following:

Corporate Bond Rates	Yield 52-week range		
	Latest	Low	High
US Corporate Bonds	3.07%	2.84%	3.31%
Intermediate	2.45%	2.16%	2.58%
Long-term	4.53%	4.38%	5.35%
Double A rated	2.39%	2.13%	2.45%
Triple B rated	3.46%	3.23%	3.87%
Triple C rated	9.06%	7.30%	10.96%

The difference between the double A rated bonds and triple C rated is 600 to 700 basis points. The A rated bond issuers are those characterized as having a very strong capacity to meet its financial commitments as compared to the C rated bond issuers who are considered currently vulnerable and dependent on favorable business conditions to be able to meet their obligations.

The interest appraised is an interest in real estate, not in bonds and therefore we look to the real estate markets to indicate appropriate return rates for this analysis. In real estate return rates are made up of a number of components and considerations, amongst which are the following:

- The degree of perceived risk
- Market expectations of future inflation
- Prospective rates of return from other investments
- Rates of return earned by comparable properties in the past
- Availability of debt financing
- Prevailing tax law¹

In estimating an appropriate investment return rate we consider the liquidity of the investment, whether there are barriers to competition, the expertise of the operator and the potential for future demand.

Testing the subject's leased fee interest against the foregoing criteria we find the following:

Degree of perceived risk – the perceived risk is very low. As stated earlier, the rental rate is very low compared to the value of the underlying asset giving the developer strong motivation to keep the rent current and as time goes by, buildings are built and units sold or rented to end users, those individual users will also be motivated to keep the land rent current.

Inflation expectations – there is some modest concern about inflation increasing, but no more for this real estate than any other and increased inflation will likely result in increased end unit prices and greater revenue to the developer, further encouraging land rent payment.

Prospective rates of return from other investments – there may be other real estate investments that can yield a higher investment return, but only through the assumption of greater risk.

Comparable return rates from comparable properties in the past – as with prospective rates of return, the market data is considered and applied below

Debt financing – except for the underlying ground lease being analyzed here and the landfill history, the subject property is typical of residential development property and the capital markets have been historically willing to finance ownership of this type land and construction of apartment buildings. The leasehold position of the developer makes institutional financing somewhat more difficult and the underlying environmental issues of the property make financing that much more difficult as institutional lenders prefer less complicated loans.

¹ Appraisal of Real Estate, 14th Edition, Appraisal Institute

Prevailing tax law – there are no specific tax law issues considered here.

Liquidity – real estate is a very illiquid investment and the subject interest would be a challenge to market to another buyer. While the projected income stream will be low risk, finding a buyer with the cash and the motivation to invest in the subject interest would be a challenge. The most probable buyer is a pension fund or similar institutional investor that, like a lender, would be cautious investing in an asset with the underlying environmental concerns.

Barriers to competition – the barriers are very high, it being virtually impossible to assemble another tract of land of this size along the easterly coast of south Florida. From that standpoint, the developer is again strongly motivated to keep the rental payments current and the environmental issues property maintained and monitored.

Operator expertise – the subject land does have operating costs that are not found at most residential development sites; the requirement to manage and monitor the underlying environmental conditions is unique to this property. The risks of these costs being greater than current estimates must be considered in the risk analysis.

Future demand potential – the diminishing supply of available residential land along the east coast of south Florida combine with the continued growth of the local population, there is a high probability of continued demand for the apartments that will be built at the subject property.

As part of the effort to estimate an appropriate rate to apply to the base rent, we also reviewed return rates available in the market for net leased properties across the country. These are leased fee positions secured by restaurants, banks and retail stores that are leased to credit tenants and represent the “prospective return from other investments” cited above. Each lease in the sample is established, has good collection history and no management on the part of the lessor. The rates shown are “capitalization rates” advertised for the properties, representing return to the investor from the cash flow and not including the value of the reversionary interest. The rates found range from below 5% to about 8.5% with an average rate of in the low 6% range.

The rates on the various financial investment vehicles cited above decline as the time frame is decreased (within the same family of investment), the essence of the time value of money. Mortgages on residential properties were considered relatively safe investments until the financial crises of 2008. There is now more uncertainty as to how much value is in the mortgaged property securing the debt, but fewer qualified buyers have reduced demand for mortgages and kept the rates relatively low.

Mortgages on residential properties have had a lower risk associated with them because lenders could package and resell these loans easily in the secondary market, increasing their liquidity; that activity has slowed markedly as well. The subject property incorporates greater risk due to the complexities associated with a very long-term leased fee interest on land with environmental challenges, the limited pool of potential buyers, and the decreased level of liquidity.

The risks inherent in the subject parcel include:

- Complexities of contaminated real estate
- Limited pool of potential buyers due to nature of investment
- Inefficient secondary market for resale
- Commercial mortgages are made at rates higher than residential mortgages, therefore, potential investors would require a higher rate
- The upward adjustments are fixed over the term of the lease

The risks are offset by mitigating factors:

- Lessee is highly motivated to keep the underlying rent current
- Ground lease payment to maintain control (\$1.5 million) is less than 1% of the value of the underlying asset (\$60 million).
- There is increasing demand for net leased properties, with minimal risk and minimal management

Based on all of the foregoing market data, it is my conclusion that under the premise that the lease ends in 99 years, a discount rate (compound interest rate) of 5% would be necessary in order to induce an investor to purchase this leased fee position as of the valuation date.

The rate recognizes the length of the remaining term (either 97 years or 195 years) and the risk that the fee simple interest at reversion may or may not appreciate in value at the projected 3% rate. The discounting process is a mathematical calculation. The process can be expressed as long algebraic formulas, but inclusion of those formulas would not contribute to the clarity of this valuation process and, therefore, are not included. In summary, the discounting process is as shown on the following pages:

Present Value Calculation - 99 Year Lease Term

Total current rent due under terms of the lease	\$1,500,000	per year
Payable quarterly	\$375,000	per quarter
Total land area	151.6	acres
Residential acres	50.6	acres
Residential portion	33.38%	
Subject rent	\$125,165	
Compound discount rate		
For cash flow -	5%	
For fee simple reversion value -	5%	

Present Value of Cash Flow from Lease Payments

		Annual Rent	Qrtly Rent	Subj. Rent 33.38%	Present value at beginning of 10-year term	Present value at valuation date
Year 3	2014	0	0	0		
Year 4	2015	0	0	0		
Year 5	2016	0	0	0		
Yrs 6 to 10	2017	\$1,500,000	\$375,000	\$125,165	\$2,230,352	\$1,921,467
Yrs 11 to 20	2022	1,650,000	412,500	137,681	4,367,050	2,934,588
Yrs 21 to 30	2032	1,800,000	450,000	150,198	4,764,055	1,947,756
Yrs 31 to 40	2042	1,950,000	487,500	162,714	5,161,059	1,283,794
Yrs 41 to 50	2052	2,100,000	525,000	175,231	5,558,064	841,160
Yrs 51 to 60	2062	2,250,000	562,500	187,747	5,955,068	548,328
Yrs 61 to 70	2072	2,400,000	600,000	200,264	6,352,073	355,851
Yrs 71 to 80	2082	2,550,000	637,500	212,780	6,749,078	230,036
Yrs 81 to 90	2092	2,700,000	675,000	225,297	7,146,082	148,190
Yrs 91 to 99	2102	2,850,000	712,500	237,813	6,946,018	87,636
						<u>\$10,298,806</u>

Present Value of Reversion

Underlying land value					\$61,040,000	
3,052 units x	20,000					
2111 Value at			3% inflation		1,073,557,527	8,660,699
Total Present Value						<u>\$18,959,505</u>
					Use	\$19,000,000

Present Value Calculation - 198 Year Lease Term

Total current rent due under terms of the lease	\$1,500,000	per year
Payable quarterly	\$375,000	per quarter
Total land area	151.6	acres
Residential acres	50.6	acres
Residential portion	33.38%	
Subject rent	\$125,165	
Compound discount rate		
For cash flow -	5.0%	
For fee simple reversion value -	5.0%	

Present Value of Cash Flow from Lease Payments

		Annual Rent	Qrtly Rent	Subj. Rent 33.38%	Present value at beginning of 10-year term	Present value at valuation date
Year 3	2014	0	0	0		
Year 4	2015	0	0	0		
Year 5	2016	0	0	0		
Yrs 6 to 10	2017	\$1,500,000	\$375,000	\$125,165	\$2,230,352	\$1,921,467
Yrs 11 to 20	2022	1,650,000	412,500	137,681	4,367,050	2,934,588
Yrs 21 to 30	2032	1,800,000	450,000	150,198	4,764,055	1,947,756
Yrs 31 to 40	2042	1,950,000	487,500	162,714	5,161,059	1,283,794
Yrs 41 to 50	2052	2,100,000	525,000	175,231	5,558,064	841,160
Yrs 51 to 60	2062	2,250,000	562,500	187,747	5,955,068	548,328
Yrs 61 to 70	2072	2,400,000	600,000	200,264	6,352,073	355,851
Yrs 71 to 80	2082	2,550,000	637,500	212,780	6,749,078	230,036
Yrs 81 to 90	2092	2,700,000	675,000	225,297	7,146,082	148,190
Yrs 91 to 99	2102	2,850,000	712,500	237,813	6,946,018	87,636
Yrs 100-198	2111	3,000,000	750,000	250,330	20,128,612	162,383
						<u>\$10,461,190</u>

Present Value of Reversion

Underlying land value					\$61,040,000	
3,052 units x	20,000					
2210	Value at		3%	inflation	20,031,366,046	1,180,336
Total Present Value						<u>\$11,641,525</u>
				Use		\$11,600,000

SECTION 7 – RECONCILIATION AND MARKET VALUE CONCLUSION

The subject of this report is the leased fee interest in 50.6 acres of the Biscayne Landing property. The value of the leased fee is equal to the present value of the income stream and the reversionary interest in the underlying fee interest.

At the request of the client we have analyzed the property under premise that the lease will terminate at the end of the initial 99-year term and under the premise that the option to extend the lease will be exercised, extending the term to 198 years.

Based on available data, the value of the underlying land is estimated at \$20,000 per unit. Available data indicates a total of 3,052 dwelling units are allocated to the subject 50.6 acres. At that unit value, the property has a total current value of approximately \$60 million. Using the rent schedule outlined in the lease agreement and increasing the value of the land by 3% per year and then discounting the future value back to the present, results in a total value of the leased fee interest of \$19 million based on the 99-year lease premise and \$11.6 million based on the extended term basis.

MARKET VALUE CONCLUSION

In my opinion, the market value of the leased fee interest in the subject land, as of September 21, 2014 and subject to the assumptions and limiting conditions contained herein was:

Assuming a 99-year lease term - \$19 million
Assuming a 198-year term - \$11.6 million

EXPOSURE PERIOD

Appraisal standards require a comment regarding the amount of time a property would be expected to have been on the market prior to the valuation date for a successful sale to occur on the valuation date at the market value estimate.

There tends to be strong demand for net leased property that promises a steady, long term income stream with a low risk of tenant default. Absent the underlying environmental concerns and if the subject leased fee could be sold to the general market, the interest would be expected to sell relatively quickly, with a buyer found in three to six months. But the underlying environmental reduces the number of buyers with the understanding and management ability to want this investment in their portfolio. The exposure time could therefore be as long as a year.

**CERTIFICATION
APPRAISAL REPORT NO. 14063**

I certify that, to the best of my 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 is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- The reported analyses, opinions, and conclusions were developed and this report prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The use of the report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives and by those of the Florida Real Estate Appraisal Board.
- As of the date of this report, I have completed the continuing education requirements for the State of Florida and for the Appraisal Institute.

Respectfully submitted,

ROBERT E. GALLAHER, MAI CRE
State Certified General Real Estate
Appraiser Certificate No. RZ98

October 4, 2014

ADDENDA

ASSUMPTIONS AND LIMITING CONDITIONS

This Appraisal Report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report. As such, the descriptions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value are summarized.

It is assumed that the title to the subject property is good and marketable; and that the legal description of the property is correct; that the improvements are entirely and correctly located on the property described; and that there are no encroachments, encumbrances, restrictions on or questions of title to this property; but no investigation or survey has been made, unless otherwise stated.

The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.

The market value estimate assumes prudent ownership and management of the herein appraised property.

The information as to the description of the premises, restrictions, and improvements to the property involved in this report is as has been submitted by the applicant of this appraisal, or has been obtained from sources believed to be authoritative. No warranty is given for its accuracy.

Unless otherwise specifically stated, the value given in this report represents the opinion of the signers as to the market value as of the appraisal date. Market values of real estate are affected by economic conditions, both local and national. Therefore, market values of real estate will vary with future market conditions affecting real estate.

It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.

It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

Any plot, plan or sketch in this report may show approximate dimensions and are included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report unless otherwise indicated.

It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

ASSUMPTIONS AND LIMITING CONDITIONS – continued

The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

This report covers the premises herein described only. Neither the figures herein nor any analysis thereof, nor any unit values derived there from are to be construed as applicable to any other property, however similar the same may be.

Possession of this report, or copy thereof, does not carry with it the right of publication.

The signers of this report do not authorize disclosure of all or any part of the contents of this report to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraisers or firm with which they are connected, or any reference to professional associations to which they belong or designations which they may hold.

The market value herein is based on data available at the time of our investigation and analysis. Should any additional information be made available to us that would affect the value estimate, we reserve the right to adjust our figures accordingly.

The contract for the appraisal of said premises is fulfilled by the signers hereto upon the delivery of this appraisal duly executed.

DEFINITIONS

Capitalization

The conversion of income into value.²

Direct Capitalization: a method used to convert an estimate of a single year's income expectancy into an indication of value³

Yield Capitalization is used to convert future benefits...into present value by discounting each future benefit at an appropriate rate or by applying an overall rate that explicitly reflects the investment's income pattern, change in value and yield rate⁴

Exposure Time

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming competitive and open market⁵

Extraordinary Assumption

An extraordinary assumption presumes as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property, and, which, if found to be false, could alter the appraiser's opinions or conclusions.⁶

Fee Simple Estate (Fee Simple Title)

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.⁷

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest land value.⁸

Hypothetical Condition

A hypothetical condition is that which is contrary to what exists but is supposed for the purpose of the analysis.⁹

² The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010

³ Appraisal of Real Estate 14th Edition, Appraisal Institute

⁴ Appraisal of Real Estate 14th Edition, Appraisal Institute

⁵ The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010

⁶ Uniform Standards of Professional Appraisal Practice, 2006 Edition

⁷ The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010

⁸ Appraisal of Real Estate 13th Edition, Appraisal Institute

⁹ Uniform Standards of Professional Appraisal Practice, 2006 Edition

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires¹⁰

A freehold (ownership interest) where the possessory interest has been granted to another party by the creation of a contractual landlord-tenant relationship (i.e. a lease).¹¹

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease¹²

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.¹³

Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.¹⁴

¹⁰ Appraisal of Real Estate 13th Edition, Appraisal Institute

¹¹ Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute

¹² Appraisal of Real Estate, 14th Edition, Appraisal Institute

¹³ Appraisal of Real Estate, 13th Edition, Appraisal Institute

¹⁴ Uniform Appraisal Standards for Federal Land Acquisitions

LAND SALES SUMMARY

Land Sale: 1

Sale Date: June 20, 2007

Location: 8215 SW 72nd Avenue, Miami-
Dade County

Folio Number: 30-4035-000-1100

Land Area: 4.94 acres

Potential Dwelling Units: 750

OR Book & Page: 257205/179

Seller: Premier Urban Properties, Inc.

Buyer: Dadeland Nadlan LLC

Price: \$35,526,100

Price / Square Foot: \$162.55

Price / Dwelling Unit: \$46,667



Land Sale: 2

Sale Date: Assembly of land from 2004 to
2012

Location: Miami World Center

Folio Numbers: Numerous

Land Area: 20.4 acres

Potential Dwelling Units: 750

OR Book & Page: Numerous

Seller: Various

Buyer: Companies affiliated with Miami
World Center

Price: \$98,139,100

Price / Square Foot: \$110.53

Price / Dwelling Unit: \$17,922



Land Sale: 3

Sale Date: January 11, 2012
Location: 8200 NW 107 Ave
Folio Number: 35-3008-000-0010, 0011, 0012, 0025, 0047
Land Area: 225 acres
Potential Dwelling Units: 4,600
OR Book & Page: 27969/93, 27969/107
Seller: Century Grand I LLLP
Buyer: Flordade, LLC
Price: \$100,000,000
Price / Square Foot: \$10.20
Price / Dwelling Unit: \$21,739



Land Sale: 4

Sale Date: December 6, 2012
Location: NW 62 Street East of 107 Ave
Folio Number: 35-3017-001-0240, 0250
Land Area: 58.70 acres
Potential Dwelling Units: 1,109
OR Book & Page: 28391-24
Seller: Landmark at Doral Holdings LLC
Buyer: Lennar Homes, LLC
Price: \$44,650,000
Price / Square Foot: \$17.46
Price / Dwelling Unit: \$40,261



GALLAHER & BIRCH, INC.

Real Estate Appraisers & Consultants

GALLAHER & BIRCH, INC., formerly known as Hedgpeth & Gallaher, Inc., was established as The Hedgpeth Company in 1967 by C. George Hedgpeth, MAI, who had been both a staff appraiser with The McCune Company and chief commercial appraiser with Dade Federal Savings and Loan Association. The company is a full service appraisal firm completing appraisal reports for all types of real estate ranging from single family residences to apartments, hotels, vacant land to shopping centers, industrial properties and office buildings.

The predominance of appraisal assignments over the years has been for properties located in Miami-Dade, Broward or Monroe Counties. By generally limiting the area of practice to South Florida, but addressing the analysis of all types of property from vacant land to complex, multipurpose commercial developments, the company has been able to assure a consistent high level of service to its clients.

Either through its individual appraisers or corporately, the company is an approved appraiser for a large number of local lending institutions as well as for the Federal National Mortgage Association, the State of Florida, Miami-Dade County and the cities of Miami, Coral Gables, Hialeah and Homestead. Corporate clients range from local builders and developers to national and international corporations. In addition, assignments have been completed for some of the largest and most prominent South Florida law, accounting and engineering firms. The following is a brief sample of the firm's clientele:

Lending Institutions

Bank United
Chase Manhattan Bank
Coconut Grove Bank
Community Bank of Florida
Fremont Investment & Loan
First National Bank of South Miami
Imperial Credit Commercial Mortgage
Investment Corp
Northern Trust Bank of Florida
SunTrust Bank Miami
Totalbank

Corporations

Baptist Health Systems of South Florida
Wackenhut Corrections Corporation
Walt Disney World
Wendy's International

Law Firms

Akerman Senterifft
Bilzin Sumberg Baena Price & Axelrod
Brigham Moore
Earle & Patchen
Greenberg Traurig
Holland & Knight
Hicks & Schreiber
Kubicki Draper
White & Case
Kozyak Tropin Throckmorton

Institutional Clients

Miami-Dade County School Board
Florida Department of Transportation
Miami Dade College
Miami Dade Water & Sewer Authority
Jackson Memorial Hospital

The company has provided litigation support, including expert testimony, for a variety of cases, including those involving deficiency judgments, divorce, zoning, bankruptcy and eminent domain. Consultation and appraisal review services are an integral part of the services offered.

Either corporately or through its employees, the company is a member of Chamber South, Commercial Real Estate Women, and the Commercial Industrial Association of South Florida (formerly the Industrial Association of Dade County), Miami Realtors.

QUALIFICATIONS OF ROBERT E. GALLAHER, MAI, CRE

Resident of Miami, Dade County, Florida since 1950
State Certified General Real Estate Appraiser, State of Florida (Certificate Number RZ98)
Licensed Real Estate Broker, State of Florida
Licensed Real Estate Instructor, State of Florida
Graduate of University of Florida, Gainesville, Florida
Awarded Bachelor of Science in Business Administration with Major in Real Estate, 1972

Employment: Gallaher & Birch, Inc. (formerly Hedg-peth & Gallaher, Inc., formerly The Hedg-peth Company) since September 1972; currently President
Partner - Esslinger Wooten Maxwell, Realtors 1984 to 1991

Appraisal Experience: Has participated in appraisals in Miami-Dade, Broward, Monroe and other counties in Florida of various types of commercial and commercial properties, including office buildings, shopping centers, apartment developments, warehouses and hotels.

Expert Witness: Qualified as an expert in real estate valuation in Miami-Dade, Broward, Monroe, Palm Beach and Lee Counties, as well as in Federal Bankruptcy Court. Has testified in deposition and in trial in matters of eminent domain, bankruptcy, divorce, deficiency judgments and other issues

Member of:

Appraisal Institute, with designation MAI.
Certified Under Continuing Education Program through September 2017
The Counselors of Real Estate, with designation CRE
Chairman of South Florida Chapter 2004 to 2007
Fellow of the Royal Institution of Chartered Surveyors
Miami Association of Realtors (formerly: Miami and Coral Gables Boards of Realtors)
Chairman of Association for 1995-96
President 1982 and 1987-1988
Florida Association of Realtors
National Association of Realtors

Boards of Directors

Florida Savings Bank – 2001 to 2006
Consumers Savings Bank – 1991 to 1998
Advisory Board Jerome Bain Real Estate Institute at Florida International University
ChamberSouth – 2001 to present (Chairman of the Board of Directors 2008-2009)
Dade County SurTax Advisory – 1984 to 1993

Instructor, having taught seminars and/or courses for:

Miami Dade College; the Appraisal Institute, the American Bar Association, The Florida Association of Realtors; and various local real estate associations and companies.

Nationally certified instructor for the Appraisal Institute

Nationally certified instructor of Uniform Standards of Professional Appraisal Practice

Currently President/Owner of Gallaher & Birch, Inc., (formerly Hedg-peth & Gallaher, Inc.). Has been officer, director and stockholder of several closely held corporations, including Sanctuary Farms, Inc., a farming venture in Collier County; Marina Bay, Inc., a shopping center development in North Miami-Dade County; Burlingame Group, Inc., an office space owner in Miami; Miller Ludlam LLC an owner of retail stores; and First Reserve, Inc., a corporate holding company that owned Esslinger-Wooten-Maxwell, Inc., a general real estate brokerage firm and which participated in the development of Gables Waterway Executive Center and the University Inn Condominium.

INTEGRA REALTY RESOURCES

Integra Realty Resources

Miami/Palm Beach

Appraisal of Real Property

Biscayne Landing (Phase IV Residential Component)

Vacant Land

15055 Biscayne Boulevard

North Miami, Miami-Dade County, Florida 33181

Prepared For:

City of North Miami

Effective Date of the Appraisal:

September 13, 2014

Report Format:

Appraisal Report – Standard Format

IRR - Miami/Palm Beach

File Number: 123-2014-0182





Biscayne Landing (Phase IV Residential Component)
15055 Biscayne Boulevard
North Miami, Florida

Integra Realty Resources	In Miami	In Broward/Palm Beach	In Naples/Sarasota	In Orlando
Miami/Palm Beach	The Douglas Centre	Royal Palm I	The Integra Building	The Empire Building
Southwest Florida	2600 Douglas Rd.	819 S. Federal Hwy.	4795 Enterprise Ave.	28 W. Central Blvd.
Orlando	Suite 801	Suite 201	Suite 201	Suite 300
www.irr.com	Coral Gables, FL 33134	Stuart, FL 34994	Naples, FL 34104	Orlando, FL 32801
	(305) 670-0001	(772) 463-4131	(239)-643-6888	(407) 843-3377



October 5, 2014

Mr. Aleem A. Ghany
City Manager
City of North Miami
776 NE 125 Street
North Miami, FL 33161-5654

SUBJECT: Market Value Appraisal
Biscayne Landing (Phase IV Residential Component)
15055 Biscayne Boulevard
North Miami, Miami-Dade County, Florida 33181
IRR - Miami/Palm Beach File No. 123-2014-0182

Dear Mr. Ghany:

Integra Realty Resources – Miami/Palm Beach is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value - 196 year leased fee of the leased fee interest in the property. The client for the assignment is City of North Miami, and the intended use is for valuation of the leased fee estate subject to the developer's purchase option on a portion of the leasehold.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations, and the appraisal guidelines and scope as determined by the City of North Miami.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of the 2014-2015 edition of USPAP. USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal. This appraisal report contains the results of our studies and the primary analysis used to reach our conclusions. We retain worksheets, models and additional data within our workfile which is incorporated by reference.

The subject is a 50.6-acre portion of a vacant development site known as Phase IV (See Kobi Karp approved development plan) within the larger 183.85-acre Biscayne Landing mixed-use development. The entire development is located on a former landfill in North Miami, Florida. The property is zoned PD, Planned Development District, which permits mixed-use development per an approved development plan, and is subject to a lease between the City of North Miami and the designated developer (Oleta et al). According to instructions from the client dated October 3, 2014, the agreed upon developable portions of the site comprise 151.6+/- acres of the 183+/- acres.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - 196 Year Leased Fee	Leased Fee	September 13, 2014	\$13,500,000
Market Value - 97 Year Leased Fee	Leased Fee	September 13, 2014	\$21,000,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The estimated market values and allocations for the subject's 50.6-acre residential site are based on a pro-rata allocation of the developable acreage within Biscayne Landing. This methodology was agreed upon as part of the Scope of Assignment with the client (City of North Miami).
 2. The leased fee value expressed herein EXPRESSLY ASSUMES CONTINUATION OF THE PROFIT PARTICIPATION AGREEMENT within the existing lease as it applies to the residential Phase IV development. The City's right, in accordance with the executed lease, provides the City of North Miami with significant potential profit-sharing from the planned residential development of the subject's 50.6-acre leased fee estate over the lease term. By instructions with the client, we did not value this component because it is our understanding that the City of North Miami and Developer intend to continue under the profit participation post-closing under the purchase option. IRR-Miami advised client, and client's in-house counsel that this may require post-closing warranties and representations outside of the lease agreement. These matters are legal, and are provided for disclosure only.
 3. The approach contemplates the Net Present Value of 33.38% of the lease payment (based on the land pro-rata as determined by the Client). The appraisal assumes the other 66.62% of the lease payment will continue under the terms of the original lease. The appraisal also assumes that all obligations (other than the rental payment and reversion) under the lease will continue and be binding onto the fee simple successors of the 50.6 acre tract.
-

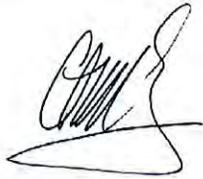


Mr. Aleem A. Ghany
City of North Miami
October 5, 2014
Page 3

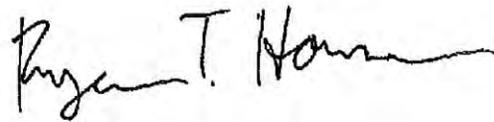
If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

INTEGRA REALTY RESOURCES - MIAMI/PALM BEACH



Anthony M. Graziano, MAI, CRE, FRICS
Senior Managing Director-Miami/Palm
Beach
FL State-Certified General RE Appraiser
RZ#3510
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FL State-Certified General RE Appraiser
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Summary of Salient Facts and Conclusions

Property Name	Biscayne Landing (Phase IV Residential Component)
Address	15055 Biscayne Boulevard North Miami, Miami-Dade County, Florida 33181
Property Type	Land - Commercial
Owner of Record	City of North Miami Finance Department
Tax ID	06-2221-034-0010
Land Area	50.60 acres; 2,204,136 SF
Zoning Designation	PD, Planned Development District
Highest and Best Use	Multifamily residential use
Exposure Time; Marketing Period	12-24 months; 12-24 months
Date of the Report	October 5, 2014

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - 196 Year Leased Fee	Leased Fee	September 13, 2014	\$13,500,000
Market Value - 97 Year Leased Fee	Leased Fee	September 13, 2014	\$21,000,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than City of North Miami may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The estimated market values and allocations for the subject's 50.6-acre residential site are based on a pro-rata allocation of the developable acreage within Biscayne Landing. This methodology was agreed upon as part of the Scope of Assignment with the client (City of North Miami).
2. The leased fee value expressed herein EXPRESSLY ASSUMES CONTINUATION OF THE PROFIT PARTICIPATION AGREEMENT within the existing lease as it applies to the residential Phase IV development. The City's right, in accordance with the executed lease, provides the City of North Miami with significant potential profit-sharing from the planned residential development of the subject's 50.6-acre leased fee estate over the lease term. By instructions with the client, we did not value this component because it is our understanding that the City of North Miami and Developer intend to continue under the profit participation post-closing under the purchase option. IRR-Miami advised client, and client's in-house counsel that this may require post-closing warranties and representations outside of the lease agreement. These matters are legal, and are provided for disclosure only.
3. The approach contemplates the Net Present Value of 33.38% of the lease payment (based on the land pro-rata as determined by the Client). The appraisal assumes the other 66.62% of the lease payment will continue under the terms of the original lease. The appraisal also assumes that all obligations (other than the rental payment and reversion) under the lease will continue and be binding onto the fee simple successors of the 50.6 acre tract.

General Information

Identification of Subject

The subject is a 50.6-acre portion of a vacant development site known as Phase IV (See Kobi Karp approved development plan) within the larger 183.85-acre Biscayne Landing mixed-use development. The entire development is located on a former landfill in North Miami, Florida. The property is zoned PD, Planned Development District, which permits mixed-use development per an approved development plan, and is subject to a lease between the City of North Miami and the designated developer (Oleta et al). According to instructions from the client dated October 3, 2014, the agreed upon developable portions of the site comprise 151.6+/- acres of the 183+/- acres. A legal description of the property is in the addenda.

Property Identification

Property Name	Biscayne Landing (Phase IV Residential Component)
Address	15055 Biscayne Boulevard North Miami, Florida 33181
Tax ID	06-2221-034-0010

Current Ownership and Sales History

The owner of record is City of North Miami Finance Department. The owner is a government municipality that entered into a long-term (99-year) lease with Oleta Partners, LLC dated May 2012 (approximately 97 years remaining). The lease includes an additional 99-year automatic renewal option, as well as initial up-front costs that were incurred by the developer (Oleta Partners, LLC). The specific terms of the lease are included within a lease summary and synopsis within this report.

The tenant (Oleta) has exercised its purchase option of the leased fee interest of the Landlord (City of North Miami) for Phase IV (50.6 Acres). The purpose of this appraisal is to estimate the market value of this leased fee interest, further described within the Scope of the Appraisal. Excluding consideration of the profit participation clauses within the lease (See Extraordinary Assumption), which we've been instructed to assume will continue following the purchase & closing under the purchase option.

To the best of our knowledge, no other sale or transfer of ownership has occurred within the past three years.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value - 196 year leased fee of the leased fee interest of the 50.6 acre portion of the property as of the effective date of the appraisal, September 13, 2014. The date of the report is October 5, 2014. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

“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 and 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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of Property Rights Appraised

Fee simple estate is defined as, “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.”

Leased fee interest is defined as, “A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).”

Leasehold interest is defined as, “The tenant’s possessory interest created by a lease.”

Lease is defined as: “A contract in which rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.”

(Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010)

The valuation of the subject property interest is a valuation of the Leased Fee Estate held by the City of North Miami.

Intended Use and User

The intended use of the appraisal is for property disposition purposes. The client and intended user is City of North Miami. Additional intended users include Lessee (Oleta Partners, LLC) and Goodkin Consulting, advisor to the City of North Miami. The appraisal is not intended for any other use or user. No party or parties other than City of North Miami may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Appraisal guidelines and scope as determined by IRR Miami and the City of North Miami.

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of the 2014-2015 edition of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This type of report has a moderate level of detail. It summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. It meets or exceeds the former Summary Appraisal Report requirements that were contained in the 2012-2013 edition of USPAP. For additional information, please refer to Addendum B – Comparison of Report Formats.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

The City of North Miami (Landlord) and Oleta Partners, LLC (Tenant) have entered into a long-term ground lease for the 183.85-acre site, known as Biscayne Landing. The commencement date is registered as May 29, 2012. The site is a former landfill that is being has been closed and is being

remediated (at Lessee’s cost with grant contributions by the Lessor) for the development of a mixed-use project including retail, office, multifamily residential and park land. The Lessee has incurred significant cleaning and monitoring costs for the on-going site remediation. The Lessee is receiving a discounted long-term lease payment in consideration for all of the upfront costs associated with the remediation and site infrastructure development.

The lease and lease summary have been reviewed and analyzed by IRR-Miami. IRR Miami met with the City Manager, City Attorney, and City Planner to clarify portions of the lease and development plan on various occasions throughout the assignment.

The development plan agreed to by Landlord and Tenant calls for several phases of development. The recently approved Kobi Karp development plan provides for a 71+/- acre Phase 4, of which the lease provides the Lessee with the option to purchase 50.6 +/- acres.

Our interview with the City Planner indicates the density approved on the site maxes out at approximately 7,200 units. Presumably, this would all be developed on the Phase 4 development plan proposed by Kobi Karp’s development plan (less some residential density for the assisted living units).

This would imply potential density on the acreage subject to the purchase option (subject 50.6 acres) of approximately 5,000 units. However, IRR-Miami has reviewed the plans, and concludes that a potential density at approximately 3,000 +/- residential condo units represents a realistic density for purposes of establishing a present value basis for estimating future land reversion. **The City should seek to approve the highest and most reasonable density achievable since this improves the property value upon return of the lease to the City. The potential for additional units over the 3,000 has been considered in our final value reconciliation.**

The following allocation of the subject’s land area on a pro-rata basis will be used to estimate the subject’s portion of the lease payments within the valuation analysis.

Biscayne Landing Pro-Rate Share		
Area	Size (Acres)	% of Biscayne Landing
Biscayne Landing (Total)	151.60	100%
Subject (Phase 4 Portion)	50.6	33.38%

Source: Client-Directed Pro-Rata Allocation as of October 3, 2014 instruction

Included within the executed lease is the Tenant’s right to exercise a purchase option of the Landlord’s leased fee interest of the residential area. We have been requested by the client to provide two values, reflective of the value of the leased fee under the 97 year, and 196 year scenarios.



This appraisal is estimating the current market value of the leased fee interest in the component only on a pro-rata basis of the land area as stipulated by the client.

The Tenant has incurred multiple fees and costs associated with the clean-up and on-going maintenance of the entire Biscayne Landing, as well as an initial one-time lease payment of \$17,500,000. The tenant was responsible for paying unpaid real estate taxes, closed landfill monitoring, several community and educational programs and a significant amount of site infrastructure. IRR Miami has not considered these initial payments within the current valuation of the leased fee interest as these payments by the Landlord were made to offset the discounted annual lease payments, and are applicable to the entire site.

There are three components to the City of North Miami's Lease Fee Estate, identified as follows:

1. The periodic annual rental payments due under the lease;
2. The future reversionary value at the expiration of the lease (196 years from effective date, 97 years depending upon whether lease extension option is exercised);
3. The speculative & potential future revenue arising from the profit participation.

As agreed with the client, we are not valuing Item 3 as it is an **express assumption of this report that the profit participation component of the lease will survive closing**. Therefore, the methodology will address Item's 1 & 2 only.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Land Sales Comparison Approach	Applicable	Utilized
NPV (Net Present Value)	Applicable	Utilized

We use the land sales comparison approach in developing an opinion of the market value for the subject's fee simple estate. This approach is applicable to the subject because there is an active market for residential land within Miami-Dade County and South Florida. The subject's larger size and unique characteristics in regard to being part of a larger mixed-use site on a former landfill makes identifying similar land sales difficult. Due to the subject's proposed and required infrastructure, we have estimated the market value of the fee simple estate as if the infrastructure is already completed because the leasehold would revert with the infrastructure completed.

We have developed a discounted cash flow analysis to estimate the market value of the subject's leased fee estate by discounting the projected annual lease payments and future reversion of the

subject at the end of the ground lease to determine the NPV (net present value) of the subject's leased fee interest.

The cost approach is not applicable because there are no current vertical improvements that contribute value to the property.

In order to estimate the market value of the leased fee interest of the 50.6 acres of residential development land, IRR Miami has analyzed and projected the following valuation components of the leased fee estate:

1. IRR Miami has estimated the market value of the fee simple interest of the 50.6 acres based on comparable land sales that were purchased for multifamily development within South Florida;
2. IRR Miami has analyzed the historical annual growth rate of several economic indicators, commodities and real estate related indices. IRR Miami has analyzed the relationship the measured components would have to the subject's land value and over the time period the component was measured to estimate the reliability and correlation to the subject. We have selected an appropriate growth rate used to estimate the annual increase in value of the subject's fee simple estate. The annual growth rate is applied to the subject's current market value of the fee simple estate to estimate the future fee simple estate reversion of the 50.6-acre site.
3. The subject's pro-rate share (based on acreage) of the annual lease payments are scheduled throughout the remaining term of the lease.
4. IRR Miami has analyzed several discount and interest rates of long-term assets and investments to estimate an applicable discount rate for the subject's anticipated pro-rate annual lease payment and future reversion of the fee simple estate. IRR Miami has considered the subject's specific characteristics and risk to estimate an applicable discount rate that a potential investor would require and apply to the projected investment stream.

Inspection

Anthony M. Graziano, MAI, CRE, FRICS, conducted an on-site inspection of the property on September 13, 2014. Ryan T. Homan, MAI, conducted an on-site inspection on September 13, 2014.

Economic Analysis

Miami-Dade County Area Analysis

Miami-Dade County is located in southern Florida approximately 16 miles northeast of Miami CBD. It is 1,898 square miles in size and has a population density of 1,392 persons per square mile. Miami-Dade County is part of the Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area, hereinafter called the Miami MSA, as defined by the U.S. Office of Management and Budget.

Population

Miami-Dade County has an estimated 2014 population of 2,641,834, which represents an average annual 1.4% increase over the 2010 census of 2,496,435. Miami-Dade County added an average of 36,350 residents per year over the 2010-2014 period, and its annual growth rate exceeded the State of Florida rate of 1.1%.

Looking forward, Miami-Dade County's population is projected to increase at a 1.3% annual rate from 2014-2019, equivalent to the addition of an average of 36,198 residents per year. Miami-Dade County's growth rate is expected to exceed that of Florida, which is projected to be 1.1%.

	Population			Compound Ann. % Chng	
	2010 Census	2014 Est.	2019 Est.	2010 - 2014	2014 - 2019
Florida	18,801,310	19,654,457	20,782,174	1.1%	1.1%
Miami-Dade County	2,496,435	2,641,834	2,822,825	1.4%	1.3%
North Miami	58,786	60,229	63,131	0.6%	0.9%

Source: Claritas

Employment

Total employment in Miami-Dade County is currently estimated at 1,016,677 jobs. Between year-end 2003 and the present, employment rose by 30,279 jobs, equivalent to a 3.1% increase over the entire period. There were gains in employment in six out of the past ten years despite the national economic downturn and slow recovery. Miami-Dade County's rate of employment growth over the last decade surpassed that of Florida, which experienced an increase in employment of 0.6% or 47,926 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Miami-Dade County unemployment rate has been generally higher than that of Florida, with an average unemployment rate of 7.6% in comparison to a 6.9% rate for Florida. A higher unemployment rate is a negative indicator.

Recent data shows that the Miami-Dade County unemployment rate is 6.7% in comparison to a 6.3% rate for Florida, a negative sign for Miami-Dade County.

Employment Trends

Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Miami-Dade County	% Change	Florida	% Change	Miami-Dade County	Florida
2003	986,398		7,453,831		5.9%	5.3%
2004	1,007,457	2.1%	7,726,652	3.7%	5.5%	4.7%
2005	1,023,160	1.6%	7,990,613	3.4%	4.6%	3.8%
2006	1,033,285	1.0%	8,128,744	1.7%	4.1%	3.3%
2007	1,033,503	0.0%	8,014,408	-1.4%	4.1%	4.0%
2008	1,004,798	-2.8%	7,585,913	-5.3%	6.3%	6.3%
2009	960,981	-4.4%	7,209,010	-5.0%	11.3%	10.4%
2010	973,323	1.3%	7,260,875	0.7%	12.4%	11.3%
2011	997,766	2.5%	7,368,030	1.5%	11.3%	10.3%
2012	1,021,527	2.4%	7,538,166	2.3%	9.5%	8.8%
2013*	1,016,677	-0.5%	7,501,757	-0.5%	8.4%	7.2%
Overall Change 2003-2013	30,279	3.1%	47,926	0.6%		
Avg Unemp. Rate 2003-2013					7.6%	6.9%
Unemployment Rate - February 2014					6.7%	6.3%

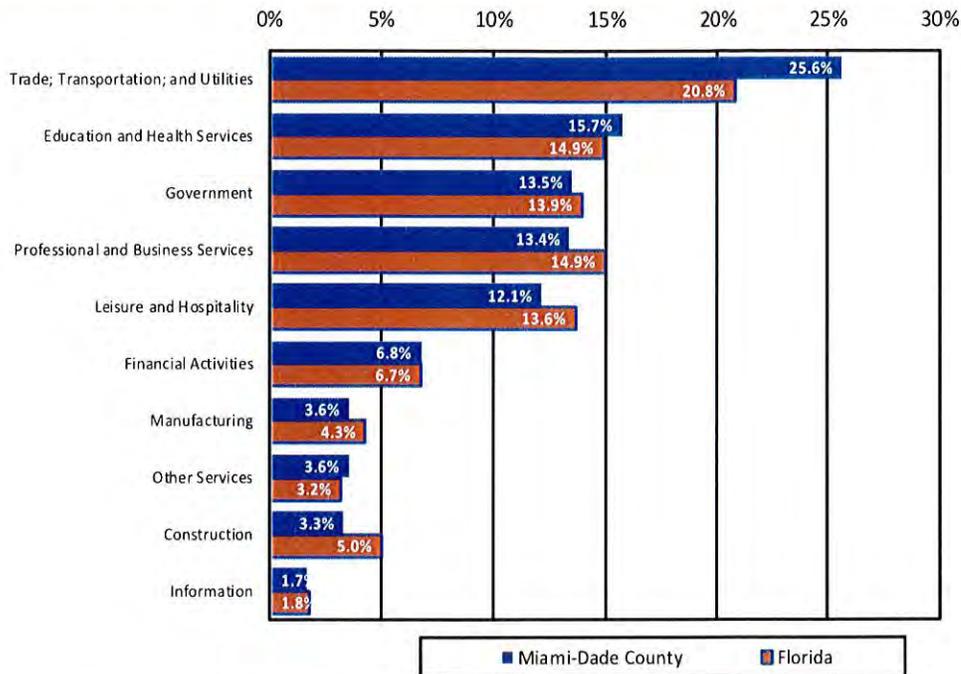
*Total employment data is as of September 2013; unemployment rate data reflects the average of 12 months of 2013.

Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Employment Sectors

The composition of the Miami-Dade County job market is depicted in the following chart, along with that of Florida. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Miami-Dade County jobs in each category.

Employment Sectors - 2013



Source: Bureau of Labor Statistics and Economy.com

Miami-Dade County has greater concentrations than Florida in the following employment sectors:

1. Trade; Transportation; and Utilities, representing 25.6% of Miami-Dade County payroll employment compared to 20.8% for Florida as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Education and Health Services, representing 15.7% of Miami-Dade County payroll employment compared to 14.9% for Florida as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
3. Other Services, representing 3.6% of Miami-Dade County payroll employment compared to 3.2% for Florida as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.

Miami-Dade County is underrepresented in the following sectors:

1. Government, representing 13.5% of Miami-Dade County payroll employment compared to 13.9% for Florida as a whole. This sector includes employment in local, state, and federal government agencies.

2. Professional and Business Services, representing 13.4% of Miami-Dade County payroll employment compared to 14.9% for Florida as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
3. Leisure and Hospitality, representing 12.1% of Miami-Dade County payroll employment compared to 13.6% for Florida as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
4. Manufacturing, representing 3.6% of Miami-Dade County payroll employment compared to 4.3% for Florida as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.

Major Employers

Major employers in Miami-Dade County are shown in the following table.

Major Employers - Miami-Dade County	
Name	Number of Employees
1 Miami-Dade County Public Schools	48,571
2 Miami-Dade County	29,000
3 Federal Government	19,500
4 Florida State Government	17,100
5 University of Miami	16,000
6 Jackson Health System	12,571
7 Publix Super Markets	10,800
8 American Airlines	9,000
9 Florida International University	8,000
10 Miami-Dade College	6,200

Source: Enterprise Florida, Inc.

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area. Although GDP figures are not available at the county level, data reported for the Miami MSA is considered meaningful when compared to the nation overall, as Miami-Dade County is part of the MSA and subject to its influence.

Economic growth, as measured by annual changes in GDP, has been considerably lower in the Miami MSA than the United States overall during the past eight years. The Miami MSA has declined at a 0.0% average annual rate while the United States has grown at a 1.0% rate. As the national economy improves, the Miami MSA has recently performed better than the United States. GDP for the Miami MSA rose by 3.5% in 2012 while the United States GDP rose by 2.5%.

The Miami MSA has a per capita GDP of \$41,271, which is 4% less than the United States GDP of \$42,784. This means that Miami MSA industries and employers are adding relatively less value to the economy than their counterparts in the United States overall.

Gross Domestic Product

Year	(\$ Mil)		(\$ Mil)	
	Miami MSA	% Change	United States	% Change
2005	237,627		12,539,116	
2006	246,258	3.6%	12,875,816	2.7%
2007	248,617	1.0%	13,103,341	1.8%
2008	242,778	-2.3%	13,016,791	-0.7%
2009	225,268	-7.2%	12,592,668	-3.3%
2010	226,939	0.7%	12,897,088	2.4%
2011	229,863	1.3%	13,108,318	1.6%
2012	237,834	3.5%	13,430,576	2.5%
Compound % Chg (2005-2012)		0.0%		1.0%
GDP Per Capita 2012	\$41,271		\$42,784	

Source: Bureau of Economic Analysis and Economy.com; data released February 2014. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2005 dollars.

Household Income

Miami-Dade County has a lower level of household income than Florida. Median household income for Miami-Dade County is \$40,804, which is 7.9% less than the corresponding figure for Florida.

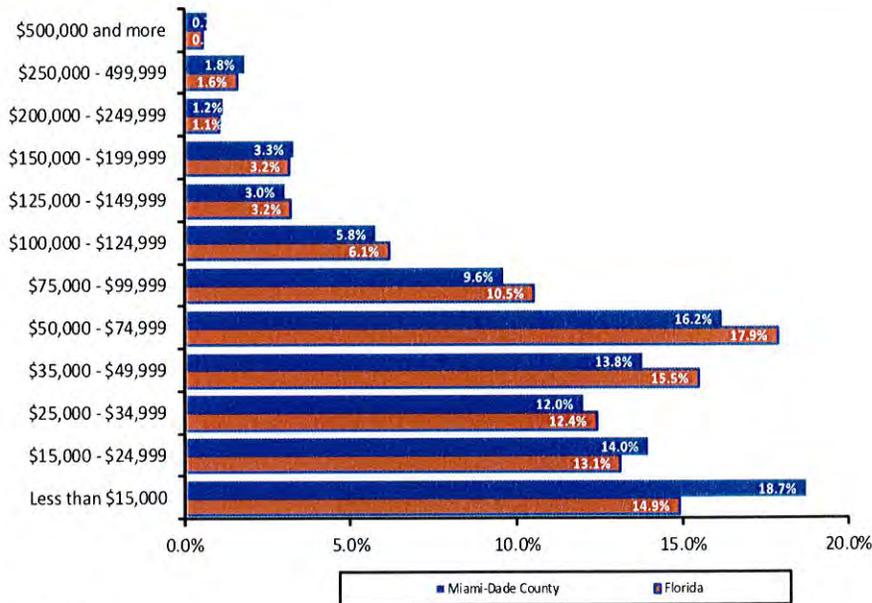
Median Household Income - 2014

	Median
Miami-Dade County	\$40,804
Florida	\$44,318
Comparison of Miami-Dade County to Florida	- 7.9%

Source: Claritas

The following chart shows the distribution of households across twelve income levels. Miami-Dade County has a greater concentration of households in the lower income levels than Florida. Specifically, 45% of Miami-Dade County households are below the \$35,000 level in household income as compared to 40% of Florida households. A lesser concentration of households is apparent in the middle income levels, as 30% of Miami-Dade County households are between the \$35,000 - \$75,000 levels in household income versus 33% of Florida households.

Household Income Distribution - 2014

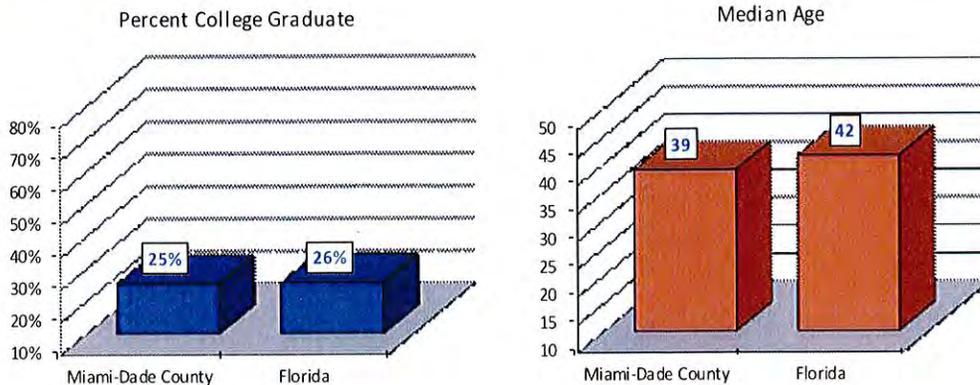


Source: Claritas

Education and Age

Residents of Miami-Dade County have a slightly lower level of educational attainment than those of Florida. An estimated 25% of Miami-Dade County residents are college graduates with four-year degrees, versus 26% of Florida residents. People in Miami-Dade County are younger than their Florida counterparts. The median age for Miami-Dade County is 39 years, while the median age for Florida is 42 years.

Education & Age - 2014



Source: Claritas



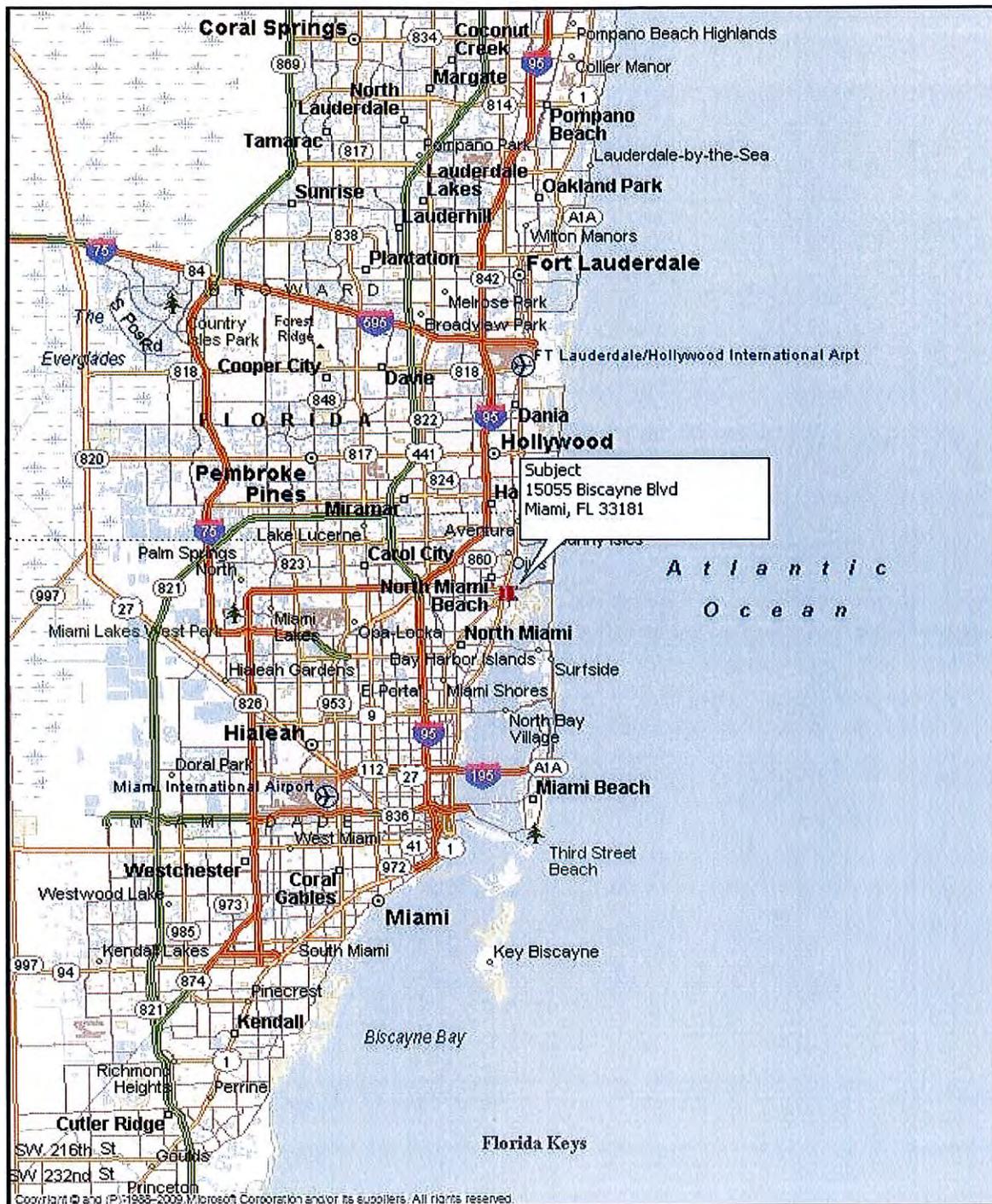
Conclusion

Miami-Dade County represents an economy which is largely driven by tourism, education, and healthcare services. The recessionary effects of 2008-2009 significantly impaired the local economy, including the substantial housing and construction sector.

Recent national and regional improvements in the economy have reinvigorated the tourism and education sectors; healthcare sectors remained solid through the downturn. The housing and construction sectors have recently experienced modest improvement, and recent development activity has stabilized the employment base.

Overall, Miami-Dade County is experiencing healthy growth, renewed positive employment in most sectors, and renewed investment and development interest. The improvements in the fundamental economy, coupled with an influx of tourism and related foreign investment capital, is strengthening demand for real estate in the broader market.

Area Map



Surrounding Area Analysis

Boundaries

The subject is located in the Coastal area of Miami-Dade County. This area is part of the North Miami submarket and is generally delineated as follows:

North	163 rd Street
South	NE 121 st Street
East	Biscayne Bay
West	NW 17 th Avenue

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the area is provided by Interstate 95, a major arterial that crosses the Miami-Dade area in a north/south direction. Access to the subject from Interstate 95 is provided by State Road 826 / NE163rd Street, and travel time from the major arterial to the subject is about 10 minutes. Overall, vehicular access is average. The subject is located just east of Biscayne Boulevard, a major north/south thoroughfare through eastern Miami-Dade County.

Public transportation is provided by bus and provides access to most of Miami-Dade County. The nearest bus station is located at the entrance to Biscayne Landing. The local market perceives public transportation as average compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

The Miami International Airport is located about 12 miles from the property; travel time is about 15 minutes, depending on traffic conditions. The Miami CBD, the economic and cultural center of the region, is approximately 14 miles from the property.

Demand Generators

Major employers include FIU (Florida International University) and the Aventura Mall office and retail markets. These are located within 1-2 miles of the property and represent significant concentrations in the education, retail and office industries. In addition to its strong employment base, the area is easily accessible to the beaches and coastal submarkets, all within 5-10 minutes driving time. Access to employment centers in other submarkets is a major demand driver.

These demand generators support the demographic profile described in the following section.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics					
	1-Mile Radius	3-Mile Radius	5-Mile Radius	Miami-Dade County	Florida
2014 Estimates					
Population 2010	14,330	175,935	398,046	2,496,435	18,801,310
Population 2014	15,191	186,585	417,986	2,641,834	19,654,457
Population 2019	16,269	199,448	443,574	2,822,825	20,782,174
Compound % Change 2010-2014	1.5%	1.5%	1.2%	1.4%	1.1%
Compound % Change 2014-2019	1.4%	1.3%	1.2%	1.3%	1.1%
Households 2010	5,103	67,630	151,732	867,352	7,420,802
Households 2014	5,476	72,595	160,741	919,728	7,745,850
Households 2019	5,922	78,326	171,858	985,999	8,189,812
Compound % Change 2010-2014	1.8%	1.8%	1.5%	1.5%	1.1%
Compound % Change 2014-2019	1.6%	1.5%	1.3%	1.4%	1.1%
Median Household Income 2014	\$29,886	\$37,454	\$39,572	\$40,804	\$44,318
Average Household Size	2.7	2.5	2.6	2.8	2.5
College Graduate %	18%	28%	27%	25%	26%
Median Age	33	39	40	39	42
Owner Occupied %	32%	54%	57%	55%	67%
Renter Occupied %	68%	46%	43%	45%	33%
Median Owner Occupied Housing Value	\$133,021	\$161,590	\$165,428	\$189,517	\$155,802
Median Year Structure Built	1970	1972	1971	1976	1985
Avg. Travel Time to Work in Min.	34	33	33	32	28

Source: Claritas

As shown above, the current population within a 3-mile radius of the subject is 186,585, and the average household size is 2.5. Population in the area has grown since the 2010 census, and this trend is projected to continue over the next five years. Compared to Miami-Dade County overall, the population within a 3-mile radius is projected to grow at a similar rate.

Median household income is \$37,454, which is lower than the household income for Miami-Dade County. Residents within a 3-mile radius have a higher level of educational attainment than those of Miami-Dade County, while median owner occupied home values are considerably lower.

Retail and Public Services

The nearest shopping facilities serving the area are located along Biscayne Boulevard, adjacent to the property. They offer basic convenience goods and personal services. The closest regional mall is Aventura Mall, located about 1.5 miles from the property. Restaurants, principally along major arterials such as Biscayne Boulevard, are within a 5-minute travel time of the property. The closest lodging facilities are located within a 5 minute drive of the subject and include local and national hotel flags.

The nearest fire and police stations are within 1-2 miles of the property. The closest elementary/middle school is less than 1 mile and the local high school is less than 1 mile away. The closest colleges and universities are adjacent to Biscayne Landing. They offer undergraduate, associate, graduate and advanced programs as well as various continuing education programs.

Proximity to parks, open space and other passive recreation is above average with public beaches located less than 5 minutes away. Of special note is the proximity of Biscayne Bay and the Atlantic Ocean.

Land Use

In the immediate vicinity of the subject, predominant land uses are commercial on Biscayne Boulevard with high-rise condos near the beaches. Other land use characteristics are summarized as follows:

Surrounding Area Land Uses	
Character of Area	Urban
Predominant Housing Age (Both Ownership and Rental)	10-50 years
Predominant Quality and Condition	Average
Approximate Percent Developed	95% (excluding Biscayne Landing Project and Oleta River State Park)
Percent Developed by Land use	20% Condo; 10% Single Family; 30% Apartments; 40% Commercial
Infrastructure/Planning	Average
Prospective Change in Land Use	On-going (Biscayne Landing is being redeveloped with a mixed-use development plan)
Prevailing Direction of Growth	Urban Infill

Subject's Immediate Surroundings	
North	Vacant Land
South	Mobile Home Park
East	FIU (Florida International University)
West	Big-box commercial and Biscayne Boulevard

Development Activity and Trends

During the last five years, development has been predominantly of oceanfront luxury condo, multifamily rental and retail on high-traffic thoroughfare uses. The pace of development has generally accelerated since 2011.

The subject is located west of Sunny Isles Beach, Bal Harbour and North Miami Beach. These areas are currently experiencing a significant level of residential condo development construction with additional units planned. The market forces of these land-constrained coastal submarkets will drive future demand for the subject's planned development that is within close proximity.

Inarguably, there are extremely few large-scale development tracts remaining in the Miami-Dade County region. These sites include the subject redevelopment site (183 acres); Doral White Course (85+/- acres), and Caloosa Bay Golf Course (140 acres). The latter two are located in Doral and

Kendall respectively, and the subject represents the largest assembled development site proximate the urban core and Miami Beaches.

While the subject's location by no means poses current value parameters consistent with the Miami Beach land, the possibility to develop the site with preserved views over the Biscayne Bay represents a unique opportunity in the market which should serve long-term appreciation over a 97 – 196 year timeframe.

Outlook and Conclusions

The area is in the redevelopment stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will increase in the near and long-term future.

The subject is a large-scale, mainland development site overlooking Biscayne Bay & Preserve areas of Oleta River State Park recreation area. Over a 100-year development pattern, the subject will represent a key infill area which will absorb an increasing share of the total market as future development sites are limited.

Multifamily Market Analysis

Given prevailing land use patterns and the subject's zoning, a likely use of the property is for multifamily residential development. In the following paragraphs, we examine supply and demand indicators for multifamily units in the subject's area, based on data from REIS, a recognized source.

Submarket Overview

The subject is located in the North Miami/Bayshore submarket. Supply and demand indicators pertaining to all classes of multifamily rental properties are summarized below, followed by a separate table showing Class A properties only.

North Miami/Bayshore Submarket							
Year	Quarter	Inventory (Units)	Completions (Units)	Vacancy %	Absorption (Units)	Effective Rental Rate	% Change
2005	Annual	8,915	0	2.2%	-162	\$746	3.8%
2006	Annual	8,308	0	2.9%	-652	\$784	5.1%
2007	Annual	8,243	0	4.2%	-170	\$803	2.4%
2008	Annual	8,243	0	5.3%	-91	\$814	1.4%
2009	Annual	8,243	0	5.8%	-41	\$785	-3.5%
2010	Annual	8,243	0	5.0%	66	\$789	0.4%
2011	Annual	8,374	131	5.1%	120	\$802	1.7%
2012	Annual	8,374	0	4.1%	75	\$822	2.5%
2013	Annual	8,614	240	4.3%	222	\$868	5.6%
2014	2	8,614	0	4.3%	-4	\$890	2.5%
2014	Projected	8,614	0	4.4%	-14	\$892	2.8%
2015	Projected	8,614	0	4.3%	6	\$917	2.8%
2016	Projected	8,614	0	4.5%	-9	\$938	2.3%
2017	Projected	8,614	0	4.5%	-2	\$954	1.7%
2018	Projected	8,614	0	4.3%	16	\$974	2.1%

Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.

Submarket - Class A Properties							
Year	Quarter	Inventory (Units)	Completions (Units)	Vacancy %	Absorption (Units)	Asking Rental Rate	% Change
2005	Annual	1,266	0	5.5%	-203	\$931	3.0%
2006	Annual	1,266	0	2.8%	35	\$985	5.8%
2007	Annual	1,266	0	7.7%	-63	\$1,024	4.0%
2008	Annual	1,266	0	10.1%	-30	\$1,077	5.2%
2009	Annual	1,266	0	8.5%	20	\$1,021	-5.2%
2010	Annual	1,266	0	3.7%	61	\$1,059	3.7%
2011	Annual	1,266	0	5.5%	-22	\$1,092	3.1%
2012	Annual	1,266	0	6.9%	-18	\$1,085	-0.6%
2013	Annual	1,506	240	11.6%	153	\$1,270	17.1%
2014	2	1,506	0	12.0%	-6	\$1,291	1.7%

Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.

The North Miami/Bayshore submarket contains an overall inventory of 8,614 units, of which 1,506 units or 17% are Class A units. Approximately -301 units have been added to the overall submarket inventory since 2005, of which 240 units are Class A. The overall submarket is growing at an average rate of -0.4% per year while the Class A inventory is growing at an average rate of 2.1% per year.

The North Miami/Bayshore submarket has generally strengthened over the last 2-3 years. Overall submarket vacancy (all classes of properties combined) is estimated at 4.3% as of 2014, which represents a modest decrease from a high mark of 5.8% in 2009. Class A vacancy is higher at 12.0% and it atypically higher due to the recent delivery of 240 units. The future development of the Biscayne Landing commercial uses should incite demand for residential uses on the subject's site.

The average effective rent for the overall submarket is \$890 per unit, which represents an increase from the low mark of \$785 per unit in 2009. Effective rents have increased an average of 2.8% per year since that time.

The Class A asking rental rate is higher at \$1,291 per unit and also has been moving upward since its low point of \$1,085 per unit in 2012.

New and Proposed Construction

Within the North Miami/Bayshore submarket, there are currently **no** new multifamily projects under construction. The subject's entire Biscayne Landing redevelopment will drive supply for future demand of residential rental units at the subject.

Conclusions

The subject's close proximity to the beaches, Aventura Mall and the current revitalization of Biscayne Boulevard heading north from Downtown Miami will provide for various sources of future residential demand at the subject. A mix of for rent and for sale product is most likely.

There are currently over 4,500 residential condo units under construction in Downtown Miami with an additional 4,000 +/- units in the selling stage of development with average pricing near \$600/SF. The Miami Beach, Sunny Isles and Bal Harbour markets are also experiencing a significant condo development growth cycle with mostly luxury units being developed at pricing over \$1,000/SF. IRR Miami estimates that the subject's future planned condo development will be priced at levels more commensurate to the Downtown Miami product.

Property Analysis

Land Description and Analysis

Land Description	
Land Area	50.60 acres; 2,204,136 SF
Land Area (Usable)	50.60 acres; 2,204,136 SF
Source of Land Area	Executed Lease
Primary Street Frontage	Biscayne Boulevard
Shape	Irregular
Corner	No
Topography	Rolling
Drainage	No problems reported or observed
Environmental Hazards	Former Landfill Site / Developer has Cleaned
Ground Stability	No problems reported or observed
Flood Area Panel Number	12086C0142L
Date	September 11, 2009
Zone	AE
Description	Within 100-year floodplain
Insurance Required?	Yes
Zoning; Other Regulations	
Zoning Jurisdiction	City of North Miami
Zoning Designation	PD
Description	Planned Development District
Legally Conforming?	Yes
Zoning Change Likely?	No
Permitted Uses	Mixed-use development per development plan
Other Land Use Regulations	City of North Miami Biscayne Landing Lease
Utilities	
Service	Provider
Water	Miami-Dade County
Sewer	Miami-Dade County
Electricity	FP&L (Florida Power & Light)
Natural Gas	N/A
Local Phone	Various Private Providers

Potential Development Density

The subject is located in the Planned Development District (PD) of North Miami Beach. Interviews with the zoning office indicate a potential density based on gross acreage at 7,000+ residential units. The Kobi Karp development plan shows 75+/- acres planned for residential. There are no restrictions on the placement of the units on the site, and therefore, the majority of the units can be placed within the subject 50.6 fee acres. However, we have considered that this level of density (and the overall number of units) would materially impact construction costs and sell-out time. Given area demand, a base-line 3,000 units (60 DU per acre) would represent the most appropriate development density.

Easements, Encroachments and Restrictions

Based upon a review of the deed and property survey, there do not appear to be any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

IRR Miami assumes that the subject's 50.6 acres would include various public roadways and open areas typical of a large-scale, multi-phase, residential mixed-use development.

Conclusion of Land Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by the re-development plan. We are not aware of any other particular restrictions on development.

The former landfill site may include some negative market perceptions with the site, which could affect marketability. However, assuming that all cleanup and monitoring of the former landfill are documented, the subject's future improvements should be expected to perform with market pricing after initial development commences. This potential for near-term marketability issues is priced into the lease payments as structured.



View of Biscayne Landing
(Photo Taken on September 13, 2014)



View of Biscayne Landing
(Photo Taken on September 13, 2014)



View of Biscayne Landing
(Photo Taken on September 13, 2014)



View of Biscayne Landing
(Photo Taken on September 13, 2014)



View Looking North on Biscayne Boulevard
(Photo Taken on September 13, 2014)



View Looking South on Biscayne Boulevard
(Photo Taken on September 13, 2014)

Site Plan (Biscayne Landing)



Based on a review of the Kobi Karp approved development plans, the subject is located along the eastern and southern boundary of the above entire property.

Real Estate Taxes

The Miami-Dade County Property Appraiser's office is the taxing authority for the subject property. Properties are assessed as of January 1st by the County Property Appraiser's Office. Taxes are paid in arrears by November 1st of the same year. Full payment is due by March 31st with discounts given for early payment. Assessment is based on 100 percent of "Just Value" (market value less cost of sale). Tax value is computed according to millage rates established by the county. Millage rates change little from year to year, and in many areas throughout the area have actually declined though this trend is not expected to continue as municipalities face shortfalls in revenue due to economic conditions.

Real estate taxes and assessments for the current tax year **of the entire Biscayne Landing** are shown in the following table. The subject's 50.6 +/- acres pro-rata portion would account for an annual tax bill of approximately \$240,000+/- (33% of total taxes due).

Taxes and Assessments - 2014						
Tax ID	Assessed Value			Taxes and Assessments		
	Land	Improvements	Total	Ad Valorem Tax Rate	Taxes	Total
06-2221-034-0010	\$28,998,891	\$610,184	\$29,609,075	2.437530%	\$721,730	\$721,730

Due to the anticipated site and vertical improvements of the subject, the real estate taxes and assessments will change significantly once development commences. The future real estate taxes will likely be more commensurate with its actual market value.

The above assessment is not relevant for comparison to the subject's leased fee value since the assessment reflects the entire tract and the assessment does not consider the lease encumbrance as structured.

Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as vacant, and as improved. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As Vacant (For Vacant 50.6 Acre Portion of Development Site)

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

The subject is approximately 50.6 +/- acres within the proposed Biscayne Landing mixed-use development. The entire site is located on a closed landfill that has been cleared and approved for commercial and residential development. The topography is slightly rolling with generally level areas throughout the entire development. The developers and government authorities have reportedly taken the necessary steps to make the site habitable and developable with no known environmental restrictions that would prevent typical development.

The site will require significant on-site infrastructure (Spine Road, coordinated drainage and utility extensions, etc.) to achieve optimal density.

Legally Permissible

The site is zoned PD, Planned Development District. Permitted uses include mixed-use development per development plan. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area and the subject's lack of direct frontage to Biscayne Boulevard, only multifamily residential use is given further consideration in determining the highest and best use of the site, as though vacant.

Financially Feasible

Based on our analysis of the market, there is currently adequate demand for multifamily residential use in the subject's area. It appears that a newly developed multifamily residential use on the site would have a value commensurate with its cost. Therefore, multifamily residential use is considered to be financially feasible.

The subject's immediate submarket has not realized any new residential condo or rental development in recent years; however the adjacent coastal; submarkets report strong absorption for pre-construction sales. The coastal markets report between 20 and 50 units per month, depending on the project's pricing level and # of units. The ultra-luxury project's (\$1,500/SF+) indicate slower absorption and typically have less units in the project (due to larger unit sizes). The Downtown Miami condo projects report between 25-50+ units per month and are more typical of what the subject site's likely development pattern. New multifamily rental projects are leasing up at between 20 and 40 units per month, depending on the specific urban location (Coral Gables / Doral / Downtown Miami).

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than multifamily residential use. Accordingly, it is our opinion that multifamily residential use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for multifamily residential use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as vacant.

As Improved

No improvements are situated on the subject. Therefore, a highest and best analysis as improved is not applicable.

Most Probable Buyer

Taking into account the functional utility of the site and area development trends, the probable buyer is a qualified developer with significant mixed-use and large-scale development experience with former landfill closure experts on the development team.

The subject's larger size (50+ acres) and location in central/eastern Miami-Dade County presents a unique opportunity for a developer to acquire a significant amount of developable land within one (1) acquisition. The South Florida market has realized a significant increase in demand and pricing for developable land over the past 2-3 years. The subject's location within a planned mixed-use development that is surrounded by good demographics, has easy access to the coastal submarkets and beaches and is located east of I-95 increases the demand for the subject.

Valuation

Valuation Methodology

The details of the methodology are outlined within the previous section entitled Scope of Work.

Land Sales Comparison Approach

To develop an opinion of the subject's land value, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties.

The sole purpose of this component of the analysis is to develop a baseline land value to estimate the future reversion of the property 97 and 196 years hence.

Our sales research focused on transactions within the following parameters:

- Location: Miami-Dade / Broward Counties
- Use: Multifamily Apartment / Condo
- Transaction Date: 2013 to Present

The subject's significant size (50.6 acres) limits the number of available comparable land sales with a highest and best use within South Florida. IRR Miami has analyzed several recent multifamily land sales to estimate a reasonable \$/unit that a developer would be willing to pay for the subject, as if, a vacant site with completed infrastructure, ready for development.

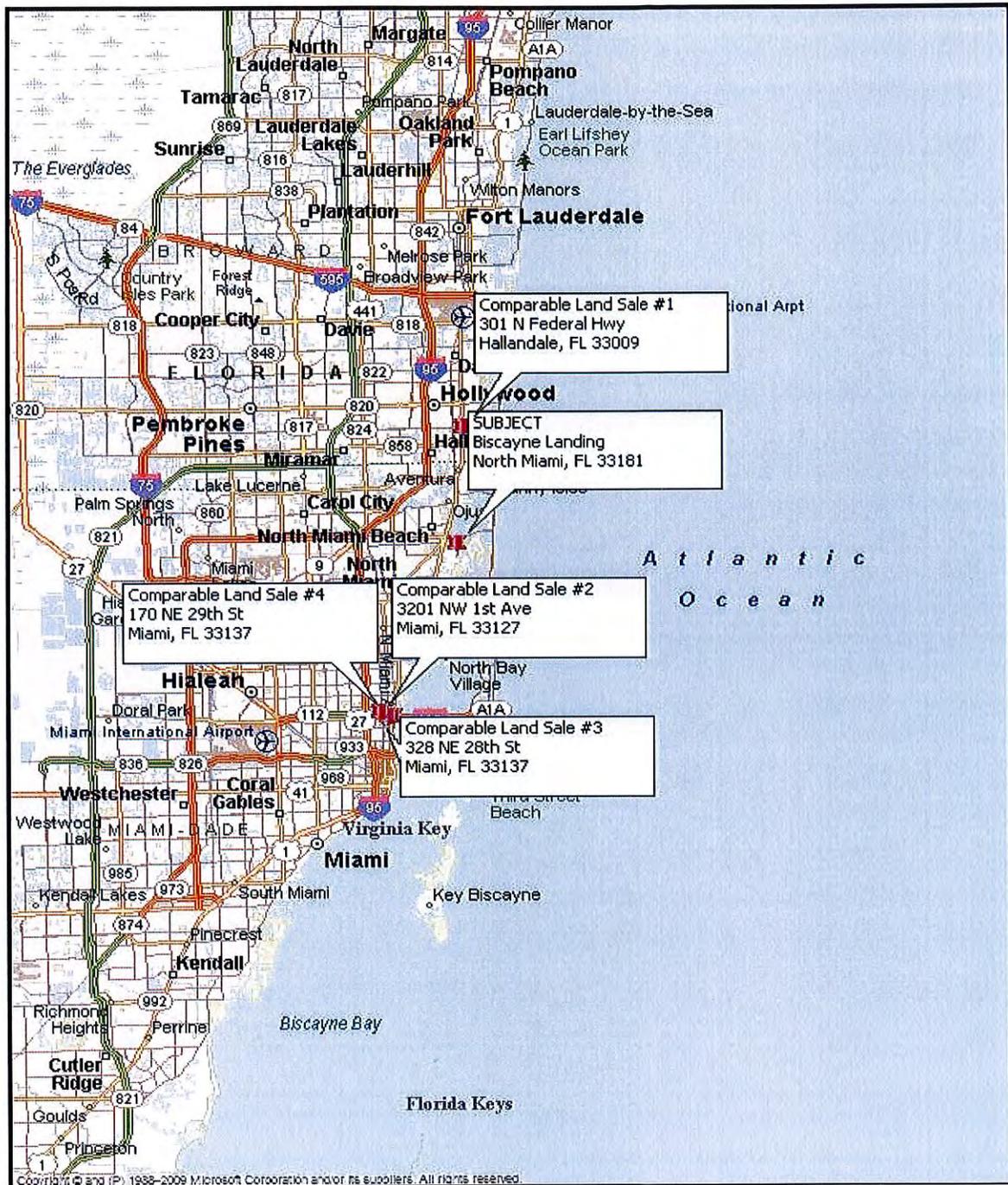
For this analysis, we use price per unit as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

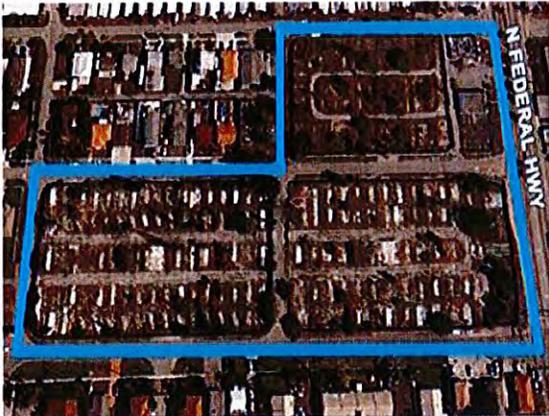
Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Zoning	\$/SF Land	\$/Acre
1	301-413 N Federal Hwy 301-413 N. Federal Hwy. Hallandale Beach Broward County FL	Jan-14 Closed	\$8,500,000	289,238 6.64	Multifamily 50 Units/Acre	\$29.39	\$1,280,120
<p><i>Comments: This is a 6.64 acre site located on the west side of N Federal Hwy, just north of E Hallandale Beach Boulevard. The property is zoned RM-HD-2 multifamily 50 units per acre. Although the sell was an REO sale it sold with a broker under normal market conditions with a seven month marketing period.</i></p>							
2	Midtown Miami Residences 3201-3401 NE. 1st Ave. Miami Miami-Dade County FL	Nov-13 Closed	\$12,100,000	67,082 1.54	Mixed Use	\$180.38	\$7,857,143
<p><i>Comments: In this transaction, the Related Group secured this 1.54 acre piece of vacant land in Edgewater in order to develop a mixed-use project. The proposed project will consist of a 31-story building that will serve as a companion property to the SLS Hotel in South Beach. It will have 440 units, 400 of which will be condo units and 40 of which will be rented as hotel units. Additionally, there will be 21,745 square feet of retail space, presumably on the ground floor.</i></p>							
3	Edgewater Land 328 NE. 28 St. Miami Miami-Dade County FL	Apr-13 Closed	\$5,400,000	27,752 0.64	Mixed-Use	\$194.58	\$8,475,906
<p><i>Comments: This sale was completed of two vacant parcels and a third which may have had a small single family home on it. The buyer plans to redevelop the site with a residential/mixed-use project, taking advantage of the T6 zoning enjoyed by the Miami21 zoning code. The transaction was verified with the single broker that managed the deal as a transaction broker.</i></p>							
4	NE 29 Street Assemblage Land 170 NE. 29 St. Miami Miami-Dade County FL	Oct-13 Closed	\$5,800,000	34,448 0.79	T6-12-O	\$168.37	\$7,334,345
<p><i>Comments: This represents two sale transactions by the same buyer to assemble land for construction of a 300 unit luxury apartment complex. The sales closed within 1 month of each others (09/18/13 & 10/08/13) for a combined price of \$5,800,000 or \$168 per square foot of land.</i></p>							
Subject				2,204,136	Planned		
Biscayne Landing (Phase IV Residential Component)				50.60	Development		
North Miami, FL					District		



Comparable Land Sales Map





Sale 1
301-413 N Federal Hwy Land



Sale 2
Midtown Miami Residences



Sale 3
Edgewater Land



Sale 4
NE 29 Street Assemblage Land



Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction, such as demolition cost or expenditures by buyer at time of purchase.	No Adjustments
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	No Adjustments
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	No Adjustments
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	Sale 1 was an REO, but was openly marketed in a strong market with recent demand for developable land; therefore, no adjustment is warranted. Sale 4 was assembled and is adjusted upward for its assemblage premium.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	An annual 5% upward adjustment is made for improving market conditions. This reflects current appreciation of the comparables to a current date, and not average appreciation over a longer timeframe.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Sale 2 is adjusted downward for its superior location within the Midtown Miami mixed-use development.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	No Adjustments
Size	Inverse relationship that often exists between parcel size and unit value.	In an urban environment, assemblage offsets scale; developers pay a premium for a larger developable site offering future development at a fixed land

Adjustment Factor	Accounts For	Comments
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.	basis. Therefore, no size adjustment is considered relevant. No Adjustments
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.	No Adjustments
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.	No Adjustments
Unusual Site Conditions	The on-going monitoring and environmental regulations associated with developing on a former landfill as well as extraordinary off-sites and profit participation.	All land sales are adjusted downward for the subject's former landfill negative perception, the inclusion of extraordinary off-site development costs and the profit participation that is not included within the comparable sales land acquisition.



The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Biscayne Landing (Phase IV Residential Component)	301-413 N Federal Hwy Land	Midtown Miami Residences	Edgewater Land	NE 29 Street Assemblage Land
Address	15055 Biscayne Boulevard	301-413 N. Federal Hwy.	3201-3401 NE. 1st Ave.	328 NE. 28 St.	170 NE. 29 St.
City	North Miami	Hallandale Beach	Miami	Miami	Miami
County	Miami-Dade	Broward	Miami-Dade	Miami-Dade	Miami-Dade
State	Florida	FL	FL	FL	FL
Sale Date		Jan-14	Nov-13	Apr-13	Oct-13
Sale Status		Closed	Closed	Closed	Closed
Sale Price		\$8,500,000	\$12,100,000	\$5,400,000	\$5,800,000
Price Adjustment					
Description of Adjustment					
Effective Sale Price		\$8,500,000	\$12,100,000	\$5,400,000	\$5,800,000
Square Feet	2,204,136	289,238	67,082	27,752	34,448
Acres	50.60	6.64	1.54	0.64	0.79
Number of Units	3,000	372	440	328	300
Units Per Acre	59	56	286	515	379
Price per Unit		\$22,849	\$27,500	\$16,463	\$19,333
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-
Conditions of Sale		REO / Open Market	Arm's Length	Arm's Length	Assemblage
% Adjustment		-	-	-	15%
Market Conditions	9/13/2014	Jan-14	Nov-13	Apr-13	Oct-13
Annual % Adjustment	5%	3%	4%	7%	5%
Cumulative Adjusted Price		\$23,535	\$28,600	\$17,616	\$23,345
Location		-	-15%	-	-
Access/Exposure		-	-	-	-
Size		-	-	-	-
Shape and Topography		-	-	-	-
Zoning		-	-	-	-
Entitlements		-	-	-	-
Unusual Site Conditions		-25%	-25%	-25%	-25%
Net \$ Adjustment		-\$5,884	-\$11,440	-\$4,404	-\$5,836
Net % Adjustment		-25%	-40%	-25%	-25%
Final Adjusted Price		\$17,651	\$17,160	\$13,212	\$17,509
Overall Adjustment		-23%	-38%	-20%	-9%
Range of Adjusted Prices		\$13,212 - \$17,651			
Average		\$16,383			
Indicated Value		\$17,000			

Land Value Conclusion

Prior to adjustment, the sales reflect a range of \$16,463 - \$27,500 per unit. After adjustment, the range is narrowed to \$13,212 - \$17,651 per unit, with an average of \$16,383 per unit. We give greatest weight to sale 1 due to its larger size and location within a similar market outside of the Downtown Miami area. We arrive at a land value conclusion as follows:

Land Value Conclusion	
Indicated Value per Unit	\$17,000
Subject Units	<u>3,000</u>
Indicated Value	\$51,000,000
Rounded	\$51,000,000

We have also given consideration to an undisclosed contract on the Doral White Course currently under negotiation. The current price of that contract is under negotiation, but conforms to our opinion of the subject's site value (after adjustments for location).

The subject's ultimate density has a significant bearing on the value of the 50.6 acre parcel because the density affects the productivity of the land. However, because the developer has an existing positive leasehold, the future achieved density is less relevant.

IRR Miami notes that our estimate does not consider the maximum density, but rather a typical achievable density based on typical site constraints. The final value is not sensitive to minor variations in the current land value since this only affects the net present value of the reversion.

NPV (Net Present Value)

IRR Miami has analyzed the lease between the City of North Miami and Oleta Partners, LLC. We have used the previously estimated current market value of the subject's fee simple estate (assuming all site infrastructure is completed) and inflated the current value by an annual growth rate to estimate the fee simple reversion value of the subject. IRR Miami has considered several historical growth rates of various real estate and other economic indicators to project a reasonable annual growth rate for the subject. IRR Miami has tested several growth rates in close proximity to the chosen rate for confirmation of reasonableness.

IRR Miami has presented and analyzed various discount, interest and investment rates to discount the future scheduled lease payments and fee simple reversion to estimate the NPV of the subject's leased fee estate.

Lease Analysis

The following pages include a "Summary of Terms" of the lease, as provided by the City of North Miami. The actual lease is included within the Addenda of this report. IRR Miami has listed the key points effecting the valuation of the leased fee interest, following the "Summary of Terms".

The following allocation is used to determine the subject's allocation of the projected lease payments.

Biscayne Landing Pro-Rate Share		
Area	Size (Acres)	% of Biscayne Landing
Biscayne Landing (Total)	151.60	100%
Subject (Phase 4 Portion)	50.6	33.38%

Source: Client-Directed Pro-Rata Allocation as of October 3, 2014 instruction

Key Terms

The following are IRR Miami's key terms from our analysis and understanding of the executed lease provided by the City of North Miami:

1. Lessor: City of North Miami
2. Lessee: Oleta Partners, LLC
3. Lease Commencement: May 29, 2012
4. Initial lease term: 99 Years
5. Renewal Term: One (1) automatic renewal term of 99 years. Renewal base rent shall be determined in Year 70 by measuring the CPI rate in years 49-69 and applying this rate of increase to Year 100. Thereafter, the annual rent shall increase by 15% every ten (10) years.
6. Expenses: Triple Net

7. Initial Payments: \$1,500,000 (1st years rent), \$17,500,000 for initial lease commencement payment, up to \$1,000,000 for maintenance and carrying costs and all back real estate taxes.
8. Base Rent: \$1,500,000 (Year 1), Abated (Years 2-5), \$1,500,000 (Years 6-10). Every 10th year, the base rent will increased by \$150,000.
9. Participation Rent: The lease calls for participation rates for various property types (please see lease summary for details).
10. Option to Purchase: Option for Tenant to purchase from Landlord parcels of at least 5+ acres of the 50.6 acres designated Phase III & IV to be used for condo/condo conversion.
11. Right of 1st Refusal: If Landlord decides to transfer the leased fee estate, Landlord will notify Tenant of all important terms and Tenant will have the right to exercise or waive the right before Landlord starts marketing.
12. North Miami Education Foundation, Inc.: Tenant to contribute \$250,000 in August 2012 and an additional \$100,000 annually for five (5) years (total of \$750,000) and take a seat on the board of directors.
13. Local Preference: Tenant to employ or contract with 10% City residents and 10% local businesses and 25% labor, goods and services as an aspirational goal for North Miami residents. Tenant will invest at least \$2,500,000 over 1st seven (7) years for programs and pay a minimum of \$300,000 annually for five (5) years for implementation of Local Preference Plan.

Growth Rate Analysis

IRR Miami has analyzed nine (9) indices and economic indicators to estimate the long-term growth /appreciation that can be expected for the subject site.

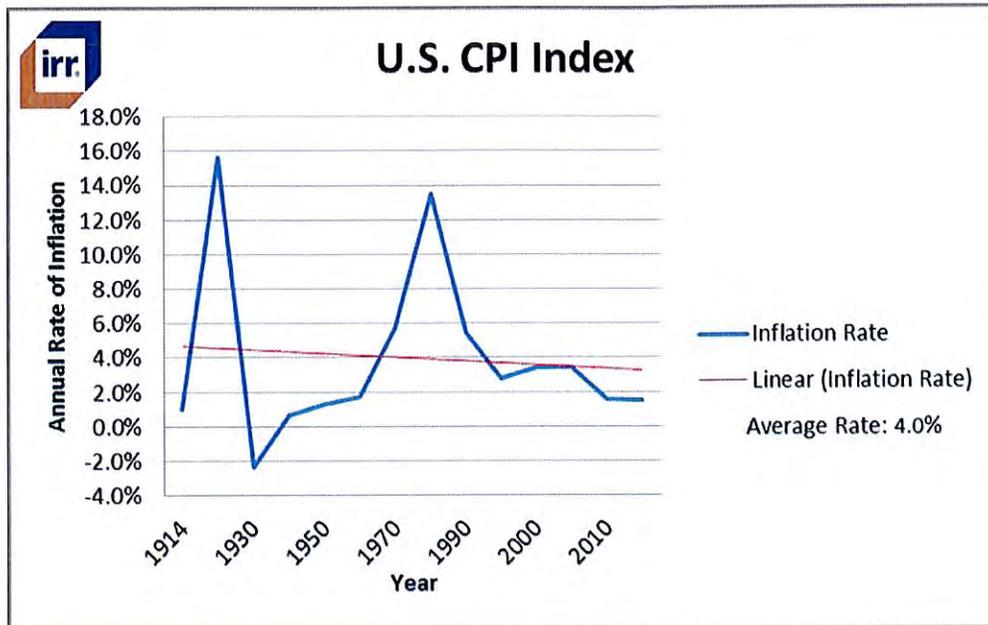
An analysis of these various indices forms the basis of IRR-Miami's baseline growth rate.

U.S. CPI Index

The U.S. CPI (Consumer Price Index) measures changes in the price level of a market basket of consumer goods and services purchased by households. The CPI in the United States is defined by the Bureau of Labor Statistics as "a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services".

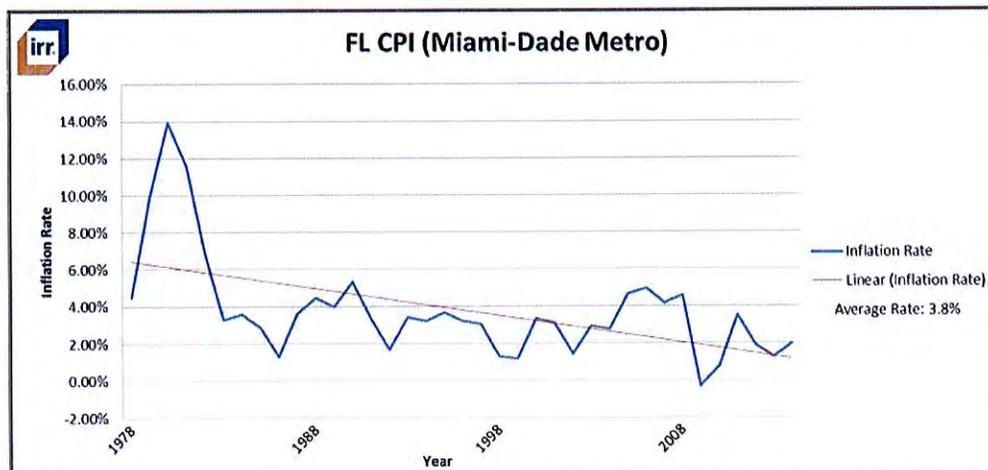
A CPI index should have reasonable correlation to the an average annual rate of change in real estate values as the broad CPI Index should relate to multiple real estate property types, in general.

The U.S. CPI indicates an historical average annual growth rate of 4.0% over the past 99 years.



Florida CPI Index

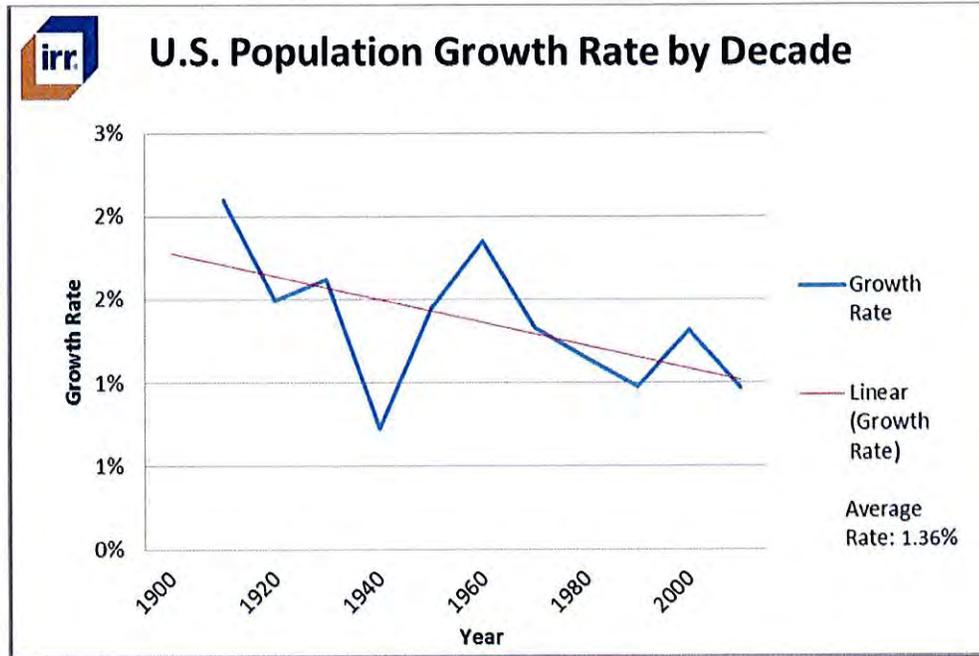
The Florida CPI indicates an historical average annual growth rate of 3.80% over the past 36 years.



U.S. Population Growth

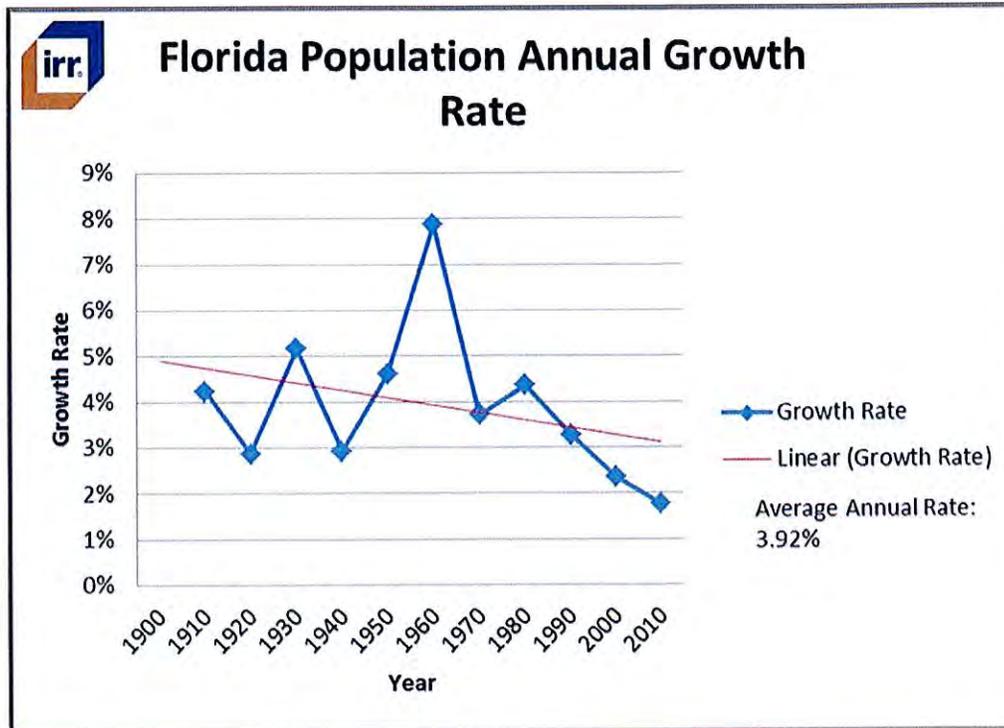
IRR-Miami has included the historical average annual increase in population, both for the entire U.S. and the State of Florida. As the population of a region or community increases, the underlying land values can be expected to increase as demand for various real estate properties increase with a growing community.

The following chart illustrates the historical average annual rate of growth for the U.S. population since 1900 to be 1.36%.



Florida Population Growth

The following chart illustrates the historical average annual rate of growth for the State of Florida population since 1900 to be 3.92%. The State of Florida’s average annual growth rate is nearly 3X the U.S. population growth rate, indicating a most likely higher growth rate for Florida real estate values as well.



Florida’s population growth (led by South Florida) has experienced nearly 4 times the population growth average as growth within the U.S. generally over the same period.

This indicates that Florida’s population is growing substantially faster, and therefore, the associated land values will accelerate at a rate faster than US trends.

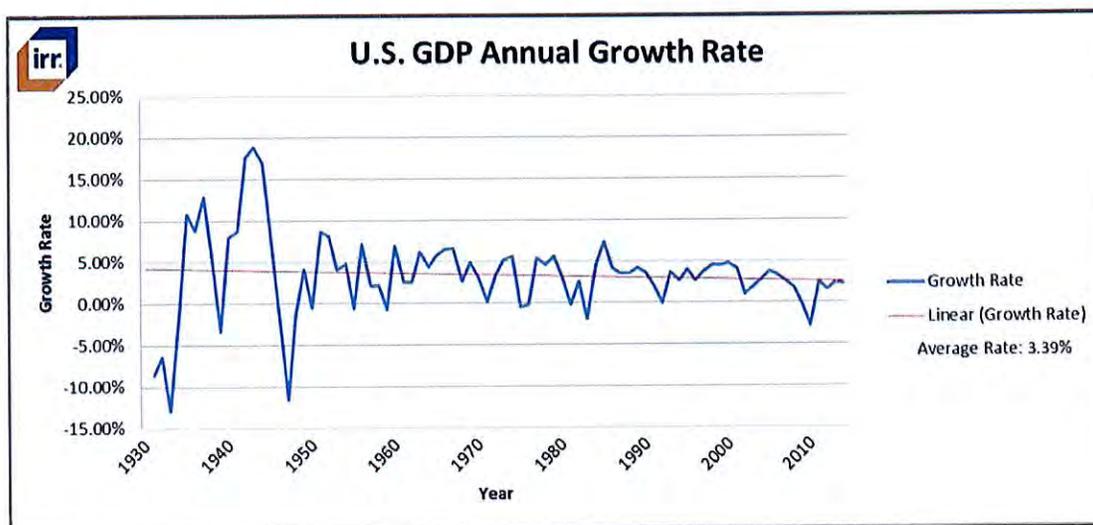


U.S. GDP (Gross Domestic Product) Growth

The U.S. and Florida GDP (Gross Domestic Product) is defined as "an aggregate measure of production equal to the sum of the gross values added of all resident institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs)." GDP estimates are commonly used to measure the economic performance of a whole country or region, but can also measure the relative contribution of an industry sector.

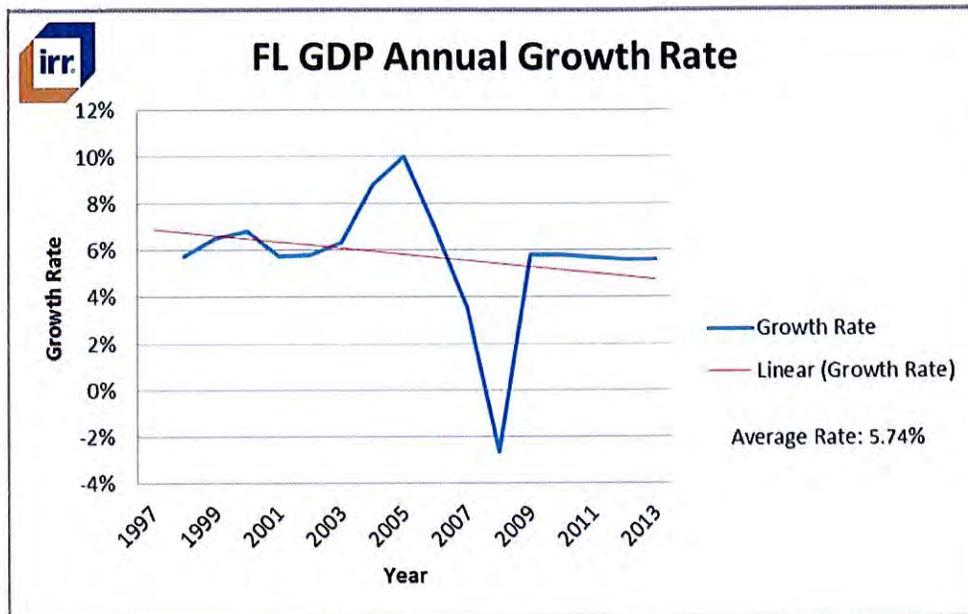
The growth of a region's GDP can have a correlating effect on the health of that region's real estate economy. As more products and services are created within a region, the economic health of that region should be increasing as well, along with real estate values.

The following chart illustrates the historical average annual increase in GDP for the entire U.S. from 1930 to 2013. The U.S. average annual growth rate in GDP is 3.39%.



Florida GDP (Gross Domestic Product) Growth

The following chart illustrates the historical average annual increase in GDP for the State of Florida from 1998 to 2013. The Florida average annual growth rate in GDP is 5.74%.



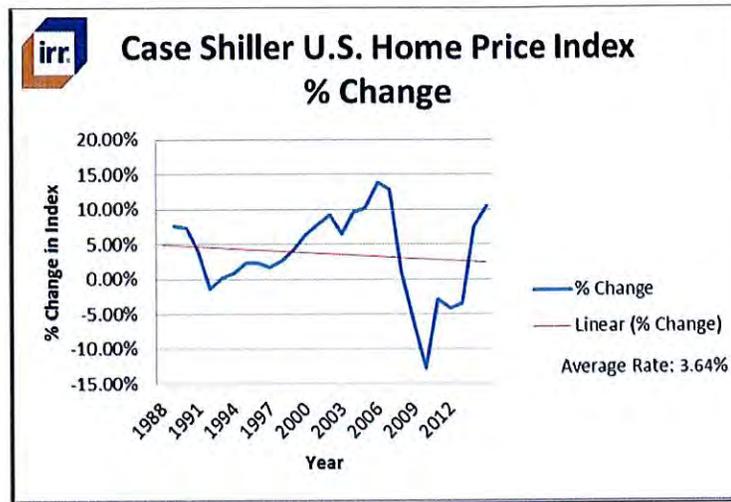
The Florida GDP growth is 1.7 times that of the US average, although statewide GDP data only dates back to 1997. Comparing the US and Florida from 1997-2013, GDP in the US averaged 2.25%, indicating a 2.5X factor of GDP growth in Florida versus the US. GDP growth will correlate to end unit pricing escalation since real estate values (commercial and residential) are a residual product of economic activity in a given region.



S&P / Case-Shiller U.S. Home Price Index

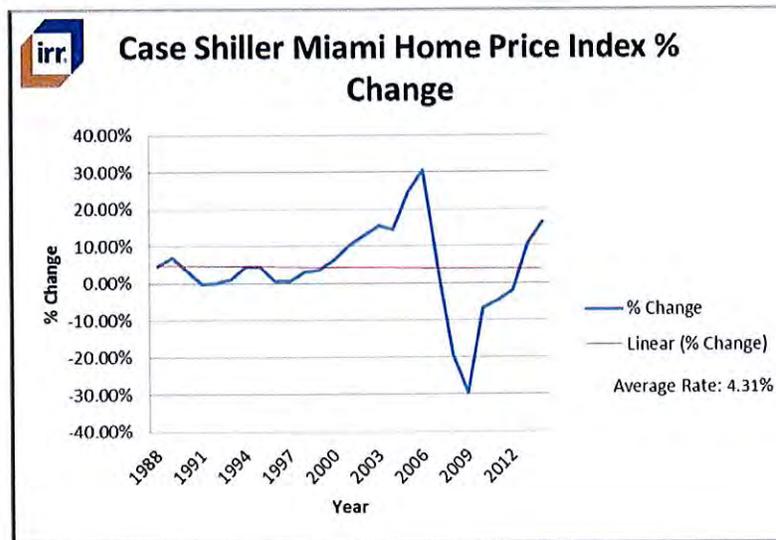
The S&P / Case-Shiller Home Price Index is a nationally recognized real estate valuation index that measures home price changes for a 20-city composite and individual metro areas.

The following chart illustrates that the historical average annual increase in home prices across the U.S. is approximately 3.64%.



S&P / Case-Shiller Miami Home Price Index

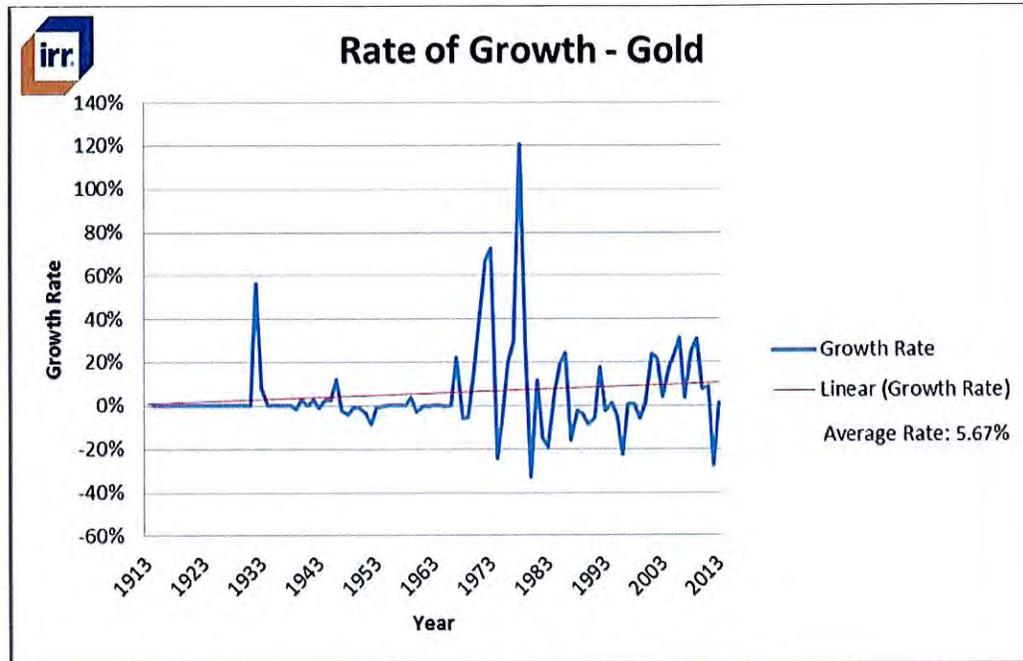
The following chart illustrates that the historical average annual increase in home prices within the Miami metro to be approximately 4.31%. Confirming prior analysis of population growth, GDP factors, and other regional factors, the increased rate of change in Case Shiller for Miami home pricing versus the US confirms our analysis.



Gold Price Growth

Gold is a long-standing proxy as currency that is recognized around the world. Gold is a hard asset and is typically in most demand when world economies are in flux and investors move to hard assets. The price of gold has been measured consistently for over 100 years.

The following chart indicates the historical annual average price increase in gold, at approximately 5.67%.



The rate of change in the price of gold can be seen as a direct proxy for the real rate of inflation of hard assets. We make a distinction with Gold in that it is portable, and more liquid than real estate. However, unlike Gold, which continues to be manufactured (mined), refined, lost, etc. – real estate is fixed, and difficult to manufacture more of. On balance, while gold is more portable, real estate is more secure as a hard asset.

Growth Rate Conclusion

The following chart summarizes the average annual growth rate for each of the indicators previously discussed. The rates indicate a range in growth rates from 1.36% (U.S. Population) to 5.74% (Florida GDP). The U.S. CPI, population, U.S. GDP and Gold have been measured the longest with a range in years from 83 to 110.

The State of Florida has realized a significant population and economic increase over the past 50 year. By not having early 1900's data for the Florida CPI and Florida GDP, the overall average annual rate increase is skewed higher due to the flat / lower increases in the early half of the previous century.

The State of Florida is now the 3rd most populous state in the U.S. with its population expected to increase in the future as a national population shift is occurring from Midwest and northern states to the south and western parts of the U.S. Florida is also expected to realize a large part of the baby boomer migration to retirement and southern states over the next decade. Miami is the 8th largest metropolitan area in the U.S, and is continued to grow at a rate faster than other metropolitan areas.

The expected continued population increases, coupled with the lack of large-tract developable land remaining in South Florida should command a higher average annual increase than the national averages and indices. The South Florida region has realized a substantial land pricing increases over the past 2-3 years as developers realize that we are essentially land-locked by the Atlantic Ocean and the Everglades.

However, Florida has historically been a boom-and-bust state with various real estate cycles, typically at the high-and-low ends of the national averages. The region's ever-growing popularity with not only the South American, but also the global market should help to level off any significant downturns and produce an overall healthy increase in real estate appreciation throughout the future.

IRR Miami projects that due to the subject's location near the beaches and coastal markets, as well as its proximity to several large commercially-developed areas, such as Aventura, FIU and the Biscayne Corridor, an annual growth rate of 4.25% is expected for the subject.

Biscayne Landing Growth Rate Summary			
Measurable	Average Annual Rate Growth %	Timeline	No. of Years
U.S. CPI Index	4.00%	1914-2013	99
Florida CPI Index	3.80%	1978-2014	36
U.S. Population Growth	1.36%	1900-2010	110
Florida Population Growth	3.92%	1900-2010	110
U.S. GDP (Gross Domestic Product) Growth	3.39%	1930-2013	83
Florida GDP (Gross Domestic Product) Growth	5.74%	1997-2013	16
S&P / Case-Shiller U.S. Home Price Index	3.64%	1987-2014	27
S&P / Case-Shiller Miami Home Price Index	4.31%	1987-2014	27
Gold Price Growth	5.67%	1913-2014	101
IRR Miami Projected Growth Rate	4.25%		

Discount Rate Analysis

The subject's leased fee interest includes a future revenue stream and a future reversion value that needs to be discounted back to a present value. The discounting of the future payments and reversion accounts for the TVM (time-value-of money) required to indicate a reasonable present value. The present value indicates what an investor would be willing to pay in order to receive his return **ON** and return **OF** capital investment.

IRR Miami has analyzed the long-term discount / yield / interest rates for several long-term investment grade investments. The U.S. Treasury bonds are AAA-rated investment vehicles that are openly-traded and can easily be measured over a longer length of time. IRR Miami has also considered the current investor-indicated discount rates for several different real estate asset types, including retail, industrial, multifamily and office. While the property rates reflect current market conditions, they will at least provide a comparable rating system compared to the subject's security through its unique lease and characteristics.

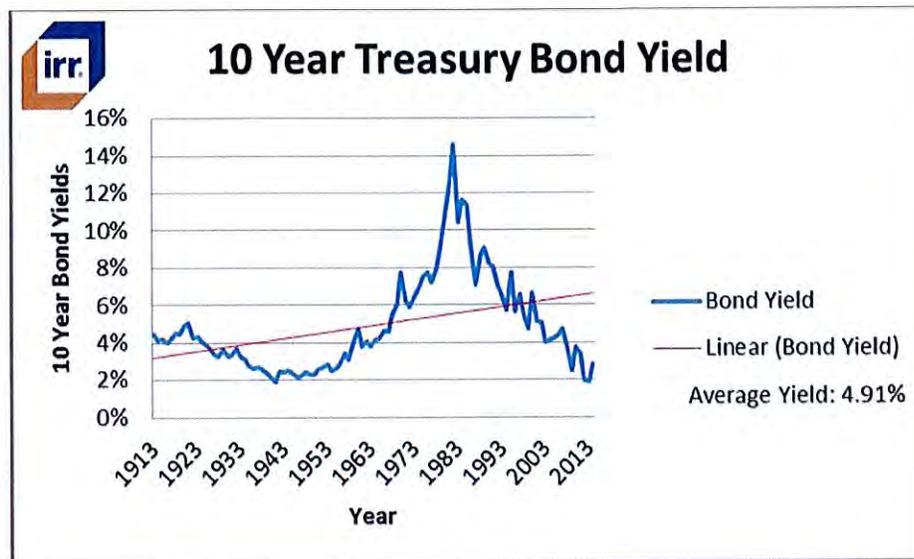
The discount rate reflects the expected return rate on a given investment. In the case of the subject leasehold, the discount rate should correlate to the assumptions used on growth rate with the expectation that the contracted income is very secure and marketable since the Lessee has an extremely positive leasehold position and has invested over \$25 Million in direct payments to secure the leasehold. This limits the risk of default substantially.

We use Treasury Bonds as a proxy for the baseline inflation-adjusted risk returns.

10-Year Treasury Bonds

The 10-year treasury bonds are issued by the U.S. government and are widely used for various real estate discounting and investment benchmarks, including a significant amount of financing terms.

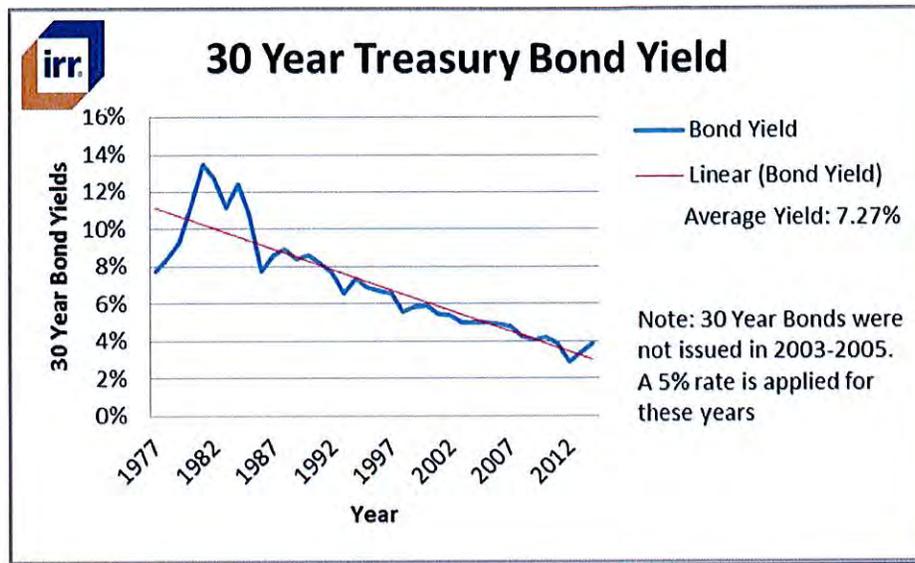
The historical average annual yield rate on a 10-year U.S. Treasury bond is 4.91%. While current rates are approximately 2.40% +/-, an increase in rates is expected to occur in the future and will most likely trend at the historical average over the course of the subject's long-term lease term.



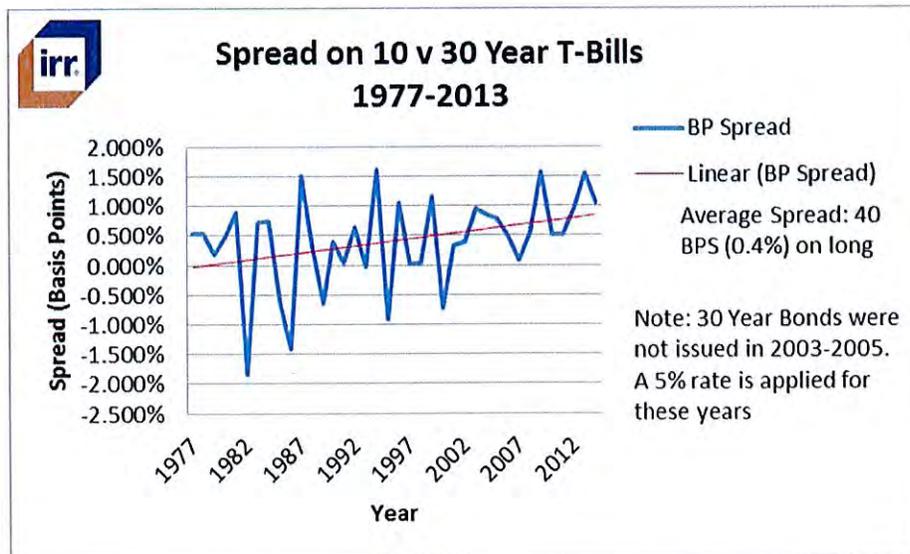
Notably, the US went off the gold standard (fiscal policy was not backed by gold), and the period 1973-1993 saw a dramatic rise in yields for 10-year Treasury Bonds. There were many other factors which contributed to this aberration, but over a 100-year historical period, the average 10-year yields were skewed by this 20-year period.

30-Year Treasury Bonds

The historical average annual yield rate on a 30-year U.S. Treasury bond is 7.27%. While current rates are approximately 3.20% +/-, an increase in rates is expected to occur in the future and will most likely trend at the historical average over the course of the subject’s long-term lease term.



The spread between 10 and 30-year bonds demonstrates the premium or discount for holding longer-term securities. The premium has averaged 40 basis points (positive) where the longer-term bonds have a higher yield than the shorter term bonds.



Real Estate Discount Rates by Property Type

IRR Miami has included the current discount rates, according to the IRR-Viewpoint National Investor Survey, for several different property types. The difference in discount rates can vary greatly by metro area and specific property characteristics, such as credit-tenant and condition of property. The different property types generally indicate a range from 7.50%-8.50% +/-.

These rates generally reflect 7-10 year yield requirements, and carry higher premiums due to depreciation of buildings (recapture). The risk-premium spread for illiquidity is embedded within these rates.

Investor Surveys - Retail Properties

	IRR-Viewpoint YE 2013 National Neighborhood Retail	IRR-Viewpoint YE 2013 National Community Retail Center	PwC 2Q-2014 National Strip Shopping Center	PwC 2Q-2014 National Power Center
Discount Rate				
Range	6.75% - 10.5%	6.75% -10.5%	6.25 - 11.00	6.00% - 10.00%
Average	8.61%	8.50%	8.31%	8.13%

Source: IRR-Viewpoint 2014, published by Integra Realty Resources; PwC Real Estate Investor Survey

Investor Surveys - Multifamily Properties

	IRR Viewpoint YE 2013 National Urban Multifamily	IRR Viewpoint YE 2013 National Suburban Multifamily	PwC 2Q-2014 National Apartment
Discount Rate			
Range	5.5% - 10.00%	6.00% - 10.00%	6.00% - 13.00%
Average	7.41%	7.56%	7.98%

Source: IRR-Viewpoint 2014, published by Integra Realty Resources; PwC Real Estate Investor Survey

Investor Surveys – Industrial Properties

	IRR-Viewpoint Year End 2013 National Industrial	IRR-Viewpoint Year End 2013 National Flex Industrial	PwC 2Q-2014 National Warehouse	PwC 2Q-2014 National Flex/R&D
Discount Rate				
Range	6.75% - 10.5%	7.50% - 11.0%	5.75% - 9.25%	7.25% - 12.00%
Average	8.62%	9.19%	7.29%	8.83%

Source: Viewpoint 2014, published by Integra Realty Resources; PwC Real Estate Investor Survey.

Investor Surveys – Office Properties

	IRR-Viewpoint Year End 2013 National CBD Office	IRR-Viewpoint Year End 2013 National Suburban Office	PwC 2Q-2014 National CBD Office	PwC 2Q-2014 National Suburban Office
Discount Rate				
Range	6.00% - 12.00%	7.00% - 10.00%	6.00% - 11.00%	6.0% - 11.00%
Average	8.59%	8.88%	7.89%	8.03%

Source: Viewpoint 2014, published by Integra Realty Resources; PwC Real Estate Investor Survey.

Discount Rate Conclusion

In selecting a final discount rate, we consider the long-term 30-year bond average discount rate at 7.27%, but note that this is skewed by the shorter time frame for analysis (1977-present). The 10-year bond history dates back 100 years, and shows a much lower 4.91% rate. The “premium” for long-money at 40 basis points on top of the 4.91% rate indicates a 5.3% base line discount rate.

Considering the security of the lease stream of the initial lease term (1st 99 years) with nominal \$150,000 rent bumps every 10 years and a CPI-inflated lease rate for the automatic renewal term (2nd 99 years which insures against asset-base erosion), a lower discount rate is warranted for the subject.

IRR Miami estimates an applicable discount rate of 5.00% for the subject’s future lease revenue stream and an estimated discount rate of 5.4% for the fee simple reversion. The fee simple reversion includes more risk associated with the long-term compound growth rate and requires a higher discount rate.

Biscayne Landing Growth / Discount Rate Summary			
Measurable	Average Annual Discount Rate	Timeline	No. of Years
10-Year Treasury Bond Yield Rate	4.91%	1913-2014	101
30-Year Treasury Bond Yield Rate	7.27%	1977-2014	37
IRR-Viewpoint Year-End National Retail	8.61%	2013	1
IRR-Viewpoint Year-End National Multifamily	7.41%	2013	1
IRR-Viewpoint Year-End National Industrial	8.62%	2013	1
IRR-Viewpoint Year-End National Office	8.59%	2013	1
IRR Miami Projected Discount Rate (Lease Payments):	5.00%		
IRR Miami Projected Discount Rate (Reversion):	5.40%		

NPV Conclusion

IRR Miami has estimated the current fee simple value of the subject (as if the entire site infrastructure is completed) and applied an annual growth rate to the current value to project the future reversion value of the subject's fee simple site.

We have scheduled the fixed lease payments throughout the 1st term (99 years) and applied the IRR-projected growth rate (4.25%) to indicate an initial lease rate (year 100) for the 2nd lease term of \$8,365,524, or \$2,302,396 for the subject's allocated area. The lease payments have been increased by 15% every 10 years for the 2nd term

IRR Miami has included a sensitivity analysis to frame the range of potential values based on the movement of the growth and discount rates.

Scenario 1 reflects a slightly lower growth rate (on reversion of ground), and uses the base-case discount rate for lease and reversion. **Scenario 2** uses the base case average growth rate of 4.25% on land value growth, and a higher lease payment and reversion discount rate. **Scenario 3** uses the highest growth rate expected, and a significantly higher reversion discount rate (reflective of the risk); and a slightly higher lease payment discount rate. **Scenario 4** uses a conservative growth asset growth rate, and therefore a conservative lease and reversion discount rate.

Biscayne Landing Leased Fee Valuation Sensitivity Analysis					
	IRR-Miami Projected	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Growth Rate	4.25%	4.00%	4.25%	4.50%	3.50%
Discount Rate (Lease Payments)	5.00%	5.00%	5.25%	5.25%	4.50%
Discount Rate (Reversion)	5.40%	5.40%	5.90%	6.00%	4.90%
198 Year Analysis					
Present Value of Lease Payments		\$10,840,999	\$10,052,916	\$10,085,394	\$12,823,524
Present Value of Future Fee Simple Reversion		\$3,709,753	\$2,348,932	\$3,121,861	\$3,663,389
		\$14,550,751	\$12,401,849	\$13,207,255	\$16,486,913
99 Year Analysis					
Present Value of Lease Payments		\$10,215,937	\$9,618,063	\$9,618,063	\$11,609,145
Present Value of Future Fee Simple Reversion		\$13,940,066	\$11,118,347	\$12,799,159	\$13,853,572
		\$24,156,003	\$20,736,410	\$22,417,222	\$25,462,716

Reconciliation and Conclusion of Value

In arriving at our final conclusions, we consider the range in values and the general probability of occurrence of the various scenarios. Projecting values 196 year hence becomes much more speculative. However, the historical basis for our projections is well-founded. An investor today who might purchase this leased fee interest would have a high motivation to purchase given the relationship between the market value fee simple (\$51 Million), and the indicated value of the leased fee (\$13,500,000 - \$21,000,000), even considering the remaining level of off-site and on-site infrastructure required.

We therefore correlated as follows:

Biscayne Landing Leased Fee Concluded Value	
IRR Conclusion Based on 196 Yr. Lease	
Present Value of Future Lease Payments:	\$10,500,000
Present Value of Future Fee Simple Reversion:	\$3,000,000
IRR Estimated Value of the Leased Fee Estate:	\$13,500,000
IRR Conclusion Based on 97 Yr. Lease	
Present Value of Future Lease Payments:	\$10,000,000
Present Value of Future Fee Simple Reversion:	\$11,000,000
IRR Estimated Value of the Leased Fee Estate:	\$21,000,000

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - 196 Year Leased Fee	Leased Fee	September 13, 2014	\$13,500,000
Market Value - 97 Year Leased Fee	Leased Fee	September 13, 2014	\$21,000,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The estimated market values and allocations for the subject's 50.6-acre residential site are based on a pro-rata allocation of the developable acreage within Biscayne Landing. This methodology was agreed upon as part of the Scope of Assignment with the client (City of North Miami).
 2. The leased fee value expressed herein EXPRESSLY ASSUMES CONTINUATION OF THE PROFIT PARTICIPATION AGREEMENT within the existing lease as it applies to the residential Phase IV development. The City's right, in accordance with the executed lease, provides the City of North Miami with significant potential profit-sharing from the planned residential development of the subject's 50.6-acre leased fee estate over the lease term. By instructions with the client, we did not value this component because it is our understanding that the City of North Miami and Developer intend to continue under the profit participation post-closing under the purchase option. IRR-Miami advised client, and client's in-house counsel that this may require post-closing warranties and representations outside of the lease agreement. These matters are legal, and are provided for disclosure only.
 3. The approach contemplates the Net Present Value of 33.38% of the lease payment (based on the land pro-rata as determined by the Client). The appraisal assumes the other 66.62% of the lease payment will continue under the terms of the original lease. The appraisal also assumes that all obligations (other than the rental payment and reversion) under the lease will continue and be binding onto the fee simple successors of the 50.6 acre tract.
-

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value stated previously, it is our opinion that the probable exposure time is 12-24 months.

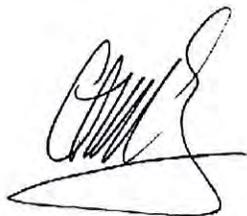
Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 12-24 months.

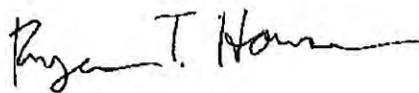
Certification

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

1. The statements of fact contained in this report are true and correct.
2. 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.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the 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.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. 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.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Anthony M. Graziano, MAI, CRE, FRICS, made a personal inspection of the property that is the subject of this report. Ryan T. Homan, MAI, has personally inspected the subject.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Anthony M. Graziano, MAI, CRE, FRICS, and Ryan T. Homan, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.



Anthony M. Graziano, MAI, CRE, FRICS
Senior Managing Director-Miami/Palm Beach
FL Certificate # State-Certified General RE
Appraiser RZ#3510



Ryan T. Homan, MAI
Associate Director-Miami
FL Certificate # State-Certified General RE
Appraiser RZ#3550



Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

- conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
 19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Miami/Palm Beach, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
 21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 22. Integra Realty Resources – Miami/Palm Beach is not a building or environmental inspector. Integra Miami/Palm Beach does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
 23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
 24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the

appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. Integra Realty Resources – Miami/Palm Beach, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The estimated market values and allocations for the subject's 50.6-acre residential site are based on a pro-rata allocation of the developable acreage within Biscayne Landing. This methodology was agreed upon as part of the Scope of Assignment with the client (City of North Miami).
 2. The leased fee value expressed herein EXPRESSLY ASSUMES CONTINUATION OF THE PROFIT PARTICIPATION AGREEMENT within the existing lease as it applies to the residential Phase IV development. The City's right, in accordance with the executed lease, provides the City of North Miami with significant potential profit-sharing from the planned residential development of the subject's 50.6-acre leased fee estate over the lease term. By instructions with the client, we did not value this component because it is our understanding that the City of North Miami and Developer intend to continue under the profit participation post-closing under the purchase option. IRR-Miami advised client, and client's in-house counsel that this may require post-closing warranties and representations outside of the lease agreement. These matters are legal, and are provided for disclosure only.
 3. The approach contemplates the Net Present Value of 33.38% of the lease payment (based on the land pro-rata as determined by the Client). The appraisal assumes the other 66.62% of the lease payment will continue under the terms of the original lease. The appraisal also assumes that all obligations (other than the rental payment and reversion) under the lease will continue and be binding onto the fee simple successors of the 50.6 acre tract.
-

Addendum A
Appraiser Qualifications



Anthony M. Graziano, MAI, CRE, FRICS

Experience

Senior Managing Director of Integra Realty Resources – Miami/Palm Beach.

Mr. Graziano has actively counseled and advised clients on the sale, leasing, valuation, management, and development of commercial real estate assets throughout New Jersey and the northeast U.S. since 1992. Mr. Graziano served as the Managing Director of IRR-Coastal NJ from 1999-2011. Mr. Graziano was retained in 2012 to serve as Senior Managing Director of IRR - Miami/Palm Beach.

Mr. Graziano's unique professional perspective is a blend of his educational background which includes formal training in architecture, urban planning, macro and micro economics, real estate finance, institutional asset management, and land development. His market experience in sales, leasing, management, and valuation disciplines combine to bring practical real world answers to complex planning and development projects. He has been actively involved as a consultant and/or member of a consultant team on various major redevelopment and land use projects for public and private clients over the past 20+ years.

Mr. Graziano has specialized in consulting and valuation assignments for corporate and private clients on a wide array of complex issues related to estate and condemnation matters, title defects, environmental contamination/damages, air rights, partial and fractional interests, contract disputes, and mediation/arbitration disputes. Mr. Graziano's experience in these matters provides a comprehensive framework for effective strategic real estate consulting.

Professional Activities & Affiliations

Member: Economic Roundtable - Miami Beacon Council (2012-present)
Board of Director: Integra Realty Resources, Inc. (2011-present)
Director: South Florida Chapter of the Appraisal Institute (2014-2015)
Member: University of Miami Alumni Association
Subject Matter Expert (SME): Appraisal Practice Board, Appraisal Foundation
Appraisal Institute (MAI)
Counselors of Real Estate (CRE)
Fellow: Royal Institute of Chartered Surveyors (FRICS)
International Association of Assessing Officers (IAAO)
National Association of Realtors (REALTOR)
AI Leadership Development Advisory Council, March 1998 - February 2001

Licenses

Florida, State-Certified General Real Estate Appraiser, RZ3510
New Jersey, State-Certified General Real Estate Appraiser, RG001261

Education

University of Miami, Coral Gables, Florida 1988-1992
Degree: Bachelor of Science in Land Development and Planning, School of Architecture

New York University Real Estate Institute, New York, New York 1993-1996
Degree: Master of Science in Real Estate Development and Investment

Integra Realty Resources
Miami/Palm Beach

The Douglas Centre
2600 Douglas Road, Suite 801
Coral Gables, FL 33134

T 305.670.0001
F 305.670.2276

irr.com

amgraziano@irr.com - 305.670.0001 x320



Anthony M. Graziano, MAI, CRE, FRICS

Qualified Before Courts & Administrative Bodies

Qualified and accepted as an expert before the Federal Bankruptcy Court (Newark & Southern District of Texas); US Federal District Court (Southern District of Florida); Florida Circuit Court (Miami-Dade and Broward Counties); NJ State Tax Court; NJ Superior Court - Chancery Division; NJ Superior Court - Law Division; Monmouth, Atlantic, and Ocean County Boards of Taxation; various municipal planning and zoning boards throughout New Jersey.

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AC# 6259990

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

SEQ# L12081000318

DATE	BATCH NUMBER	LICENSE NBR
08/10/2012	000000000	RZ3510

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

GRAZIANO, ANTHONY MICHAEL
9400 S DADELAND BLVD PH 1
MIAMI FL 33156

RICK SCOTT
GOVERNOR

DISPLAY AS REQUIRED BY LAW

KEN LAWSON
SECRETARY

Ryan T. Homan, MAI

Experience

Associate Director with Integra Realty Resources - Miami/Palm Beach.

Ryan Homan has over 10 years of commercial real estate experience. Mr. Homan began his career as an appraiser with Ohio Real Estate Consultants, Inc.

Mr. Homan leads the market study group for IRR-Miami/Palm Beach. The group provides extensive research, analysis and reporting to property owners and developers of various property types on market trends, opportunities, marketability, and feasibility of development projects and land. The group's experience includes assessing the market drivers, supply & demand and financial feasibility of mixed-use, residential, office, retail, hospitality and marina assets throughout South Florida. Mr. Homan has specific competency in HUD MAP market studies nationally.

Mr. Homan also provides appraisal and consulting services to institutional and banking clients for all major asset classes, including multifamily, retail, office, hospitality, industrial, vacant land and special-use properties. Mr. Homan specializes in multifamily analysis, including market rate and affordable housing as well as condominium development. Mr. Homan's multifamily experience includes market and feasibility studies, highest and best use analysis, HUD MAP, LIHTC (Low Income Housing Tax Credits), subsidized housing, new development and distressed asset/renovation analysis.

Mr. Homan is a member of the Urban Land Institute (ULI) of South Florida, and a designated MAI member of the Appraisal Institute.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI)
Urban Land Institute, Member (ULI)
Young Leaders Group
Housing Committee

Licenses

Florida, State-Certified General Real Estate Appraiser, RZ3550

Education

The Ohio State University, Columbus, OH 2000-2004
Bachelor of Science in Business Administration, Finance and Real Estate & Urban Analysis

Integra Realty Resources Miami/Palm Beach

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



LICENSE NUMBER	
RZ3550	

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

HOMAN, RYAN THOMAS
9400 S DADELAND BLVD PH 1
MIAMI FL 33156



RICK SCOTT
GOVERNOR

ISSUED: 02/05/2013 SEQ # L1302050001390
DISPLAY AS REQUIRED BY LAW

KEN LAWSON
SECRETARY

Integra Realty Resources, Inc.

Corporate Profile

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in the United States with 62 independently owned and operated offices in 34 states and the Caribbean. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and virtually all are headed by a Senior Managing Director who is an MAI member of the Appraisal Institute.

A listing of IRR's local offices and their Senior Managing Directors follows:

ATLANTA, GA - Sherry L. Watkins, MAI, FRICS
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS
BIRMINGHAM, AL - Rusty Rich, MAI, MRICS
BOISE, ID - Bradford T. Knipe, MAI, ARA, CCIM, CRE, FRICS
BOSTON, MA - David L. Cary, Jr., MAI, MRICS
CHARLESTON, SC - Cleveland "Bud" Wright, Jr., MAI
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS
CHICAGO, IL - Eric L. Enloe, MAI, FRICS
CINCINNATI, OH - Gary S. Wright, MAI, FRICS, SRA
CLEVELAND, OH - Douglas P. Sloan, MAI
COLUMBIA, SC - Michael B. Dodds, MAI, CCIM
COLUMBUS, OH - Bruce A. Daubner, MAI, FRICS
DALLAS, TX - Mark R. Lamb, MAI, CPA, FRICS
DAYTON, OH - Gary S. Wright, MAI, FRICS, SRA
DENVER, CO - Brad A. Weiman, MAI, FRICS
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS
FORT WORTH, TX - Gregory B. Cook, SR/WA
GREENSBORO, NC - Nancy Tritt, MAI, SRA, FRICS
GREENVILLE, SC - Michael B. Dodds, MAI, CCIM
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS
INDIANAPOLIS, IN - Michael C. Lady, MAI, SRA, CCIM, FRICS
JACKSON, MS - J. Walter Allen, MAI, FRICS
JACKSONVILLE, FL - Robert Crenshaw, MAI, FRICS
KANSAS CITY, MO/KS - Kenneth Jagers, MAI, FRICS
LAS VEGAS, NV - Charles E. Jack IV, MAI
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS
LOS ANGELES, CA - Matthew J. Swanson, MAI
LOUISVILLE, KY - Stacey Nicholas, MAI, MRICS
MEMPHIS, TN - J. Walter Allen, MAI, FRICS
MIAMI/PALM BEACH, FL - Scott M. Powell, MAI, FRICS
MIAMI/PALM BEACH, FL - Anthony M. Graziano, MAI, CRE, FRICS
MINNEAPOLIS, MN - Michael F. Amundson, MAI, CCIM, FRICS
NAPLES, FL - Carlton J. Lloyd, MAI, FRICS
NASHVILLE, TN - R. Paul Perutelli, MAI, SRA, FRICS
NEW JERSEY COASTAL - Halvor J. Egeland, MAI
NEW JERSEY NORTHERN - Barry J. Krauser, MAI, CRE, FRICS
NEW YORK, NY - Raymond T. Cirz, MAI, CRE, FRICS
ORANGE COUNTY, CA - Larry D. Webb, MAI, FRICS
ORLANDO, FL - Christopher Starkey, MAI, MRICS
PHILADELPHIA, PA - Joseph D. Pasquarella, MAI, CRE, FRICS
PHOENIX, AZ - Walter 'Tres' Winus III, MAI, FRICS
PITTSBURGH, PA - Paul D. Griffith, MAI, CRE, FRICS
PORTLAND, OR - Brian A. Glanville, MAI, CRE, FRICS
PROVIDENCE, RI - Gerard H. McDonough, MAI, FRICS
RALEIGH, NC - Chris R. Morris, MAI, FRICS
RICHMOND, VA - Kenneth L. Brown, MAI, CCIM, FRICS
SACRAMENTO, CA - Scott Beebe, MAI, FRICS
ST. LOUIS, MO - P. Ryan McDonald, MAI, FRICS
SALT LAKE CITY, UT - Darrin W. Liddell, MAI, CCIM, FRICS
SAN ANTONIO, TX - Martyn C. Glen, MAI, CRE, FRICS
SAN DIEGO, CA - Jeff A. Greenwald, MAI, SRA, FRICS
SAN FRANCISCO, CA - Jan Kleczewski, MAI, FRICS
SARASOTA, FL - Carlton J. Lloyd, MAI, FRICS
SAVANNAH, GA - J. Carl Schultz, Jr., MAI, FRICS, CRE, SRA
SEATTLE, WA - Allen N. Safer, MAI, MRICS
SYRACUSE, NY - William J. Kimball, MAI, FRICS
TAMPA, FL - Bradford L. Johnson, MAI, MRICS
TULSA, OK - Robert E. Gray, MAI, FRICS
WASHINGTON, DC - Patrick C. Kerr, MAI, SRA, FRICS
WILMINGTON, DE - Douglas L. Nickel, MAI, FRICS
CARIBBEAN/CAYMAN ISLANDS - James Andrews, MAI, FRICS

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Addendum B

Comparison of Report Formats





Comparison of Report Formats

Reporting Options in 2014-2015 Edition of USPAP	Integra Reporting Formats Effective January 1, 2014	Corresponding Reporting Options in 2012-2013 Edition of USPAP
Appraisal Report	Appraisal Report – Comprehensive Format	Self-Contained Appraisal Report
	Appraisal Report – Standard Format	Summary Appraisal Report
	Appraisal Report – Concise Summary Format	Minimum Requirements of Summary Appraisal Report
Restricted Appraisal Report	Restricted Appraisal Report	Restricted Use Appraisal Report



USPAP Reporting Options

The 2014-2015 edition of USPAP requires that all written appraisal reports be prepared under one of the following options: Appraisal Report or Restricted Appraisal Report.

An Appraisal Report summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. The requirements for an Appraisal Report are set forth in Standards Rule 2-2 (a) of USPAP.

A Restricted Appraisal Report states the appraisal methods employed and the conclusions reached but is not required to include the data and reasoning that supports the analyses, opinions, and conclusions. Because the supporting information may not be included, the use of the report is restricted to the client, and further, the appraiser must maintain a work file that contains sufficient information for the appraiser to produce an Appraisal Report if required. The requirements for a Restricted Appraisal Report are set forth in Standards Rule 2-2 (b).

Integra Reporting Formats under the Appraisal Report Option

USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal. Accordingly, Integra Realty Resources has established internal standards for three alternative reporting formats that differ in depth and detail yet comply with the USPAP requirements for an Appraisal Report. The three Integra formats are:

- Appraisal Report – Comprehensive Format
- Appraisal Report – Standard Format
- Appraisal Report – Concise Summary Format

An Appraisal Report – Comprehensive Format has the greatest depth and detail of the three report types. It describes and explains the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. This format meets or exceeds the former Self-Contained Appraisal Report requirements that were contained in the 2012-2013 edition of USPAP.

An Appraisal Report – Standard Format has a moderate level of detail. It summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions. This format meets or exceeds the former Summary Appraisal Report requirements that were contained in the 2012-2013 edition of USPAP.

An Appraisal Report - Concise Summary Format has less depth and detail than the Appraisal Report – Standard Format. It briefly summarizes the data, reasoning, and analyses used in the appraisal process while additional supporting documentation is retained in the work file. This format meets the minimum requirements of the former Summary Appraisal Report that were contained in the 2012-2013 edition of USPAP.

On occasion, clients will request, and Integra will agree to provide, a report that is labeled a Self-Contained Appraisal Report. Other than the label, there is no difference between a Self-Contained Appraisal Report and an Appraisal Report - Comprehensive Format. Both types of reports meet or

exceed the former Self-Contained Appraisal Report requirements set forth in the 2012-2013 edition of USPAP.

Integra Reporting Format under Restricted Appraisal Report Option

Integra provides a Restricted Appraisal Report format under the USPAP Restricted Appraisal Report option. This format meets the requirements of the former Restricted Use Appraisal Report that were contained in the 2012-2013 edition of USPAP.



Addendum C
Property Information





OFFICE OF THE PROPERTY APPRAISER

Summary Report

Generated On : 9/2/2014

Property information	
Folio:	06-2221-034-0010
Property Address:	15055 BISCAYNE BLVD
Owner	CITY OF NORTH MIAMI FINANCE DEPT
Mailing Address	PO BOX 610847 NO MIAMI FL 33261
Primary Zone	6000 COMMUNITY FACILITIES
Primary Land Use	6940 MUNICIPAL : MUNICIPAL
Beds / Baths / Half	0 / 0 / 0
Floors	1
Living Units	0
Actual Area	Sq Ft
Living Area	Sq Ft
Adjusted Area	8,141 Sq Ft
Lot Size	8,008,777.8 Sq Ft
Year Built	2004



Assessment Information			
Year	2014	2013	2012
Land Value	\$28,998,891	\$28,998,891	\$29,771,245
Building Value	\$544,268	\$544,224	\$520,479
XF Value	\$65,916	\$56,738	\$60,017
Market Value	\$29,609,075	\$29,599,853	\$30,351,741
Assessed Value	\$29,609,075	\$28,644,434	\$26,719,871

Taxable Value Information			
	2014	2013	2012
County			
Exemption Value	\$0	\$0	\$26,719,871
Taxable Value	\$29,609,075	\$28,644,434	\$0
School Board			
Exemption Value	\$0	\$0	\$30,351,741
Taxable Value	\$29,609,075	\$29,599,853	\$0
City			
Exemption Value	\$0	\$0	\$26,719,871
Taxable Value	\$29,609,075	\$28,644,434	\$0
Regional			
Exemption Value	\$0	\$0	\$26,719,871
Taxable Value	\$29,609,075	\$28,644,434	\$0

Benefits Information				
Benefit	Type	2014	2013	2012
Non-Homestead Cap	Assessment Reduction		\$955,419	\$3,631,870
Municipal	Exemption			\$26,719,871

Note: Not all benefits are applicable to all Taxable Values (i.e. County, School Board, City, Regional).

Sales Information			
Previous Sale	Price	OR Book-Page	Qualification Description

Short Legal Description
BISCAYNE LANDING
PB 161-72 T-21561
TR A LESS PORT DESC IN CONDO DEC
OR 25427-4613 NAU 06-2221-036
K/A THE OAKS 1 CONDO & LESS PORT

The Office of the Property Appraiser is continually editing and updating the tax roll. This website may not reflect the most current information on record. The Property Appraiser and Miami-Dade County assumes no liability, see full disclaimer and User Agreement at <http://www.miamidade.gov/info/disclaimer.asp>

Version:



**SKETCH TO ACCOMPANY LEGAL DESCRIPTION
BISCAYNE LANDING
SECTION 21, TOWNSHIP 52 SOUTH, RANGE 42 EAST**

SURVEYOR'S NOTES:

I- DATE OF COMPLETION:

05-11-2011

II- ADDRESS AND FOLIO:

15055 BISCAYNE BLVD. NORTH MIAMI FL 33168

Folio No.: 06-2221-034-0010

III- LEGAL DESCRIPTION

(SEE ATTACHED PAGE 2 OF 3)

IV- CLIENT INFORMATION:

This Sketch to Accompany Legal Description was prepared at the insistence of and certified to:

CITY OF NORTH MIAMI

V- SURVEYOR'S CERTIFICATE:

I hereby certify: That this "Sketch to Accompany Legal Description" and the Survey Map resulting therefrom was performed under my direction and is true and correct to the best of my knowledge and belief and further, that said "Sketch to accompany Legal Description" meets the intent of the applicable provisions of the "Minimum Technical Standards for Land Surveying in the State of Florida", pursuant to Rule 5J-17 of the Florida Administrative Code and its implementing law, Chapter 472.027 of the Florida Statutes.

By: _____ REVISED 05-31-2011

Rolando Ortiz LS4312
Registered Surveyor and Mapper
State of Florida

NOTICE: Not valid without the signature and original raised seal of a Florida Licensed Surveyor and Mapper. Additions or deletions to Survey Maps by other than the signing party are prohibited without the written consent of the signing party.

3TCI, Inc. LB7799
PROFESSIONAL LAND SURVEYORS AND MAPPERS
1262 SW 144th CT. MIAMI FL 33184
tel: 305-316-8474 fax: 305-220-3762 www.3tci.com

SHEET 1 OF 3
(NOT VALID WITHOUT SHEET 2 AND 3 OF 3)



SKETCH TO ACCOMPANY LEGAL DESCRIPTION BISCAYNE LANDING

SECTION 21, TOWNSHIP 52 SOUTH, RANGE 42 EAST

LEGAL DESCRIPTION

TRACT "A" of BISCAYNE LANDING, according to the Plat thereof, as recorded in Plat Book 161, at Page 72, of the Public Records of Miami-Dade County, Florida, lying in Section 21, Township 52 North, Range 42 East, less (**LESS OUT PARCEL "A"**), also known as a piece of land depicted on the survey prepared by Biscayne Engineering Company, Inc. with Order No. 03-79980, dated 05-25-11 and less (**LESS OUT PARCEL "B"**), also known as that piece of land depicted on "THE OAKS I CONDOMINIUMS" recorded in Official Records Book 25427 at Page 4674 of the Public Records of Miami-Dade County, Florida, said LESS OUT parcels being more particularly described as follows:

LESS OUT PARCEL "A": Commence at the Northeast corner of the West 1/2 of the Northeast 1/4 of Section 21, Township 52 South, Range 42 East, the same being the Northeast Corner of said Tract "A" of BISCAYNE LANDING; thence South 87°02'55" West along the North boundary line of said Tract "A" of BISCAYNE LANDING, and along the North line of the Northeast 1/4 of said Section 21, and along the South Right of Way Line of N.E. 151st Street for a distance of 396.01 feet to the POINT OF BEGINNING of the hereinafter described parcel of land; thence along the boundary of The Oaks Condominium as described in Official Record Book 25427 at page 4613 of the Public Records of Miami-Dade County, Florida, for the following (4) courses; (1) thence South 03°17'25" East for a distance of 522.10 feet; (2) thence North 86°42'35" East for a distance of 159.56 feet; (3) thence South 27°35'03" East for a distance of 138.47 feet; (4) thence South 83°13'18" East for a distance of 177.81 feet to a point on the West line of the NE 1/4 of the NE 1/4 of said Section 21, also being the East line of said Tract "A"; thence South 02°55'05" East along said line for a distance of 252.90 feet; thence South 87°09'14" West for a distance of 501.91 feet to a point on a circular curve concave to the west whose radius point bears North 82°36'35" West from said point; thence Northwesterly to the left along the arc of said curve having a radius of 352.64 feet, through a central angle of 23°27'40" for an arc distance of 144.40 feet; thence North 78°35'03" East for 122.19 feet to a point on a circular curve concave to the Southeast whose radius point bears North 85°51'34" East from said point; thence Northeasterly to the right along the arc of said curve having a radius of 100.00 feet, through a central angle of 38°22'29" for an arc distance of 66.98 feet to a point of tangency; thence North 34°14'03" East for 70.48 feet; thence North 51°25'22" West for 70.73 feet; thence North 43°42'31" West for 108.81 feet to a point of curvature with a circular curve concave to the east; thence Northeasterly to the right along the arc of said curve having a radius of 60.00 feet, through a central angle of 72°52'56" for an arc distance of 76.32 feet to a point of reverse curvature with a circular curve concave to the northwest; thence Northeasterly to the left along the arc of said curve having a radius of 25.00 feet, through a central angle of 31°32'21" for an arc distance of 13.76 feet to a point of tangency; thence North 02°21'55" West for a distance of 173.92 feet to a point of curvature with a circular curve concave to the southwest; thence Northwesterly to the left along the arc of said curve having a radius of 125.00 feet, through a central angle of 78°55'58" for an arc distance of 172.20 feet; thence North 02°57'01" West for a distance of 138.00 feet to a point on the North boundary line of said Tract "A" of BISCAYNE LANDING, and also being to the North line of the Northeast 1/4 of said Section 21, and also being to the South Right of Way Line of said N.E. 151st Street; thence North 87°02'55" East along said North boundary line of said Tract "A" of BISCAYNE LANDING, and along said North line of the Northeast 1/4 of said Section 21, and along said South Right of Way Line of N.E. 151st Street for a distance of 149.64 feet to the POINT OF BEGINNING; Said parcel contains 4.33 acres, more or less.

AND

LESS OUT PARCEL "B": Beginning at the most Northeasterly Corner of said Tract "A" of "BISCAYNE LANDING," said point being further described as being the Northeast Corner of the West 1/2 the Northeast 1/4 of Section 21, Township 52 South, Range 42 East; thence South 02°55'05" East, along the East Line of said Tract "A", a distance of 677.06 feet; thence North 83°13'18" West, a distance of 177.81 feet; thence North 27°35'03" West, a distance of 138.47 feet; thence South 86°42'35" West, a distance of 159.56 feet; thence North 03°17'25" West, a distance of 522.10 feet to a point on the North Line of said Tract "A"; thence North 87°02'55" East, along said North Line, a distance of 396.01 feet to the POINT OF BEGINNING. Said parcel contains 5.37 acres, more or less.

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tel: 305-316-8474 fax: 305-220-3762 www.3tci.com

SHEET 2 OF 3
(NOT VALID WITHOUT SHEET 1 AND 3 OF 3)

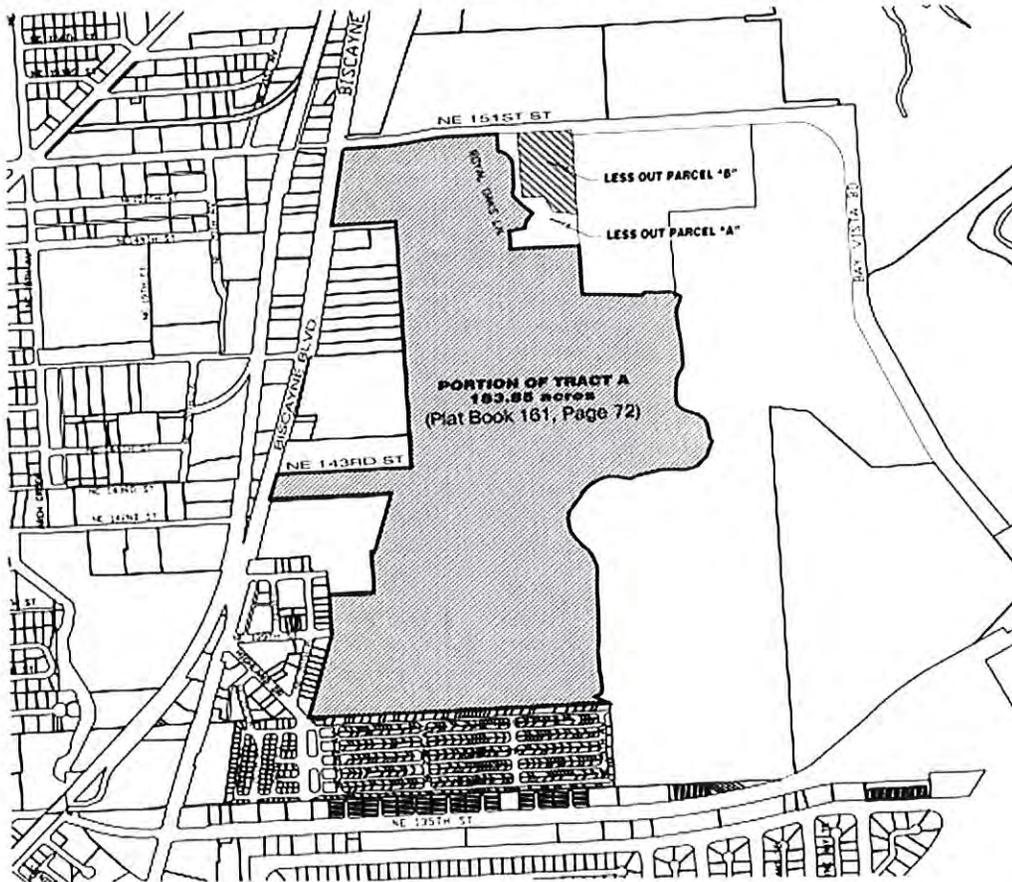
**SKETCH TO ACCOMPANY LEGAL DESCRIPTION
BISCAYNE LANDING
SECTION 21, TOWNSHIP 52 SOUTH, RANGE 42 EAST**



0 500 1000



SCALE: 1"=1000'



3TCI, Inc. LB7799

PROFESSIONAL LAND SURVEYORS AND MAPPERS
1262 SW 144th CT. MIAMI FL 33184
tel: 305-316-8474 fax: 305-220-3762 www.3tci.com

SHEET 3 OF 3
(NOT VALID WITHOUT SHEET 1 AND 2 OF 3)



SUMMARY OF TERMS
BISCAYNE LANDING
LEASE
May 17, 2012

Premises	Approximately 183.8 acres of land in the City of North Miami, in Miami-Dade County, Florida, known as "Biscayne Landing"
Landlord	The City of North Miami
Tenant	Oleta Partners LLC, indirectly owned by Biscayne Investor LLC, an affiliate of LeFrak Organization, Oleta Bl. Holdings, LLC, an affiliate of Swerdlow Development Company, and TM Oleta Holdings, LLC, an entity affiliated with Michael Swerdlow and Millenium Investments Group LLC.
Lease Term	99 years, starting when parties have signed the Lease and Landlord has delivered possession ("Commencement Date"). (§2.1)
Renewal Term	One automatic renewal term of 99 years; annual Fixed Rent for the first year of the renewal term to be established in year 70 of the initial Lease term by determining the CPI rate during Lease years 49 - 69 and projecting that rate of increase to year 100. Thereafter, annual fixed rent during the renewal term will increase by 15% every ten years. (§§2.1, 3.5)
Expenses	"Triple net" lease. Tenant pays all taxes, insurance, construction and repairs, expenses, and responsibilities, with a few exclusions for items personal to Landlord. Tenant controls all operations, leasing, tax protests. (§4.1)
Condition of Premises	The lease premises are accepted "As-is" at Commencement Date, with limited representations and warranties and subject to Landlord's responsibility for work covered by the CH2M Hill Agreement. There is no due diligence period.
Environmental: (§9)	<p>Landfill Closure:</p> <ol style="list-style-type: none"> Groundwater remediation: Landlord will retain responsibility for the work covered in the CH2M Hill agreement, i.e. design and construction of the groundwater remediation system, which is currently underway. Landlord commits in Lease to cooperate with Tenant on placement of pipes, extraction wells, construction activities to facilitate development; Project Coordination Team meets monthly; Tenant can observe but not interfere with CH2M Hill work and advise City PE (or other designee) of any concerns, City PE or other designee will handle using professional judgment; Tenant to assume all other obligations under the CLCP and Landfill closure permit (monitoring, stormwater system, capping, methane gas control). Landfill closure: Tenant to assume all landfill obligations under the CLCP and Landfill closure permit except for the work covered in the CH2M Hill agreement, i.e. design and construction of the groundwater remediation system. Closure to take place 10 years after commencement or, if after the 7th year no work on site for 12 months, closure to be done 6 months later. <p>General:</p> <p>Tenant assumes responsibility for remediating all environmental conditions</p>



	upon the Premises with the exception of the work covered in the CH2M Hill Agreement.
Grant Agreement with MDC for Landfill Closure	Grant Agreement provides funding for the closure and remediation of the landfill. \$31,027,000 was originally allocated to the Site for both closure and remediation. All funds are disbursed pursuant to Grant procedures (inspections, certifications, back-up documents, releases of lien). The Lease provides that Landlord will request/disburse funds for work done pursuant to and in compliance with the Grant Agreement. (§9.3)
Materials on Premises	Landlord will assign rights in construction material and equipment detailed in an inventory list that is on the Premises on the Commencement Date, but excluding the crane and generator; Landlord will be able to request the use of the fusing machine, and Tenant will provide it and a trained operator on reasonable request.
Initial Payments	<ol style="list-style-type: none"> 1. \$1,500,000 first year's fixed rent payable two business days following full execution and delivery of Lease (the "Effective Date"). (§3.1) 2. \$17,500,000 due within ten business days following the date on which the City has made all its required deliveries under the Lease and cleared notices of commencement from title, but no sooner than thirty days following the Effective Date. (§3.2) 3. On the Commencement Date, Tenant will pay up to One Million Dollars to reimburse Landlord for its maintenance and other costs of carrying the property and its third party professional fees incurred in connection with the Lease transaction. (§3.11) 4. All initial payments due under the Lease including the payment of back Real Estate Taxes are non-refundable as of the Commencement Date. (§3.1)
Payment of back Real Estate Taxes	On the Commencement Date, Tenant pays outstanding real estate taxes in the approximate aggregate amount of \$1,710,000.00 (subject to Tenant's right to challenge the amounts, pursuant to Laws and the Contest provisions of the Lease). (§3.1)
Base (Fixed) Rent	<p><u>First Year:</u> \$1,500,000.00 year, paid in advance. (§3.2)</p> <p><u>Second through Fifth Years:</u> Rent will be completely abated unless and until Tenant completes 500,000 square feet of Improvements, at which point a reduced rent of \$200,000 per year will be due. (§3.2)</p> <p><u>Sixth Year through the end of the Term:</u> Beginning with the sixth year, the Fixed Rent again goes back to \$1,500,000 per year (subject to adjustment every 10 years) and is payable quarterly, in advance. (§§3.1, 3.4)</p>
Fixed Adjustments to Base Rent	On each tenth anniversary of the Commencement Date throughout the term of the Lease, the Base Rent will be increased by \$150,000.00. There will be no indexed (e.g., CPI) increases. (§3.4)
Participation Rent (§3.3)	<ol style="list-style-type: none"> 1. <i>Retail, Office Recreation/Entertainment Indoor, Recording and TV/Radio Uses (Also Light Industrial if/when approved for the Premises).</i> 1.75% of Tenant's gross revenue, less certain expenses. 2. <i>Residential Rentals. (senior and residential)</i> 1.75% of Tenant's gross revenue 3. <i>Hotel.</i> 2.25% of Tenant's gross revenue 4. <i>Sales(Condo or Senior Housing).</i> 3.25% of Tenant's gross revenue (no



	<p>minimum sales price, required to be third party, good faith, commercially reasonable)</p> <p>5. <i>Other Commercial Uses; Future Uses and Revenue.</i> reasonable additional Participation Rent Amendment to Lease to be agreed in good faith.</p>
Park Property (§34)	<p><u>Park Property</u>: 7.2 acre site to be owned by Landlord. Landlord will maintain 7.2 acre portion. Tenant to pay Landlord \$2,000,000 for Landlord's park improvements. Tenant to build and maintain 13.7 acre passive park. Tenant donates \$50,000 for renovation of Gwen Margolis Community Center.</p> <p>37 total acres of open space (includes Park Property)</p> <p><u>Community Center</u>: Tenant will build a Community Center to be owned and maintained by Tenant. Landlord will have free use of the facility at least 3 times a month</p> <p>Lake Ibis will be owned by Landlord, maintained by the Tenant</p>
Financing	No subordination of Landlord's fee interest to any financing obtained by tenant or a subtenant. Certain Leasehold Mortgagee protections are provided to a Leasehold Mortgagee (e.g., cure rights if Tenant defaults, New Lease on termination). (§19, 20)
Casualty and Condemnation (§13)	Tenant is responsible for restoration after casualty (destruction) or partial condemnation. There is no termination of the Lease, and no abatement of the rent (except for condemnation of essentially all of the Premises, and then the Lease terminates) unless the casualty occurs in the last 5 years of the Lease, in which case the insurance proceeds go to Landlord. Condemnation awards are made in accordance with Florida law.
Use	Tenant may use the premises for any lawful purpose in accordance with applicable zoning and other laws and regulations. (§5.1)
Construction Rights (§7)	Tenant and subtenants may construct and alter improvements without Landlord approval, but in accordance with all zoning, building codes, Laws, permits, etc. Landlord, in its capacity as owner, will cooperate where necessary by signing easements, permit applications, etc., within reasonable limitations.
Construction Obligations (§7, Ex. D)	<p>Tenant has 3 deadlines for development:</p> <ol style="list-style-type: none"> 1. The Initial Development must be completed by the fifth anniversary of the Commencement Date, and includes the items shown on attached Exhibit A. Tenant has provided a projected Schedule of Values and timeline in the Lease. [Note: a portion of the 13.7 acre park parcel will be used for staging and completed later, see the Concept Plan for the Delayed Park Property] 2. Second Stage Development must be completed by the seventh anniversary of the Commencement Date, and includes (a) substantial completion of the 500,000 square feet of vertical construction for which permits were pulled as part of the Initial Development, and (b) pulling building permits for an additional 200,000 square feet of vertical construction. 3. Third Stage Development must be completed by the tenth anniversary of the Commencement Date, and includes (a) substantial completion of the 200,000 square feet of vertical construction for which permits were pulled as part of the Second Stage Development, and (b) completion of the Landfill closure



	<p>except the work covered under the CH2M Hill agreement for the groundwater remediation system, which is Landlord's responsibility).</p> <p>If any of the hard deadlines are not met, unless it is for good cause ("Unavoidable Delay"), Landlord can hold Tenant in default under the Lease and subject to cure rights in any Leasehold Mortgagee, can terminate it, in which case Landlord will take back the land in its improved state (there will be non-disturbance agreements for certain qualifying subtenants).</p>
Bonds	The Lease requires compliance with 255.05, Fla. Stat. (2012) for a bond for any "public work," including the Remedial Action. (§7.4)
Transfer of Leasehold Interest by Tenant (§17.1, 17.3)	<ol style="list-style-type: none"> 1. No transfer until Tenant's Construction Obligations (Initial Development, Second Stage Development, and Third Stage Development) are completed. 2. No transfer if an Event of Default exists 3. Any transfer must be to a Qualified Developer 4. A transfer payment of 5% of the gross revenue/consideration to Tenant for the transfer is due to Landlord if the Lease is transferred (applies to initial transfer only)
Transfer of Equity Interests in Tenant (§17.2, 17.3)	<ol style="list-style-type: none"> 1. No transfer until Tenant's Construction Obligations (Initial Development, Second Stage Development, and Third Stage Development) are completed except to a Permitted Equity Owner and except for 20% (non-controlling interest) 2. No transfer if an Event of Default exists 3. A transfer payment of 5% of the gross revenue/consideration for the transfer of Equity Interests in the Tenant for consideration is due to Landlord (applies to initial transfer of those interests only); however, this fee will not be due on a sale by the Lefrak affiliate pursuant to its buy-sell agreement with the Swerdlow affiliate, but it will apply to any subsequent sale of those interests by the Swerdlow affiliate. In the event of a transfer of an Equity Interest in Tenant held directly or indirectly by Michael Swerdlow to Biscayne Investor I.I.C pursuant to a buy/sell agreement, the transfer fee will be equal to 25% of the consideration paid in the buy/sell transaction that is attributable to Michael Swerdlow's interest in the entity. 4. Swerdlow will not Transfer his Equity Interest in Tenant and will remain actively involved in the project until Tenant's Construction Obligations are completed. (§17.5)
Right of First Offer	If Landlord decides to transfer the fee estate, Landlords will notify Tenant as to important terms on which it is willing to sell (purchase price, deposit, any purchase money financing, timing). Tenant will need to exercise or waive the right before Landlord starts marketing. (§15.4)
Option to Purchase Condo parcels (§33)	<ol style="list-style-type: none"> 1. Option to Tenant to purchase from Landlord parcels of at least 5+ acres of the 50.6 acres designated as Phase III and IV along the eastern boundary of the Premises (not abutting Biscayne Blvd) which will be used for condo/condo conversion 2. Subject to Landlord's commercially reasonable approval as to location and



	<p>size of Option Parcel (so remaining property is not prejudiced)</p> <ol style="list-style-type: none"> 3. Exercisable after the Initial Development is completed and before the 20th Anniversary of the Commencement Date. 4. Purchase price is to be negotiated at the time by the parties in good faith. 5. Prior to recording of deed, covenant running with the land (or other acceptable mechanism) is to be recorded making owner responsible for environmental obligations under the CI/CP and other documents as to the purchased Option Parcel. 6. No change to Third Stage Development Landfill Closure obligation.
Nonrecourse (§27)	The Lease is nonrecourse to both parties (in a lawsuit the damages would be limited to that party's interests in the Premises, including the proceeds from the Premises).
Tiered Default System (§23)	<ol style="list-style-type: none"> 1. Minor Defaults (e.g., not providing a progress report, not maintaining a building in good condition) do not risk termination of the Lease; the remedy is Delay Fee or specific performance, unless specific performance is not reasonably available, in which case it can become a major default. 2. Major Defaults (all defaults except for Minor Defaults, but will include a Minor Default for which specific performance is not reasonably available); after notice and time to cure to each of Tenant and the Leasehold Mortgage, if not so cured, the Lease can be terminated. Leasehold Mortgagee can opt for a New Lease (on the same terms as the Lease) within 30 days of such termination, but it has to cure all curable defaults. If the Lease is terminated and no New Lease is requested, the leased premises goes back to Landlord free and clear of the Lease.
Additional Payments to Landlord	Tenant will also reimburse Landlord up to \$100,000 annually for its administrative costs monitoring the Lease for the first 5 years of the Lease. (§4.7)
Subleasing	Tenant may enter into subleases without restriction. Landlord shall agree to recognize and nondisturb subtenants that satisfy reasonable objective criteria in the Lease. (§18)
Office Space for Landlord designees on site	Tenant will provide 400 square foot office space onsite to the City PE until landfill closure occurs. Landlord will also provide 400 square foot office space onsite for a city employee designated to monitor environmental compliance until landfill closure occurs. Tenant will pay one-half the salary of such monitor employee until landfill closure. Tenant's contribution not to exceed \$125,000.00 annually. (§35.3)
North Miami Educational Foundation, Inc.	Tenant to contribute \$250,000.00 in August 2012 and receipt of 501(c)(3) designation and an additional \$100,000 annually for 5 years (total of \$750,000), and take a seat on the board of directors. (§35.5)
Local Preference (§35)	Tenant to employ or contract with 10% City residents and 10% local businesses, with 25% labor, goods, and services as an aspirational goal for North Miami residents and businesses. Tenant will plan and implement an outreach and training program (with analysis of data to monitor progress and document efforts and financial and business support (including a \$5,000,000 line of credit to assist local contractors). Tenant will invest at least \$2,500,000.00 over the initial seven years of the Lease term for these



	purposes and any unspent funds will be paid over to the City at the end of the seven year period. The Tenant will pay a minimum of \$300,000.00 annually for 5 years from the Commencement Date for implementation of Local Preference Plan.
Future Road	In the event permits and approvals are obtained to build a road from 143 Street to the FIU campus but government or FIU funds are not allotted for the road, Tenant will either construct the road or pay the equivalent costs, excluding permit fees. The Road will be a two-lane road at grade. (§35.6)
Corner Parcel	With respect to the approximately 10 acre parcel running from Biscayne Boulevard to the Oaks and lying between 151 Street and the Park: during the Lease term, Landlord will receive 100% of the first \$1,500,000 of net revenue received after Tenant has received \$13,500,000 in net revenue. Thereafter, net revenue will be shared by Landlord and Tenant 50/50. (§3.15)



EXHIBIT A

DESCRIPTION OF INITIAL DEVELOPMENT

All in compliance with Law and applicable permits and Approvals:

1. The Storm Water Master Plan for the entire site pursuant to applicable permits including FDEP, DPERA, and SFWMD.
2. The Lake Fill Project (permit and fill all lakes except Ibis, denoted as such on Exhibit B) which shall be subject to, among other things, an approved ERP from SFWMD.
3. Mass Grading and Balancing of Premises (but not individual pad sites), including trash/debris removal and/or compaction to levels approved for development for the full site. All excess material not redistributed or relocated as described, including but not limited to excess material from the landfill, shall be completely disposed of offsite at the Tenant's sole expense.
4. The Spine Road (Biscayne Landings Boulevard) extension from the intersection of NE 151 Street (to the North) traversing the site and connecting at the intersection of 143rd Street.
5. Under FDEP Safe Closure requirements, all Utility Infrastructure along the Spine Road, including Domestic Water and Fire Flow Supply, Sanitary Sewer, Storm Water Collection and Disposal, Power Supply Corridor, Communications and CATV Raceways, Gas Supply Main and Reuse Irrigation Main (if allowed by Miami-Dade County Regulatory Authority).
6. All daily Landfill Closure Permit and CLCP (except the ERA Work) required activities, and including without limitation groundwater monitoring commensurate with commencement of the Second Stage Development requirements.
7. The Park Property Improvements of grading, leveling and sodding of the Park Property, as set forth in Section 34 of the Lease. The Park Property Improvements shall not include the walking and biking trails along the open space on the perimeter of the Premises, which shall be constructed with each phase of the development and, thereafter, retained and maintained by Tenant or those claiming under it, and the trails shall be open to the public.
8. Building permits pulled for at least 500,000 leasable square feet of Required Improvements.
9. Creation of a homeowner's association or community development district or declaration of covenants and restrictions or similar funding source running with the land included in the Premises for all environmental monitoring and compliance costs under the CLCP as provided in section 9.3.3 of this Lease.
10. Musco lighting will be provided for all dedicated rights of way to the extent commensurate with commencement of the Second Stage Development requirements.



RESOLUTION NO. R-2012-67

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, APPROVING THE EXECUTION OF A LEASE AGREEMENT, IN SUBSTANTIALLY THE ATTACHED FORM, BETWEEN THE CITY OF NORTH MIAMI, AS LANDLORD AND OLETA PARTNERS, LLC, AS TENANT, FOR THE PREMISES KNOWN AS "BISCAYNE LANDING"; AUTHORIZING THE CITY MANAGER TO DO ALL THINGS NECESSARY TO EFFECTUATE THE TERMS OF THE LEASE AGREEMENT, IN ACCORDANCE WITH THE DIRECTION PROVIDED TO CITY ADMINISTRATION, WITHOUT THE NECESSITY OF FURTHER ACTION BY THE MAYOR AND CITY COUNCIL; PROVIDING FOR AN EFFECTIVE DATE AND ALL OTHER PURPOSES.

WHEREAS, on June 2, 2011, the City of North Miami ("City") issued *Request for Proposal #43-10-11 (A) for the Redevelopment of the Biscayne Landing Site for the City of North Miami, Florida*, as amended ("RFP-A"), representing the first phase in the City's efforts to seek a qualified developer to develop or purchase the approximate 183.8 acre-site known as Biscayne Landing ("Biscayne Landing"); and

WHEREAS, on June 29, 2011, the City issued *Request for Proposal #43-10-11 (B) for the Redevelopment of the Biscayne Landing Project Stage 2* ("RFP-B"), representing the second phase in the City's efforts to seek a qualified developer to develop or purchase Biscayne Landing; and

WHEREAS, Oleta Partners, LLC, a Florida Limited Liability Company ("Developer"), was the sole respondent to both RFP-A and RFP-B; and

WHEREAS, on October 25, 2011, the Mayor and City Council adopted Resolution Number 2011-141, authorizing the City Manager, the City Attorney, and their designees to negotiate the lease or sale of the Biscayne Landing project site with the Developer; and

WHEREAS, the City is responsible for the continued operation, repair and maintenance of the Biscayne Landing site until such time that the City enters into a lease or sale agreement; and



WHEREAS, negotiations between the City and Developer has culminated into a lease agreement which the Mayor and City Council desire to move for execution, in accordance with the direction provided to City Administration at the duly noticed, public meeting of May 23, 2012.

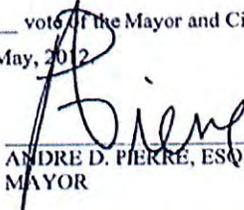
NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. Authorization to Execute Lease Agreement. The Mayor and City Council of the City of North Miami, Florida, hereby approve the execution of a Lease agreement, in substantially the attached form, between the City of North Miami, as landlord and Oleta Partners, L.L.C, as Tenant, for the premises known as "Biscayne Landing".

Section 2. Authorization of City Manager. The Mayor and City Council of the City of North Miami, Florida, hereby authorize the City Manager to do all things necessary to effectuate the terms of the Lease Agreement, in accordance with the direction provided to City Administration, without the necessity of further action by the Mayor and City Council.

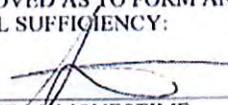
Section 3. Effective Date. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by a 3-2 vote of the Mayor and City Council of the City of North Miami, Florida, this 23 day of May, 2012.


ANDRE D. PIERRE, ESQ.
MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

REGINE M. MONESTIME
CITY ATTORNEY



SPONSORED BY: CITY ADMINISTRATION

Moved by: Councilman Blynn

Seconded by: Mayor Pierre

Vote:

Mayor Andre D. Pierre, Esq.	<u> X </u>	(Yes)	<u> </u>	(No)
Vice Mayor Jean R. Marcellus	<u> </u>	(Yes)	<u> X </u>	(No)
Councilperson Michael R. Blynn, Esq.	<u> X </u>	(Yes)	<u> </u>	(No)
Councilperson Scott Galvin	<u> </u>	(Yes)	<u> X </u>	(No)
Councilperson Marie Erlande Steril	<u> X </u>	(Yes)	<u> </u>	(No)



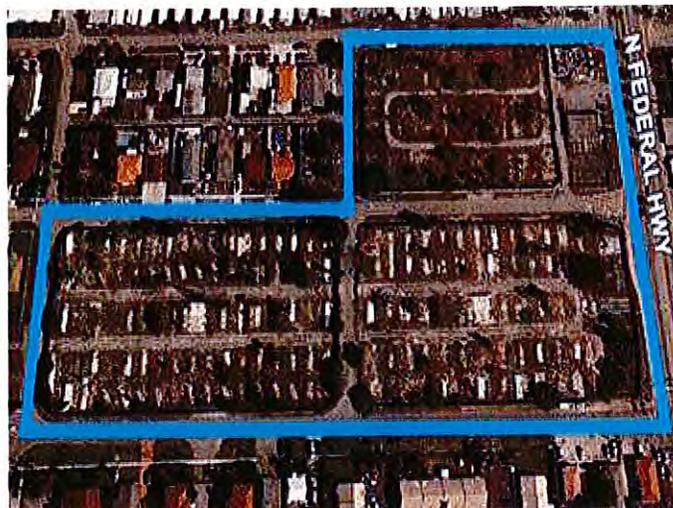
Addendum D
Comparable Data



Location & Property Identification

Property Name: 301-413 N Federal Hwy Land
 Sub-Property Type: Residential, Multifamily
 Address: 301-413 N. Federal Hwy.
 City/State/Zip: Hallandale Beach, FL 33009
 County: Broward

 Market Orientation: Suburban



Lat./Long.: 25.983290/-80.142159 IRR Event ID (756897)

Sale Information

Sale Price: \$8,500,000
 Eff. R.E. Sale Price: \$8,500,000
 Sale Date: 01/30/2014
 Sale Status: Closed
 Eff. Price/Unit: \$22,849 /Unit
 \$/Acre(Gross): \$1,280,120
 \$/Land SF(Gross): \$29.39
 \$/Acre(Usable): \$1,280,120
 \$/Land SF(Usable): \$29.39
 Grantor/Seller: EverBank
 Grantee/Buyer: Hallandale Land Ventures, LLLP

 Property Rights: Fee Simple
 % of Interest Conveyed: 100.00
 Exposure Time: 7.00 (months)
 Financing: Cash to seller
 Document Type: Warranty Deed
 Recording No.: 11208-3762
 Verified By: Bruno Picasso
 Verification Date: 4/14/14
 Verification Type: Confirmed-Seller Broker

Land-SF(Usable/Gross): 289,238/289,238
 Usable/Gross Ratio: 1.00
 No. of Units (Potential): 372
 Shape: Irregular
 Topography: Level
 Vegetation: Grass and shrubs
 Corner Lot: Yes
 Zoning Code: RM-HD-2
 Zoning Desc.: Multifamily 50 Units/Acre
 Utilities Desc.: All available to site.
 Source of Land Info.: Public Records

Comments

This is a 6.64 acre site located on the west side of N Federal Hwy, just north of E Hallandale Beach Boulevard. The property is zoned RM-HD-2 multifamily 50 units per acre. Although the sell was an REO sale it sold with a broker under normal market conditions with a seven month marketing period.

This is a former MHP that is proposed for 372 multifamily units and 20,000 sf of retail space.

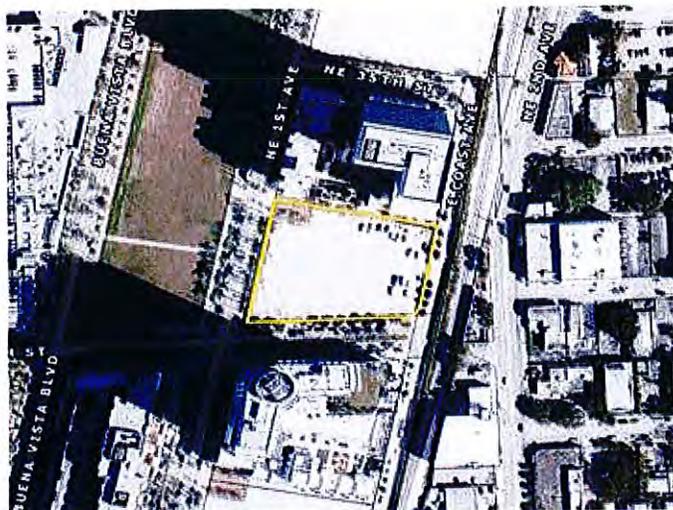
Improvement and Site Data

Legal/Tax/Parcel ID: 51-42-22-35-0060; 0070; 0080; 0100 & 0110

 Acres(Usable/Gross): 6.64/6.64

Location & Property Identification

Property Name:	Midtown Miami Residences
Sub-Property Type:	Residential
Address:	3201-3401 NE. 1st Ave.
City/State/Zip:	Miami, FL 33127
County:	Miami-Dade
Market Orientation:	Urban



Lat./Long.: 25.830780/-80.197657 IRR Event ID (788374)

Sale Information

Sale Price:	\$12,100,000
Eff. R.E. Sale Price:	\$12,100,000
Sale Date:	11/19/2013
Contract Date:	11/19/2013
Sale Status:	Closed
Eff. Price/Unit:	\$27,500 /Unit
\$/Acre(Gross):	\$7,857,143
\$/Land SF(Gross):	\$180.38
\$/Acre(Usable):	\$7,857,143
\$/Land SF(Usable):	\$180.38
Grantor/Seller:	Equalia Capital Partners, LLC
Grantee/Buyer:	Midtown 3 (Related Group)
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	Book 28918, Page 1088
Verification Source:	CoStar
Verification Type:	Confirmed-Other

Sale Analysis

Current Use:	Vacant Land
Proposed Use Change:	Yes
Proposed Use Desc.:	Mixed-Use Development

Improvement and Site Data

MSA:	Miami-Fort Lauderdale-Miami Beach, FL Metropolitan Statistical Area
Legal/Tax/Parcel ID:	01-3125-077-0070
Acres(Usable/Gross):	1.54/1.54
Land-SF(Usable/Gross):	67,082/67,082
Usable/Gross Ratio:	1.00
No. of Units (Potential):	440
Shape:	Irregular
Topography:	Level
Corner Lot:	Yes
Frontage Type:	2 way, 2 lanes each way
Traffic Control at Entry:	Traffic light
Traffic Flow:	Moderate
AccessibilityRating:	Average
Visibility Rating:	Above average
Zoning Code:	T6-24-O
Zoning Desc.:	Mixed Use
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	12086C0312L
Date:	09/11/2009
Utilities:	Electricity, Water Public, Sewer
Source of Land Info.:	Public Records

Comments

In this transaction, the Related Group secured this 1.54 acre piece of vacant land in Edgewater in order to develop a mixed-use project. The proposed project will consist of a 31-story building that will serve as a companion property to the SLS Hotel in South Beach. It will have 440 units, 400 of which will be condo units and 40 of which will be rented as hotel units. Additionally, there will be 21,745 square feet of retail space, presumably on the ground floor.

This site is situated on the corner of NE 1st Street and NE 2nd Avenue just south of I-195. It is a site that has had several proposed developments.

Location & Property Identification

Property Name: Edgewater Land
 Sub-Property Type: Other
 Address: 328 NE. 28 St.
 City/State/Zip: Miami, FL 33137
 County: Miami-Dade
 Submarket: Biscayne Corridor
 Market Orientation: Urban



Lat./Long.: 25.803360/-80.188690 IRR Event ID (788437)

Sale Information

Sale Price: \$5,400,000
 Eff. R.E. Sale Price: \$5,400,000
 Sale Date: 04/26/2013
 Contract Date: 04/26/2013
 Sale Status: Closed
 Eff. Price/Unit: \$16,463 /Unit
 \$/Acre(Gross): \$8,475,906
 \$/Land SF(Gross): \$194.58
 \$/Acre(Usable): \$8,475,906
 \$/Land SF(Usable): \$194.58
 Grantor/Seller: Anuar Halabi
 Grantee/Buyer: The Lynd Company
 Property Rights: Fee Simple
 % of Interest Conveyed: 100.00
 Financing: Cash to seller
 Document Type: Deed
 Recording No.: Book 28869, Page 1055
 Verification Source: CoStar
 Verification Type: Confirmed-Other

Shape: Rectangular
 Topography: Level
 Vegetation: Minimal
 Corner Lot: Yes
 Frontage Feet: 200
 Frontage Desc.: Frontage split between US1
 Frontage Type: 2 way, 1 lane each way
 Traffic Control at Entry: Stop sign
 Traffic Flow: High
 Accessibility Rating: Average
 Visibility Rating: Above average
 Zoning Code: T6-36a L
 Zoning Desc.: Mixed-Use
 Flood Plain: No
 Flood Zone Designation: X
 Comm. Panel No.: 12086C0312L
 Date: 09/11/2009
 Utilities: Electricity, Water Public, Sewer, Gas
 Source of Land Info.: Public Records

Improvement and Site Data

Legal/Tax/Parcel ID: 01-3230-017-0320,0330,0340
 Acres(Usable/Gross): 0.64/0.64
 Land-SF(Usable/Gross): 27,752/27,752
 Usable/Gross Ratio: 1.00
 No. of Units (Potential): 328

Comments

This sale was completed of two vacant parcels and a third which may have had a small single family home on it. The buyer plans to redevelop the site with a residential/mixed-use project, taking advantage of the T6 zoning enjoyed by the Miami21 zoning code. The transaction was verified with the single broker that managed the deal as a transaction broker.

Comments (Cont'd)

This is a land assemblage in Edgewater.

Location & Property Identification

Property Name: NE 29 Street Assemblage Land

Sub-Property Type: Commercial

Address: 170 NE. 29 St.

City/State/Zip: Miami, FL 33137

County: Miami-Dade

Market Orientation: Urban



Lat./Long.: 25.803766/-80.191788 IRR Event ID (781505)

Sale Information

Sale Price: \$5,800,000

Eff. R.E. Sale Price: \$5,800,000

Sale Date: 10/08/2013

Sale Status: Closed

Eff. Price/Unit: \$19,333 /Unit

\$/Acre(Gross): \$7,334,345

\$/Land SF(Gross): \$168.37

\$/Acre(Usable): \$7,334,345

\$/Land SF(Usable): \$168.37

Grantor/Seller: Joaqui Mariano Gonzalez/Shops on the Avenue LLC

Grantee/Buyer: Fifteen Adler EHOFF Midtown LLC

Assets Sold: Real estate only

Property Rights: Fee Simple

% of Interest Conveyed: 100.00

Document Type: Warranty Deed

Recording No.: 28838/0861-0862 & 28868/3017-3019

Verified By: Marcos Bonfante

Verification Date: 6/25/14

Verification Type: Secondary Verification

Legal/Tax/Parcel ID: 01-3125-004-0280, 01-3122-004-0290, 01-3125-004-0310, 01-3125-004-0320, 01-3125-004-0300

Acres(Usable/Gross): 0.79/0.79

Land-SF(Usable/Gross): 34,448/34,448

Usable/Gross Ratio: 1.00

No. of Units (Potential): 300

Shape: Rectangular

Topography: Level

Vegetation: Minimal

Corner Lot: No

Frontage Type: 2 way, 2 lanes each way

Traffic Flow: High

AccessibilityRating: Average

Visibility Rating: Above average

Zoning Code: T6-12-O

Zoning Desc.: T6-12-O

Utilities: Electricity, Water Public, Sewer, Telephone, CableTV

Source of Land Info.: Public Records

Comments

This represents two sale transactions by the same buyer to assemble land for construction of a 300 unit luxury apartment complex. The sales closed within 1 month of each others (09/18/13 & 10/08/13) for a combined price of

Improvement and Site Data

NE 29 Street Assemblage Land



Comments (Cont'd)

\$5,800,000 or \$168 per square foot of land.

This property represents two sales of multi-folio sites. These were combined for assemblage purposes by a developer who plans on building 300 luxury apartment rentals on site. Please refer to the individual sale ID's 780903 and 781059 for more information.

Addendum E
Engagement Letter



Integra Realty Resources Miami Office Southwest Florida Orlando www.rrr.com	Orlando The Douglas Center 2600 Douglas Rd Suite 801 Orlando, FL 32811 (407) 670-0000	West Palm Beach 8440 S.W. 15th Ave Suite 201 West Palm Beach, FL 33411 (561) 964-4111	Fort Lauderdale The Intrepid Building 4775 Intrepid Ave Suite 201 Fort Lauderdale, FL 33304 (954) 543-0888	Fort Myers The Intrepid Building 2445 Central Blvd Suite 601 Fort Myers, FL 33901 (941) 844-0077
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August 8, 2014 (Revised August 15th and 21st, 2014)

Aleem A. Ghany
City Manager
City of North Miami
776 NE 125 Street
North Miami, FL 33161-5654
aghany@northmiamifl.gov

Re: Biscayne Landing Proposed Development Site
Market Value of the Leased Fee Interest in a 50-acre portion under
Lease-Purchase Option
East of Biscayne Blvd. between NE 151 Street and NE 137 Street
City of North Miami, Miami-Dade County, Florida

Dear Mr. Ghany:

Based upon our various meetings in early August, and subject to our scope meeting with Jack Winston from Goodkin Consulting, the following is our proposed revised engagement to perform the scope as outlined based on the scope changes discussed with Jack Winston on August 15, 2014 to eliminate the valuation of the participation portion of the lease.

SCOPE OF WORK

The valuation contemplates a purchase of the leased fee interest held by the City of Miami based on the Lease (and relevant amendments) representing a 100+/- year annuity with a 100-year renewal option, held by lessee.

In addition, the development component contemplates the City having a profit participation in the sale of any condominium units developed on the site. This participation agreement is being finalized between the parties. **However, based on our most recent scoping meeting with Jack Winston, it is our understanding that the profit participation upon sale of the units will remain following the purchase of the leased fee estate.** Therefore, we will provide prominent discussion of this scope element, and will certify to the value of the leased fee subject to continuation of the profit participation component of the lease following closing of title on the purchase option.

Thirdly, the purchase of the leased fee interest will eliminate the future reversion of the land (and future improvements) to the City at the expiration of the lease (200 years hence). While the impact of 200-year discounting will likely render this amount nominal, for consistency of method, this must be considered.



Aleem A. Ghany
August 8, 2014 (Revised August 15th and 21st, 2014)
Page 2

The resulting analysis will represent the market value of the leased fee interest contemplated for purchase.

Defined Scope:

We have stipulated to certain elements within the scope to ensure consistency of analysis and methodology amongst the appraisal professionals as follows:

#1) We will treat the existing lease on a pro-rata basis, and the concluded market value of the 50-acre option parcel will be based on a pro-rata allocation of the current lease by acreage, and without regard to density or use. This is considered a reasonable and stipulated assumption because the developer will continue under their obligations (and costs) to develop the entire site comprehensively.

#2) We will assume that any and all obligations of the developer for operations & monitoring (O&M) on the landfill will continue with respect to on-going costs for landfill O&M on the Residential Parcel. The conversion of the 50-acres from leased to owned will not relieve the developer from any obligations.

#3) We will consider (pro-rata against all land areas) any extraordinary costs associated with remediation of the sewerage treatment plant as proposed based on preliminary costs to be provided by the developer (Oleta).

#4) We will not value the profit participation component of the lease as it is our understanding (and an extraordinary assumption of the appraisal) that this component will survive closing.

TASKS TO BE PERFORMED TO MEET THE SCOPE

IRR will conduct relevant market research of the North Miami submarket, including the relevant micro and macro market conditions affecting the marketability of the site.

End-Unit Pricing and Marketability (Value of Profit Participation)

This Component has been eliminated within the 8/15/2014 scoping proposal.

Leased Fee Land Valuation

IRR will analyze and abstract the current lease and all amendments, and will prepare the relevant financial models, interviews with land buyers, developers, and others to reflect the investment rates (capitalization and/or discount rates) relevant for purchase of the leased fee interest.

Market Research	35-50 hours x	████████	=	████████████████
Senior Market Analyst	15 hours x	████████	=	████████
Principal	10 hours x	████████	=	████████



Aleem A. Ghany
August 8, 2014 (Revised August 15th and 21st, 2014)
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We propose to include a fee simple interest analysis as well to validate the investment metrics and verify that the developer maintains a positive leasehold interest in the land in question. This is a significant component of our fiduciary role since the developer's purchase of the leased fee interest is their sole right. The City of North Miami does not have the option to sell the leased fee interest to a third-party (as we currently understand the agreement) As such, the positive leasehold is considered very secure, but the marketability of the leased fee interest is likewise impaired. These issues may need legal verification during the course of the assignment.

Reversionary Proceeds Analysis

IRR will analyze the full build-out and highest and best use under the current lease, and hypothecate a current market value, and provide analytics and sensitivity analysis of the Net Present Value of a future reversion at the end of the lease term, including options to extend, inclusive of discount rate analysis. The reversionary proceeds will be valued separately, but are a part of the leased fee value under the existing lease.

Senior Market Analyst 25 hours x [REDACTED]
Principal 5 hours x [REDACTED]

Meetings/Consultation/Appearances

IRR professionals will be available to meet with the developer(s), the City, and other parties, inclusive of (2) ½ day meetings; and one presentation to City Council.

While meeting time is not fully quantified, the City has requested a 'Do Not Exceed' budget, so we have budgeted principal time at 10 hours x [REDACTED]

Report Delivery

The report will be a narrative report analyzing the data collected from the comparable projects and sales, as well as the land sales within the market.

FEES AND TIMING

Based upon the foregoing Scope as outlined, our proposed budget for the previously described scope of work is [REDACTED]. We will provide the services at a 25% discount to the City of North Miami reflective of our service rates for government clients, and therefore provide a Not to Exceed budget of [REDACTED].

Analysis and Report: [REDACTED]
Appearances/Meetings: [REDACTED]
TOTAL [REDACTED]

At the request of the client, we estimate a delivery of the analysis and report within 30 days of receipt of the signed engagement letter.

We provide our hourly rates in the event the scope of assignment requires changes, or in the event of post-analysis consultations, or cancellation and pro-rate of work in process. We will keep contemporaneous time records throughout the assignment to insure our progress is consistent with the deliverable intent. However, unless we notify the client in writing of a change in scope, the above budget is "all-inclusive" of costs and time projected to complete the project and will be billed following the delivery of the report in each phase.



Aleem A Ghany
August 8, 2014 (Revised August 15th and 21st, 2014)
Page 4

CONDITIONS FOR THE ENGAGEMENT

Integra-Miami/Palm Beach will submit detailed invoice(s) which are due and payable 30 days after receipt. Invoices delinquent thirty (30) days or more will bear interest at the rate of one and one-half percent (1.5%) per month. In the unlikely event that an action must be commenced to collect delinquent fees and/or costs, the prevailing party shall be entitled to an award of reasonable attorney's fees and costs.

Any dispute between us regarding the construction or application of this agreement letter and the related services shall, on the written request of either of us, be submitted to arbitration, and this arbitration shall comply with and be governed by the provisions of the American Arbitration Association and shall take place in Miami-Dade County, Florida. The prevailing party shall be entitled to reasonable attorney fees and costs incurred in connection with any such dispute.

We shall not be responsible for any incidental or consequential losses or other damages unless they are directly caused by our gross negligence or intentional misconduct. The maximum liability in such action shall not exceed the total fees paid.

Any delays in the receipt of requested information or in gaining access to the property may extend the delivery date of the reports.

RETAINER REQUEST AND BILLING PROCESS

In light of demand and delivery timeframes, and the client as a government entity, we are waiving the retainer requirement. We will invoice the assignment monthly as work progresses. We will commence the assignment upon signed engagement.

ACCEPTANCE

If the above terms and conditions are acceptable, please have the appropriate party sign below, date and return one (1) copy of this engagement letter to us.

Yours truly,

Integra Realty Resources – Miami/Palm Beach



By Anthony M. Graziano, MAI, CRE, FRICS
Executive Managing Director
State-Certified General Real Estate Appraiser
FL Certificate No. RZ3510

The above terms and conditions are accepted by:

Aleem A. Ghany, City Manager
Print Name and Title

[Handwritten Signature]
Authorized Signature

Date: 8/22/14



Aleem A. Ghany
 August 8, 2014 (Revised August 15th and 21st, 2014)
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STANDARD FEE SCHEDULE

Integra Realty Resources (IRR) – Miami/Palm Beach/Orlando/Naples/Sarasota fees for professional services rendered are based upon the actual number of hours expended by members of **IRR's** professional and support staff. Our standard hourly and per diem rates are as follows effective January 2014:

PROFESSIONAL STAFF	Hourly Rate	Per Diem*
Stephen J. Matonis, MAI Executive Director – IRR Orlando	██████	██████ Full Day ██████ Half Day
Scott M. Powell, MAI, FRICS Managing Director – IRR Miami/Palm Beach	██████	██████ Full Day ██████ Half Day
Anthony M. Graziano, MAI, CRE, FRICS Managing Director – IRR Miami/Palm Beach	██████	██████ Full Day ██████ Half Day
Harry Newstreet, MAI Director – IRR Broward	██████	██████ Full Day ██████ Half Day
Ryan T. Homan, MAI Associate Director – IRR Miami	██████	██████ Full Day ██████ Half Day
Senior Analysts and Senior Appraisers	██████████	██████████ Full Day ██████████ Half Day
Market Research Associates and/or Appraisers as supervised by a Senior Analyst or Supervising Appraiser	██████████	██████████ Full Day ██████████ Half Day
Research Associates as supervised by a Senior Analyst or Senior Appraiser	██████████	██████████ Full Day ██████████ Half Day
*Represents a 10% discount off standard hourly rate for an 8 hr. billing day if engaged on a per diem basis for two or more consecutive work days. Per diem based on an 8 hr. day; if greater, hourly rate would apply. Depositions and testimony will be billed in 1/2 day and full day increments only unless work exceeds 8 hours in a single day.		
Reasonable pre-approved out-of-pocket expenses such as long distance telephone/fax calls, computer processing, photographic reproduction, typing, graphics, travel, maintenance, and report reproduction are not included and will be billed separately at cost. Budgets can be prepared to reflect a "Not to Exceed" fee inclusive of out-of-pocket expenses on those assignments that a client requires a flat fee for their budgetary purposes.		



**LEWIS APPRAISALS AND
CONSULTING, INC.**

APPRAISAL REPORT

PREPARED FOR

Aleem A. Ghany
City Manager
City of North Miami
776 NE 125 Street
North Miami, Florida 33161

APPRAISAL OF

Leased Fee Interest of 50.6 Acres
of Biscayne Landing
East of Biscayne Boulevard Between
NE 137th and NE 151st Street
North Miami, Florida

DATE OF VALUATION:

September 2, 2014

DATE OF REPORT:

October 9, 2014

Prepared by

Lewis Appraisals and Consulting, Inc.
Robert A. Lewis PhD, MAI
3620 Farragut Street
Hollywood, Florida 33020

Lewis Appraisals and Consulting, Inc.

Robert A. Lewis PhD, MAI
Certified General Appraiser No. RZ 295

3620 Farragut Street
Hollywood, Florida 33020
Phone 954-966-2567
954-290-2345

October 9, 2014

Mr. Aleem A. Ghany
City Manager
City of North Miami
776 NE 125 Street
North Miami, Florida 33161-5654

Re: Leased Fee Interest of 50.6 Acres of Biscayne Landing, North Miami, Florida

Dear Mr. Ghany,

This is an Appraisal Report which is intended to comply with the reporting requirement set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice for a Appraisal Report. We have calculating the discounted value of the proportionate annual lease payments and the reversion for the first 99 years and the additional 99 years based on escalations referred to in the lease dated May 17, 2012. The lease is triple net meaning that the leaseholder pays all the expenses involved in leasing the land. The only intended user of this appraisal report will be to assist our client the City of North Miami in a management decision. The appraiser is not responsible for unauthorized use of this report. For the purposes of this report, the inspection and valuation date is September 2, 2014.

The research and analysis compiled should provide appropriate information for the decision making process. Certain assumptions and limiting conditions have been made and are an integral part of the conclusions reached.

The subject property consists of a 50.6 acre site as part of Biscayne Landings. The site is zoned PDD, Planned Development District which allows for a wide variety of commercial and residential uses. We were not provided with a survey or legal description of the 50.6 acre parcel to be purchased by Oleta Partners LLC and its related affiliates. However, we were provided with a Development Plan dated March 2013 which designated 72.79 acres for multi-family residential with a total of 4,390 residential units. We were instructed that the 50.6 acres is part of the 72.79 acres in the plan.

In the existing lease there is an initial annual payment of \$1.5 million with escalation every ten years. The leased fee interest of the 50.6 acres was to be based upon a proportional share of developable acres of Biscayne Landing. We were instructed to base the proportional share on a total of 151.60 developable acres which resulted in 33.4% of the annual payments (50.6 acres / 151.60 acres). The estimated values based upon 151.60 developable acres appear below. We were also asked to prepare an estimate of value based upon a total of 112.12 developable acres. This resulted in a proportional share of 45.1% (50.6 acres/ 112.12 acres). The estimated values based upon the 112.12 developable acres is explained in the Reconciliation at the end of this report.

Page 2
Mr. Aleem A. Ghany
City Manager

As of September 2, 2014, we estimate the values of the Leased Fee Interest based upon 151.60 developable acres and a 33.4% share of the annual payments to be:

In 99 years:	\$12,500,000
In 198 years:	\$9,600,000
Current Market Value of Land:	\$59,500,000

Sincerely,



Robert A. Lewis, MAI, PhD
Certified General Appraiser No. RZ295



Darryl Peck
Certified General Appraiser No. RZ 3071

CERTIFICATION AND LIMITING CONDITIONS

I hereby certify that the statements contained in this appraisal are correct to the best of the appraiser's knowledge and belief, and that:

1. We have no present or prospective future interest in the real estate that is the subject of this appraisal report.
2. We have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
3. The statements of fact contained in this appraisal report, upon which the analysis, opinions and conclusions expressed herein are based, are true and correct.
4. This appraisal report sets forth all the assumptions and limiting conditions (imposed by the terms of our assignment or by the undersigned) affecting the analysis, opinions and conclusions contained in this report.
5. The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Florida for State Certified Appraisers.
6. This appraisal conforms to the Uniform Standards of Professional Appraisal Practice ("USPAP") adopted by the Appraisal Standards Board of the Appraisal Foundation.
7. Compensation for this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
8. This appraisal assignment was not based on a request minimum valuation, a specific valuation, or the approval of a loan.
9. No one other than the undersigned prepared the analysis, conclusions and opinions that are set forth in this appraisal report, except as herein acknowledged.
10. The use of this report is subject to the requirements of the States of Florida relating to the review by its Real Estate Appraisal Board.
11. Robert A. Lewis and Darryl Peck have completed the requirements of the continuing education requirements of the State of Florida. Robert A. Lewis, MAI has completed the continuing education requirements of the Appraisal Institute. The appraiser(s) performing this real estate appraisal have completed numerous appraisal reports of vacant commercial and residential land in South Florida and are competent in performing such assignments.

12. The undersigned has conducted the property inspection, as indicated below on various dates, with the final inspection on September 2, 2014. The appraisers previously valued the entire 183.85 acre parcel as of June 5, 2011 for the City of North Miami.



Robert A. Lewis, MAI, PhD.
Certified General Appraiser No. RZ295



Darryl Peck
Certified General Appraiser No. RZ 3071

ASSUMPTIONS AND LIMITING CONDITIONS

GENERAL ASSUMPTIONS:

1. No legal description was provided.
2. The appraisers have made no survey of the property and no responsibility is assumed concerning such matters. We have reviewed the legal description on record, and compared it to current Plat Maps.
3. No responsibility is assumed for matters of legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed good and merchantable.
4. Information furnished by others is assumed true, correct, and reliable. A reasonable effort has been made to verify such information; however, the appraisers assume no responsibility for its accuracy.
5. All mortgages, liens, encumbrances, leases, and servitudes (including easements) have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden, latent, or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report. Unless otherwise noted herein, it is assumed that there are no encroachments, zoning restrictions, or violations existing in the Subject property.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a specific nonconformity has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, consents or other legislative or administrative authority from any local state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the report.

GENERAL LIMITING CONDITIONS

1. The appraisers will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefore. The liability of Lewis Appraisals and Consulting Inc., and its employees is limited to the fee collected for preparation of the report.
2. Neither all nor any part of the contents of this report, or a copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraisers. Nor shall the appraisers, firm or professional organizations of which the appraiser is a member be identified without Written consent of the appraisers.
3. This appraisal report has been prepared for the exclusive benefit of the named clients and is subject to the assumptions, and limitations agreed upon by the clients and the appraisers. If this report becomes the property of any party, other than the addressee or the person who has paid the fee connected herewith, permission must be obtained from the original addressee for reproduction or additional copies. Additional fees will be charged for any further consultation, reappraisal, or review of the property.
4. No responsibility is assumed for matters pertaining to determination of flood hazard zone requirements or issuance of insurance thereof.
5. Information regarding the location or existence of public utilities has been obtained through a verbal inquiry to the appropriate utility, or has been ascertained from visual evidence. No warranty has been made regarding the exact location or capabilities of public utility systems.
6. Opinions of value contained herein are estimates and there are no guarantees, either written or implied, that the property would sell for the expressed estimates of value.
7. The property history has been provided by conversations with various individuals involved in the chain of title, and if available, various documents such as contracts, deeds, leases and closing statements. We have not performed a title search, nor do we warrant that the history, as presented herein, is completely accurate. Anyone contemplating an interest in the subject property should rely solely upon a title search and opinion prepared by a qualified attorney at law.
8. Information regarding the location or existence of public utilities has been obtained through a verbal inquiry to the appropriate utility, or has been ascertained from visual evidence. No warranty has been made regarding the exact location or capabilities of public utility systems.

GENERAL LIMITING CONDITIONS: Continued

9. Opinions of value contained herein are estimates and there are no guarantees, either written or implied, that the property would sell for the expressed estimates of value.

10. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property. We received reports that indicating that the site is being treated for ammonia gas as explained in the report. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. The client is urged to retain an expert in this field, if desired. Furthermore, the appraisers hereby reserve the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigations.

11. Unless specifically stated to the contrary in this report, no independent evaluation of concurrence matters were made for the subject or any sales comparables. In the event concurrence is found to affect subject property or any of the sales comparables, we reserve the right to reconsider the value conclusion.

12. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirement so the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, he did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.

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

14. ACCEPTANCE OF AND/OR USE OF THIS APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE FOREGOING GENERAL ASSUMPTIONS AND LIMITING CONDITIONS. APPRAISAL LIABILITY EXTENDS ONLY TO THE STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS, AND IS LIMITED TO THE AMOUNT OF THE FEE RECEIVED BY THE APPRAISERS FOR THE PREPARATION OF THIS REPORT.

ASSUMPTIONS AND LIMITING CONDITIONS**SPECIFIC LIMITING CONDITIONS:**

This appraisal estimates the “As Is” or “CURRENT” Market Value for the property, as vacant land and the reversionary value of the land in 99 and 198 years. To estimate the reversionary value of the land, we have to estimate an inflation rate for those two periods of time based on long term United States historical inflation rates provided by the United State Commerce Department statistical tables. We also have to discount the value of the land back to present value for those two time periods with a discount rate. It is difficult to estimate a discount rates and inflation rates for long periods of time. Our estimates are based upon research and analysis of currently active market participants regarding market trends, as of the effective appraisal date. In addition, economic trends, such as population growth, employment growth and future competition have been researched and analyzed. The projected discount rate and inflation rate of the land reflect the current expectations and perceptions of market participants along with available factual data. We cannot be held responsible for unforeseeable events that alter market conditions subsequent to the effective date of the appraisal.

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Owner(s):	City of North Miami Finance Department
Location:	East of Biscayne Boulevard, between NE 137 th and 151 st Streets, North Miami, Florida
Type of Use:	Vacant Mixed Use Land
Zoning:	PDD, Planned Development District, City of North Miami
Land Use:	Vacant land
Land Size:	±50.6 acres or 2,204,136 square feet
Folio Number:	Portion of 06-2221-034-0010
Assessed Value (2014):	Not assessed
Real Estate Taxes: (2014):	Not assessed
Flood Zone:	Zone "AE " FEMA Map 120656-12086C143L Date September 11, 2009
Census Tract:	1.090-1
Highest and Best Use:	Mixture of commercial and residential development
Date of Valuation:	September 2, 2014
Date of Report:	October 9, 2014
Property Rights Appraised:	Leased Fee Interest
Marketing Time:	More than one year
Exposure Time:	More than one year

OPINIONS OF VALUE

Current Estimated Market Value:	\$59,500,000	
Leased Fee Interest:	<u>45.1% share</u>	<u>33.4% share</u>
For the 99 Year Term:	\$15,500,000	\$12,500,000
For the 198 Year Term:	\$12,900,000	\$9,600,000

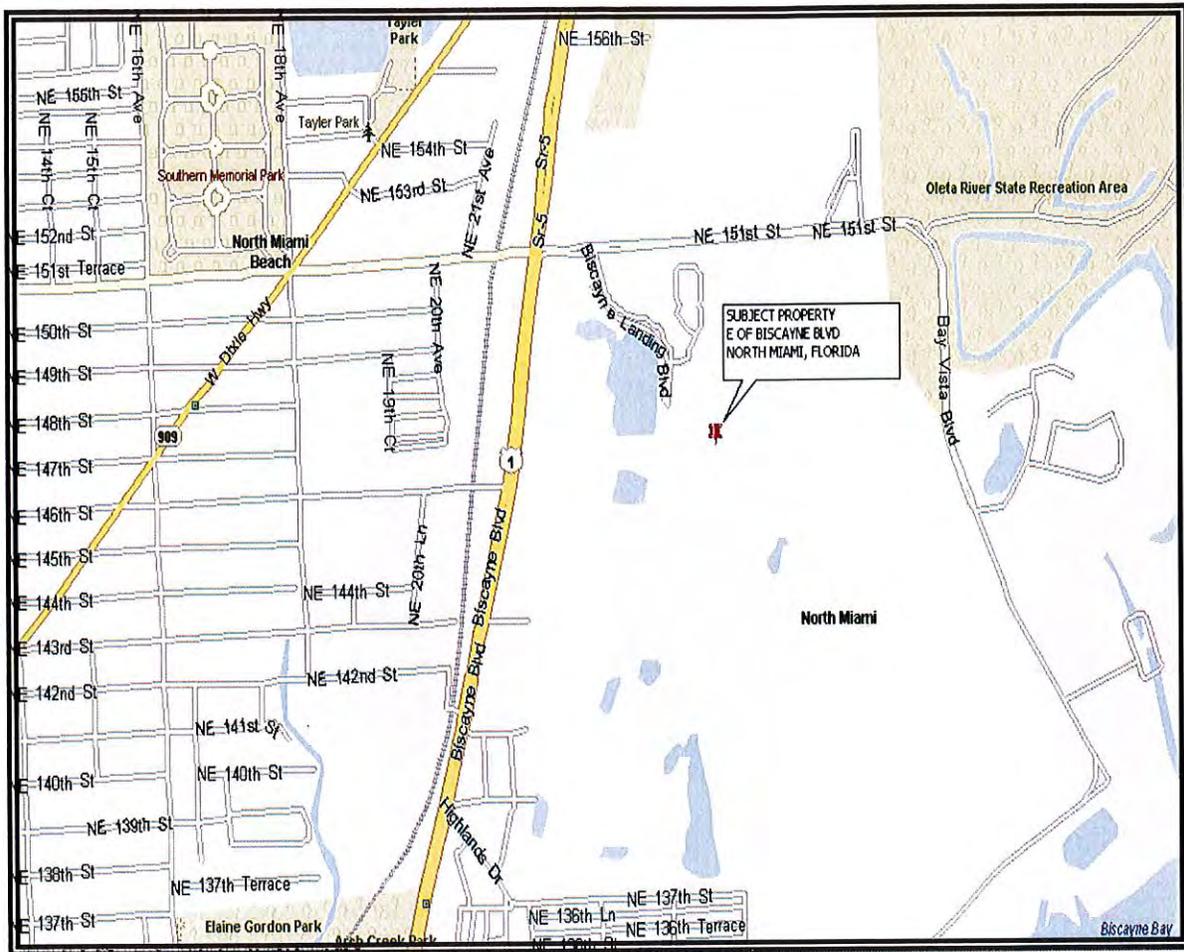
REGIONAL MAP



MARKET AREA MAP



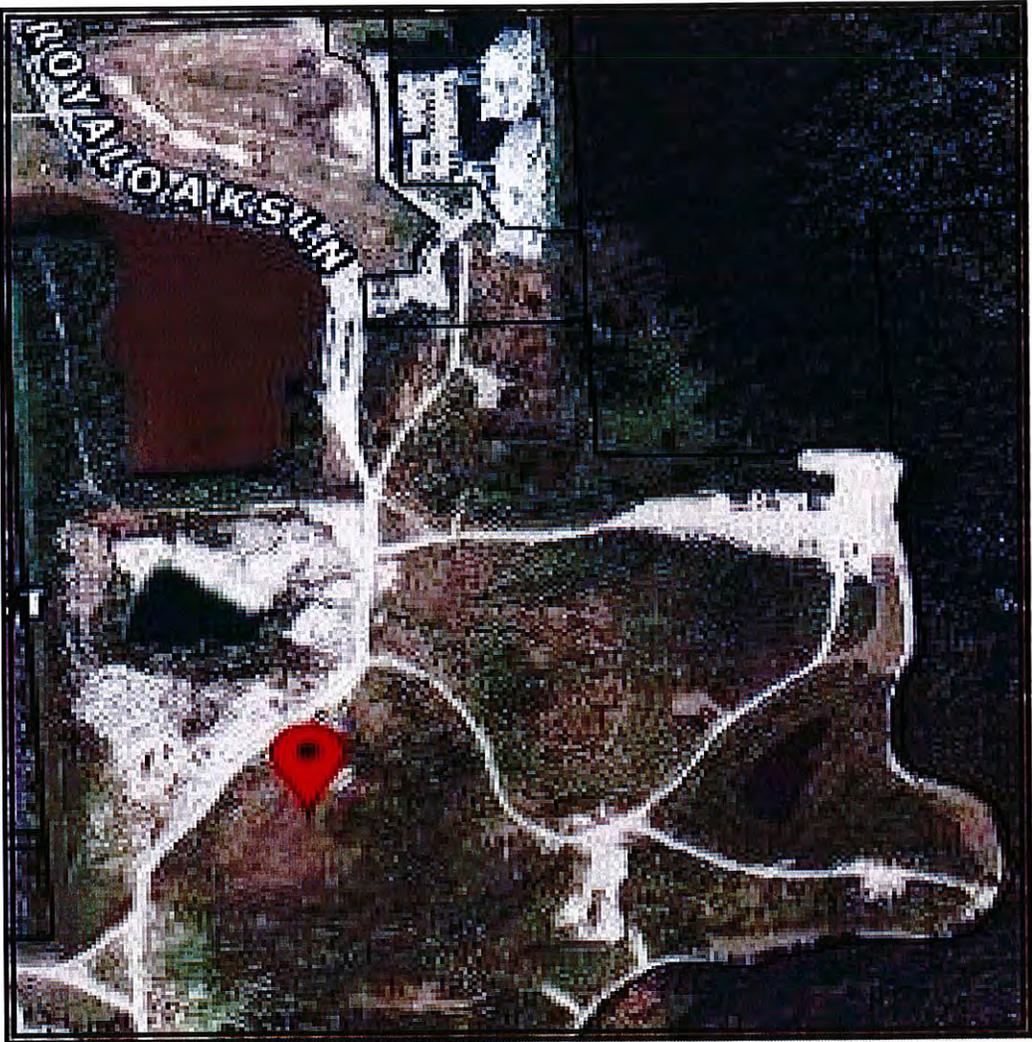
LOCAL STREET MAP



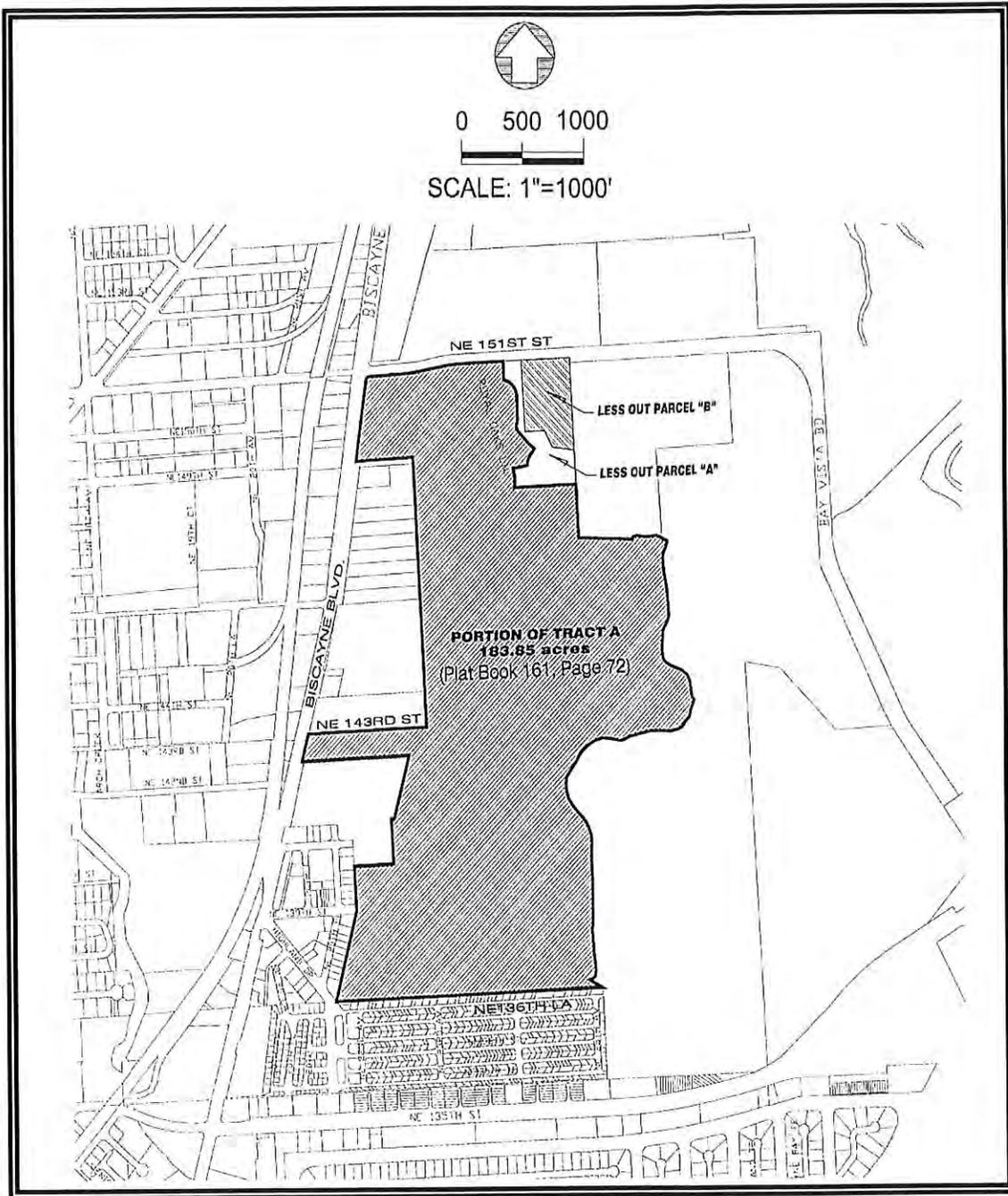
AERIAL MAP



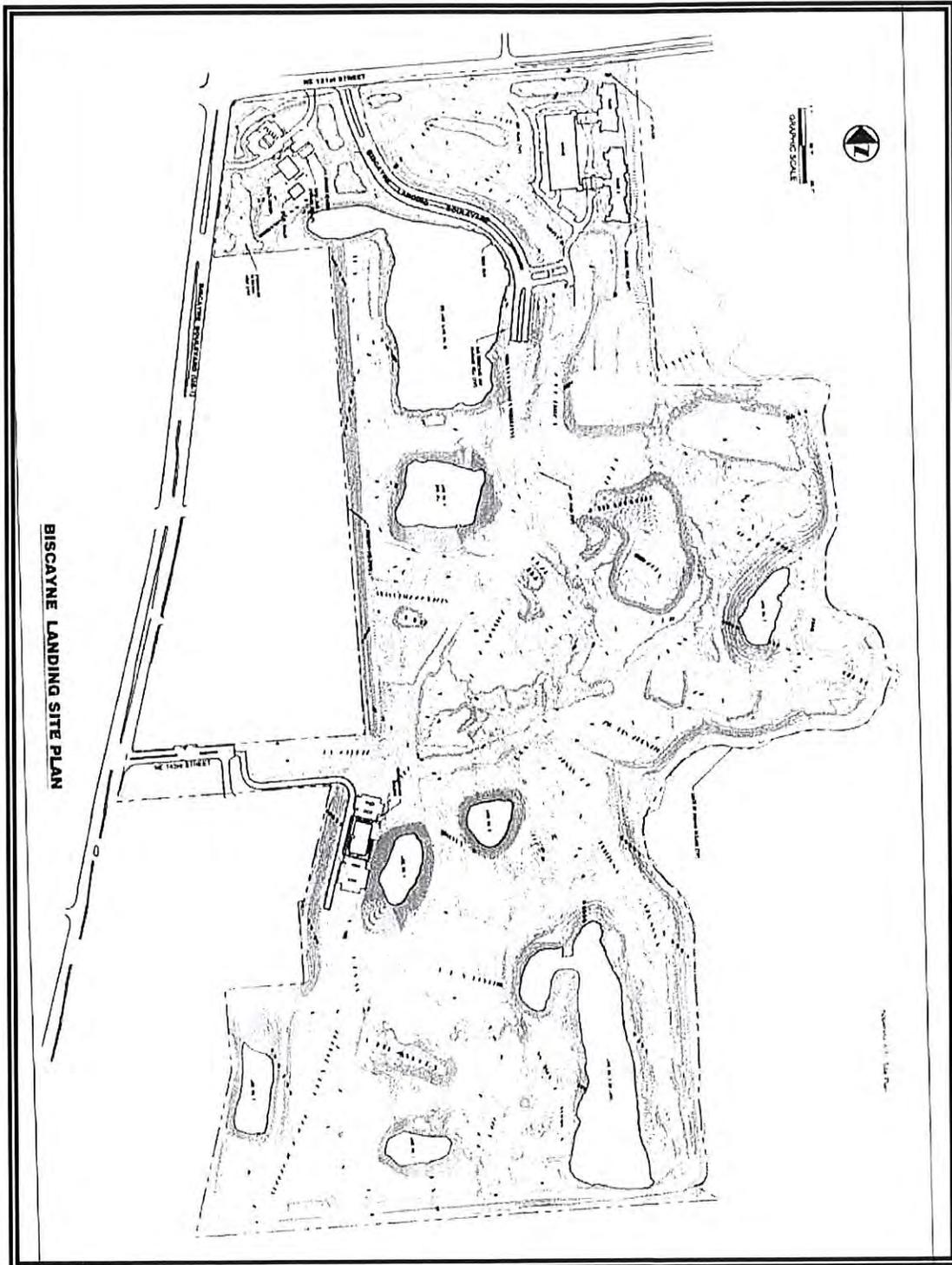
**AERIAL MAP (MDCPA)
PORTION OF BISCAYNE LANDING
APPROXIMATING SUBJECT PROPERTY LOCATION**



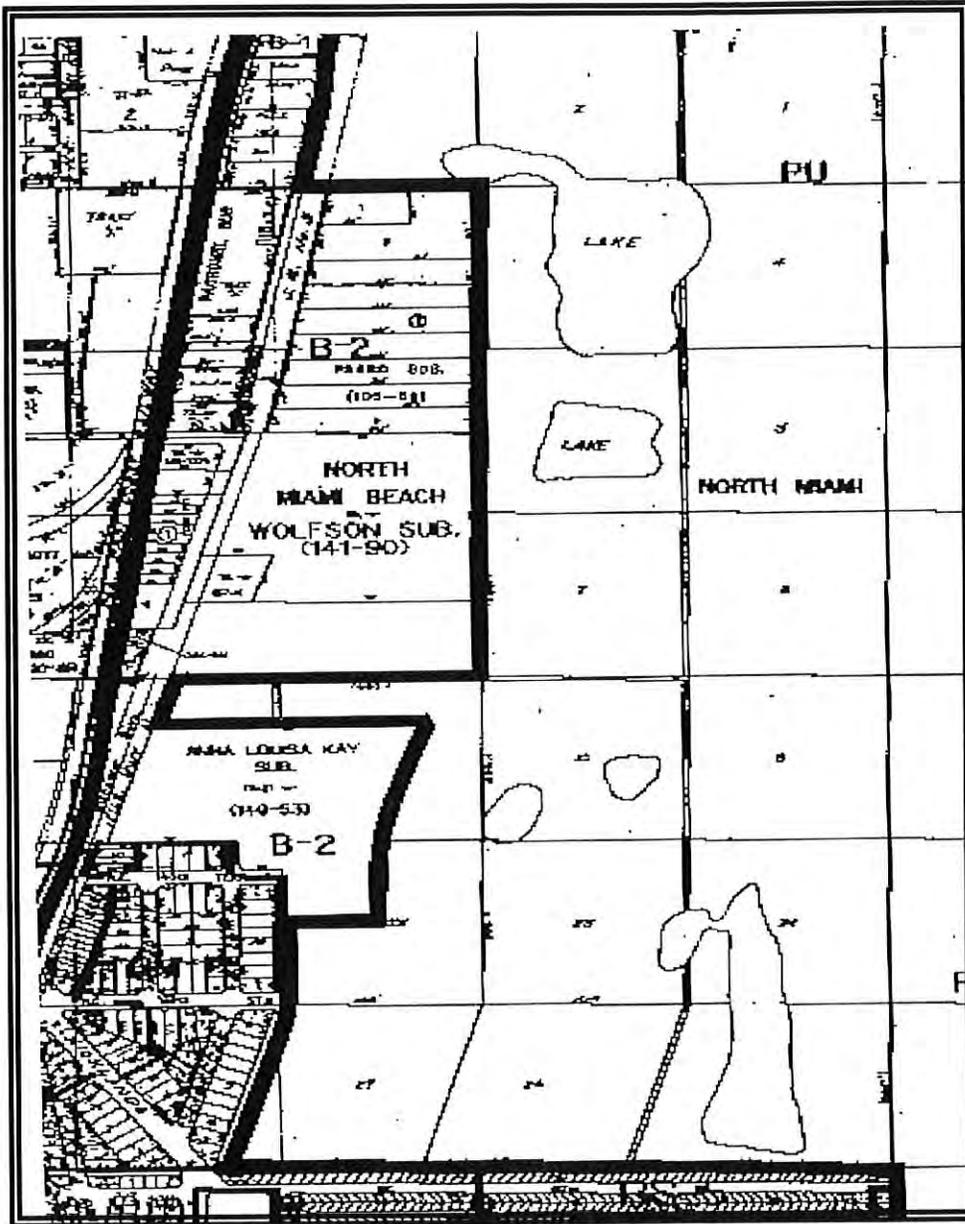
SURVEY



SITE PLAN



PLAT MAP



PHOTOS OF SUBJECT PROPERTY



Looking West Across Subject Site at Big Box Stores



Roadway on Site Looking Northwest, Rock Fill on Right

PHOTOS OF SUBJECT PROPERTY



Looking Northeast Across Subject Site, Landfill in Distance



Looking West at the Future Entrance to the Site, NE 143rd Street

PHOTOS OF STREET SCENE



Royal Oaks Lane Looking North, Another Entrance to Site



Looking South on Royal Oaks Lane at Entrance to Site

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the Market Value of the Leased Fee Interest in the subject property as of September 2, 2014, the date of inspection.

"**MARKET VALUE**" is defined as follows:

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 consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby,

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised and each acting in what he considers his own best interest;
- 3) A reasonable time is allowed for exposure in the open market;
- 4) Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto;
- 5) 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.

"As Is - MARKET VALUE" is defined as the value of the property as it physically, legally and economically existed on the date the property was last inspected.

INTEREST BEING APPRAISED

The property right being appraised in this report is the leased fee interest described as follows:

Lewis Appraisals and Consulting, Inc

Leased Fee Interest: is the ownership interest held by the Landlord with the right of use and occupancy conveyed by Lease to others; the rights of Lessor (the Leased Fee Owner) and leased fee are specified by the contract terms contained within the Lease(s).

DATE OF APPRAISAL

The opinions and conclusions of this appraisal are stated as of the date of inspection which was September 2, 2014.

INTENDED USE AND USERS OF APPRAISAL REPORT

The only intended user of the report is the City of North Miami and the intended use is to obtain a current market value for management decision making.

REASONABLE EXPOSURE TIME

Reasonable exposure time is the estimated length of time the property being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal, assuming adequate, sufficient and reasonable effort.

- (1) The property would be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar type properties;
- (2) The property would be offered at a price reflecting the most probable markup over market value used by sellers of similar type properties;
- (3) A sale will be consummated under the terms and conditions of the definition of market value as set forth above.
- (4) We estimate an exposure time of 12 months or more based on the average listing period of actively marketed land sales in the area, discussions with brokers and property owners active in the area and sales verification.

SCOPE OF WORK

Our client is the City of North Miami. In performing this assignment and preparing this report, the

Lewis Appraisals and Consulting, Inc

Appraiser(s):

- Inspected and photographed the subject on September 2, 2014 in order to gather information about the physical characteristics of the property that are relevant to the valuation problem.
- Information pertaining to the size of the site was based on supplied documents which included a legal description, as well as field measurements made by the Appraisers.
- We relied on the legal description for information regarding easements, restrictions, and other restrictions. We did not research the presence of such items independently.
- We inspected and photographed surrounding areas, examined land use, economic and demographic indicators in order to determine an appropriate market area in which the subject competes.
- We researched demographic data and land regulations data with local and federal agencies such as North Miami and Miami-Dade County as well as various Internet sites.
- We were not asked to develop a Highest & Best Use analysis of the site.
- The Cost Approach and Income Approaches to Value were not utilized in this report as the subject property was vacant land.
- The Sales Comparison Approach to value was utilized in our analyses of the Subject Property. This entailed researching multi-family land sales inside and outside the Market Area that have sold during the past three years in order to estimate a probable selling price for the Subject on a price per acre and price square foot basis. We found sales throughout South Florida: Miami-Dade, Broward and Palm Beach Counties.
- A discounted cash flow was used to estimate the value of the leased fee interest.

LEGAL DESCRIPTIONS

No legal description or survey of the subject property was provided to the appraisers.

Lewis Appraisals and Consulting, Inc

SALES HISTORY OF THE PROPERTY

A search of the Miami-Dade County Public Records indicated that there have been no sales transactions of the subject property during the past five years. The entire Biscayne Landings site has been leased beginning May 17, 2012. The developers want to purchase 50.6 acres of the 183.8 acre parcel.

PROPERTY OWNERSHIP

According to the Public Records of Miami-Dade County the present owner of Record is:

City of North Miami Finance Department
776 NE 125 Street
North Miami, Florida 33161

LOCATION

The subject property is located in Northeast Miami-Dade County within the city limits of the City of North Miami. The property lies to the east of Biscayne Boulevard and to the west of the Buena Vista Campus of Florida International University, and between NE 151st Street to the north and NE 137th Street to the south. The subject property is 50.6 acres of the 72.79 acres designated for multi-family residential in March 2013 Development Plan of Biscayne Landings shown later in this report.

MIAMI-DADE COUNTY ANALYSIS

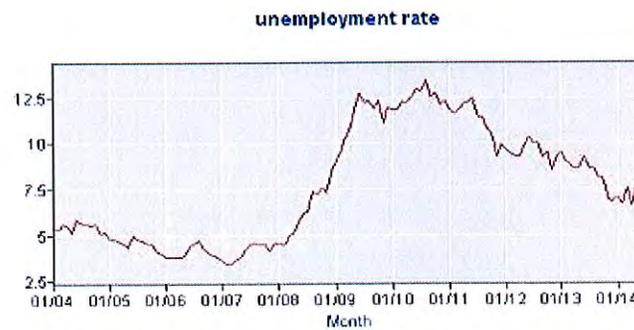
The national economy has improved dramatically since the end of the recession. However, half the population has not felt any improvement, as it appears only the well off have benefitted being able to take advantage of stock market or real estate increases in value. The most recent reports of job growth at the national level is over 200,000 jobs created per month but most of those jobs are low

paying part time, service or retail, not the high paying jobs of manufacturing or technical types of employment. Although this rate is improving, the number is still not great enough to bring into the workforce the millions of people who have dropped off the unemployment rolls or who have given up looking for work. For the most part workers wages have remained stagnant as there are still many people still under or unemployed. In some types of jobs, employers have not been able to fill vacant jobs because of the lack of skilled personnel. Increased retraining of workers will help to reduce this unfortunate mismatch between out of work people and employers not able to find people with the needed skills. Nevertheless, Miami-Dade has recovered 100% of the jobs lost in the recession. Many of those lost jobs will never come back as they have been either lost to improved productivity, replaced by improved technology or outsourced to another part of the world. However, despite all these issues, the unemployment rate has dropped dramatically in Miami-Dade County and the rate at 7.3% is now slightly above the national average. Miami-Dade is expected to gain 35,000 jobs in 2014. Many of the formerly unemployed have moved or travel to Broward County where the unemployment rate is well below the national average.

Economy

Between the peak and the trough, the Miami metropolitan area lost 5.0 percent of its employment. See graphs below. Employment declined from the peak of 1,150,077 jobs in January, 2008 to a low of 1,093,134 in December, 2009, a loss of 56,943 jobs. The corresponding unemployment rate increased from 4.9% to 11.5%. See the graphs on the following page that show these trends. The latest figures (January 2014) show that the local economy gained back almost 200,000 jobs. The unemployment rate is not hovering around 7.5%. The amount of in migration has slowed dramatically as migrants are having a more difficult time finding work. However in the construction trade, skilled workers have been more difficult to find as many of the workers returned back to their home countries during the recession and have not returned. The recent growth in employment in Miami-Dade are largely due to traditional sources of employment—retail sales, tourism and international trade. “For the six months ending in August, taxable retail sales in Miami-Dade grew at an annualized rate of approximately 7.5%...” with strong sales in consumer goods, autos, building supplies, business equipment and computers. With respect to tourism, overnight visitors were up 6% in the six months ending in August compared with the same period last year. “Total trade volume continued to grow at double-digit rates in June, up 16% from a year earlier...” (Source: Miami-Dade County, Monthly Economic Indicators, January 2014 Release, http://www.miamidade.gov/oedit/library/11_04_MEI.pdf.) Construction employment has increased nearly 6% with construction of new condominiums, apartment buildings and single family homes.

Miami-Miami Beach-Kendall Metropolitan Area
Bureau of Labor Statistics



Source: Bureau of Labor Statistics,
http://data.bls.gov/timeseries/LAUDV123312400000006?data_tool=XGtable

Population projections

Florida has been one of the fastest growing states in the U.S. The University of Florida reports that “In the decades from 1970 to 2010, Florida saw annual population increases that averaged between 280,000 and 320,000. The projected annual growth is 252,000 for 2010 to 2020 and 255,000 for 2020 to 2030.” In other words, Florida is projected to grow at a rapid rate, but at a rate of about 16% less than in the past. (Source, University of Florida, Bureau of Economic and Business Research.

Traditionally, Miami-Dade County has received a large share of the Florida’s increase in population and we project this to continue. Notice in the table below that the population increased by 160,412 in the five years between 2005 and 2010. Roughly, one-half of the increase was due to natural increase (births minus deaths) and one-half was due to net migration. This indicates that in migration is still a big factor in the growth of Miami-Dade County—between 2010 and 2012 roughly 22,000 migrants arrived in Miami-Dade each year. The cumulative effect of this in migration, largely from the Caribbean, Mexico and Central America, is that approximately 51% of the population is foreign born.

MIAMI-DADE COUNTY POPULATION: 2000 TO 2010

	<u>Five Year Change</u>	Total Population	Net Migration	Natural Increase
2000		2,253,485		
2005	69,205	2,403,472	149,987	80,782
2010	7,392	2,496,435	92,963	85,571
2012	28,151	2,591,035	94,578	66,334

(Source: Miami-Dade County Office of Economic Development and International Trade,” Economic and Demographic Profile” http://www.miamidade.gov/oedit/economic_profile.asp)

Multifamily Residential Market

Apartment Market

According to the Marcus & Millichap 2nd Quarter Miami-Dade County Apartment Research Report, the county apartment market is one of the strongest in the country with vacancy rates dropping two percent below the national average. Job creation in the service sector including retail and healthcare is attracting new residents and is generating new demand for rental housing across the county. This has allowed landlords to increase rental rates as leases expire. At the present time there are 68 new apartment projects being constructed in the three South Florida counties. In Miami Dade County alone, 2,900 new apartments will come online this year and work is proceeding on an additional 3,800 units that will be completed next year. In the next two years 6,200 units will be

completed most at market rates. Many of these new units are in the luxury category in downtown locations. The vacancy rates are about 3.5% countywide. Rents have increased 4.2% in 2014 to an average rental rate of \$1,259 per month. Thus, rental apartments are in short supply. We are told

by one bank that the hottest market for land at present is for multi-family land for rental apartments.

In the North Miami market, the vacancy rate is 3.3% up 0.8% and the average rent is \$910 up 2.9% since last year.

Condominium Market

According to an article in the Miami Herald's Business Monday dated August 25, 2014, *New Milestone: 35,000 Condo Units proposed*, Peter Zalewski, the creator of Condo Vultures and Cranespotter.com writes that in early August 2014, the number of proposed condominiums to be built east of Interstate 95 in Miami-Dade, Broward and Palm Beach Counties surpassed 35,000 units. In comparison, developers created 49,000 condominium units east of Interstate 95 in the region's seven largest cities before the market crashed in 2007. Miami-Dade is home to almost 79% of all condo units proposed for South Florida. Downtown Miami accounts for 18,300 while the barrier islands of Miami-Dade accounts for 4,500 units. The study did not list any new units to be developed in North Miami at the time of this report.

In Broward County developers have proposed 4,450 units with most of them 3,250 units in the Hollywood and Hallandale market area. In Palm Beach County developers have proposed 3,050 units with 2,125 units in West Palm Beach. In all at the present time as of the date of this report, 254 towers are planned containing 5,059 floors and 35,615 total units. All of this proposed new product is competing with many existing units purchased by investors that are currently being rented. In fact there are still new units that were constructed during the first condo boom that have never been sold. There is a shadow market of bank owned condos with current values less than the mortgage amount that banks are continuing to hold until the market improves to a point where the write off is not so great. Not all this new product will come to fruition for many reasons, not enough buyer interest, asking prices too high, poor location, poor design, downturn in the local or global economy, and currency fluctuations.

At the present time 10,100 new units are currently under construction or recently completed in the coastal areas of South Florida. This number of units is approximately 30% of the proposed 36,615 units east of Interstate 95 in South Florida since 2011. Developers are now constructing 70 new towers with nearly 9,300 units and have completed 16 towers with a total of 800 units. In Miami-Dade County alone 54 towers are being constructed with a total of 8,060 units. An additional seven towers with 600 units have already been constructed.

Nearly 100 planned towers with about 13,450 units already have approvals in place and an additional 71 proposed towers with more than 11,600 units are seeking approvals to build. It is unclear whether all this proposed construction will come to fruition.

Based on a Miami Herald article in Business Monday dated September 8, 2014, Mr. Zalewski indicated that there were 1,216 condo still unsold by developers from the first condo boom from 2003 or about 3% of the total new projects from as long as a decade ago. The greatest number of unsold units were on South Beach, 525 of them or 9% of the total constructed during the past decade.

In recent months, condominium resales have declined in the South Florida market and in Miami-Dade alone the sales have dropped 9% to about 6,358 units this year and compared to last year at this time. Miami-Dade has approximately nine months of condo resale supply on the market where

a six month supply is considered a healthy market. More than a six months supply would indicate a buyers market. Broward and Palm Beach resales are down about 4% and 2% respectively. Broward County has more than a six month supply and Palm Beach County has less than a six month supply.

The prime question is whether there will be enough buyers to enter the South Florida market to absorb all of the existing and proposed construction condominiums. Any future recessions or global economic changes could be disastrous to the condominium industry.

One of the largest worldwide real estate brokerages has listed Miami in the top ten of luxury residential markets. Miami's attractions include a stable political system and warm weather. Other things like art, music, fashion, sports, all attract people to this area from around the world. Most of the purchasers of this new condo product are from Europe and Latin America.

What is different about today's condo boom is that buyers are paying the developer as the project meets certain goals and that nearly all the purchase price is paid prior to closing. Very few developments are being financed by lenders as many of them were seriously hurt in the past when buyers walked away from their units if the value was less than the contract purchase price.

Based on a series of construction loans for luxury waterfront projects, it is clear that lenders are beginning to provide financing for new condominium projects in South Florida. Lenders have provided over \$3.3 billion dollars in financing in South Florida and \$3 billion in Miami-Dade County alone for 80 new condo towers containing 11,000 units. Lenders are giving financing only to those projects that have a large number of presales.

There is some speculation that the FEC train tracks will at some point in time add the All Aboard Florida train service and a version of Tri Rail service so that there will be a commuter train along the east side of the three counties between US 1 and Interstate 95. This may spur new development of condominiums along this corridor of which Biscayne Landing development would benefit.

The subject property development of 4,200 units would be constructed in phases over possibly a fifteen year time span and the number units constructed would be determined by market conditions and customer demand. In preliminary talks with the developer, the estimated sales prices for the units would be around \$500,000. However, asking prices for the units would be flexible based on competition, market conditions and demand.

Commercial Properties

All the market segments have improved since the recession. The office market suffered the greatest increase in vacancy from 8% in 2007 to 14.8% at the end of the 3rd Quarter 2014 down from a peak of 18.4% at the end of the recession. The vacancy rates for the industrial and retail markets also increased in 2007 through 2009, but they declined in 2014 to the levels of 5.9% for industrial and 4.2% for retail.

Vacancy Rates, Miami-Dade County

Office	14.8%
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Industrial	5.9%
Retail	4.2%

Source: Marcus & Millichap, Office, Industrial and Retail Miami-Dade County Research Reports, 2nd to 3rd Quarters 2014.

NEIGHBORHOOD DESCRIPTION

According to The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute 2010, a neighborhood is defined as: "A group of complimentary land uses; a congruous grouping of inhabitants, building, or business enterprise".

A neighborhood is best defined as a homogeneous grouping of individuals, building, or business enterprises within, or as part of a larger community. Such groupings may be devoted to residential use, trade and service activities, or cultural and civic activities. Sometimes neighborhood boundaries may be clearly defined, as for instance, where there is a sharp change in type of land use or in the character of inhabitants of buildings. Sometimes a natural barrier such as a hill or a man made barrier such as a wide traffic artery will provide a boundary. The boundaries of a given property's neighborhood encompass not only the improvements adjacent to it but also the background which determines the use and value of the immediate section.

We have inspected the areas surrounding the subject property, examined the land uses, locational attributes and identified external factors that may impact market value to determine appropriate delineation of a market area.

The subject property is located in Northeast Miami-Dade County within the city limits of North Miami.

The North Miami market area in which the subject property is located is delineated by the following boundaries:

North:	Northeast 151 st Street
South:	Northeast 120 th Street
East:	Biscayne Bay
West:	Biscayne Boulevard

Residential neighborhoods in North Miami consist of a wide variety of housing types, single family homes to low income multi-family housing. During the real estate boom years many of the apartment developments were converted to condominiums.

Distance and directions from the neighborhood to major employment centers and transportation facilities is summarized as follows:

Fort Lauderdale Business District	15 Miles North
Port Everglades	15 Miles Northeast
Fort Lauderdale Hollywood Airport	15 Miles Northwest
City of Miami Business District	10 Miles Southeast
Port of Miami	10 Miles Southeast
Miami International Airport	10 Miles South
West Palm Beach Business District	50 Miles Northeast

The major roads in North Miami are Biscayne Boulevard, West Dixie Highway, Northeast 6th Avenue, and NE 16th Avenue, Northeast 151st Street, Northeast 135th and Northeast 125th Street.

A Sampling of North Miami Demographics from Sperling's Best Places to Live

North Miami with a size of 8.46 square miles had a population of 59,362 persons as of July 2014 an increase of 1% since the year 2010 US Census. There were 17,935 households with an average household size of 3.23 persons. The median age was 34.2 years. Thirty six percent of the population is married while 59% is single and of the married 29% are married with children. Thirty five percent of the population were white, 57% black, 1.82% Asian and 5.3% other. Nearly 29% of the population in North Miami were of Hispanic ethnicity and nearly 71% non Hispanic. The average household income was \$37,353, the per capita income was \$17,401. Twenty six percent of the working population were involved in sales and office employment, 25% in service, 14% in professional occupations, 9% in management, business and financial employment. About 14% had jobs in production, transportation and materials handling and another 8% were in construction type employment. The median home cost as of July 2014 was \$127,900 up 16.5% since last year. The average home age was 50 years. The average commute time to work was 31 minutes. The cost of living in North Miami was about 3% lower than the national average mostly due to low housing costs which were 25% lower than the national average. Food costs were 7.6% higher, and utilities were 1% higher than the national average.

The subject site is close to three major big box stores: Pet Smart, Costco and Target. It is also near Publix Supermarkets, and the United State Post Office. The area has two luxury automotive dealers, Lexus and Prestige Auto Sales.

The Buena Vista campus of Florida International University is located just east of the subject site.

The sewage facility is to the north of the subject site. Therefore, during times when the wind blows from the north, primarily during the winter season, there may be an odor from the facility. However, Mr. Swerdlow indicated that he is working with the County to resolve this issue.

ZONING

The subject property is zoned PDD, Planned Development District by the City of North Miami. The purpose of the PD, Planned Development District is to provide a means of:

- 1) providing greater innovation and creativity in the development of land,
- 2) ensuring that the location of mixed use development outside of the Neighborhood Redevelopment Overlay District is appropriate and compatible with adjacent land uses in accordance with the goals, policies and objectives of the Comprehensive Plan; and
- 3) to promote a more desirable community environment through approval as a rezoning and the issuance of a conditional use permit.
- 4) a Planned Development District shall not be approved in a R-1 or R-2 District.

List of permitted uses: active and passive parks and open space, community facilities, hotels, indoor recreation, nightclubs, offices, public uses, residential, restaurants, retail sales and service, and mixed uses which can be any combination of two or more uses.

Minimum Developmental Requirements:

Minimum lot area:	Two acres
Average width and depth:	Not less than 100 feet
Maximum height:	Mixed use low: 55 feet Mixed use medium: 75 feet Mixed use high: 110 feet 25 stories maximum Other uses: refer to comprehensive plan land use category
Density:	Mixed use low: 25 dwelling units per acre Mixed use medium: 40 dwelling units per acre Mixed use high: 45 dwelling units per acre Hotels: not exceeding double the number of permitted dwelling units with at least 10% of the floor area to be office, retail or residential. Other uses: density consistent with comprehensive plan land use category. See zoning code for bonus density requirements An additional 15 dwelling units per acre is possible provided certain mandatory and optional criteria are met.
Open Space:	Not less than 20% of the parcel proposed for development. Minimum acres require for active and passive space is 37 acres. The minimum acres devoted to active recreation programming and facilities is 15 acres.

For a complete information on the City of North Miami zoning code consult City of North Miami internet web site.

REAL ESTATE ASSESSMENT AND TAXES

The following grid provides the Miami-Dade County Property Assessor's assessment for the entire Biscayne Landings parcel with the folio number: 06-2221-034-0010. The 50.6 acre subject property that is being valued has not been subdivided and assessed.

Tax Year	2014
Land Assessment	\$28,998,891
Building Assessment	\$544,268
XF Value	\$65,916
Total Assessment	\$29,609,075
Real Estate Taxes	\$721,730

The real estate taxes currently due amount to \$721,730 if paid by July 31, 2014.

The subject 8,008,506 square feet of land is being assessed at \$3.62 per square foot. The subject 8,031 square feet of improvements are being assessed at \$67.77 per square foot.

As a subdivided property the subject property would begin to have its own folio number and land assessment. When the site is finally developed with condominiums, each unit will have its own folio number, assessment and real estate taxes.

SITE ANALYSIS

The appraisers were not provided with a survey for this property appraisal. The data below is derived from information provided by the City of North Miami Biscayne Landing web site.

Site Area: ±50.6 acres or 2,204,136 square feet

Shape: Irregular

Site Access: Access is from NE 151st Street and Royal Oaks Lane to the north, Biscayne Boulevard and NE 143rd Street at the center of the site.

Frontage: NE 151 Street

Topography: Very irregular, from below to above road grade.

Drainage: Site drainage appears to be adequate.

Flood Zone: Zone "AE" FEMA Map #120656-12086C143L Date September 11, 2009

Site Improvements: None

Easements or Encroachments: Typical utility easements, no encroachments

Utilities and Public Service: Electric: Florida Power and Light Company
Water: City of North Miami
Sewer: Miami-Dade Water and Sewer Authority
Telephone: Various sources

Soil/Subsoil: Approximately 94 acres of the entire Biscayne Landing site has been deep dynamically compacted. See map below.

Soil Conditions: (Environmental) The Biscayne Landing site was a former Class 1 landfill that received municipal solid waste between the 1940's to the 1980's. The site was formerly on the EPA National Priority List (NPL/Superfund) The site was removed from this list in 1999 when the EPA determined that the contamination was no threat to human health. Ammonia was identified as a contaminant of the site. However the developer is implementing a plan to clean up the site.

The site has 83 groundwater monitoring wells and 26 surface water monitoring wells as well as 26 surface

water monitoring locations. These wells are tested on a twice a year basis. There are currently about 100 gas monitoring locations which are to be monitored on a quarterly basis. \$24,414,622 remains for closure and groundwater remediation. \$9,961,359 remains for non groundwater related landfill closure activities.

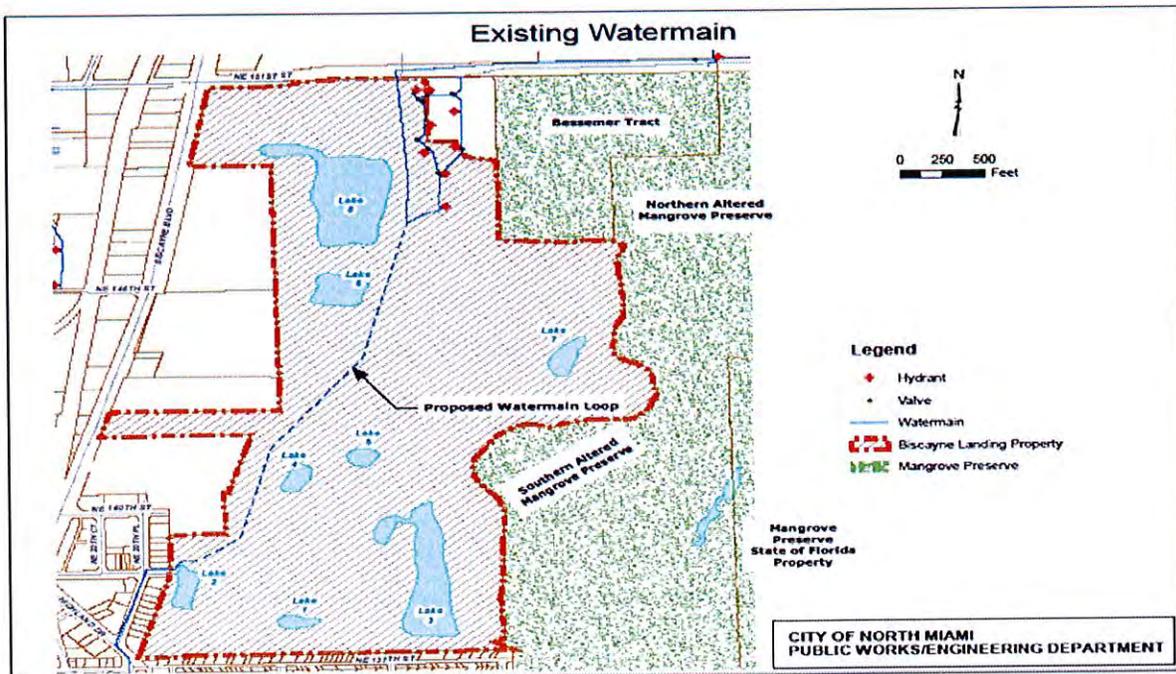
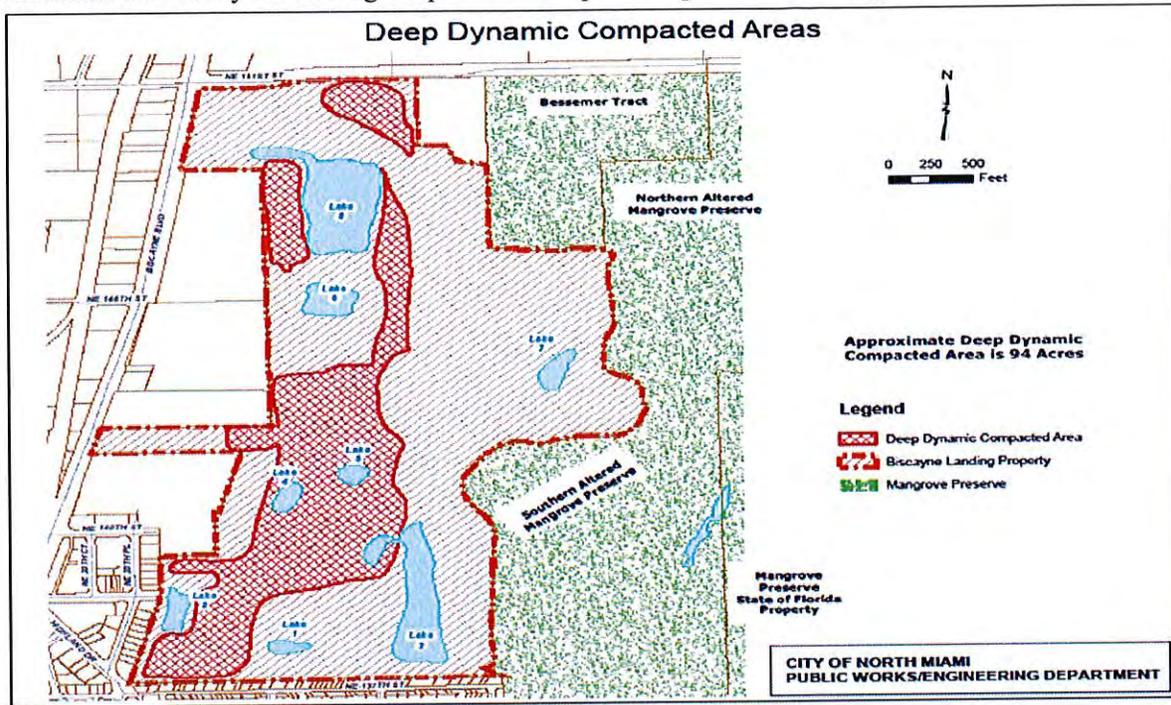
Road Improvements:

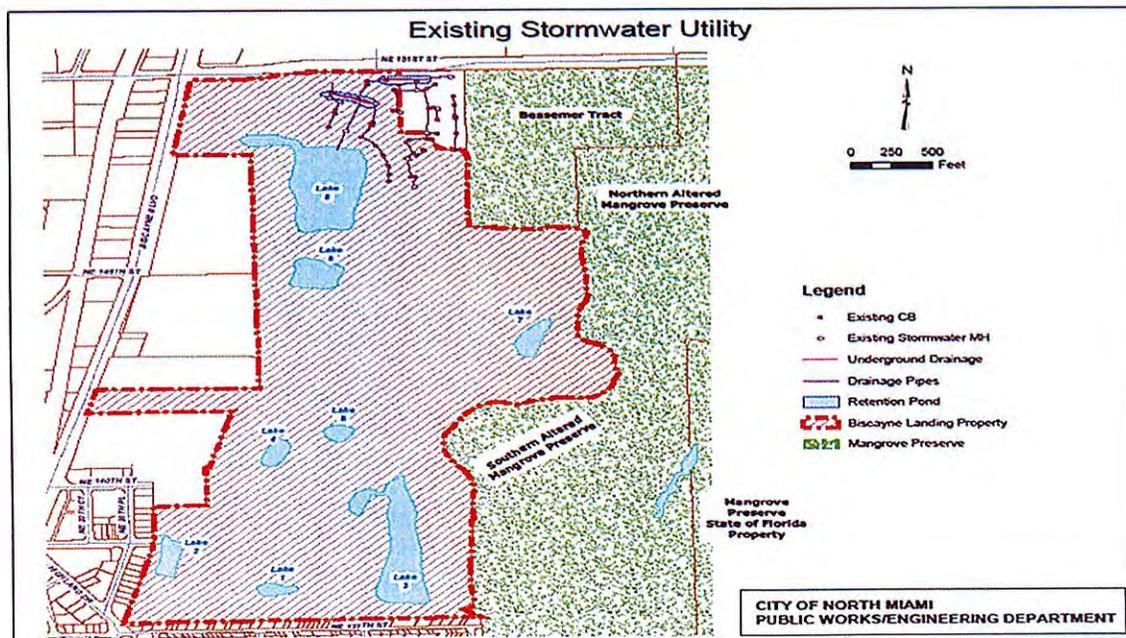
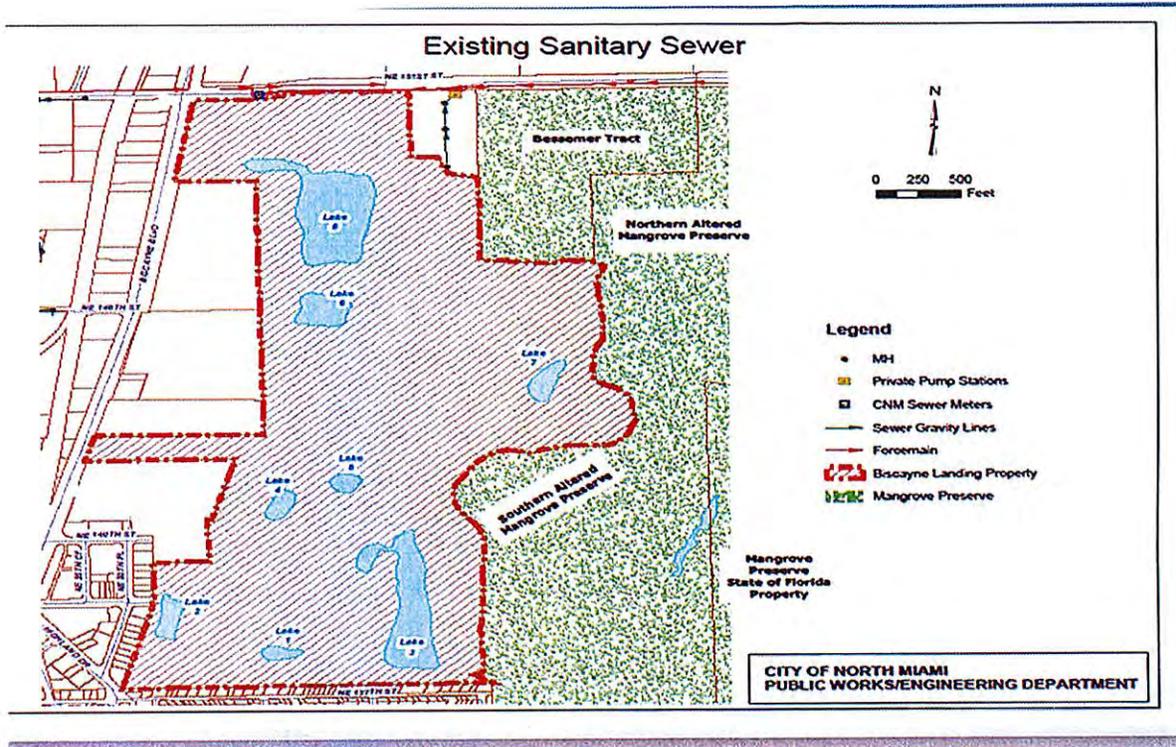
Biscayne Boulevard is an asphalt paved, bidirectional, six lane divided roadway with concrete sidewalks, concrete curbs, and street lights. NE 151st Street is an asphalt paved, bidirectional, two lane undivided roadway.

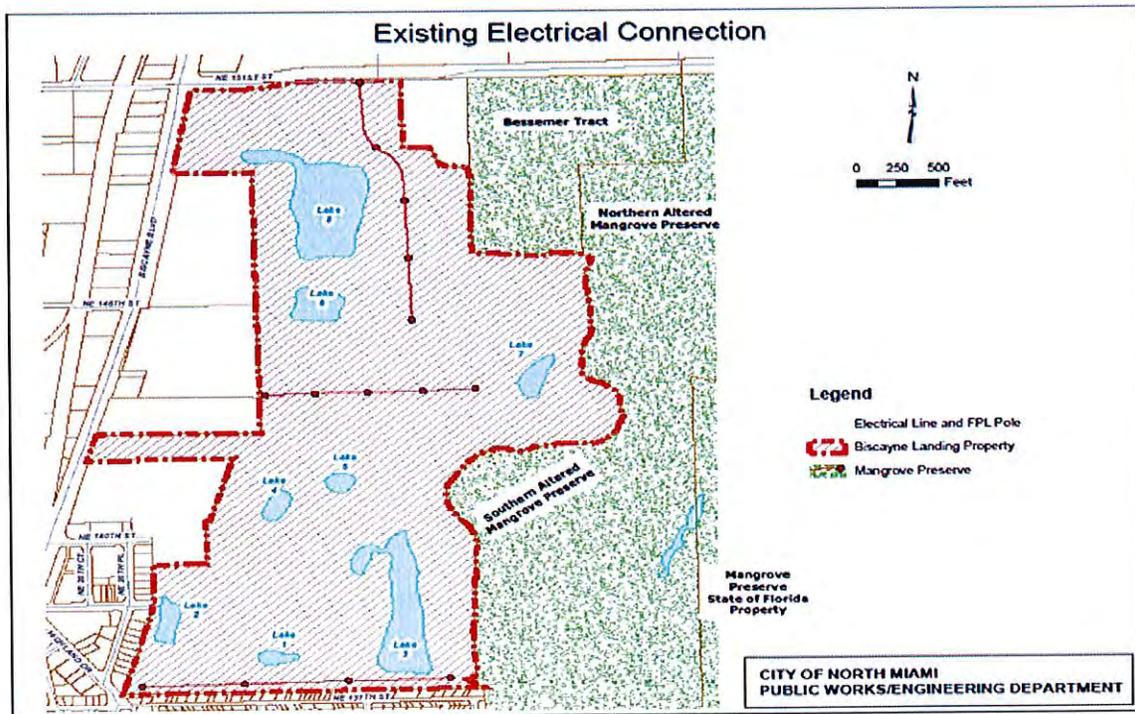
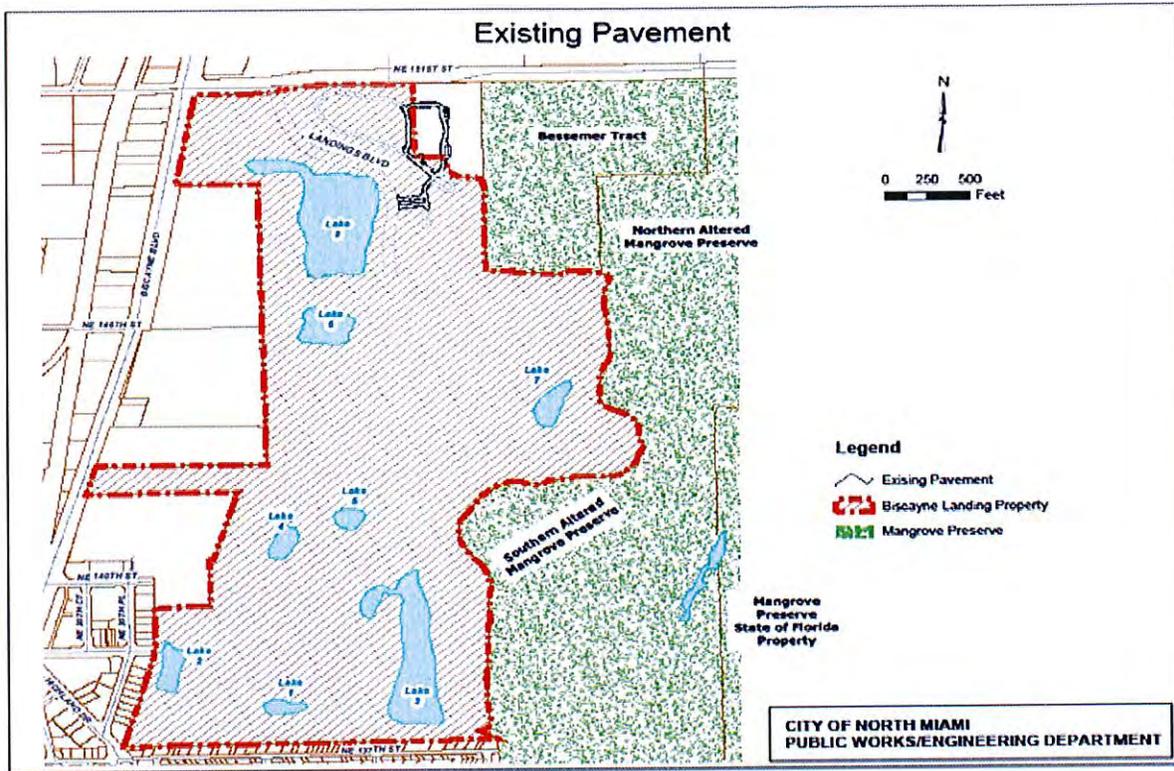
Functional Adequacy:

The site is suitable for residential or commercial use.

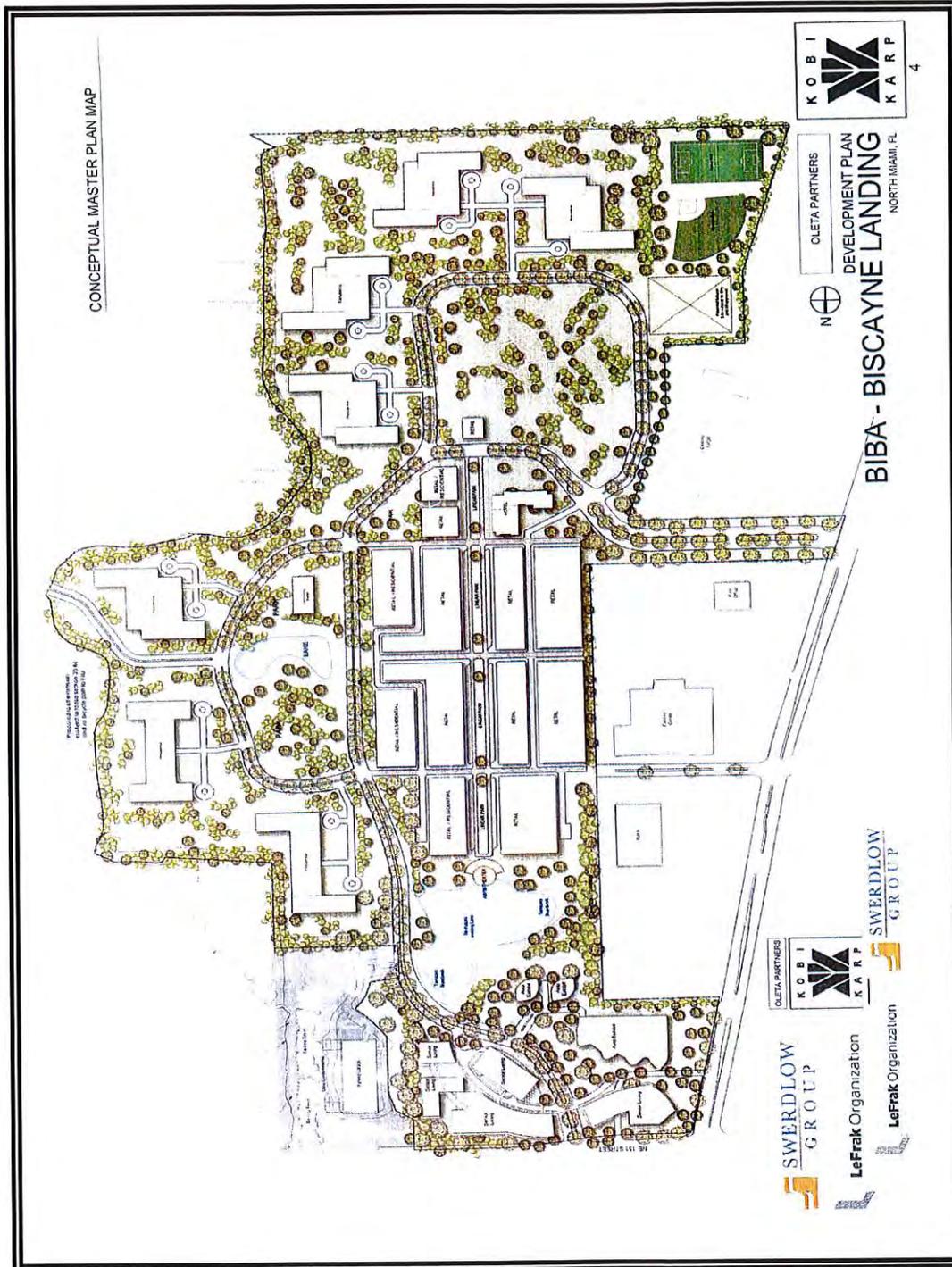
Note: The seven maps below were extracted from the City of North Miami website, which contained the Biscayne Landing Request For Proposal to potential developers.











PARCEL TABULATION

Development Phasing	Category	Parcel Areas	Total Area by Phase (Acres)
Phase 1 : Spine Road	Site primary access road (4,695 linear feet)	421,895	9.69
Phase 2 : Commercial District	Commercial / Retail / Mixed Use	1,079,041	29.14
	Detention / Road ROW / Development open space	190,419	
Phase 2 : Park Passive	Recreational Areas / Playgrounds	1,949,583	44.76
Phase 2 : Park Active	Baseball Field / Soccer Field	261,431	6.00
Phase 3 : Auto District	Auto Dealership	319,156	8.14
	Detention / Road ROW / Development open space	35,462	
Phase 3 : Assisted Living Facility / Independent Living Facility	Assisted Living Facility / Independent Living Facility	301,425	8.14
	Detention / Road ROW / Development open space	53,193	
Phase 4 : Residential	Multi-family Residential	2,724,929	70.15
	Detention / Road ROW / Development open space	115,000	
Phase 4 : Hospitality	Hospitality	128,470	2.95
Phase 4 : School	Potential school site subject to City and SB approval	87,120	2.42
TOTAL		184	23.91

Source: Development Plan: BIBA Biscayne Landing March 2014

BISCAYNE LANDING PARCELS

Ground Lease Parcel	Acres	Remaining Acres
Biscayne Landing - Ground Lease Acres	183.80	183.80
Easements & Dedications for FDOT & County		
FDOT Dedication for Biscayne Blvd (near 151st St) Improvements	0.16	183.64
Easement on 151st St for widening	0.50	183.14
County Dedication for 151st St Improvements	0.14	183.00
Subtotal	183.00	
To be Turned Over to City (per Ground Lease)		
Existing Spine Road / Biscayne Landing Blvd. (Roadbed)	2.33	180.67
Future Spine Road / Biscayne Landing Blvd. Extension (Roadbed)	6.48	174.19
Active Park (literal usable park space)	7.20	166.99
Subtotal	166.99	
Required Landscaping (per Ground Lease) & Stormwater Drainage		
Existing Biscayne Landing Blvd (Landscape Buffer Areas)	1.17	165.82
Future Spine Road Biscayne Landing Blvd. Extension (Landscape Buffer Areas)	4.64	161.18
Spine Road Stormwater Retention Area	3.09	158.09
143rd St Landscape Buffer	0.66	157.43
Active Park Surrounding Parcel (landscaped slopes, access road)	5.83	151.60
Subtotal	151.60	
Developable Acres	151.60	

Source: Le Frak Organization 9/30/2014

HIGHEST AND BEST USE

Lewis Appraisals and Consulting, Inc

The site is valued for its Highest and Best Use, which may be defined as follows:

"That reasonable and probable use that will support the highest present value as defined as of the effective date of appraisal."

In analyzing the Highest and Best Use, the appraiser addresses the following four questions:

- A. Legally Permissible Use. What uses are legally permitted on the subject site with respect to zoning ordinances and deed restrictions?
- B. Physically Possible. What uses of those legally allowed are physically possible on the subject site?
- C. Feasible Use. Of those uses determined to be physically possible and legally permissible, which ones will produce a positive return?
- D. Highest Net Return. Of those that are feasible, legally permissible, and physically possible, which will produce the highest net return?

Legally Permissible Use: The site is zoned Planned Development District (PD) which is summarized in the Zoning section above. In addition, the site is included in the Miami-Dade County State-Designated Enterprise Zone and is eligible for certain state and local financial incentives. The site is also located with the boundaries of the City of North Miami's Regional Activity Center and the North Miami Community Redevelopment Area (CRA).

The zoning allows for a wide variety of uses listed in the Zoning section above. Some of the relevant uses permitted for the site are residential, retail sales and services, offices, hotels, restaurants and mixed uses.

Because of the vagaries of the market, the mix of residential and commercial development planned for Biscayne Landing has changed over the years. However, the most recent plans call for 50.6 acres of high condominium development.

Physically Possible:

The area of the site is 50.6 acres which has been designated for high density condominium development. After the environmental clean up, the site would be suitable for residential development

Financially Feasible and Maximally Productive :

Given the demand for condominiums and apartments in Miami, residential development is considered to be one of the highest and best uses of the subject site.

VALUATION ANALYSIS

There are three primary approaches to value which should be considered. They are: (1) the Cost Approach, (2) the Sales Comparison Approach, and (3) the Income Capitalization Approach.

Ordinarily, one would prepare a discounted cash flow analysis for appraisal of large tract of land like the subject. However, at the request of the City, we only used the Sales Comparison Approach in this appraisal.

As a part of this appraisal a number of independent investigations and analysis have been made. The subject property was inspected. Public records were reviewed to determine date of construction and various building details.

In the course of the sales investigation, proprietary information is often withheld from the appraisers. Such information, which is not a matter of public record, is also not available to the general market and for that reason, the market is imperfect.

All data provided is verified to the best of our ability. However, no legal or technical expertise are assumed and if leases or agreements and other factual data under review appear on the surface to be reasonable, the information is accepted as accurate.

The extent of this verification is to confirm that the documents exist and to review them. It is assumed that they are legal and valid and the ability to audit, make legal interpretations, or to detect fraud is not assumed.

The existence of any environmental hazard such as the presence of hazardous wastes, toxic substances, radon gas, asbestos containing materials, urea-formaldehyde insulation, etc. which may or may not be present in or on the subject property or any site within the vicinity of the property was not observed and no knowledge of any such environmental hazard is not assumed. The appraiser, however, is not qualified to detect such substances. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value.

Also, no independent investigation of concurrence matters regarding the subject or any comparable sale was made. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

The user of the report should therefore consult an attorney, contractor, accountant, engineer or other experts as necessary to verify technical data which could impact on the value of the property.

Only the Sales Comparison Approach was prepared for this appraisal. Sales Comparison Approach involves an investigation and inspection of recent sales in the area as nearly similar as possible to the subject. The sale properties (comparable sales) are then compared with the subject, and adjustments made for dissimilar characteristics. We searched for vacant commercial and residential land sales and listings in the state of Florida with emphasis on South Florida going back two years.

SALES COMPARISON APPROACH TO VALUE

According to The Appraisal of Real Estate, Thirteenth edition, published by the Appraisal Institute, the Sales Comparison Approach compares the subject property to recent sales on similar properties. The underlying assumption is that the price of the subject property will be directly related to the price of competitive properties. The Sales Comparison Approach is based on the principal of substitution; noting that the value of a property is related to the price of substitute properties that offer similar utility.

The Sales Comparison Approach compares sales of residential land sales similar to the subject. Adjustments are made to the sold properties for their differences from the subject, in order to estimate the value of the subject property.

LAND SALE NO. 1



LAND SALE NO. 1

Name: Unnamed
Address: 5604 Biscayne Boulevard, Miami, Florida
Sale Price: \$15,000,000
Sale Date: June 2014
Grantor: Kubic LLC
Grantee: 57BB Investments LLC
OR Book/Page: 29212/1945
No. of acres: 2.3 acres
Price per acre: \$6,521,739 per acre
Price per residential unit: \$50,000 per unit based on 300 units
Parcel I.D. No. 01-3218-038-0320, 0330, 0340, 0350, 0380, 0370, 0390, 0400 and 0410
Access to major street: Access to Biscayne Boulevard and NE4th Court and NE 58 Street
General location: Midtown Miami, Morningside neighborhood
Zoning: T 6-8 O
Type of development planned: Mixed use project, 12 stories, with 300 condominiums, retail and office space.
Main Sources: MDCPA, deed, South Florida Business Journal, CondoBlack book, The Real Deal, Realquest
Verified: Carlos Cuevas, manager of 57BB Investments and the Green Dragon Group, 305-328-9533 and 1-800-233-3450
The company requested that the appraiser send an email request for information and confirmation of the sale but they did not respond.
Comments: A separate Agreement to support development was filed with the county. The seller still owns the pizza restaurant located to the south of this site and agreed not to oppose the construction of the proposed development. Prior to the real estate crash the Morningside neighborhood attempted to kill the development but it was subsequently approved for 300 residential units, retail and office space. The proposed density is 130 units per acre. The appraiser tried to determine from the buyer if the plans had changed from those above but was unsuccessful.

LAND SALE NO. 2



LAND SALE NO. 2

Name: Curently unnamed, formerly Antigua
Address: 15780 W. Dixie Highway, North Miami Beach, Florida
Sale Price: \$17,000,000
Sale Date: June 2014
Grantor: Antigua at NMB Development LLC
Grantee: Moore 77 LLC
OR Book/Page: 29232/4557
No. of acres: 17.7 acres
Price per acre: \$960,451
Price per residential unit: \$24,045
Parcel I.D. No. 07-2216-041-0010, 0020, and 0030
Topography: Level to road grade
Access to major street: West Dixie Highway
General location: North Miami Beach
Zoning: CF, PUD
Type of development planned: Prior to the sale 707 residential units and 385,440 square feet of commercial space were planned.
Main Sources: South Florida Journal, MDCPA, Loopnet, Realquest, Deed
Verified: Paul Feldman, Esq. 305-931-0433
The attorney verified the sales price but could not say what the developer planned to do with the site.
The principals of the project both sellers and buyers were from out of town and could not be reached.
Comments: It is not known what the current plans are as Zyscovitch Architects are planning the new development and they would not divulge any information. Carlos Rivero, NMB Planning Department chief was given a very brief view of what was being planned but it was very preliminary. The site was previously contaminated but has been cleaned up thoroughly. A 4.136 acre lake is on the site. With just 707 residential units the density is 40 units per acre. With the inclusion of the commercial space, the residential density would be higher. We did not know how much land was going to be allocated to each type of use. The city of North Miami Beach is having a redevelopment meeting on September 18, 2014 to discuss the upzoning of multifamily properties and developers are waiting to see what the new developmental regulations will be. Zyscovich Architects will be designing the project but they said it was too early to know what was to be planned.

LAND SALE NO. 3

Name: Portico apartment complex
Address: 1941-2021 NW 136 Avenue, Sunrise, Florida
Sale Price: \$15,425,000
Sale Date: May 2014
Grantor: Sawgrass 17 Acres Partnership (affiliate of Joseph Kavana's K Group Holdings, the developer of Metropica)
Grantee: Apartments at Sunrise LLC % Richman Group of Florida Inc.
No. of acres: 6.9 acres
Price per acre: \$2,235,507 per acre
Price per residential unit: \$36,990
Parcel I.D. No. 49-40-26-09-0040
Topography: Level to road grade
Access to major street: NW 136 Avenue and NW 21 Street
General location: Close to Sawgrass Mills regional shopping mall in Sunrise
Zoning: B-3
Type of development planned: 417 apartment units to open in August 2015
Main Sources: South Florida Business Journal, BCPA, deed, Realquest
Verified: Troy Ballard, listing agent ARA 561-988-8800
Avery Klann, agent 561-988-8800 x114
Marc DeBaptiste, agent 561-988-8800 x104
Messages were left for each of the above agents without but could not get a call back.
Daniel P. Faust Esq. 305-982-5564 Akerman LLP
The attorney verified the sales price and indicated that it was an arm's length transaction and at the market rate.
Comments: The site is located on the water. The density is 60 units per acre. The site was cleared and level at the time of purchase. Richman Group is a well known apartment builder. Suntrust Bank provided a \$7.7 million dollar mortgage. This was part of the Metropica development, a large 63 acre project on the east side of NW 136 Avenue that will contain 1,250 residential units and 485,000 square feet of commercial space and 150,000 square feet of office space.

LAND SALE NO. 4



LAND SALE NO. 4

Name: Midtown 29
Addresses: 116 NE 29 Street, 170 NE 29 Street, 180 NE 29 Street, 2816
NE 2 Avenue, 2830 NE 2 Avenue, 2900 NE 2 Avenue, 161
NE 28 Street, 155 NE 28 Street, 149 NE 28 Street, 143 NE
28 Street, 125 NE 28 Street, 121 NE 28 Street and 115 NE
28 Street, Miami, Florida
Sale Price: \$7,350,000 in four combined deals
Sale Date: September and October 2013, July 2014
Grantor: MTGB Corporation, Joaquin Mariano Gonzalez, Shops on
the Avenue LLC, Twenty Eight Hundred LLC, and Ruben
Matz (five different sellers)
Grantee: Fifteen, Adler EHOFF Midtown LLC
OR Book/Page: 28838/0849, 28838/0861, 28868/39, 29233/1160,
28868/3027
No. of acres: 2.142 acres or 93,728 square feet
Price per acre: \$3,431,372
Price per Unit: \$24,500
Parcel I.D. Nos. See deeds
Topography: Level to road grade
Access to major street: NE 2nd Avenue and NE 29 Street
General location: Northeast Miami
Zoning: T6-12 O
Type of development planned: 300 apartment units
Main Sources: South Florida Business Journal, MDCPA, deed, Realquest
Adler Development, David Adler, Jon Raiffe, 305-392-4100
Verified: Mr. Raiffe confirmed the individual five sales prices and he
felt that they paid the prevailing market prices for the
properties. He was not able to say when development would
start on the project. The properties were not on the market
and the buyer approached each individual owner one at a
time.
Comments: The purchase was an assemblage of an entire block of vacant
lots as well as some older buildings. Three hundred
apartment units are to constructed, with one, two and three
bedrooms. The three developers are Adler Development,
Encore Housing Opportunity Fund, and Fifteen Group.
The density is 140 units per acre.

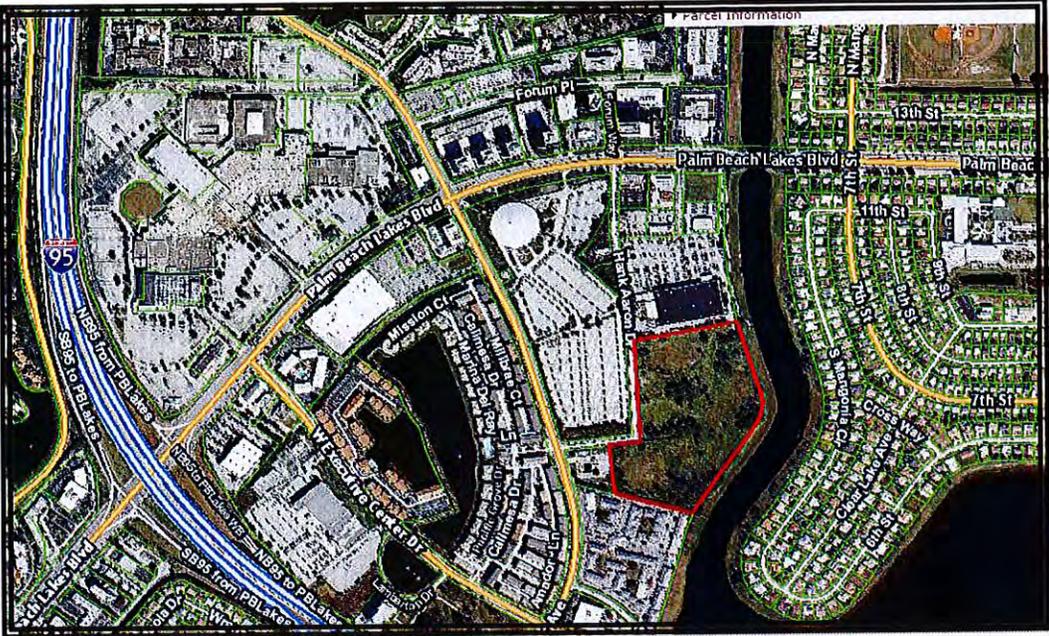
LAND SALE NO. 5



LAND SALE NO. 5

Name: Elan 1640
Address: 1640 E. Sunrise Boulevard, Fort Lauderdale, Florida
Sale Price: \$9,840,000
Sale Date: July 2013
Grantor: Paseo Del Mar I LP
Grantee: GS Sunrise Subsidiary LLC
OR Book/Page: 49951/891
No. of acres: 4.178 acres
Price per acre: \$2,355,193
Price per unit: \$37,701
Parcel I.D. No.: 49-42-34-05-8060
Topography: Level to road grade
Access to major street: E. Sunrise Boulevard
General location: East Fort Lauderdale
Zoning: B-1
Type of development planned: 261 unit rental apartment development, and 9,900 SF of first floor retail
Main Sources: South Florida Business Journal, The Real Deal, BCPA, Realquest, deed
Verified: Mike Carpenter, listing agent 954-627-9182
The seller sat with the property throughout the recession and sold the property for slightly less than when it was purchased.
Comments: The property contained a former car dealership that was demolished in 2008. The land remained vacant until 2013. The property consists of 261 luxury apartment units in seven story buildings with unit sizes from 686 to 1,599 square feet. The property has a 6,000 SF fitness center, a pool, spa, dog park and rooftop terrace. The purchase was an assemblage of 15 small lots and now is one folio number. Traffic count is nearly 65,000 cars per day.

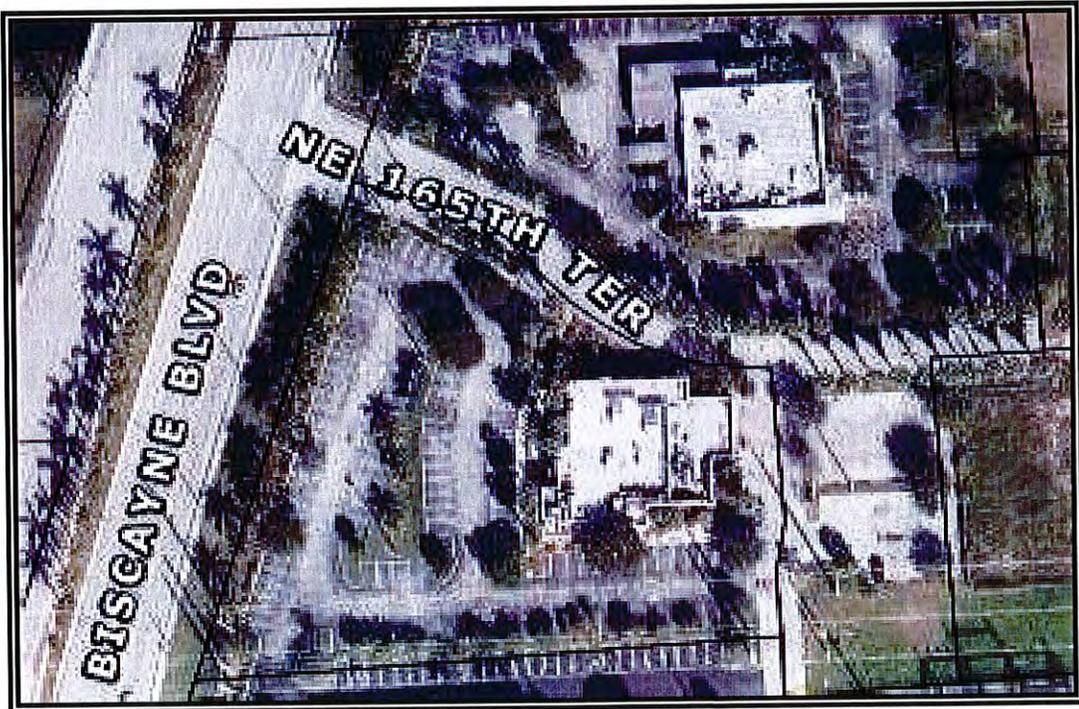
LAND SALE NO. 6



LAND SALE NO. 6

Name: Mixed Use, West Palm Beach
Address: 715 Hank Aaron Drive, West Palm Beach, Florida
Sale Price: \$6,762,000
Sale Date: April 2011
Grantor: BF-Accona, LLC
Grantee: Aaron Drive Holdings, LLC
OR Book/Page: 24461/1053
No. of acres: 21.49 acres
Price per acre: \$314,658 per acre
Price per residential unit: \$9,988 per residential unit not considering retail space
Parcel I.D. No. 74-43-43-17-25-002-0000
Topography: Flat, needs some fill. Scattered trees.
Access to major street: 550 feet from Palm Beach Lakes Blvd. Located behind Home Depot and out parcels.
General location: About $\frac{3}{4}$ mile east of I-95 and Palm Beach Lakes Blvd.
About $\frac{1}{4}$ mile east of Palm Beach Mall. Fronts a canal.
Type of development planned: Mixed use residential and retail. The listing stated: "Site plan approved for 677 units and 20,900 sq. ft. of Retail Space. Approved Mixed use project includes five free standing buildings. Phase I of project which includes 234 units is shovel ready, complete set of architectural and engineering drawings complete and available." The broker stated that the buyers are looking at a lower density of about 18 units per acre.
Main Sources: Loopnet Listing ID 16834049, Palm Beach Property Appraiser
Verified: Reese Stigliano, Berger Commercial Realty, 854-652-2035. The property was from Bank First in Minnesota which had been taken over by the FDIC. The property had been on the market for over a year. He received offers in the same offers in the same price range.
Comments: This was a bank owned REO. The listing price was \$10,000,000. The last purchase was for \$34,850,000 in 4/06 (\$1,621,684 per acre) The location is similar to the subject in that it is in a developed urban area off a major street behind existing retail stores.

LISTINGNO. 7



LISTING NO. 7

Name: Riverwalk
Address: 16375 and 16395 Biscayne Boulevard, North Miami Beach, Florida
Listing Price: \$16,800,000
Sale Date: N/A
Grantor: Biscayne Cove LLC
Grantee: N/A
OR Book/Page: N/A
No. of acres: 4.16 acres
Asking Price per acre: \$4,038,461
Asking Price per unit: \$56,949
Parcel I.D. No. 07-2216-042-0010 and 0020
Topography: Level to road grade
Access to major street: Biscayne Boulevard and NE 163rd Street
General location: North Miami Beach
Zoning: B-2
Type of development planned: 295 unit, two 12 story tower condominium development with a ground floor restaurant space.
Main Sources: Loopnet, MDCPA, City of North Miami Beach Planning Department, The Real Deal
Verified: Allan Cohen, listing agent, 305-215-3668
Comments: The city of North Miami Beach is having a redevelopment meeting on September 18, 2014 to discuss the upzoning of multifamily properties and developers are waiting to see what the new developmental regulations will be. At the present time there are two individual restaurants on the two sites. The two sites can not be combined as the entry road between the two properties is the access road to the 4.411 acre site to east that is currently under contract for sale. That site has been approved for 330 condominium units. The buyer and seller would not reveal the contract price. The two buildings on the site now would be demolished. The owner of this site was trying to have the property rezoned from B-2 to PUD. The development was approved by the city last year but owner of the ABC Liquors next door objected fearing the development would obscure his store. New plans were developed and were to be studied by the Planning and Zoning Board. The liquor store dropped its objections.

RESIDENTIAL LAND SALES								
Sale No.	Subject	1	2	3	4	5	6	7
	Name	No Name	Antigua	Portico	Midtown 29	Elan 1640	No Name	Riverwalk
	Address	5604 Biscayne Blvd.	15780 W Dixie Hwy	1941 NW 136 Avenue	NE 29 Street & NE 2nd Ave.	1640 E Sunrise Blvd	Hank Aaron Dr.	Biscayne Blvd. & NE 163 Street
	City	Miami	N Miami Beach	Sunrise	Miami	Fort Lauderdale	West Palm Bch.	N Miami Beach
	Date	June, 2014	June, 2014	May, 2014	Sept 2013, July 2014	July, 2013	April, 2011	Listing
	Sale Price:	\$ 15,000,000	\$ 17,000,000	\$ 15,425,000	\$ 7,350,000	\$ 9,840,000	\$ 6,762,000	\$ 16,800,000
	No. acres +- 50.6	2.30	17.70	6.90	2.14	4.18	21.49	4.16
	Price Per Acre	\$ 6,521,739	\$ 960,452	\$ 2,235,507	\$ 3,434,579	\$ 2,355,194	\$ 314,658	\$ 56,949
	Residential Units Planned	300 condo	707 multi-family	417 apartments	300 apartments	261 apartments	548 multi-family	295 condo units
	Commercial Planned	Retail/office	385,000 SF retail	None	None	9,900 SF Retail	20,900 SF retail	Restaurant
	Res. Unit per Acre Planned	60	130	40	60	140	62	25
	Price per Unit Planned	\$ 50,000	\$ 24,045	\$ 36,990	\$ 24,500	\$ 37,701	\$ 9,988	\$ 56,949
ADJUSTMENTS								
	Price per Acre	\$ 6,521,739	\$ 960,452	\$ 2,235,507	\$ 3,434,579	\$ 2,355,194	\$ 314,658	\$ 4,038,461
	Price per Unit Planned	\$ 50,000	\$ 24,045	\$ 36,990	\$ 24,500	\$ 37,701	\$ 9,988	\$ 56,949
	Conditions of Sale	0%	0%	0%	0%	0%	10%	-10%
	Time/Market Conditions	0%	0%	0%	0%	0%	20%	0%
	Location	0%	0%	-15%	0%	-15%	-15%	-15%
	Size	-20%	-10%	-20%	-20%	-20%	-10%	-20%
	Access/Visibility	-10%	0%	0%	0%	-10%	0%	-10%
	Environmental Conditions	-10%	0%	-10%	-10%	-10%	-10%	-10%
	Density of Development	-20%	10%	0%	-20%	0%	20%	0%
	Commercial Development	0%	-10%	0%	0%	-5%	-5%	-5%
	Total	-60%	-10%	-45%	-50%	-60%	10%	-70%
	Adjusted Price per Acre	\$ 2,608,696	\$ 864,407	\$ 1,229,529	\$ 1,717,290	\$ 942,078	\$ 346,124	\$ 1,211,538
	Adjusted Price per Unit	\$ 20,000	\$ 21,641	\$ 20,345	\$ 12,250	\$ 15,080	\$ 10,987	\$ 17,085

Adjustment for Conditions of Sale Condition of sale adjustments include those transactions that are not arm's length, were under some form of duress, such as a short sale or foreclosure. Sale 6 was a foreclosure and appears to have sold at a price well below market value. We adjusted this sale upward 10%. Listing 7 was adjusted downward because as a general rule most properties for sale do not sell for the listed price. Being that there is considerable interest by investors for vacant land available for condominium construction we made a small downward adjustment of 10%. Many deals are made without even being exposed to the market ie pocket listings so when there is a posted listing it creates a lot of interest. We were aware of a pending sale of a vacant 4.411 acre condominium development site that adjoins this listing but we were not able to obtain the contract price for that property. It has been approved for a two tower 330 unit condominium development called the Harbours.

Adjustment for Time/Market Conditions Market conditions adjustments relate to changes in the market due to inflation or changes in market demand for a particular real estate product. Sale 6 took place in April 2011 nearly 3.5 years ago. The demand for vacant multi-family land has increased dramatically during the past three years due to the need for additional multi-family housing so we adjusted that sale upward 20%.

Adjustment for Location. The subject property is located in North Miami in northeast Miami-Dade County. The area is for the most part completely built out and the only way for new development to take place is for older properties to be demolished. Based on Cranespotters.com, there are no new condominium developments proposed, planned or under construction in North Miami at the present time. The two hot spots for new condo development are downtown Miami and the Hollywood/Hallandale market areas. Furthermore the development of condos is taking place in close proximity to the Atlantic Ocean, Intracoastal Waterway, Miami River or in highly dense urban areas. We made a downward adjustment for location to all the sales except for Sale 2 which has a similar location to the subject.

Adjustment for Size: The subject property is approximately 50 acres in size. Smaller sales tend to sell for higher prices per unit and per acre than much larger sites. All of the sales were smaller than the subject and were adjusted downward relative to their size.

Adjustment for Access/Visibility: The main entrance of the subject is set back from Biscayne Boulevard. If a sale was directly on a major street, it was considered to be superior and adjusted downwards by 10%. Sales 1, 5, and Listing 7 were all located on major heavy traffic roadways and have better access and visibility than the subject property.

Adjustment for Environmental Conditions. The subject site has ground water issues related to its former history as a land fill. Despite the fund for the treatment of this issue, there will always remain a question as to whether the fund is sufficient. Furthermore, although the developer is working on it, the odor problem from the Miami Dade Sewage Treatment occurs during at least two winter months has yet to be resolved. Sales 1, 3, 4, 5, and 6 and Listing 7 were adjusted downward 10% for not having any environmental issues to our knowledge. Sale 2 formerly was the site of a large natural gas storage and delivery company. The site was contaminated but was cleaned up prior to the sale. This sale was considered similar to the subject with respect to a contamination issue and was not adjusted.

Adjustment for Density of Development. According to the table of the March 2014 Development Plan on page 45 the overall density of the 72.79 acres of multi family residential would be 60.3 units per acre (4,390 units /72.79 acres). We have assumed the same density for the subject. This project density of 60.3 units per acre is in the middle of the range of the comparable sales which was from 25 to 140 units per acre. As for development potential, the higher the density, the greater the number of units the developer can construct on the site. Comparable sales with project densities that were much lower than the subject were adjusted upward and conversely projects with much higher densities were adjusted downward. The three sales with similar densities to the subject were not adjusted.

Adjustment for Commercial Development The subject property condominium buildings most likely will be strictly residential as a large portion of the remainder of the site will be retail uses. Some of the comparable sales contained a commercial component from as small as a restaurant to a large scale commercial development. Sales 2, 5, 6 and Listing 7 have a portion of their proposed property improvements being improved with either a small amount or large scale commercial use. We made a downward adjustment proportionate to the amount of proposed commercial to be constructed.

Discussion of Residential Land Sales

Sale No. 1 is an irregular shaped 2.3 acre parcel located on the west side of Biscayne Boulevard at NE 56th Street. The sale for \$15,000,000 took place in June 2014. Prior to the sale the site had been approved for 300 residential units and office and retail on the first floor. Neighborhood opposition prior to the recession ultimately killed the development. The appraiser contacted the buyer by email requesting current information about the project but never received any response. Downward adjustments were made for its superior location near Morningside in the upper east side of Miami, smaller size, good visibility along Biscayne Boulevard, lack of any environmental issues, and higher unit density per acre.

Sale No. 2 is a triangular shaped 17.7 acre parcel located the west side of West Dixie Highway at 158th Street in North Miami Beach. The property was formerly the site for a natural gas storage and delivery company and had environmental issues that have since been remitted. Prior to the sale the development was called "Antiqua" and was to contain 707 multi-family residential units and 385,000 square feet of commercial space. Although the sales price was confirmed, no one including the architects, City of North Miami Beach Planning Department or attorney could say what the new project might be. As noted above the City of North Miami Beach is going to upzone many properties and property owners are waiting to see what happens before making any definitive building plans. The property sold in June 2014 for \$17,000,000, or \$24,045 per unit. Downward adjustment was made for its smaller size, and larger commercial development. Upward adjustment was made for the lower density of units per acre.

Sale No. 3 is an irregular shaped 6.9 acre parcel located on a lake on the west side of NW 136th

Avenue and 19th Street in Sunrise. On the site being developed by the Richman Group will be a 417 unit apartment complex called Portico. The developer of Metropica, a large mixed use property across the street sold this parcel for \$15,425,000 in May 2014 or \$36,990 per unit. Downward adjustments were made for its superior location, smaller size, and lack of environmental issues.

Sale No. 4 is a multi-parcel assemblage of both improved and vacant parcels that encompasses the entire block between NE 28th and 29th Streets and west of NE 2nd Avenue to the railway tracks. The 2.142 acre site sold for a combined price of \$7,350,000 in September 2013, October 2013 and July 2014. The consortium of three developers want to construct 300 apartment units on the site after demolishing the present improvements. Based on 300 apartment units they paid \$24,500 per unit. This is the most dense project of the comparable sales at 140 units per acre. The project is located in Midtown Miami and will be called Midtown 29. Downward adjustment was made for its superior location, smaller sized parcel, superior visibility, and lack of environmental issues.

Sale No. 5 is a site of a nearly finished 261 unit apartment complex on the south side of East Sunrise Boulevard and 16th Avenue in Fort Lauderdale. The 4.178 acre site sold in July 2013 for \$9,840,000 or \$37,701 per unit. The property once a used automobile lot was cleared in 2008 and sat vacant through the recession until the recent sale. Fifteen small lots were assembled into large parcel as seen today. Not only will there be 261 luxury apartments but there will also be 9,900 square feet of first floor retail space. Downward adjustment was made for its superior location, small site size, superior visibility, lack of environmental issues, and commercial development.

Sale No. 6 was a bank sale of 21.49 acres in West Palm Beach for \$6,762,000 in April, 2011. This is equivalent to about \$315,000 per acre and \$10,000 per unit. The previous sale was much higher at approx. \$35 million in 2006, or \$51,477 per unit. Given the low price per unit, this sale was probably below market. Previously the developer was approved to construct 677 units on the site, but this approved number of units has been reduced to 548. Upward adjustment was made for conditions of sale, time, and low unit density. Downward adjustments were made for its superior location, smaller size, lack of environmental issues, and no commercial development.

Listing No. 7 is a listing of two currently improved restaurant sites at 16375 and 16395 Biscayne Boulevard in North Miami Beach. The combined parcels contains 4.16 acres but can not be combined as there is an access roadway between the two sites that leads to a 4.411 acre proposed condominium site to the east. A developer has been approved for the construction of two towers containing 295 units and a restaurant on the first floor of one of the towers. The site is listed for sale at \$16,800,000 or \$56,949 per unit. The parcel to the east of this listed property is under contract for sale at a yet undisclosed price. Downward adjustments were made for the properties smaller size, superior visibility, and inclusion of commercial development. An additional deduction is made for subsequent contract negotiations between the buyer and seller.

Estimate of Land Value

While we estimated the price per acre for the sales, the wide dispersal of prices per acre was too great to provide a useful indication of value. Therefore we relied on the price per unit.

Before adjustments the prices per unit ranged between \$9,988 and \$50,000 per unit, while after adjustment the range narrowed to \$11,000 to \$21,600 per unit, rounded. Greatest emphasis was placed upon Sales 1, 2, 4, and 7 since they were located on or near Biscayne Boulevard in Miami-Dade County. The range of the adjusted prices per unit of these sales was \$12,300 to \$21,600 per unit with an average of \$18,244 per unit. Sale 4 appeared to be an outlier at \$12,300 per unit. The remaining three sales (1, 2 and 7) ranged between \$17,100 and \$21,600 per unit, rounded. Therefore, we estimated the value of the subject property at \$19,500 per unit. The total units estimated for the subject land was the density of 60.3 units per acre (estimated from the March 2014 Development Plan on page 45 discussed earlier) multiplied by the subject's 50.6 acres, or $60.3 \times 50.6 \text{ acres} = 3,051 \text{ units}$. Therefore, the estimated value of the subject land as of the appraisal date was $\$19,500 \text{ per unit} \times 3,051 \text{ units} = \$59,500,000$ rounded.

ESTIMATED CURRENT MARKET VALUE OF SUBJECT 50.6 ACRES

\$59,500,000

ESTIMATED VALUE OF THE LEASED FEE INTEREST

The leased fee interest is held by the land owner (City of North Miami) in a lease called "Lease Between The City of North Miami, as Landlord, and Oleta Partners LLC as Tenant for Premises Located in the City of North Miami, in Miami-Dade County, Florida known as 'Biscayne Landing'" signed on May 29, 2012. A summary of the sections of the lease that are relevant to this appraisal follows:

Term of the lease:	99 years with an option to renew for an additional 99 years under the same conditions as the first 99 years with an adjustment in the fixed rent.
Type of lease:	Net lease in which the tenant pays all the expenses.
Lease Payments:	<ol style="list-style-type: none">1. Initial Payment at the commencement of the lease of \$17.5 million and payment of all outstanding real estate taxes.2. Fixed Rent of \$1.5 million per year at the commencement of the lease and no Fixed Rent is payable for the second through the fifth lease years unless final certificates of occupancy have been issued for at least 500,000 square feet of improvements in which case the Fixed Rent is lowered to \$200,000 per year through the end of the fifth year. Thereafter, the full Fixed Rent shall be due.
Rent Increases:	The Fixed Rent shall increase by \$150,000 on the first day of the 11 th year and each ten years thereafter (years 21, 31, 41, 51, 61, 71, 81, 91).
Renewal Rent:	The Renewal Rent for the second 99 year lease shall be determined in the 70 th year of the lease according to a formula which finds a kind of average of the CPI increases in the previous 20 year period explained in the footnote ¹

1

Quoting the lease " (1) A compound annual growth rate ("CAGR") shall be determined by (i) dividing the CPI Level for the 69th Lease Year by the CPI Level for the 49th Lease Year and (ii) raising the resulting quotient to the power of one twentieth (1/20). (2) Initial Renewal Rent Shall equal the product of (I) CAGR raised to the power of ninety-nine (99) and \$1,500,000. The Fixed Rent shall equal the Initial Renewal Rent during the 100th Lease Year, and shall increase by fifteen percent (15%) of the then Fixed Rent for any renewal terms on each tenth (10th) anniversary of the commencement date of such renewal term." (P.27)

The Renewal Rent shall be paid in the 100th year and shall increase by 15% on each of the tenth anniversaries of the renewal date.

Participation Rent:

The tenant pays between 1.75% and 2.25% of the rents or revenues from retail, office, residential rentals, hotels and other activities. In addition, the tenant pays 3.25% of the gross revenue of the sales of condominiums less any release prices on loans. The tenant has agreed to continue to pay these participation rents on the condominiums. Therefore, they are not included in the analysis of this appraisal.

The purpose of this appraisal is to estimate the Leased Fee Interest of the landlord with respect to 50.6 acres that are dedicated for condominiums. For this purpose, a discounted cash flow (DCF) was prepared which appears in the pages below.

In the existing lease there is an initial annual payment of \$1.5 million with escalation every ten years. The leased fee interest of the 50.6 acres was to be based upon a proportional share of developable acres. We were instructed to base the proportional share on a total of 151.60 developable acres as shown in the table on the following page entitled "Biscayne Landing Parcels". This resulted in a proportional share of 33.4% of the annual payments (50.6 acres / 151.60 acres). The estimated values based upon 151.60 developable acres appear below. We were also asked to prepare an estimate of value based upon a total of 112.12 developable acres. This resulted in a proportional share of 45.1% (50.6 acres / 112.12 acres). The estimated values based upon the 112.12 developable acres appears in the Reconciliation at the end of this report.

On instructions from the client, the proportional share of the we assumed that the condominiums would occupy 50.6 acres of the and that the is would represent one-third of the land of the approximately 150 acres of the land that could be developed. Therefore, it assumed that the payments to the City would be one-third of the "Fixed Rent" in the lease.

For the Renewal Rent in the second (optional) 99 year years, the rent level was to be calculated according to the formula mentioned above. Since we have projected the CPI to increase at a constant rate of 3% rate, the results of the calculations is that the CAGR (compound annual growth rate) to calculate the Initial Renewal Rent is 1.03 reflecting the rate of 3%. The Initial Renewal Rate was calculated as:

$\$1,500,000 \times 1.03$ raised to the power of 99 = Initial Renewal Rate

$\$1,500,000 \times 18.6589 = \$27,988,299$

Therefore, the Initial Renewal Rate in year 100 was calculated to be \$27,988,299. The lease specified that the rent was to increase 15% on each tenth anniversary of the lease. Therefore, for

year 110 of the lease the rent payment of \$27,988,299 was increased by 15% to \$32,186,544, and for year 120 it was increased another 15%, etc.

Inflation Factor for the Land

The Case Shiller index tracks the price of single family homes corrected for inflation beginning in 1890. The index rose relatively little through 1996 when it was 106.73 (1890 = 100). This indicates that the increases in price of single family homes is only slightly above that of the inflation rate. As of 2013 it was 134.02 reflecting the bubbles that started in the year 2000.² This indicates that the prices of single family homes have risen at roughly the rate of inflation.

To our knowledge there is no index of land prices. Therefore, we have assumed that the price of land also rises at the rate of inflation. The most common measurement of inflation is the U.S. Consumer Price Index–All Urban Consumers (CPI) published by the U.S. Bureau of Labor Statistics. From annual increase in the CPI from 1914 to 2014 shown in the table in the Addenda, the average annual increases were:

1914 to 2014 (100 years)	3.3% average annual increase
1964 to 2014 (50 years)	4.1% “
1984 to 2014 (30 years)	2.8% “

Although the 100 year annual increase was 3.3%, we have also taken account of the average of the last 30 years of 2.8%. Therefore, we have projected the inflation rate of the land to be 3%.

Discount Rate

In the DCF, the present value of the future payments and the reversion are calculated with a discount rate. We are not aware of any published discount rates for land rents. Therefore, we looked at a number of indicators to estimate the discount rate. The Appraisal Institute reports discount rates (IRRs) various real estate types as of the first quarter 2014:³

	<u>Range</u>	<u>Average</u>
Regional Mall	6.50% - 12.00%	8.92%
CBD Office	6.00% - 11.00%	8.04%
Warehouse	5.75% - 9.00%	7.34%
Apartments	6.00% - 14.00%	8.17%

These discount rates are for completed projects where the discount rate is used to discount future net income. We view the future net income (NOI) of a real estate project to be somewhat more risky than the ground rent for the subject site. The reason is that future net income of a real estate project will vary according to general economic conditions, the vacancy rate of the buildings, etc.

²“Case-Shiller index”, Wikipedia, retrieved 8/21/2014 .

³Economic indicators at www.appraisainstitute.org

The NOI will vary more than the ground rent and is therefore more risky. Furthermore, the owner of the real estate is the last one to be paid after the ground rent, mortgages and all expenses.

On the other hand, ground rent for the subject site would be one of the first bills to be paid. If the ground rent were not paid, the land owner could foreclose and the developer could lose his improvements. Furthermore, one must consider that the annual payments will be relatively small in relation to the total potential revenue for the project. Therefore, we think the discount rate should be somewhat lower than that for completed projects. Following this logic, we focus on the lowest discount rates of the four types of real estate in the above table is 5.75% to 6.00%. These rates are one indicator of the level of discount rates that were considered.

The discount rate for real estate is sometimes compared with lower quality corporate bonds. According to Moodys, the yield on a Baa Corporate Bond has varied between 4.69% and 5.36% in the last four years:⁴

Yield on Baa Corporate Bonds

August 2011	5.36%
August 2012	4.91%
August 2013	5.42%
August 2014	4.69%
Average	5.10%

The average (August) yield of the Baa Corporate Bonds for the last four years was 5.10%. The yield on corporate bonds reflects the risk that the corporations will default on their bonds. There is a similar risk in the ground rent of the subject site in that the developer may run into bad economic conditions and default on the payments. (This already occurred once with the Biscayne Landing project after the 2008 economic crisis.) In sum the two indicators of the discount rates are the average bond yield of 5.10% and lowest levels of discount rates of real estate projects above at 5.75% to 6.00%. We also considered that we are in a period of lower-than-average rate of inflation and yields. A buyer of the leased fee interest is likely to anticipate higher interest rates in the future. Therefore, we have estimated the discount rate for the subject to be 6%.

⁴Moody's Bond Record as reported in Appraisal Institute website in Ibid.

Results of the Discounted Cash Flow

The results of the DCF with a discount rate of 6.0% and an inflation factor for Land of 3.0% are shown below and in the complete table in the Addenda. The results below are based a proportional share of 33.4% of the annual lease payments.

INPUTS

Current Value of Land	59,500,000
Discount Rate	6.0%
Inflation Factor for Land	3.0%
Proportion of Annual Payments	33.4%

OUTPUTS

For 99 Years	
Discounted Value of Payments	8,684,508
Discounted Value of Reversion	3,780,310
Total Discounted Value	12,464,818
	Rounded 12,500,000
For 198 Years	
Discounted Value of Payments	9,391,013
Discounted Value of Reversion	220,360
Total Discounted Value	9,611,373
	Rounded 9,600,000

In summary, the estimated value of the leased fee interest is \$12,500,000 for a 99 year lease and \$9,600,000 a 198 year lease.⁵

ESTIMATED VALUE OF THE LEASED FEE INTEREST
FOR THE 99 YEAR LEASE BASED UPON 33.4% OF ANNUAL LEASE PAYMENTS

\$12,500,000

ESTIMATED VALUE OF THE LEASED FEE INTEREST
FOR THE 198 YEAR LEASE BASED UPON 33.4% OF ANNUAL LEASE PAYMENTS

\$9,600,000

CURRENT ESTIMATED VALUE OF THE 50.6 ACRES

⁵The reason that the value for the 198 year lease is lower than the 99 year lease is because the discounted value of the reversion is much less for the 198 years lease than for the 99 year lease. This is due to the fact that the discount rate of 6% is greater than the inflation rate of the land at 3%. The discount rate reduces the value of the land faster than the inflation rate increases it.

\$59,500,000

The estimated values based upon a 45.1% proportional share of the annual payments appears in the Reconciliation below.

RECONCILIATION

The purpose of this appraisal was estimate the market value of the Leased Fee Interest of the land owner (the City of North Miami) based upon a 99 year lease with the tenant. The lease has an option to renew after 99 years for another 99 years. For this purpose, we prepared a projection of the Fixed Rent per year for the 99 year lease and the optional extension of another 99 years. Since the land would revert back to the owners at the end of the lease we also estimated the value of the land at the end of the 99 year lease and at the end of 198 years.

To estimate the future value of the land, we first estimated the current value of the land based upon the Sales Comparison Approach, The estimated value of the subject 50.6 acres was \$19,500 per unit times 3,051 units or \$59,500,000, rounded.

ESTIMATED VALUE OF THE SUBJECT 50.6 ACRES
\$59,500,000

The value of the land was projected to increase at 3% per year. The discount rate was estimated at 6%. The Fixed Rent payments and the reversions (future land values) were entered in a Discounted Cash Flow and a present value was calculated. The estimated value for a 99 year lease and a 198 year lease are shown below based a 151.60 developable acres and a 33.4% proportional share of the annual payments.

ESTIMATED VALUE OF THE LEASED FEE INTEREST
FOR THE 99 YEAR LEASE BASED UPON **33.4%** OF ANNUAL LEASE PAYMENTS
\$12,500,000

ESTIMATED VALUE OF THE LEASED FEE INTEREST
FOR THE 198 YEAR LEASE BASED UPON **33.4%** OF ANNUAL LEASE PAYMENTS
\$9,600,000

Upon instructions from the client, we also prepared an estimate of value based upon 112.12 developable acres and a 45.1% proportional share of the annual payments as shown below. The discounted cash flow appears in the Addenda.

ESTIMATED VALUE OF THE LEASED FEE INTEREST
FOR THE 99 YEAR LEASE BASED UPON **45.1%** OF ANNUAL LEASE PAYMENTS
\$15,500,000

ESTIMATED VALUE OF THE LEASED FEE INTEREST
FOR THE 198 YEAR LEASE BASED UPON **45.1%** OF ANNUAL LEASE PAYMENTS
\$12,900,000

QUALIFICATIONS OF THE APPRAISERS

ROBERT A. LEWIS, PH.D., MAI

SUMMARY

Twenty four (24) years as a commercial real estate appraiser. Highest Designation from the Appraisal Institute—MAI. Appraised virtually all types of commercial real estate from small apartment buildings in South Florida to luxury hotels in the Bahamas. Served as Special Magistrate for property assessment appeals for the Value Adjustment Boards in Broward and Miami Dade Counties since 1992. Clients have included individuals, attorneys, banks and governmental agencies for a variety of purposes: establishing selling prices, estates, bank loans, and eminent domain.

EDUCATION

Ph.D. Degree	<u>Cornell University</u> , Urban and Regional Planning, Economics.
Graduate School	<u>University of Michigan</u> , Economics Department
B.A. Degree	<u>Reed College</u> , Economics Major

PROFESSIONAL EXPERIENCE

1993 -	<u>Lewis Appraisals & Consulting, Inc.</u> , President. Commercial and Residential Real Estate Appraiser. Planner/Economist. 3620 Farragut St., Hollywood, FL 33021 Tel. and Fax 954-966-2567.
1992 to present	<u>Value Adjustment Board, Dade County</u> . Special Magistrate Appraiser, Ruled on appeals of real estate assessed values
2003 to 2008	<u>Value Adjustment Board, Broward County</u> . Special Magistrate Appraiser, Ruled on appeals of real estate assessed values
1997-98	<u>CB Richard Ellis</u> , Miami, FL. Appraised large commercial properties in the Caribbean and Latin America.
1985-1990	<u>Commercial real estate appraiser</u> with Goodkin Research Corporation, R/E Analysts, Inc, Hewitt, Olson, Smoker and Assoc., Inc.,
1978 - 1984	<u>School Board of Broward County</u> , Responsible for projecting student populations and planning sites for new schools.
1971-85	<u>Professor of economics and urban planning</u> at Ohio University, Virginia Commonwealth University, University of Southern California, and Florida Atlantic University (full and part-time appointments)
1975	<u>World Bank</u> , Consultant on loan for urban projects in Lima, Peru.
1964 - 1966	<u>Accion en Venezuela, Caracas</u> , Community Development Volunteer

TYPES OF PROPERTIES APPRAISED

Apartments	RV Park/ Campground
Condominiums	Retail Buildings
Drug Rehabilitation Center	Shopping Centers
Family Amusement Center	Single family homes
Flexible Warehouse Complexes	Stadium
Hotels	Subdivisions
Mini-warehouses	Vacant land
Office Buildings	Warehouse Condominiums
Office Condominiums	Warehouses
Planned Unit Developments	Wetlands

Clifford Darryl Peck

State Certified General Real Estate Appraiser # RZ3071

5201 SW 31 Avenue #116

Fort Lauderdale, Florida 33312

954-964-1223 Phone

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Darrylp@aol.com

EDUCATION:

University of Miami - *Bachelors Degree in Biology & Chemistry* - June, 1972
Nova Southeastern University - *Master of Business Administration* - June, 1982
Fort Lauderdale, Florida

APPRAISAL EDUCATION:

SREA - 101 Introduction to Appraising Real Property
SREA - 102 Applied Residential Property Valuation
SREA - 201 Principles of Income Property Valuation
SREA - 202 Applied Income Property Valuation
AI - 1A1 Real Estate Appraisal Principles
AI - 510 Highest and Best Use Analysis
AI - 520 Advanced Income Capitalization
AI - 530 Advanced Sales Comparison & Cost Approaches
AI-Income Valuation of Small Mixed-Use Properties
AI-Alternative Uses and Cost Valuation of Small Mixed-Use Properties
AI-Sales Comparison Valuation of Small Mixed-Use Properties
Fundamentals of Relocation Appraising
Special Purpose Properties in Limited Markets
Luxury Waterfront Markets: Determination of Land Value
Environmental Risk and the Real Estate Appraisal Process
Internet and the Appraiser
Market and Feasibility Analysis for Shopping Centers
Dynamics of Office Building Valuation
Real Estate Valuations and the Appraisal Industry
Understanding Limited Appraisals and Appraisal Reporting
Appraisal Reporting of Complex Residential Properties
Appraisal Theory Update Seminar
Appraising Troubled Properties
How to Verify Market Data
Subdivision Analysis
Litigation Valuation; Mock Trial
Avoiding or Limiting Loss from E & O Lawsuits
Successful Home Building, being your own Contractor
Standards of Professional Practice, Parts 1 & 2
Small Hotel/Motel Valuation
The Impact of Contamination on Real Estate Value
Residential Design and Functional Utility
Apartment Appraisal
Support Sales Comparison Grid Adjustments
Lease Abstracting and Analysis
Case Studies in Residential Highest & Best Use
Partial Interest Valuation- Divided
Partial Interest Valuation -Undivided
How to Appraise a Business
Case Studies in Commercial Highest and Best Use
Understanding and Testing DCF Valuation Models
Convincing Residential Appraisals
FHA Appraisal Inspection From the Ground Up

CERTIFICATIONS AND LICENSES:	State of Florida St Cert General Real Estate Appraiser # RZ 3071, since 2007 St Cert Residential Real Estate Appraiser #RD 1139 from 1991 to 2007 Licensed Real Estate Broker # BL 480698, since 1988
PROPERTY TYPES APPRAISED:	Single Family Residences Condominiums Warehouses Industrial Buildings Industrial Land Residential Land Agricultural Land Convenience Stores Adult Congregate Living Facilities Mixed-Use Properties Condominium Conversions Social Clubs Mobile Home Parks Service Stations and Sites Condominium Retail and Industrial Special Purpose Properties High Value Residences REO's and Foreclosed Properties Small Residential Income Properties Cooperatives Apartment Buildings Agricultural Properties Office Buildings Medical Office Buildings Shopping Centers Retail Stores Churches and Church Schools Day Care Centers Funeral Homes Car Washes Pharmacies
EMPLOYMENT HISTORY	I have worked as an independent contractor for the past 28 years serving Miami-Dade, Broward, and Palm Beach Counties in South Florida working for the following appraisal firms. Prestige Appraisal Services - Miami, Florida The PEPE Organization - Tuckerton, New Jersey Mortgage Information Services - Miramar, Florida New York Settlement Company - Plainview, New York The Ernest Jones Company - Hollywood, Florida Spaulding Associates - Homestead, Florida L.B. Slater - Hollywood, Florida Garrin & Associates - Plantation, Florida Advanced Research & Appraisal - Miramar, Florida Daniel N. Stein, Inc. - Miami, Florida Southern Realty & Appraisal - Hollywood, Florida Property Consultants - Miami, Florida Lewis Appraisal & Consultants - Hollywood, Florida American Appraisal - Miami, Florida
PROGRAMS USED	MS Word, Wordperfect, MS Excel, Apex IV Sketching, Residential Forms, Multiple Listing Service, Costar, FARES

ADDENDA

Discounted Cash Flow Analysis with 33.4% of Annual Payments for 99 and 198 years
Discounted Cash Flow Analysis with 45.1% of Annual Payments for 99 and 198 years
Long Term Inflation Rate Data
Condominium Development Data from Cranespotters.com

DISCOUNTED CASH FLOW ANALYSIS (33.4%)

Lewis Appraisals and Consulting, Inc

LEASED FEE INTEREST OF 50.6 ACRES OF BISCAYNE LANDING.
 USING 33.4% PROPORTIONAL SHARE OF ANNUAL PAYMENTS

	Year of Lease	Year	Payments Due in Lease	Prorotunal Share of Payments at 33.4%	Discount Rate Factor at 6%	Present Value of Cash Flows	Current Land Value and Future Value of Reversion
INPUTS							
Current Value of Land	59,500,000	1	2012				
Discount Rate	6.0%	2	2013	None			
Inflation Factor for Land	3.0%	3	2014	None			59,500,000
Proportion of Annual Payments	33.4%	4	2015	None			(Current Land Value)
		5	2016	None			
		6	2017	1,500,000	0.83962	420,649	
		7	2018	1,500,000	0.79209	396,839	
		8	2019	1,500,000	0.74726	374,376	
		9	2020	1,500,000	0.70496	353,185	
		10	2021	1,500,000	0.66506	333,194	
		11	2022	1,650,000	0.62741	345,767	
		12	2023	1,650,000	0.59190	326,195	
		13	2024	1,650,000	0.55839	307,731	
		14	2025	1,650,000	0.52679	290,313	
		15	2026	1,650,000	0.49697	273,880	
		16	2027	1,650,000	0.46884	258,377	
		17	2028	1,650,000	0.44230	243,752	
		18	2029	1,650,000	0.41727	229,955	
		19	2030	1,650,000	0.39365	216,938	
		20	2031	1,650,000	0.37136	204,659	
		21	2032	1,800,000	0.35034	210,627	
		22	2033	1,800,000	0.33051	198,704	
		23	2034	1,800,000	0.31180	187,457	
		24	2035	1,800,000	0.29416	176,846	
		25	2036	1,800,000	0.27751	166,836	
		26	2037	1,800,000	0.26180	157,393	
		27	2038	1,800,000	0.24698	148,484	
		28	2039	1,800,000	0.23300	140,079	
		29	2040	1,800,000	0.21981	132,150	
		30	2041	1,800,000	0.20737	124,670	
		31	2042	1,950,000	0.19563	127,414	
		32	2043	1,950,000	0.18456	120,202	
		33	2044	1,950,000	0.17411	113,398	
		34	2045	1,950,000	0.16425	106,979	
		35	2046	1,950,000	0.15496	100,924	
		36	2047	1,950,000	0.14619	95,211	
		37	2048	1,950,000	0.13791	89,822	
		38	2049	1,950,000	0.13011	84,738	
		39	2050	1,950,000	0.12274	79,941	
		40	2051	1,950,000	0.11579	75,416	
		41	2052	2,100,000	0.10924	76,620	
		42	2053	2,100,000	0.10306	72,283	
		43	2054	2,100,000	0.09722	68,192	
		44	2055	2,100,000	0.09172	64,332	
		45	2056	2,100,000	0.08653	60,690	
		46	2057	2,100,000	0.08163	57,255	
		47	2058	2,100,000	0.07701	54,014	
		48	2059	2,250,000	0.07265	54,597	
		49	2060	2,250,000	0.06854	51,506	
		50	2061	2,250,000	0.06466	48,591	
		51	2062	2,400,000	0.06100	48,896	
		52	2063	2,400,000	0.05755	46,129	
		53	2064	2,400,000	0.05429	43,518	
		54	2065	2,400,000	0.05122	41,054	
		55	2066	2,400,000	0.04832	38,730	
		56	2067	2,400,000	0.04558	36,538	
		57	2068	2,400,000	0.04300	34,470	
		58	2069	2,400,000	0.04057	32,519	
		59	2070	2,400,000	0.03827	30,678	
		60	2071	2,400,000	0.03610	28,942	
		61	2072	2,550,000	0.03406	29,010	
		62	2073	2,550,000	0.03213	27,368	
		63	2074	2,550,000	0.03031	25,819	
		64	2075	2,550,000	0.02860	24,357	
		65	2076	2,550,000	0.02698	22,979	
		66	2077	2,550,000	0.02545	21,678	
		67	2078	2,550,000	0.02401	20,451	
		68	2079	2,550,000	0.02265	19,293	
		69	2080	2,550,000	0.02137	18,201	
		70	2081	2,550,000	0.02016	17,171	
		71	2082	2,700,000	0.01902	17,152	
		72	2083	2,700,000	0.01794	16,181	
		73	2084	2,700,000	0.01693	15,265	

153	2164	56,294,466	18,802,352	0.00016	3,008
154	2165	56,294,466	18,802,352	0.00015	2,838
155	2166	56,294,466	18,802,352	0.00014	2,677
156	2167	56,294,466	18,802,352	0.00013	2,526
157	2168	56,294,466	18,802,352	0.00013	2,383
158	2169	56,294,466	18,802,352	0.00012	2,248
159	2170	56,294,466	18,802,352	0.00011	2,121
160	2171	64,738,636	21,622,705	0.00011	2,301
161	2172	64,738,636	21,622,705	0.00010	2,171
162	2173	64,738,636	21,622,705	0.00009	2,048
163	2174	64,738,636	21,622,705	0.00009	1,932
164	2175	64,738,636	21,622,705	0.00008	1,822
165	2176	64,738,636	21,622,705	0.00008	1,719
166	2177	64,738,636	21,622,705	0.00008	1,622
167	2178	64,738,636	21,622,705	0.00007	1,530
168	2179	64,738,636	21,622,705	0.00007	1,444
169	2180	64,738,636	21,622,705	0.00006	1,362
170	2181	74,449,432	24,866,110	0.00006	1,478
171	2182	74,449,432	24,866,110	0.00006	1,394
172	2183	74,449,432	24,866,110	0.00005	1,315
173	2184	74,449,432	24,866,110	0.00005	1,241
174	2185	74,449,432	24,866,110	0.00005	1,170
175	2186	74,449,432	24,866,110	0.00004	1,104
176	2187	74,449,432	24,866,110	0.00004	1,042
177	2188	74,449,432	24,866,110	0.00004	983
178	2189	74,449,432	24,866,110	0.00004	927
179	2190	74,449,432	24,866,110	0.00004	875
180	2191	85,616,847	28,596,027	0.00003	949
181	2192	85,616,847	28,596,027	0.00003	895
182	2193	85,616,847	28,596,027	0.00003	844
183	2194	85,616,847	28,596,027	0.00003	797
184	2195	85,616,847	28,596,027	0.00003	752
185	2196	85,616,847	28,596,027	0.00002	709
186	2197	85,616,847	28,596,027	0.00002	669
187	2198	85,616,847	28,596,027	0.00002	631
188	2199	85,616,847	28,596,027	0.00002	595
189	2200	85,616,847	28,596,027	0.00002	562
190	2201	98,459,374	32,885,431	0.00002	609
191	2202	98,459,374	32,885,431	0.00002	575
192	2203	98,459,374	32,885,431	0.00002	542
193	2204	98,459,374	32,885,431	0.00002	512
194	2205	98,459,374	32,885,431	0.00001	483
195	2206	98,459,374	32,885,431	0.00001	455
196	2207	98,459,374	32,885,431	0.00001	430
197	2208	98,459,374	32,885,431	0.00001	405
198	2209	98,459,374	32,885,431	0.00001	382
For 198 Years					
Discounted Value of Payments	9,391,013				18,957,269,461
Discounted Value of Reversion	220,360				(Future Value of the
Total Discounted Value	9,611,373				Reversion)

DISCOUNTED CASH FLOW ANALYSIS (45.1%)

LEASED FEE INTEREST OF 50.6 ACRES OF BISCAYNE LANDING.
 USING 45.1% PROPORTIONAL SHARE OF ANNUAL PAYMENTS

		Year of Lease	Year	Payments Due in Lease	Prorotunal Share of Payments at 45.1%	Discount Rate Factor at 6%	Present Value of Cash Flows	Current Land Value and Future Value of Reversion
INPUTS		1	2012					
Current Value of Land	59,500,000	2	2013	None				59,500,000
Discount Rate	6.0%	3	2014	None				(Current Land Value)
Inflation Factor for Land	3.0%	4	2015	None				
Proportion of Annual Payments	45.1%	5	2016	None				
		6	2017	1,500,000	676,500	0.83962	568,002	
		7	2018	1,500,000	676,500	0.79209	535,851	
OUTPUTS		8	2019	1,500,000	676,500	0.74726	505,520	
For 99 Years		9	2020	1,500,000	676,500	0.70496	476,906	
Discounted Value of Payments	11,726,685	10	2021	1,500,000	676,500	0.66506	449,911	
Discounted Value of Reversion	3,780,310	11	2022	1,650,000	744,150	0.62741	466,889	
Total Discounted Value	15,506,996	12	2023	1,650,000	744,150	0.59190	440,461	
	Rounded	13	2024	1,650,000	744,150	0.55839	415,529	
		14	2025	1,650,000	744,150	0.52679	392,009	
For 198 Years		15	2026	1,650,000	744,150	0.49697	369,820	
Discounted Value of Payments	12,680,680	16	2027	1,650,000	744,150	0.46884	348,887	
Discounted Value of Reversion	220,360	17	2028	1,650,000	744,150	0.44230	329,138	
Total Discounted Value	12,901,039	18	2029	1,650,000	744,150	0.41727	310,508	
	Rounded	19	2030	1,650,000	744,150	0.39365	292,932	
		20	2031	1,650,000	744,150	0.37136	276,351	
		21	2032	1,800,000	811,800	0.35034	284,409	
		22	2033	1,800,000	811,800	0.33051	268,310	
		23	2034	1,800,000	811,800	0.31180	253,123	
		24	2035	1,800,000	811,800	0.29416	238,795	
		25	2036	1,800,000	811,800	0.27751	225,279	
		26	2037	1,800,000	811,800	0.26180	212,527	
		27	2038	1,800,000	811,800	0.24698	200,497	
		28	2039	1,800,000	811,800	0.23300	189,148	
		29	2040	1,800,000	811,800	0.21981	178,442	
		30	2041	1,800,000	811,800	0.20737	168,341	
		31	2042	1,950,000	879,450	0.19563	172,047	
		32	2043	1,950,000	879,450	0.18456	162,308	
		33	2044	1,950,000	879,450	0.17411	153,121	
		34	2045	1,950,000	879,450	0.16425	144,454	
		35	2046	1,950,000	879,450	0.15496	136,277	
		36	2047	1,950,000	879,450	0.14619	128,563	
		37	2048	1,950,000	879,450	0.13791	121,286	
		38	2049	1,950,000	879,450	0.13011	114,421	
		39	2050	1,950,000	879,450	0.12274	107,944	
		40	2051	1,950,000	879,450	0.11579	101,834	
		41	2052	2,100,000	947,100	0.10924	103,460	
		42	2053	2,100,000	947,100	0.10306	97,604	
		43	2054	2,100,000	947,100	0.09722	92,079	
		44	2055	2,100,000	947,100	0.09172	86,867	
		45	2056	2,100,000	947,100	0.08653	81,950	
		46	2057	2,100,000	947,100	0.08163	77,311	
		47	2058	2,100,000	947,100	0.07701	72,935	
		48	2059	2,250,000	1,014,750	0.07265	73,722	
		49	2060	2,250,000	1,014,750	0.06854	69,549	
		50	2061	2,250,000	1,014,750	0.06466	65,612	
		51	2062	2,400,000	1,082,400	0.06100	66,025	
		52	2063	2,400,000	1,082,400	0.05755	62,287	
		53	2064	2,400,000	1,082,400	0.05429	58,762	
		54	2065	2,400,000	1,082,400	0.05122	55,436	
		55	2066	2,400,000	1,082,400	0.04832	52,298	
		56	2067	2,400,000	1,082,400	0.04558	49,337	
		57	2068	2,400,000	1,082,400	0.04300	46,545	
		58	2069	2,400,000	1,082,400	0.04057	43,910	
		59	2070	2,400,000	1,082,400	0.03827	41,425	
		60	2071	2,400,000	1,082,400	0.03610	39,080	
		61	2072	2,550,000	1,150,050	0.03406	39,172	
		62	2073	2,550,000	1,150,050	0.03213	36,955	
		63	2074	2,550,000	1,150,050	0.03031	34,863	
		64	2075	2,550,000	1,150,050	0.02860	32,890	
		65	2076	2,550,000	1,150,050	0.02698	31,028	
		66	2077	2,550,000	1,150,050	0.02545	29,272	
		67	2078	2,550,000	1,150,050	0.02401	27,615	
		68	2079	2,550,000	1,150,050	0.02265	26,052	
		69	2080	2,550,000	1,150,050	0.02137	24,577	
		70	2081	2,550,000	1,150,050	0.02016	23,186	
		71	2082	2,700,000	1,217,700	0.01902	23,160	
		72	2083	2,700,000	1,217,700	0.01794	21,849	
		73	2084	2,700,000	1,217,700	0.01693	20,612	

		74	2085	2,700,000	1,217,700	0.01597	19,446	
		75	2086	2,700,000	1,217,700	0.01507	18,345	
		76	2087	2,700,000	1,217,700	0.01421	17,307	
		77	2088	2,700,000	1,217,700	0.01341	16,327	
		78	2089	2,700,000	1,217,700	0.01265	15,403	
		79	2090	2,700,000	1,217,700	0.01193	14,531	
		80	2091	2,700,000	1,217,700	0.01126	13,708	
		81	2092	2,850,000	1,285,350	0.01062	13,651	
		82	2093	2,850,000	1,285,350	0.01002	12,878	
		83	2094	2,850,000	1,285,350	0.00945	12,149	
		84	2095	2,850,000	1,285,350	0.00892	11,462	
		85	2096	2,850,000	1,285,350	0.00841	10,813	
		86	2097	2,850,000	1,285,350	0.00794	10,201	
		87	2098	2,850,000	1,285,350	0.00749	9,623	
		88	2099	2,850,000	1,285,350	0.00706	9,079	
		89	2100	2,850,000	1,285,350	0.00666	8,565	
		90	2101	2,850,000	1,285,350	0.00629	8,080	
		91	2102	3,000,000	1,353,000	0.00593	8,024	
		92	2103	3,000,000	1,353,000	0.00559	7,570	
		93	2104	3,000,000	1,353,000	0.00528	7,141	
		94	2105	3,000,000	1,353,000	0.00498	6,737	
		95	2106	3,000,000	1,353,000	0.00470	6,356	
		96	2107	3,000,000	1,353,000	0.00443	5,996	
		97	2108	3,000,000	1,353,000	0.00418	5,656	
		98	2109	3,000,000	1,353,000	0.00394	5,336	
		99	2110	3,000,000	1,353,000	0.00372	5,034	
For 99 Years								1,015,992,583
Discounted Value of Payments	11,726,685							(Future Value of the
								Reversion)
Discounted Value of Reversion	3,780,310	100	2111	27,988,299	12,622,723	0.00351	44,308	
Total Discounted Value	15,506,996	101	2112	27,988,299	12,622,723	0.00331	41,800	
		102	2113	27,988,299	12,622,723	0.00312	39,434	
		103	2114	27,988,299	12,622,723	0.00295	37,202	
		104	2115	27,988,299	12,622,723	0.00278	35,096	
		105	2116	27,988,299	12,622,723	0.00262	33,110	
		106	2117	27,988,299	12,622,723	0.00247	31,236	
		107	2118	27,988,299	12,622,723	0.00233	29,467	
		108	2119	27,988,299	12,622,723	0.00220	27,800	
		109	2120	27,988,299	12,622,723	0.00208	26,226	
		110	2121	32,186,544	14,516,131	0.00196	24,843	
		111	2122	32,186,544	14,516,131	0.00185	23,542	
		112	2123	32,186,544	14,516,131	0.00174	22,323	
		113	2124	32,186,544	14,516,131	0.00165	21,176	
		114	2125	32,186,544	14,516,131	0.00155	20,098	
		115	2126	32,186,544	14,516,131	0.00146	19,076	
		116	2127	32,186,544	14,516,131	0.00138	18,108	
		117	2128	32,186,544	14,516,131	0.00130	17,193	
		118	2129	32,186,544	14,516,131	0.00123	16,330	
		119	2130	32,186,544	14,516,131	0.00116	15,516	
		120	2131	37,014,525	16,693,551	0.00109	14,751	
		121	2132	37,014,525	16,693,551	0.00103	14,033	
		122	2133	37,014,525	16,693,551	0.00097	13,361	
		123	2134	37,014,525	16,693,551	0.00092	12,734	
		124	2135	37,014,525	16,693,551	0.00087	12,151	
		125	2136	37,014,525	16,693,551	0.00082	11,611	
		126	2137	37,014,525	16,693,551	0.00077	11,113	
		127	2138	37,014,525	16,693,551	0.00073	10,655	
		128	2139	37,014,525	16,693,551	0.00069	10,236	
		129	2140	37,014,525	16,693,551	0.00065	9,855	
		130	2141	42,566,704	19,197,584	0.00061	9,511	
		131	2142	42,566,704	19,197,584	0.00058	9,193	
		132	2143	42,566,704	19,197,584	0.00054	8,900	
		133	2144	42,566,704	19,197,584	0.00051	8,631	
		134	2145	42,566,704	19,197,584	0.00048	8,385	
		135	2146	42,566,704	19,197,584	0.00046	8,161	
		136	2147	42,566,704	19,197,584	0.00043	7,957	
		137	2148	42,566,704	19,197,584	0.00041	7,772	
		138	2149	42,566,704	19,197,584	0.00038	7,605	
		139	2150	42,566,704	19,197,584	0.00036	7,455	
		140	2151	48,951,710	22,077,221	0.00034	7,319	
		141	2152	48,951,710	22,077,221	0.00032	7,196	
		142	2153	48,951,710	22,077,221	0.00030	7,084	
		143	2154	48,951,710	22,077,221	0.00029	6,982	
		144	2155	48,951,710	22,077,221	0.00027	6,890	
		145	2156	48,951,710	22,077,221	0.00026	6,807	
		146	2157	48,951,710	22,077,221	0.00024	6,733	
		147	2158	48,951,710	22,077,221	0.00023	6,667	
		148	2159	48,951,710	22,077,221	0.00021	6,608	
		149	2160	48,951,710	22,077,221	0.00020	6,555	
		150	2161	56,294,466	25,388,804	0.00019	6,507	
		151	2162	56,294,466	25,388,804	0.00018	6,464	
		152	2163	56,294,466	25,388,804	0.00017	6,425	

153	2164	56,294,466	25,388,804	0.00016	4,062	
154	2165	56,294,466	25,388,804	0.00015	3,832	
155	2166	56,294,466	25,388,804	0.00014	3,615	
156	2167	56,294,466	25,388,804	0.00013	3,411	
157	2168	56,294,466	25,388,804	0.00013	3,218	
158	2169	56,294,466	25,388,804	0.00012	3,036	
159	2170	56,294,466	25,388,804	0.00011	2,864	
160	2171	64,738,636	29,197,125	0.00011	3,107	
161	2172	64,738,636	29,197,125	0.00010	2,931	
162	2173	64,738,636	29,197,125	0.00009	2,765	
163	2174	64,738,636	29,197,125	0.00009	2,609	
164	2175	64,738,636	29,197,125	0.00008	2,461	
165	2176	64,738,636	29,197,125	0.00008	2,322	
166	2177	64,738,636	29,197,125	0.00008	2,190	
167	2178	64,738,636	29,197,125	0.00007	2,066	
168	2179	64,738,636	29,197,125	0.00007	1,949	
169	2180	64,738,636	29,197,125	0.00006	1,839	
170	2181	74,449,432	33,576,694	0.00006	1,995	
171	2182	74,449,432	33,576,694	0.00006	1,882	
172	2183	74,449,432	33,576,694	0.00005	1,776	
173	2184	74,449,432	33,576,694	0.00005	1,675	
174	2185	74,449,432	33,576,694	0.00005	1,580	
175	2186	74,449,432	33,576,694	0.00004	1,491	
176	2187	74,449,432	33,576,694	0.00004	1,406	
177	2188	74,449,432	33,576,694	0.00004	1,327	
178	2189	74,449,432	33,576,694	0.00004	1,252	
179	2190	74,449,432	33,576,694	0.00004	1,181	
180	2191	85,616,847	38,613,198	0.00003	1,281	
181	2192	85,616,847	38,613,198	0.00003	1,209	
182	2193	85,616,847	38,613,198	0.00003	1,140	
183	2194	85,616,847	38,613,198	0.00003	1,076	
184	2195	85,616,847	38,613,198	0.00003	1,015	
185	2196	85,616,847	38,613,198	0.00002	957	
186	2197	85,616,847	38,613,198	0.00002	903	
187	2198	85,616,847	38,613,198	0.00002	852	
188	2199	85,616,847	38,613,198	0.00002	804	
189	2200	85,616,847	38,613,198	0.00002	758	
190	2201	98,459,374	44,405,177	0.00002	823	
191	2202	98,459,374	44,405,177	0.00002	776	
192	2203	98,459,374	44,405,177	0.00002	732	
193	2204	98,459,374	44,405,177	0.00002	691	
194	2205	98,459,374	44,405,177	0.00001	652	
195	2206	98,459,374	44,405,177	0.00001	615	
196	2207	98,459,374	44,405,177	0.00001	580	
197	2208	98,459,374	44,405,177	0.00001	547	
198	2209	98,459,374	44,405,177	0.00001	516	
For 198 Years						
Discounted Value of Payments	12,680,680					18,957,269,461
Discounted Value of Reversion	220,360					(Future Value of the
Total Discounted Value	12,901,039					Reversion)

LONG TERM INFLATION RATE DATA

Bureau of Labor Statistics

Consumer Price Index - All Urban Consumers
 12-Month Percent Change

Series Id: CUUR0000SAO
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All Items
 Base Period: 1982-84=100
 Years: 1914 to 2014

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1914	2.0	1.0	1.0	0.0	2.1	1.0	1.0	3.0	2.0	1.0	1.0	2.0	1.0		
1915	1.0	1.0	0.0	2.0	2.0	2.0	1.0	-1.0	-1.0	1.0	1.0	2.0	1.0		
1916	3.0	4.0	6.1	6.0	5.9	6.9	6.9	7.9	9.9	10.8	11.7	12.6	7.9		
1917	12.5	15.4	14.3	18.9	19.6	20.4	18.5	19.3	19.8	19.5	17.4	18.1	17.4		
1918	19.7	17.5	16.7	12.7	13.3	13.1	18.0	18.5	18.0	18.5	20.7	20.4	18.0		
1919	17.9	14.9	17.1	17.6	16.6	15.0	15.2	14.9	13.4	13.1	13.5	14.5	14.6		
1920	17.0	20.4	20.1	21.6	21.9	23.7	19.5	14.7	12.4	9.9	7.0	2.6	15.6		
1921	-1.6	-5.6	-7.1	-10.8	-14.1	-15.8	-14.9	-12.8	-12.5	-12.1	-10.8	-10.5			
1922	-11.1	-8.2	-8.7	-7.7	-5.6	-5.1	-5.1	-6.2	-5.1	-4.6	-3.4	-2.3	-6.1		
1923	-0.6	-0.6	0.6	1.2	1.2	1.8	2.4	3.0	3.6	3.0	3.0	2.4	1.8		
1924	3.0	2.4	1.8	0.6	0.6	0.0	-0.6	-0.6	-0.6	-0.6	-0.6	0.0	0.0		
1925	0.0	0.0	1.2	1.2	1.8	2.9	3.5	4.1	3.5	2.9	4.7	3.5	2.3		
1926	3.5	4.1	2.9	4.1	2.9	1.1	-1.1	-1.7	-1.1	-0.6	-1.7	-1.1	1.1		
1927	-2.2	-2.8	-2.8	-3.4	-2.2	-0.6	-1.1	-1.1	-1.1	-1.1	-2.3	-2.3	-1.7		
1928	-1.1	-1.7	-1.2	-1.2	-1.1	-2.8	-1.2	-0.6	0.0	-1.1	-0.6	-1.2	-1.7		
1929	-1.2	0.0	-0.6	-1.2	-1.2	0.0	1.2	1.2	0.0	0.6	0.6	0.6	0.0		
1930	0.0	-0.6	-0.6	0.6	-0.6	-1.8	-4.0	-4.6	-4.0	-4.6	-5.2	-6.4	-2.3		
1931	-7.0	-7.6	-7.7	-8.8	-9.5	-10.1	-9.0	-8.5	-9.6	-9.7	-10.4	-9.3	-9.0		
1932	-10.1	-10.2	-10.3	-10.3	-10.5	-9.9	-9.9	-10.6	-10.7	-10.7	-10.2	-10.3	-9.9		
1933	-9.8	-9.9	-10.0	-9.4	-8.0	-8.6	-3.7	-2.2	-1.5	-0.8	0.0	0.8	-5.1		
1934	2.3	4.7	5.6	5.6	5.6	5.5	2.3	1.5	3.0	2.3	2.3	1.5	3.1		
1935	3.0	3.0	3.0	3.8	3.8	2.2	2.2	2.2	0.7	1.5	2.2	3.0	2.2		
1936	1.5	0.7	0.0	-0.7	-0.7	0.7	1.5	2.2	2.2	2.2	1.4	1.4	1.5		
1937	2.2	2.2	3.6	4.4	5.1	4.3	4.3	3.6	4.3	4.3	3.6	2.9	3.6		
1938	0.7	0.0	-0.7	-0.7	-2.1	-2.1	-2.8	-2.8	-3.4	-4.1	-3.4	-2.8	-2.1		
1939	-1.4	-1.4	-1.4	-2.8	-2.1	-2.1	-2.1	-2.1	0.0	0.0	0.0	0.0	-1.4		
1940	0.7	0.7	0.7	1.4	1.4	2.2	1.4	1.4	-0.7	0.0	0.0	0.7	0.7		
1941	1.4	0.7	1.4	2.1	2.9	4.3	5.0	6.4	7.9	9.3	10.0	9.9	5.0		
1942	11.3	12.1	12.7	12.6	13.2	10.9	11.6	10.7	9.3	9.2	9.1	9.0	10.9		
1943	7.6	7.0	7.5	8.1	7.4	7.4	6.1	4.8	5.5	4.2	3.6	3.0	6.1		
1944	3.0	3.0	1.2	0.6	0.0	0.6	1.7	2.3	1.7	1.7	1.7	2.3	1.7		
1945	2.3	2.3	2.3	1.7	2.3	2.8	2.3	2.3	2.3	2.3	2.3	2.2	2.3		
1946	2.2	1.7	2.8	3.4	3.4	3.3	9.4	11.6	12.7	14.9	17.7	18.1	8.3		
1947	18.1	18.8	19.7	19.0	18.4	17.6	12.1	11.4	12.7	10.6	8.5	8.8	14.4		
1948	10.2	9.3	6.8	8.7	9.1	9.5	9.9	8.9	6.5	6.1	4.8	3.0	8.1		
1949	1.3	1.3	1.7	0.4	-0.4	-0.8	-2.9	-2.9	-2.4	-2.9	-1.7	-2.1	-1.2		
1950	-2.1	-1.3	-0.8	-1.3	-0.4	-0.4	1.7	2.1	2.1	3.8	3.8	5.9	1.3		
1951	8.1	9.4	9.3	9.3	9.3	8.8	7.5	6.6	7.0	6.5	6.9	6.0	7.9		
1952	4.3	2.3	1.9	2.3	1.9	2.3	3.1	3.1	2.3	1.9	1.1	0.8	1.9		
1953	0.4	0.8	1.1	0.8	1.1	1.1	0.4	0.7	0.7	1.1	0.7	0.7	0.8		
1954	1.1	1.5	1.1	0.8	0.7	0.4	0.4	0.0	-0.4	-0.7	-0.4	-0.7	0.7		
1955	-0.7	-0.7	-0.7	-0.4	-0.7	-0.7	-0.4	-0.4	0.4	0.4	0.4	0.4	-0.4		
1956	0.4	0.4	0.4	0.7	1.1	1.9	2.2	1.9	1.9	2.2	2.2	3.0	1.5		
1957	3.0	3.4	3.7	3.7	3.7	3.3	3.3	3.7	3.3	2.9	3.3	2.9	3.3		
1958	3.6	3.2	3.6	3.6	3.2	2.8	2.5	2.1	2.1	2.1	2.1	1.8	2.8		
1959	1.4	1.0	0.3	0.3	0.3	0.7	0.7	1.0	1.4	1.7	1.4	1.7	0.7		
1960	1.0	1.7	1.7	1.7	1.7	1.7	1.4	1.4	1.0	1.4	1.4	1.4	1.7		
1961	1.7	1.4	1.4	1.0	1.0	0.7	1.4	1.0	1.4	0.7	0.7	0.7	1.0		
1962	0.7	1.0	1.0	1.3	1.3	1.3	1.0	1.3	1.3	1.3	1.3	1.3	1.0		
1963	1.3	1.0	1.3	1.0	1.0	1.3	1.3	1.3	1.0	1.3	1.3	1.6	1.3		
1964	1.6	1.6	1.3	1.3	1.3	1.3	1.3	1.0	1.3	1.0	1.3	1.0	1.3		
1965	1.0	1.0	1.3	1.6	1.6	1.9	1.6	1.9	1.6	1.9	1.6	1.9	1.6		
1966	1.9	2.6	2.6	2.9	2.9	2.5	2.8	3.5	3.5	3.8	3.8	3.5	2.9		
1967	3.5	2.8	2.8	2.5	2.8	2.8	2.8	2.4	2.8	2.4	2.7	3.0	3.1		
1968	3.6	4.0	3.9	3.9	3.9	4.2	4.5	4.5	4.5	4.7	4.7	4.7	4.2		
1969	4.4	4.7	5.2	5.5	5.5	5.5	5.4	5.7	5.7	5.7	5.9	6.2	5.5		
1970	6.2	6.1	5.8	6.1	6.0	6.0	6.0	5.4	5.7	5.6	5.6	5.6	5.7		
1971	5.3	5.0	4.7	4.2	4.4	4.6	4.4	4.6	4.1	3.8	3.3	3.3	4.4		
1972	3.3	3.5	3.5	3.5	3.2	2.7	2.9	2.9	3.2	3.4	3.7	3.4	3.2		
1973	3.6	3.9	4.6	5.1	5.5	6.0	5.7	7.4	7.4	7.8	8.3	8.7	6.2		
1974	9.4	10.0	10.4	10.1	10.7	10.9	11.5	10.9	11.9	12.1	12.2	12.3	11.0		
1975	11.8	11.2	10.3	10.2	9.5	9.4	9.7	8.6	7.9	7.4	7.4	6.9	9.1		

Source: Bureau of Labor Statistics
 Generated on: August 21, 2014 (05:22:59 PM)

Bureau of Labor Statistics															
1976	6.7	6.3	6.1	6.0	6.2	6.0	5.4	5.7	5.5	5.5	4.9	4.9	5.8		
1977	5.2	5.9	6.4	7.0	6.7	6.9	6.8	6.6	6.6	6.4	6.7	6.7	6.5		
1978	6.8	6.4	6.6	6.5	7.0	7.4	7.7	7.8	8.3	8.9	8.9	9.0	7.6		
1979	9.3	9.9	10.1	10.5	10.9	10.9	11.3	11.8	12.2	12.1	12.6	13.3	11.3		
1980	13.9	14.2	14.8	14.7	14.4	14.4	13.1	12.9	12.6	12.8	12.6	12.5	13.5		
1981	11.8	11.4	10.5	10.0	9.8	9.6	10.8	10.8	11.0	10.1	9.6	8.9	10.3		
1982	8.4	7.6	8.8	6.5	6.7	7.1	6.4	5.9	5.0	5.1	4.6	3.8	6.2		
1983	3.7	3.5	3.6	3.9	3.5	2.6	2.5	2.6	2.9	2.9	3.3	3.8	3.2		
1984	4.2	4.6	4.8	4.6	4.2	4.2	4.2	4.3	4.3	4.3	4.1	3.9	4.3		
1985	3.5	3.5	3.7	3.7	3.8	3.8	3.6	3.3	3.1	3.2	3.5	3.8	3.6	3.4	
1986	3.9	3.1	2.3	1.6	1.5	1.8	1.6	1.6	1.8	1.5	1.3	1.1	1.9	2.3	1.5
1987	1.5	2.1	3.0	3.8	3.9	3.7	3.9	4.3	4.4	4.5	4.5	4.4	3.6	3.0	4.4
1988	4.0	3.9	3.9	3.9	3.9	4.0	4.1	4.0	4.2	4.2	4.2	4.4	4.1	3.9	4.2
1989	4.7	4.8	5.0	5.1	5.4	5.2	5.0	4.7	4.3	4.5	4.7	4.6	4.8	5.1	4.7
1990	5.2	5.3	5.2	4.7	4.4	4.7	4.8	5.6	6.2	6.3	6.3	6.1	5.4	4.9	5.8
1991	5.7	5.3	4.9	4.9	5.0	4.7	4.4	3.8	3.4	2.9	3.0	3.1	4.2	5.1	3.5
1992	2.6	2.8	3.2	3.2	3.0	3.1	3.2	3.1	3.0	3.2	3.0	2.9	3.0	3.0	3.1
1993	3.3	3.2	3.1	3.2	3.2	3.0	2.8	2.8	2.7	2.8	2.7	2.7	3.0	3.2	2.8
1994	2.5	2.5	2.5	2.4	2.3	2.5	2.8	2.9	3.0	2.6	2.7	2.7	2.6	2.4	2.8
1995	2.8	2.9	2.9	3.1	3.2	3.0	2.8	2.6	2.5	2.8	2.6	2.5	2.8	2.0	2.6
1996	2.7	2.7	2.8	2.9	2.9	2.8	3.0	2.9	3.0	3.0	3.3	3.3	3.0	2.8	3.1
1997	3.0	3.0	2.8	2.5	2.2	2.3	2.2	2.2	2.2	2.1	1.8	1.7	2.3	2.6	2.1
1998	1.6	1.4	1.4	1.4	1.7	1.7	1.7	1.6	1.5	1.5	1.5	1.6	1.6	1.5	1.6
1999	1.7	1.6	1.7	2.3	2.1	2.0	2.1	2.3	2.6	2.6	2.6	2.7	2.2	1.9	2.5
2000	2.7	3.2	3.8	3.1	3.2	3.7	3.7	3.4	3.5	3.4	3.4	3.4	3.4	3.3	3.5
2001	3.7	3.5	2.9	3.3	3.6	3.2	2.7	2.7	2.6	2.1	1.9	1.6	2.8	3.4	2.2
2002	1.1	1.1	1.5	1.6	1.2	1.1	1.5	1.8	1.5	2.0	2.2	2.4	1.6	1.3	1.9
2003	2.6	3.0	3.0	2.2	2.1	2.1	2.1	2.2	2.3	2.0	1.8	1.9	2.3	2.5	2.0
2004	1.9	1.7	1.7	2.3	3.1	3.3	3.0	2.7	2.5	3.2	3.5	3.3	2.7	2.3	3.0
2005	3.0	3.0	3.1	3.5	2.8	2.5	3.2	3.6	4.7	4.3	3.5	3.4	3.4	3.0	3.8
2006	4.0	3.6	3.4	3.5	4.2	4.3	4.1	3.8	2.1	1.3	2.0	2.5	3.2	3.8	2.6
2007	2.1	2.4	2.8	2.6	2.7	2.7	2.4	2.0	2.8	3.5	4.3	4.1	2.8	2.5	3.1
2008	4.3	4.0	4.0	3.9	4.2	5.0	5.6	5.4	4.9	3.7	1.1	0.1	3.8	4.2	3.4
2009	0.0	0.2	-0.4	-0.7	-1.3	-1.4	-2.1	-1.5	-1.3	-0.2	1.8	2.7	-0.4	-0.6	-0.1
2010	2.6	2.1	2.3	2.2	2.0	1.1	1.2	1.1	1.1	1.2	1.1	1.5	1.6	2.1	1.2
2011	1.6	2.1	2.7	3.2	3.6	3.6	3.6	3.8	3.9	3.5	3.4	3.0	3.2	2.8	3.5
2012	2.9	2.9	2.7	2.3	1.7	1.7	1.4	1.7	2.0	2.2	1.8	1.7	2.1	2.3	1.8
2013	1.6	2.0	1.5	1.1	1.4	1.8	2.0	1.5	1.2	1.0	1.2	1.5	1.5	1.5	1.4
2014	1.6	1.1	1.5	2.0	2.1	2.1	2.0				estimate		1.7	1.7	
Average Annual Change 1914-2014 (100 years)															3.3
Average Annual Change 1964-2014 (50 years)															4.1
Average Annual Change 1984-2014 (30 years)															2.8

Source: <http://data.bls.gov/pdq/SurveyOutputServlet> Retrieved 8-21-14. Average annual changes calculated by the appraiser.

CONDOMINIUM DEVELOPMENT STATISTICS FROM CRANESPOTTERS

South Florida Preconstruction Condo Projects List As Of 09/29/14					
Source: CraneSpotters.com					
Market		Towers	Floors	Units	Share Of South Florida Units
South Florida		281	5,347	38,344	100.0%
Proposed (Unapproved)		91	1,748	14,652	38.2%
Planned (Approved)		102	1,955	13,620	35.5%
Under Construction		70	1,440	9,281	24.2%
Completed		18	204	791	2.1%
Rank	Market	Towers	Floors	Units	Share Of South Florida Units
South Florida		281	5,347	38,344	100.0%
1	Miami-Dade County	181	4,308	28,263	73.7%
2	Broward County	56	461	6,449	16.8%
3	Palm Beach County	44	578	3,632	9.5%
Rank	Market	Towers	Floors	Units	Share Of South Florida Units
South Florida		281	5,347	38,344	100.0%
1	Greater Downtown Miami	64	2,622	18,443	48.1%
2	Hollywood / Hallandale Beach	21	235	3,626	9.5%
3	Fort Lauderdale	23	178	2,431	6.3%
4	West Palm Beach	12	261	2,122	5.5%
5	Sunny Isles Beach	16	649	2,114	5.5%
6	Aventura	13	215	2,108	5.5%
7	Miami Beach	27	270	1,355	3.5%
8	Bal Surf Bay	30	225	1,284	3.3%
9	Coral Gables	9	48	1,073	2.8%
10	Boca Raton	6	138	717	1.9%
11	North Bay Village	4	93	549	1.4%
12	Miami (Coconut Grove)	7	130	435	1.1%
13	Pompano Beach	11	45	374	1.0%
14	Miami (Upper East Side)	3	0	317	0.8%
15	Miami (Morningside)	2	23	230	0.6%
16	Delray Beach	4	39	193	0.5%
17	Palm Beach Gardens	5	27	191	0.5%
18	North Palm Beach	2	44	166	0.4%
19	Key Biscayne	3	33	165	0.4%
20	Juno Beach	7	28	121	0.3%
21	Miami (Design District)	1	0	96	0.3%
22	Fisher Island	2	0	94	0.2%
23	Highland Beach	2	22	65	0.2%
24	Gulf Stream	3	10	39	0.1%
25	Hillsboro Beach	1	3	18	0.0%
25	Palm Beach Shores	3	9	18	0.0%

CONDOMINIUM DEVELOPMENT STATISTICS FROM CRANESPOTTERS

The Miami New Construction Show Presents The South Florida Preconstruction Condo Market Price Survey As Of July 4, 2014			
Source: CraneSpotters.com			
RANK	MARKET	MINIMUM PRICE PSF	PRESALE RATIO
	South Florida	\$736	69%
1	Miami-Dade County	\$814	71%
2	Broward County	\$506	62%
3	Palm Beach County	\$399	53%
Ranked By Highest Minimum Price PSF			
RANK	MARKET	MINIMUM PRICE PSF	PRESALE RATIO
	South Florida	\$736	69%
1	Miami Beach	\$1,545	87%
2	Sunny Isles Beach	\$1,189	77%
3	Key Biscayne	\$1,006	92%
4	Miami (Coconut Grove)	\$767	45%
5	Bal Harbour - Surfside - Bay Harbor Islands	\$761	53%
6	Aventura	\$545	75%
7	Hollywood - Hallandale Beach	\$544	74%
8	Greater Downtown Miami	\$540	71%
9	Gulf Stream	\$520	100%
10	Hillsboro Beach	\$499	40%
11	Fort Lauderdale	\$479	59%
12	Miami (Morningside)	\$475	97%
13	Palm Beach Shores	\$474	33%
14	Coral Gables	\$399	67%
15	North Palm Beach	\$399	30%
16	Pompano Beach	\$350	5%
17	Juno Beach	\$202	50%
Ranked By Highest Presale Ratio			
RANK	MARKET	MINIMUM PRICE PSF	PRESALE RATIO
	South Florida	\$736	69%
1	Gulf Stream	\$520	100%
2	Miami (Morningside)	\$475	97%
3	Key Biscayne	\$1,006	92%
4	Miami Beach	\$1,545	87%
5	Sunny Isles Beach	\$1,189	77%
6	Aventura	\$545	75%
7	Hollywood - Hallandale Beach	\$544	74%
8	Greater Downtown Miami	\$540	71%
9	Coral Gables	\$399	67%
10	Fort Lauderdale	\$479	59%
11	Bal Harbour - Surfside - Bay Harbor Islands	\$761	53%
12	Juno Beach	\$202	50%
13	Miami (Coconut Grove)	\$767	45%
14	Hillsboro Beach	\$499	40%
15	Palm Beach Shores	\$474	33%
16	North Palm Beach	\$399	30%
17	Pompano Beach	\$350	5%

“EXHIBIT B”

RESIDENTIAL PARCEL AGREEMENT

“EXHIBIT B”

AGREEMENT REGARDING RESIDENTIAL PARCEL

THIS AGREEMENT REGARDING RESIDENTIAL PARCEL (this "**Agreement**") is made and entered into effective as of the ___ day of _____, 2014 (the "**Effective Date**"), between the CITY OF NORTH MIAMI, FLORIDA, a Florida municipal corporation ("**Landlord**" or "**City**"), and OLETA PARTNERS LLC, a Delaware limited liability company ("**Tenant**" or "**Oleta**"). Each of Landlord and Tenant is a "**Party**" and they are collectively the "**Parties**."

RECITALS

A. Landlord and Tenant entered into that certain Lease dated as of May 29, 2012 and that certain First Amendment to Lease ("**First Amendment**") dated as of June 21, 2012, that certain Second Amendment to Lease dated as of July 31, 2012 ("**Second Amendment**") and that certain Third Amendment to Lease dated as of June 26, 2013 ("**Third Amendment**" and, together with the First Amendment and the Second Amendment, collectively, the "**Lease**") pursuant to which the Tenant is leasing the Premises (as such term is defined in the Lease) from Landlord.

B. Oleta obtained approximately 194,000 cubic yards of fill (the "**Fill**") from the "Brickell City Centre" site, which Fill is (i) currently stockpiled on the Premises, and (ii) the subject of and is more particularly described in Miami-Dade County Environmental Quality Control Board ("**EQCB**") Corrected Board Order No. 13-39 issued on November 1, 2013 (the "**EQCB Order**").

C. In November 12, 2013, the City Council voted to require Oleta to remove the Fill from the Premises, and sent formal notice directing Oleta to remove the Fill and cease any attempts to deliver additional fill material onto the Premises.

D. Oleta has denied that it has any obligation to remove the Fill, and believes that it is entitled to use the Fill in connection with its development of the Biscayne Landing project (the "**Project**"), as a result (among other things) of the issuance of the EQCB Order, which (subject to certain conditions) granted Oleta's request to be permitted to use the Fill within the Premises.

E. On July 8, 2014 the City Council passed its Resolution No. 2014-R-63 (the "**Resolution**") authorizing the City Manager and City Attorney to negotiate an agreement with Oleta providing for (among other things) (i) the sale of certain property within the Premises (the "**Residential Parcel**") to Oleta, (ii) removal of the Fill, (iii) amending the Lease, and (iv) streamlining the process for the development of the Project in accordance with City of North Miami Land Development Regulations.

F. Prior to the Effective Date hereof, the City, in accordance with the Resolution, retained each of Lewis Appraisals & Consulting, Inc., Gallaher & Birch, Inc., and Integra Realty Resources (collectively, the "**Appraisers**") to prepare and deliver to the Parties an appraisal of

the Property, all as more particularly set forth herein below, which appraisals have been delivered to said Parties.

G. City and Oleta wish to enter in to this Agreement in furtherance of the Resolution.

NOW, THEREFORE, upon the mutual covenants and conditions herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Recitals; Certain Defined Terms. The foregoing Recitals are true and correct. Capitalized terms used herein which are not separately defined will have the meanings ascribed to them in the Lease.

2. Sale of Residential Parcel. City agrees to offer for sale and to sell the Residential Parcel to Oleta (or its designee) on the following terms and conditions.

(a) Residential Parcel. The Residential Parcel will be approximately 50 acres (which need not be contiguous). The exact location and acreage of the Residential Parcel will be determined pursuant to the provisions of **subsection (f)** below, but the Residential Parcel (i) cannot include the Corner Parcel, (ii) can be no less than forty-five (45) acres, and (iii) cannot include any land which is the subject of a sublease between Oleta and Warren Henry Automobiles, Inc. The Residential Parcel will be utilized by Oleta for residential condominium and related uses (which may include ancillary retail and commercial uses; collectively, the "**Intended Purpose**"). The Residential Parcel will be located within the 91.78 acres of the Project identified on the sketch attached hereto as **Exhibit "A"** (collectively, the "**Residential Zones**").

(b) Qualified Appraisers. The Parties acknowledge that, prior to the Effective Date, the City retained and selected the Appraisers in accordance with the terms of the City Charter, each of which Appraisers was acceptable to Oleta. Oleta will pay the fees charged by the Appraisers so long as such fees are reasonable and customary.

(c) Appraisal Process. The Appraisers were instructed to appraise the Residential Parcel based upon the existing Lease; i.e., were instructed to utilize the income approach and determine the value of the Residential Parcel by determining the present value of the guaranteed portion of the income stream to the City (i.e., the Fixed Rent) generated by the Lease for the remainder of the Term through the Scheduled Expiration Date of 11:59 p.m. August 31, 2111, and multiplying that present value by a fraction, the numerator of which will be the exact acreage of the Residential Parcel and the denominator of which will be 151.6 acres.

(i) The present value of the Fixed Rent income stream will not be adjusted by the potential Participation Rent reasonably anticipated to otherwise be earned by the City with respect to the Residential Parcel through the Scheduled Expiration Date. Instead, as set forth in **subsection 2(m)** below, at Closing the Parties will execute and record an agreement (the "**Future Participation Agreement**") which will provide for additional payments to the City.

(ii) In addition, the Appraisers have been instructed to determine the appropriate discount rate (the "**Discount Rate**") to utilize in determining present value of the Residential Parcel, and will determine the present value on both a per acre basis and based upon an assumed acreage of 50 acres.

(iii) Each of the Appraisers has completed its appraisal of the Residential Parcel, and simultaneously provided copies of its draft and final appraisals (each final appraisal, an "**Appraisal**" and collectively, the "**Appraisals**") to each of the City and Oleta.

(d) **Offer Price.** Notwithstanding the Appraisals, the Parties have agreed that the price at which City will sell the Residential Parcel is \$20,000,000.00 (the "**Offer Price**"), which the Parties acknowledge is an amount in excess of the average of the values determined by the three Appraisers for the Residential Parcel, in accordance with the methodology set forth in **subsection (c)** above.

(e) **Price Approval.** The determination of the Offer Price will not in and of itself bind either Party to purchase or sell the Residential Parcel. Oleta and the City will not be bound to purchase the Residential Parcel unless and until such time as Oleta has notified the City in writing that it accepts the Offer Price (such written notification, the "**Offer Notice**"), and further subject to the satisfaction of the Closing Conditions. The Parties agree that the Purchase Price shall be for the exact acreage included in the Residential Parcel. The date upon which Oleta delivers the Offer Notice shall constitute the "**Price Approval Date.**" The delivery of the Offer Notice shall bind Oleta and the City to the sale and purchase of the Residential Parcel, subject to the Closing Conditions (defined below). Oleta shall have sixty (60) days from the Effective Date within which to deliver the Offer Notice, it being understood that if Oleta does not deliver the Offer Notice within such time frame, Oleta will be deemed to have elected not to purchase the Residential Parcel pursuant to this Agreement.

(f) **Survey.** The exact location, acreage and legal description of the Residential Parcel (i) will be determined by a survey (the "**New Survey**") to be obtained by Oleta, at its sole cost, (ii) will consist of no less than 45 acres and no more than 55 acres and be located within the Residential Zones more particularly shown on the sketch attached hereto as **Exhibit "A"**, and (iii) shall require the approval of the City, such approval not to be unreasonably withheld or delayed. In the event that the City does not provide Oleta with detailed written objections with respect to the location, acreage or legal description of the Residential Parcel within fifteen (15) days of its receipt of a copy of the New Survey, (X) the City will be deemed to have approved such location, acreage and legal description, or (Y) City may, within said fifteen (15) day period, provide Oleta with written notice (a "**City Survey Notice**") that City intends to obtain its own survey of the Residential Parcel (the "**City Survey**"), in which event the City Survey must be prepared and delivered to Oleta within ten (10) days of the City Survey Notice. If the City Survey identifies material inaccuracies in the New Survey, the Parties shall make a good faith effort to reconcile the discrepancies between the New Survey and the City Survey within five (5) business days of delivery of the City Survey to Oleta. Oleta will engage a surveyor of its choice to prepare the New Survey, either before or as soon as may be reasonably possible after the Price Approval Date, provided, however, that the surveyor must be reasonably acceptable to the City. In the event that the City does not provide Oleta with detailed written

objections with respect to proposed surveyor within five (5) business days of being notified as to the identity of the proposed surveyor, the City will be deemed to have approved such proposed surveyor.

(g) Title. Following City's receipt of the Offer Notice and Oleta's receipt of the New Survey, Oleta will order a title insurance commitment (the "**Title Commitment**") pursuant to which a nationally recognized title insurance company (the "**Title Company**") chosen by Oleta will commit to insure Oleta's title to the Residential Parcel, in an amount equal to the Purchase Price (defined below). Oleta's counsel may act as both agent for the Title Company and as closing agent (in such capacity, the "**Closing Agent**").

(i) The Title Commitment shall commit to insuring Oleta's marketable title to the Residential Parcel, subject only to the Permitted Exceptions (defined below) and those matters to be discharged by City at or before Closing. Marketable title shall be determined according to applicable Title Standards adopted by authority of The Florida Bar and in accordance with law. For purposes of this Agreement, the "**Permitted Exceptions**" shall be only those items (X) encumbering the Residential Parcel as of the date the Lease was first executed (i.e., May 29, 2012), and (Y) those items caused or created by Oleta.

(ii) Oleta shall have twenty (20) days from date of receiving the Title Commitment to examine it, and if title is found defective, notify City in writing specifying such claimed defect(s). City shall use diligent effort to remove the defects and shall have sixty (60) days from receipt of notice to remove the defects, failing which Oleta shall, within ten (10) days after expiration of the 60 day period, deliver written notice to City either: (X) extending the time for a reasonable period not to exceed 120 days within which City shall continue to use diligent effort to remove the defects; or (Y) rescind the Offer Notice. If Oleta fails to notify City of any title defects, Oleta shall be deemed to have accepted the title as it then is. If, after diligent effort, City is unable to timely correct all defects, Oleta shall either waive any uncured defects and proceed to Closing, or rescind the Offer Notice.

(iii) City will use reasonably commercial efforts to comply with all requirements imposed upon City (as owner of the Residential Parcel) as set forth in the Title Commitment obtained by Oleta in connection with the purchase of the Residential Parcel, and provide such customary documentation as may be required to delete the so-called "standard exceptions" to title and to delete any other title exception (other than the Permitted Exceptions) (the "**Title Requirements**").

(h) Conditions to Closing. Each of the following shall be a condition precedent to Oleta's obligation to purchase the Property and to perform its other obligations at Closing (collectively, the "**Closing Conditions**"):

(i) the Residential Parcel is and shall be capable, in Oleta's sole but reasonable determination, to be developed for the Intended Purpose;

(ii) City shall have taken such actions as may be reasonably required to insure that Oleta will be able to develop the Residential Parcel for the Intended Purpose,

including but not limited to those actions described in **Section 6** below concerning the streamlining of the development process, including but not limited to the passage and effectiveness of the Amended and Restated CUP and the Text Amendment (each defined below);

(iii) City shall have complied with the Title Requirements within the time period specified in **subsection (g)** above;

(iv) all of City's representations, warranties and covenants contained herein shall be materially true as of the date of Closing; and

(v) City shall have delivered the City Deliverables (defined below) to Closing Agent, all properly executed and (as appropriate) witnessed and notarized.

(i) Purchase Price. The price to be paid (the "**Purchase Price**") by Oleta for the Residential Parcel will be the Offer Price, adjusted by those customary and typical prorations utilized in the sale of vacant land which is subject to a ground lease.

(j) Closing. City shall use commercially reasonable efforts to comply with the Closing Conditions, and closing on the sale and purchase of the Residential Parcel (the "**Closing**") will take place on the later to occur of (i) the first business day which is at least 120 days after the delivery of the Offer Notice, (ii) the 30th day after issuance of the Title Commitment, and (iii) the third business day after all Closing Conditions have been satisfied or waived by Oleta, except as and to the extent that Closing is extended pursuant to other provisions of this Agreement, whether to permit satisfaction of the Closing Conditions or otherwise. Subject to the terms and conditions of this Agreement, City will convey the Residential Parcel to Oleta via general warranty deed. Notwithstanding the foregoing, Oleta, in its sole discretion, may assign its rights or designate a third party to take title to the Residential Parcel, pursuant to the provisions of **Section 8(b)** below. Subject to City's compliance with the Closing Conditions, Oleta (or its designee) will take title to the Residential Parcel in its as-is condition on the day of Closing.

(k) Deliverables.

(i) At least ten (10) days before the scheduled date of Closing, the City shall deliver to the Title Company the proposed form of each of the following documents (collectively, "**City Deliverables**") other than those as to which the form has already been agreed (by virtue of being attached hereto as an Exhibit) and thereafter use its good faith efforts in attempting to agree (with the Title Agent) upon the final form thereof; and at least two (2) business days prior to Closing, City will deliver the final form of each City Deliverable to the Closing Agent, properly executed and (as appropriate) witnessed and notarized, to be held by Closing Agent in escrow pending Closing:

(A) a special warranty deed (the "**Deed**") in form attached as **Exhibit "B"**;

(B) an affidavit (with warranty and indemnity required to insure the gap at Closing) from City, in form attached as **Exhibit "C"**;

(C) a closing statement executed by City;

(D) instruments reasonably satisfactory to Oleta and Title Company reflecting proper power, good standing and authorization of the sale on behalf of City by the persons to whom such authority is granted by law or by City Charter;

(E) all other documents as may reasonably be required by this Agreement including, if applicable, the Loan Documentation (as defined in **Section 2(I)** below);

(F) a counterpart original of the Fourth Amendment (defined below); and

(G) such other documents as may reasonably be required by the Title Company or Oleta including, but not limited to, those documents required to comply with all requirements of the Title Commitment applicable to City and to remove any exception to the Title Policy (other than the Permitted Exceptions).

(ii) At the Closing, Oleta shall deliver or perform the following (the **"Oleta Deliverables"**):

(A) the Purchase Price in immediately available funds (or the cash portion of the Purchase Price, if either Party timely exercises its option for Purchase Money Financing pursuant to **Section 2(I)** below);

(B) pay the cost of the Appraisals, the cost of City's consultant who provided services in connection with the Appraisals (Jack Winston), and reimburse City for the cost of City's outside counsel's reasonable legal fees incurred in connection with the negotiation of this Agreement and in connection with the Closing (with such outside counsel's legal fees not in any event to exceed \$35,000.00);

(C) a closing statement executed by Oleta; and

(D) instruments reasonably satisfactory to City reflecting proper power, good standing and authorization of the sale on behalf of Oleta;

(E) all other documents as may reasonably be required by this Agreement including, if applicable, the Loan Documentation (as defined in **Section 2(I)** below);

(F) a counterpart original of the Fourth Amendment; and

(G) such other documents as may reasonably be required by the Title Company or City to comply with all requirements of the Title Commitment applicable to Oleta, or in connection with the Purchase Money Financing (defined below).

(l) Purchase Money Financing. Either party may elect to require that a fifty (50%) percent of the Purchase Price be financed by City, on the following terms and conditions.

(i) If City elects to finance a portion of the Purchase Price (which election must be exercised by City, if at all, by written notice (the "**Financing Election Notice**") delivered to Oleta within a maximum period of thirty (30) days after its delivery of the Offer Notice).

(ii) If City does not timely deliver a Financing Election Notice, and if Oleta wishes to have City finance a portion of the Purchase Price, Oleta must send City a Financing Election Notice within a maximum period of sixty (60) days after its delivery of the Offer Notice).

(A) Anything contained in this **Section 2(l)** to the contrary notwithstanding, if Oleta timely sends City a Financing Election Notice, City may decline to provide Purchase Money Financing (defined below) by providing a written notice to Oleta (the "**Financing Rejection Notice**") within fifteen (15) days of its receipt of Oleta's Financing Election Notice.

(B) In the event that City timely sends a Financing Rejection Notice, (X) Oleta will have the option to purchase the Residential Parcel on an "all-cash" basis, or to withdraw its Offer Notice by delivering written notice to City (a "**Cancellation Notice**") within fifteen (15) days of its receipt of the Financing Rejection Notice, (Y) if Oleta does not timely deliver a Cancellation Notice, Oleta will be deemed to have elected to purchase the Residential Parcel on an "all-cash" basis, and (Z) if Oleta elects (or is deemed to have elected) to purchase the Residential Parcel on an "all-cash" basis, Closing will be extended by thirty (30)days.

(iii) In the event that either Party timely delivers a Financing Election Notice (the "**Electing Party**"), and so long as City has not timely delivered a Financing Rejection Notice, Oleta will finance 50% (i.e., \$10,000,000.00) of the Purchase Price (the "**Purchase Money Financing**"), to be memorialized by a promissory note bearing interest at 5% per annum, payable quarterly, with one-half of the principal amount of the Purchase Money Financing (i.e., \$5,000,000.00) due on the second anniversary of Closing and the remaining one-half of the principal amount of the Purchase Money Financing (i.e., \$5,000,000.00) due on the third anniversary of Closing, and secured by a mortgage encumbering the Residential Parcel on customary terms and conditions (such note, mortgage and together with all other documentation memorializing and securing the Purchase Money Financing, the "**Loan Documentation**"), with City, in the forms attached hereto as **Composite Exhibit "E."**

(iv) With respect to any Loan Documentation which is not expressly set forth as part of **Composite Exhibit "E"**, or to the extent that the Loan Documentation which is part of **Composite Exhibit "E"** contains blanks or is missing any terms or information, the final terms of such Loan Documentation must be negotiated and agreed upon no later than thirty (30) days prior to Closing, failing which the sale and purchase of the Residential Parcel will be on an all-cash basis, unless Oleta shall, in its sole discretion, elect to extend such period (but not

beyond the date of the Closing). The Loan Documentation will provide a mechanism reasonably satisfactory to City for subordinating and/or releasing the lien of the mortgage from portions of the Residential Parcel in connection the development of the Residential Parcel. The Electing Party will bear the cost of documentary stamp tax, intangible tax, recording fees and a loan title insurance policy in connection with the Purchase Money Financing.

(m) Future Participation Agreement. At Closing the Parties will execute and cause the Future Participation Agreement to be recorded. The Future Participation Agreement will provide for City receiving additional compensation as a result of net profits received by Oleta from the development and sale or leasing of the Residential Parcel, substantively similar to the Participation Rent (as that term is used in the Lease, as amended by the Fourth Amendment) which would have been earned by City in connection with the Residential Parcel, had the Residential Parcel remained subject to the Lease. City will not receive any additional compensation pursuant to this section with respect to any development, sales and/or leases by an Unaffiliated Assignee (as defined below), but will be entitled to receive additional compensation in the event of an assignment by Oleta to such Unaffiliated Assignee pursuant to **Section 8(b)** below. The Future Participation Agreement will be in the form attached as **Exhibit "F"**, or such other form as the Parties may mutually agree upon.

(n) Impact of Closing on Option. Upon consummation of the Closing, the Option provided for in Section 33 of the Lease will be deemed to be deleted from the Lease, provided, however, that Section 33.7 shall remain intact and shall require compliance by Oleta. If, for any reason, Oleta does not deliver the Offer Notice, or if City does not deliver the Acceptance Notice, or if, for any reason whatsoever, Closing does not occur, the Option provided for in Section 33 of the Lease will remain in effect. The Parties agree and acknowledge that all other obligations and responsibilities of Oleta under the Lease, as amended by the Fourth Amendment, shall remain and be unaffected by this Agreement.

(o) Option to Exchange. In the event that Oleta (or an Oleta Affiliated Assignee, as defined below) purchases the Residential Parcel pursuant to this Agreement, Oleta (or Oleta Affiliated Assignee) shall be entitled to exchange (the "**Exchange Option**") any portion of the Residential Parcel (the "**Outgoing Parcel**") for another portion of the Residential Zone of size equivalent to the Outgoing Parcel (the "**Incoming Parcel**") on the following terms and conditions:

(i) Oleta may exercise the Exchange Option by delivering written notice of such exercise (the "**Exchange Exercise Notice**") on or before the second anniversary of the Closing of the acquisition of the Residential Parcel.

(ii) The Exchange Exercise Notice shall provide legal descriptions of both the Outgoing Parcel and the Incoming Parcel.

(iii) Closing on the Exchange Option will be contingent upon each Party complying with the Closing Conditions applicable to it, and delivery by City of the City Deliverables and delivery by Oleta of the Oleta Deliverables (other than the Purchase Price, as the consideration for the Exchange Option will be the transfer of title to the Outgoing Parcel by

Oleta to City). Each Party agrees that it will comply with the Closing Conditions and to deliver the deliverables applicable to it.

(iv) In the event that a portion of the Purchase price was paid by Purchase Money Financing, the Parties will modify the Loan Documentation so as to transfer the lien of the Loan Documentation from the Outgoing Parcel to the Incoming Parcel.

(v) Oleta will bear the cost of documentary stamp tax, intangible tax, recording fees, its own owner's title insurance policy covering the Incoming Parcel, an owner's title insurance policy in favor of City with respect to the Outgoing Parcel, and, as applicable, an endorsement to the loan title insurance policy issued in connection with Purchase Money Financing.

(p) Option to Purchase Additional Land. In the event that Oleta purchases the Residential Parcel pursuant to this Agreement, Oleta shall have the option to purchase (the "**New Option**") any remaining land within the Residential Zones (the "**New Option Parcel**") on the following terms and conditions:

(i) Oleta may exercise the New Option by delivering written notice of such exercise (the "**New Option Exercise Notice**") within two (2) years of Closing on the sale and purchase of the Residential Parcel.

(ii) The New Option Exercise Notice shall provide a legal description of the New Option Parcel, which will also specify the number of acres within the New Option Parcel.

(iii) The purchase price for the New Option Parcel (the "**New Option Purchase Price**") will be calculated by multiplying the number of acres within the New Option Parcel by \$400,000.00 (i.e., the New Option Purchase Price will be \$400,000.00 per acre for each acre of land within the New Option Parcel). The New Option Purchase Price will be paid by Oleta in cash as Closing of the purchase of the New Option Parcel.

(iv) Closing on the New Option will be contingent upon each Party complying with the Closing Conditions applicable to it, and delivery by City of the City Deliverables and delivery by Oleta of the Oleta Deliverables. Each Party agrees that it will comply with the Closing Conditions and to deliver the deliverables applicable to it.

(v) Oleta will bear the cost of documentary stamp tax, recording fees, and its own owner's title insurance policy covering the New Option Parcel.

(vi) In the event that Oleta exercises the New Option and purchases the New Option Parcel, the Parties will further amend the Lease to reflect the fact that the New Option Parcel will no longer be subject to the Lease, and, accordingly, the Fixed Rent thereafter payable under the Lease shall be proportionately reduced (but will be deemed to be part of and subject to the same rights and obligations as the Residential Parcel).

(q) Use of Land within Residential Zone. If and to the extent that Oleta purchases and acquires fee simple title to the Residential Parcel, an Incoming Parcel and/or a New Option Parcel pursuant to this Agreement, Oleta will primarily utilize the Residential Parcel, Incoming Parcel and/or New Option Parcel for residential uses and ancillary commercial and retail uses unless City expressly consents in writing to one or more different uses or combinations of uses (such consent not to be unreasonably withheld or delayed).

(r) Indemnity. Oleta and City each agree to indemnify the other for those limited matters set forth in Section 10 of the Lease; i.e., Oleta will indemnify City with respect to the Residential Parcel in the same method and manner and to the same extent as Oleta (as Tenant) indemnified City (as Landlord) under Section 10 of the Lease with respect to the Premises; and City will indemnify Oleta with respect to the Residential Parcel in the same method and manner and to the same extent as City (as Landlord) indemnified Oleta (as Tenant) under Section 10 of the Lease with respect to the Premises.

3. Inspection. The parties acknowledge that Oleta is fully cognizant of the condition of the Residential Parcel and has been given every opportunity to conduct any inspection of the Residential Parcel. Oleta agrees that upon Closing it will be accepting the Residential Parcel in its AS IS, WHERE IS condition, without any representation, warranty, or repair obligation whatsoever on the part of City (except as specifically provided for in this Agreement or the Lease). Oleta represents and warrants that it is a sophisticated purchaser of real estate properties similar to the Residential Parcel. Oleta has reviewed and considered the nature of this transaction and thoroughly investigated all aspects of the Residential Parcel and this transaction. By not terminating this Agreement, Oleta shall have determined that the Residential Parcel and this transaction are satisfactory to Oleta in all respects and Oleta is purchasing the Residential Parcel in its "AS IS" condition. Oleta acknowledges and agrees that: (i) the Purchase Price (once determined in accordance with this Agreement) will have been specifically negotiated on the basis of an "AS IS" transaction, and (ii) the "AS IS" nature of the transaction was a material inducement for City to enter into the Agreement. Oleta has relied and is relying on Oleta's own independent investigations and inspections, and Oleta has not relied and will not rely on any representation, warranty or covenant of City. In that regard, Oleta acknowledges and agrees that City has not made any representations or warranties in connection with this transaction or the Property (except as specifically provided for in this Agreement or the Lease). Following Closing, City shall have no obligation to repair or improve any aspect of the Residential Parcel (except as specifically provided for in this Agreement or the Lease).

4. Removal of the Fill. Oleta agrees to remove the Fill on the following terms and conditions.

(a) Removal Plan. As soon as is reasonably practicable, but in no event later than thirty (30) days from the Effective Date, Oleta will commence the preparation of a formal plan (the "**Removal Plan**") for removal and relocation of the Fill.

(b) Permits. Within thirty (30) days following approval (the "**Plan Approval**") of the Removal Plan by the Division of Environmental Resources Management of the Miami-Dade County Department of Regulatory and Economic Resources (including any

successor to such agency, "**DERM**"), Oleta will commence the process to apply, at Oleta's sole cost and expense, for all applicable permits (the "**Fill Removal Permits**") required in order for it to remove and relocate the Fill pursuant to the Removal Plan.

(c) Removal of Fill. Subject to the issuance of all applicable Fill Removal Permits, Oleta will remove and relocate the Fill from the Premises, at Oleta's sole cost and expense, pursuant to the Removal Plan, the Plan Approval and the Fill Removal Permits, in an orderly fashion (the "**Fill Removal Process**"), commencing thirty (30) days after the later to occur of (i) the Closing, and (ii) issuance of all required Fill Removal Permits. If Closing does not occur, for any reason, Oleta shall not be obligated to remove the Fill pursuant to this Agreement. The Parties recognize that City previously demanded that Oleta remove the Fill, and Oleta believes that it is entitled to use the Fill in connection with the Project. If Closing does not occur and if Oleta does not remove the Fill, nothing in this Agreement will affect the rights and obligations of the Parties with respect to the Fill as they currently exist.

(d) Cooperation. City will reasonably cooperate with Oleta in connection with its efforts to obtain the Fill Removal Permits, as well as with all aspects of the Fill Removal Process, it being understood that City shall not have any approval rights with respect to the Fill Removal Process.

5. Amendments to the Lease. Concurrently with Closing, City and Oleta will further amend the Lease and will execute and deliver to each other counterpart originals of the Fourth Amendment to Lease (the "**Fourth Amendment**"), in the form attached hereto **Exhibit "G."**

6. Streamlining the Development Process. City agrees to streamline the process for the development of the Project, in accordance with the City's Land Development Regulation, as follows: the City, and (as required) the Developer, will take any and all actions necessary to consider and modify the Conditional Use Permit(s) to reflect the matters set forth on **Composite Exhibit "H"** attached hereto as soon as is reasonably possible after the Effective Date, and in any event prior to Closing. Without limiting the foregoing, City agrees that it will use its best efforts to promptly take all reasonable and appropriate and required steps to process a formal resolution (the "**Amended and Restated CUP**") to amend the existing Conditional Use Permit(s), and a text amendment to the Code to clarify the applicability of Section 3-410 to the Project (the "**Text Amendment**"), in the forms of **Composite Exhibit "H"** attached hereto, or in such forms as the Parties may otherwise agree to. The Parties agree to work together diligently and in good faith with respect to the Amended and Restated CUP and the Text Amendment. City and Oleta recognize and agree that City is not obligated by this Agreement to issue the Amended and Restated CUP or the Text Amendment, and that approval and issuance of same are subject to and governed by the City Charter, City's Code of Ordinances, and applicable law. However, since approval and issuance of the Amended and Restated CUP and the Text Amendment are conditions precedent to Oleta's obligation to proceed to Closing, the Parties also recognize and agree that if City does not approve and issue the Amended and Restated CUP and the Text Amendment, Oleta may decline to proceed to Closing, or Oleta may waive such condition and proceed to Closing. If City does approve and issue the Amended and Restated CUP and the Text Amendment, they will apply to the entirety of the Biscayne Landing Project, regardless of whether Oleta acquires the fee title to the Residential Parcel, and that Oleta will

have the right to allocate density and intensity of the Improvements to be constructed within the Project as it sees fit, so long as there are no increases to the density and intensity or approved uses.

7. City Representations. City covenants, represents and warrants the following to Oleta:

(a) Ownership. City is the fee simple owner of the Residential Parcel. City has not entered into any contract, lease or other agreement presently in effect (other than this Agreement and the Lease) to sell, lease or otherwise transfer any of City's right, title or interest in and to the Residential Parcel or any part thereof, or to grant to any third party an option or a right of first refusal to purchase or lease all or any part of the Residential Parcel.

(b) Power. City is a municipal corporation under the laws of the state of Florida, has the authority to conduct business in the state of Florida, and has all necessary power (without the joinder of any other party) to execute and deliver this Agreement and to consummate the transactions and matters as set forth herein.

(c) Authorization. City's execution of this Agreement and all documents contemplated by this Agreement and performance of all of City's obligations arising under this Agreement and the City Deliverables are authorized under the City Charter and the City has complied with all actions and/or procedures necessary to comply with all applicable laws; this Agreement and the City Deliverables, upon execution and delivery, do and shall constitute the legal, valid and binding obligations of City, enforceable in accordance with their respective terms.

(d) Maintenance of Title. City shall at all times maintain the quality of its title to the Residential Parcel and will not suffer or permit any encumbrance to be filed against the Residential Parcel without Oleta's prior consent.

(e) Physical Condition of the Residential Parcel. Except as expressly set forth herein or in the Lease, City makes no representation or warranty to Oleta with respect to the current physical condition of the Residential Parcel.

8. Miscellaneous.

(a) Notices. All notices, consents, waivers or approvals which are required or permitted under this Agreement must be in writing to be effective and shall be deemed to have been given, delivered or made, as the case may be (1) when delivered by personal delivery or (2) three business days after having been deposited in the United States mail, certified or registered, return receipt requested, sufficient postage affixed and prepaid, and/or (3) one business day after having been deposited with an expedited, overnight courier service for next day delivery (such as by way of example but not limitation, U.S. Express Mail or Federal Express; "**Overnight Delivery**"),

To City: City of North Miami

776 NE 125th Street - 4th Floor
North Miami, FL 33161
Attention: City Manager
E-mail:
Facsimile:

with a copy to simultaneously sent to:

SMGQ Law
201 Alhambra Circle, Suite 1205
Coral Gables, Florida 33134
Attn: Roland Sanchez-Medina Jr.
E-mail: roland@smgqlaw.com
Facsimile:

To Oleta: Oleta Partners LLC
15045 Biscayne Boulevard
North Miami, Florida 33181
Attention: Michael Tillman
E-Mail: mtillman@lefrak.com
Fax: _____

with a copy simultaneously sent to:

Bilzin Sumberg Baena Price & Axelrod LLP
1450 Brickell
Suite 2300
Miami, Florida 33131
Attn: Jon Chassen, Esq.
E-mail: jchassen@bilzin.com
Facsimile: (305) 351-2270

Any Party may change the address to which its notices are to be sent by giving the other Party prior notice of any such change in the manner provided in this Section, but notice of change of address is effective only upon receipt.

(b) Assignability. Oleta shall be permitted to assign its rights to acquire the Residential Parcel pursuant to this Agreement, effective at Closing (i) without City's consent, to any subsidiary or affiliate of any of Oleta's members [and upon any such assignment: (X) Oleta shall be deemed to have been released and discharged of and from all of its obligations and liabilities hereunder (other than those described in clauses (A) and (B) below); and (Y) such assignee (an "**Oleta Affiliated Assignee**") shall succeed to all of the rights and assume all of the obligations of Oleta hereunder (and be deemed to be "Oleta" for all purposes with respect to Oleta's rights to acquire the Residential Parcel pursuant to this Agreement, and, accordingly, entitled to all rights of Oleta set forth herein)], and (ii) with City's consent (not to be

unreasonably withheld or delayed), to any other person or entity (an "**Unaffiliated Assignee**"), provided, however, that notwithstanding any such assignment, Oleta shall not be released from (A) any of its pre-Closing obligations or liabilities hereunder, or (B) its obligation to remove the Fill pursuant to **Section 4** above. In the event that Oleta assigns its rights to acquire the Residential Parcel pursuant to this Agreement to an Unaffiliated Assignee, the City will be entitled to receive a payment equal to 1.75% of the net profit realized by Oleta in connection with its assignment to the Unaffiliated Assignee. Further, in the event that Oleta does assign its rights to acquire the Residential Parcel to an Unaffiliated Assignee, such Unaffiliated Assignee shall not be obligated to enter into the Future Participation Agreement, and the provisions of **Section 2(m)** above shall not apply to such Unaffiliated Assignee.

(c) Counterparts; Captions. This Agreement may be executed in counterparts, each of which shall be deemed an original. The captions are for convenience of reference only and shall not control or affect the construction to be given any of the provisions of this Agreement and in no way define, describe, extend or limit the scope, meaning or intent of this Agreement.

(d) Entire Agreement. This Agreement constitutes the entire understanding and agreement between the Parties with respect to the subject matter hereof, it being understood that all prior or contemporaneous agreements, understandings, representations and statements, oral or written, between the Parties with respect to the subject matter of this Agreement are deemed to be merged into this Agreement. This Agreement may not be modified, changed, discharged or waived orally, but only by an agreement in writing signed by the Party against whom enforcement of any waiver, change, modification or discharge is sought.

(e) Choice of Law; Venue; Attorneys' Fees. This Agreement shall be interpreted in accordance with the laws of the State of Florida, without application of conflict of laws principles. In the event of any dispute under or related to this Agreement, the Parties agree to submit the same exclusively to the courts located in Miami-Dade County, Florida and, in such event, the prevailing Party shall be entitled to an award of reasonable attorneys' fees, consultants' fees, paralegals' fees, expert witness fees and costs at all tribunal levels.

(f) Interpretation. Whenever the context shall so require, the singular shall include the plural, the male gender shall include the female gender and neuter and vice versa. This Agreement and any related instruments shall not be construed more strictly against one Party than against the other by virtue of the fact that initial drafts were made and prepared by counsel for one of the Parties, it being recognized that this Agreement and any related instruments are the product of negotiations between the Parties and that both Parties have contributed substantially and materially to the final preparation of this Agreement and all related instruments. Unless specifically otherwise indicated, whenever any action is to be performed by a Party it shall be performed at such Party's sole cost and expense.

(g) Time of Essence. Time is of the essence for each provision of this Agreement. The expiration of any period of time prescribed in this Agreement shall occur at 5:00 p.m., Eastern Time, on the applicable date (unless such date is not a business day, in which event the time period shall expire at 5:00 p.m. Eastern Time on the first business day following

the end of the period). All time periods in this Agreement shall be deemed to be in calendar days unless otherwise so stated.

(h) WAIVER OF JURY TRIAL. LANDLORD AND TENANT HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT EACH MAY HAVE TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER ARISING IN TORT, CONTRACT OR OTHERWISE) BROUGHT BY EITHER AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY OTHER DOCUMENT EXECUTED AND DELIVERED BY ANY PARTY IN CONNECTION HERewith. THIS PROVISION SHALL SURVIVE THE CLOSING OR TERMINATION OF THIS AGREEMENT.

(i) Notice of Breach, Opportunity to Cure, Remedies. In the event that either Party breaches its obligations under this Agreement, such Party (the "**Aggrieved Party**") shall provide written notice (a "**Notice of Breach**") to the other Party (the "**Breaching Party**"), specifying the nature of the alleged breach. The Breaching Party shall have ten (10) days from receipt of the Notice of Breach to cure any alleged default, unless (X) such alleged breach is not reasonably susceptible of cure within ten (10) days, in which case, (Y) the Breaching Party shall have as much time as is reasonably necessary to effectuate a cure of the alleged breach, so long as the Breaching Party commences efforts to cure the alleged breach within said ten (10) day period and diligently and continuously prosecutes its efforts to cure the alleged breach. The Aggrieved Party will have all remedies at law and in equity in the event of a breach by the Breaching Party which is not timely cured.

SIGNATURE PAGE FOLLOWS:

IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement as of the Effective Date set forth above.

WITNESSES (as to City Manager and City Clerk):

THE CITY OF NORTH MIAMI, a municipal corporation of the State of Florida

Print Name: _____
Title: _____

By: _____
City Manager

ATTEST:

Print Name: _____
Title: _____

By: _____
City Clerk

APPROVED AS TO FORM AND CORRECTNESS:

APPROVED AS TO INSURANCE REQUIREMENTS:

By: _____
City Attorney

By: _____
Risk Management
Administrator

[Signatures Continue on Next Page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement as of the Effective Date set forth above.

OLETA PARTNERS LLC

Print Name: _____

By: _____
Name:
Title:

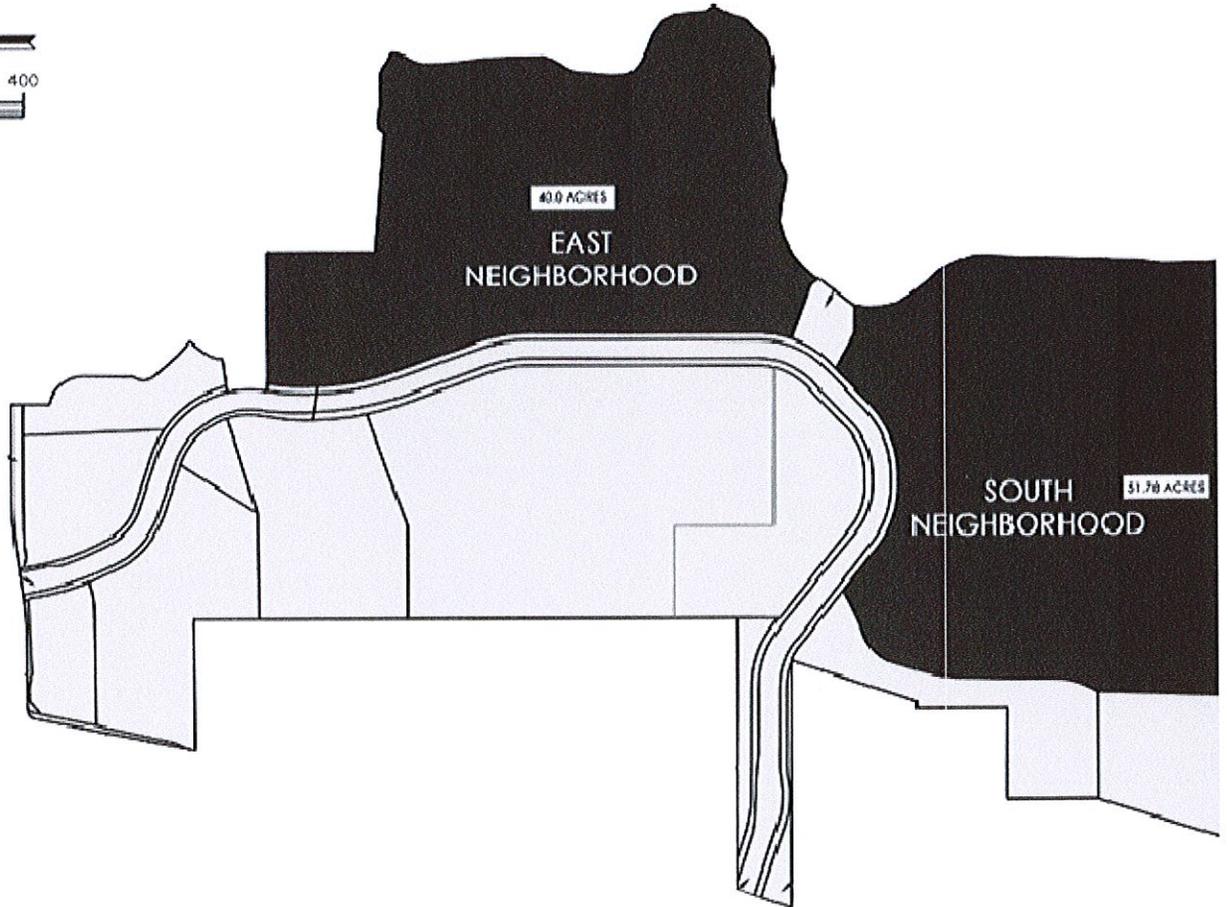
Print Name: _____

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EXHIBIT "A"

SKETCH OF RESIDENTIAL ZONE

Use of low/master plan area



TOTAL AREA = 183.85 ACRES

EXHIBIT "B"
SPECIAL WARRANTY DEED

This Instrument Prepared by
and after recording return to:
Jon Chassen, Esq.
Bilzin Sumberg Baena Price & Axelrod LLP
1450 Brickell Avenue, Suite 2500
Miami, Florida 33131

Folio No. _____

(For Recorder's Use Only)

SPECIAL WARRANTY DEED

THIS SPECIAL ARRANTY DEED, dated as of _____, 201_, is made by and between the CITY OF NORTH MIAMI, FLORIDA, a Florida municipal corporation, with an address at 776 NE 125th Street - 4th Floor, North Miami, FL 33161, Attention: City Manager ("**Grantor**") and OLETA PARTNERS LLC, a Delaware limited liability company, with an address at 15045 Biscayne Boulevard, North Miami, Florida 33181, Attention: Michael Tillman ("**Grantee**").

Grantor, for and in consideration of the sum of \$10.00 and other good and valuable consideration paid by Grantee, receipt of which is acknowledged, grants, bargains, sells and conveys to Grantee the land situate, lying and being in Miami-Dade County, Florida, more particularly described on **Exhibit "A"** ("**Property**").

TOGETHER WITH (i) any and all structures and improvements on the Property; (ii) all right, title, and interest, if any, of Grantor in any land lying in the bed of any street or highway, opened or proposed, in front of or adjoining the Property; and (iii) all easements, rights of way, privileges, licenses, appurtenances and other rights and benefits belonging to, running with the owner of, or in any way related to the Property.

TO HAVE AND TO HOLD, the same in fee simple forever.

SUBJECT TO: real estate taxes for the current and subsequent years and conditions, restrictions, limitations, reservations, declarations, easements, dedications and agreements of record (collectively "**Permitted Exceptions**"), without intent to reimpose the same.

AND Grantor covenants with Grantee that Grantor is lawfully seized of the Property in fee simple; that Grantor has good right and lawful authority to sell and convey the Property; that Grantor fully warrants the title to the Property and will defend the same against the lawful claims

of all others claiming by, through or under Grantor; and that the Property is free of all encumbrances, except for the Permitted Exceptions.

Grantor has executed this Deed as of the date indicated above.

WITNESSES (as to City Mayor / Manager and City Clerk): **THE CITY OF NORTH MIAMI, a municipal corporation of the State of Florida**

Print Name: _____
Title: _____

By: _____
City Mayor / Manager

ATTEST:

Print Name: _____
Title: _____

By: _____
City Clerk

APPROVED AS TO FORM AND CORRECTNESS:

APPROVED AS TO INSURANCE REQUIREMENTS:

By: _____
City Attorney

By: _____
Risk Management
Administrator

STATE OF FLORIDA)

COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this ___ day of _____, 201__, by _____, as the _____ of the CITY OF NORTH MIAMI, FLORIDA, a Florida municipal corporation. He/She (check applicable box) is personally known to me or has produced _____ as identification.

[NOTARIAL SEAL]

Print Name: _____
Notary Public, State of Florida
Commission No.: _____
My Commission Expires: _____

EXHIBIT "C"
SELLER AFFIDAVIT

OLETA PARTNERS LLC, a Delaware limited liability company, is in sole control and possession of the Property, pursuant to a lease (the "**Lease**") with Owner.

Between the date of the last continuation of the title commitment and the date upon which the deed to the Property is recorded, Owner has not and will not execute any instruments or take any action that would adversely affect the title to or the interest to be insured in the Property and Owner is not aware of any matter that could adversely affect such title or interest.

Owner, under penalty of perjury represents and warrants that: Owner is not a "foreign person" as defined in the Foreign Investment in Real Property Tax Act codified in Section 1445 of the Internal Revenue Code, as supplemented by the rules and regulations pertaining thereto ("**Code**"); Owner is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii) of the Code; ; Owner's address is 776 NE 125th Street - 4th Floor, North Miami, FL 33161.

Owner acknowledges that this instrument is being made to induce (i) Purchaser to part with valuable consideration and consummate the purchase of the Property and (ii) _____ (the "**Title Company**"), the Purchaser's title insurance company, to agree to insure Purchaser's interest in the Property and that Purchaser and Title Company are relying on the veracity of the contents of this instrument. All matters set forth above are truthful and accurate. Owner agrees to indemnify and hold harmless Purchaser and Title Company, and their respective heirs, successors and assigns, from all claims, demands, actions, losses, liabilities, settlements, judgments, damages, costs, expenses and fees (including, without limitation, attorney's fees at trial and upon appeal) that arise as a result of or in connection with the falsity or inaccuracy of any statement made above or the breach of any representation or warranty made in this instrument.

Signed, sealed and delivered
in the presence of:

Name:

ACKNOWLEDGMENT

STATE OF FLORIDA)
) SS:
COUNTY OF)

The foregoing instrument was sworn to and acknowledged before me this ____ day of _____, 201__, by _____, who is [] personally known to me or [] has produced a Florida driver's license as identification.

My Commission Expires:

Sign Name: _____
Print Name: _____
NOTARY PUBLIC
Serial No. (none, if blank): _____

[NOTARIAL SEAL]

EXHIBIT "D"
INTENTIONALLY OMITTED

COMPOSITE EXHIBIT "E"
PURCHASE MONEY FINANCING DOCUMENTS

PURCHASE MONEY PROMISSORY NOTE

\$10,000,000.00

_____, _____
_____, 20__

1. Parties.

1.1 OLETA PARTNERS, LLC (the "**Borrower**").

1.2 CITY OF NORTH MIAMI, FLORIDA (the "**Lender**").

2. Borrower's Promise to Pay. For value received, Borrower promises to pay to the order of Lender, its successors or assigns, TEN MILLION AND NO/100 DOLLARS (\$10,000,000.00) (the "**Principal**").

3. Payments.

3.1 Borrower shall pay quarterly installments of interest only, commencing on the first day of _____, 20__, and on the first day of each _____ and _____ thereafter until the first day of _____, 20__ (the "**Maturity Date**").

3.2 Borrower shall make a single payment of Principal in the amount of \$5,000,000.00 on the second anniversary of the date of this Promissory Note. On the Maturity Date, Borrower shall also pay all unpaid Principal, together with any and all accrued but unpaid interest thereon.

3.3 So long as there is no default, interest ("**Interest**") shall be payable on the outstanding Principal balance at the per annum rate of FIVE (5%) percent. Upon default in this Promissory Note, Interest shall be payable on the outstanding balance at the per annum rate of EIGHT (8%) percent (the "**Default Rate**").

4. Prepayment. This Purchase Money Promissory Note (the "**Promissory Note**") may be prepaid in whole or in part without penalty.

5. Other Instruments. This Promissory Note is executed contemporaneously with a mortgage of even date herewith (the "**Security Agreement**") (the Security Agreement and any other documents now or hereafter executed by Borrower, by others, or by Borrower and others, in favor of Lender, which wholly or partly secure or are executed in connection with this Promissory Note, shall be collectively referred to as the "**Loan Documents**") and is to be construed and enforced according to the laws of the State of Florida; reference is made to the Loan Documents for rights as to the acceleration of the indebtedness evidenced by this Promissory Note.

6. Place of Payment. All payments hereunder shall be made at Lender's offices at _____, _____, FL _____, or such other place as Lender may from time to time designate in writing.

7. Default.

7.1 Default. If (i) any payment of Principal or other sum due Lender hereunder or under any of the Loan Documents is not paid as and when due, or (ii) if Borrower shall breach any of its obligations under any of the Loan Documents other than for the payment of money, then in such event Lender shall provide Borrower with written notice indicating such breach. In the event that Borrower (i) fails to make any required payment to Lender within five (5) days after receipt of such written notice, or (ii) fails to cure any non-monetary breach of any Loan Document within ten (10) days after receipt of such written notice, this Promissory Note shall be in default.

7.2 Acceleration. Upon default in this Promissory Note, the Lender, at its option, may declare the entire unpaid Principal balance of this Promissory Note, together with accrued Interest, to be immediately due and payable without notice or demand.

7.3 Attorneys' Fees. In addition to payments of Interest and Principal, if there is a default in this Promissory Note the Lender shall be entitled to recover from the Borrower all of the Lender's costs of collection, including the Lender's attorneys' fees, paralegals' fees and legal assistants' fees (whether for services incurred in collection, litigation, bankruptcy proceedings, appeals, or otherwise), and all other costs incurred in connection therewith.

8. Waivers. The Borrower and any endorsers, sureties, guarantors, and all others who are, or may become liable for the payment hereof severally: (a) except as otherwise provided herein, waive presentment for payment, demand, notice of demand, dishonor, protest and notice of protest of this Promissory Note, and all other notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Promissory Note, (b) consent to all extensions of time, renewals, postponements of time of payment of this Promissory Note or other modifications hereof from time to time prior to or after the maturity date hereof, whether by acceleration or in due course, without notice, consent or consideration to any of the foregoing, (c) agree to any substitution, exchange, addition, or release of any of the security for the indebtedness evidenced by this Promissory Note or the addition or release of any party or person primarily or secondarily liable hereon, (d) agree that the Lender shall not be required first to institute any suit, or to exhaust its remedies against the undersigned or any other person or party to become liable hereunder or against the security in order to enforce the payment of this Promissory Note and (e) agree that, notwithstanding the occurrence of any of the foregoing (except by the express written release by Lender of any such person), the undersigned shall be and remain, jointly and severally directly and primarily liable for all sums due under this Promissory Note.

9. Submission to Jurisdiction. Borrower, and any endorsers, sureties, guarantors and all others who are, or who may become, liable for the payment hereof severally, irrevocably and unconditionally (a) agree that any suit, action, or other legal proceeding arising out of or relating to this Promissory Note may be brought, at the option of the Lender, in a court of record of the State of Florida in Miami-Dade County, or in any other court of competent jurisdiction; (b) consent to the jurisdiction of each such court in any such suit, action or proceeding; and (c) waive any objection which it or they may have to the laying of venue of any such suit, action, or proceeding in any of such courts.

10. Miscellaneous Provisions.

10.1 The term Lender as used herein shall mean any holder of this Promissory Note.

10.2 Time is of the essence in this Promissory Note.

10.3 The captions of sections of this Promissory Note are for convenient reference only, and shall not affect the construction or interpretation of any of the terms and provisions set forth in this Promissory Note.

10.4 This Promissory Note shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Florida (excluding the principles thereof governing conflicts of law), and federal law, in the event federal law permits a higher rate of interest than Florida law.

10.5 If any provision or portion of this Promissory Note is declared or found by a court of competent jurisdiction to be unenforceable or null and void, such provision or portion thereof shall be deemed stricken and severed from this Promissory Note, and the remaining provisions and portions thereof shall continue in full force and effect.

10.6 This Promissory Note may not be amended, extended, renewed or modified nor shall any waiver of any provision hereof be effective, except by an instrument in writing executed by the Lender. Any waiver of any provision hereof shall be effective only in the specific instance and for the specific purpose for which given.

11. Waiver of Trial by Jury. Lender and Borrower hereby knowingly, irrevocably, voluntarily and intentionally waive any right either may have to a trial by jury in respect of any action, proceeding or counterclaim based on this Promissory Note, or arising out of, under or in connection with this Promissory Note or any loan document, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party hereto or to any loan document. This provision is a material inducement for Lender and Borrower entering into the subject loan transaction.

12. Non-Recourse. Borrower shall not be personally liable upon the indebtedness under this Promissory Note, Security Agreement or any other loan document securing the payment of this Promissory Note, or for the performance of any of the covenants or agreements of Borrower under this Promissory Note, or any other loan document governing or pertaining to the payment of this Promissory Note, except as and to the extent of the real and personal property encumbered by the Mortgage (the "**Mortgaged Property**") and, except as expressly provided herein, no other property or assets of borrower shall be available to lender.

Oleta Partners, LLC

By: _____
Michael Tillman, President

The proper Florida documentary stamp tax has been paid by Borrower and the proper documentary stamps have been affixed to the Mortgage securing payment of this Promissory Note.

THIS INSTRUMENT WAS PREPARED BY,

RECORD AND RETURN TO:

_____, Esq.

PURCHASE MONEY MORTGAGE

THIS PURCHASE MONEY MORTGAGE (the "**Security Instrument**"), made as of the _____ day of _____, 20____, between OLETA PARTNERS, LLC (the "**Borrower**"), as mortgagor and debtor, whose address is _____, and CITY OF NORTH MIAMI, FLORIDA (the "**Lender**"), as mortgagee and secured party, whose address is _____.

WITNESSETH:

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to secure the payment of the indebtedness evidenced by that certain Purchase Money Promissory Note (the "**Note**") in the principal sum of _____ of even date herewith, made by Borrower in favor of Lender, together with interest thereon, and to secure all other indebtedness, liabilities and obligations of Borrower to Lender including, without limitation, all future advances made under this Security Instrument and other sums of money as hereinafter provided (collectively the "**Obligations**" which term shall include, without limitation, the indebtedness evidenced by the Note), the Borrower does by these presents grant, bargain, sell, alien, remise, release, give, transfer, assign, mortgage, pledge, warrant, convey and confirm unto Lender all estate, right, title and interest of Borrower in and to that certain real property (the "**Land**") located in **Miami-Dade County, Florida** (the "**State**") more particularly described in **Exhibit "A"** attached hereto and made a part hereof, together with all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages, projections, appurtenances, water rights including riparian and littoral rights, streets, ways, alleys and strips and gores of land now or hereafter in any way belonging, adjoining, crossing or pertaining to the Land; and

Together with all of the following property of Borrower whether now owned or existing, or hereafter acquired or arising, whether located in, on, pertaining to, used or intended to be used in connection with or resulting or created from the ownership, development, management, or operation of the Land: (a) all buildings, structures, and improvements (collectively the "**Improvements**"), including all additions thereto and replacements and extensions thereof, now constructed or hereafter to be constructed under, on, or above the Land, (b) all property and equipment now owned or hereafter acquired by Borrower and now or hereafter located under, on, or above the Land, whether or not permanently affixed, which, to the fullest extent permitted by applicable law in effect from time to time shall be deemed fixtures and a part of the Land

(collectively the “**Fixtures**”), (c) any and all leases, licenses, concessions, or grants of other possessory interests, together with the security therefore, now or hereafter in force, oral or written, covering or affecting the Land or any part thereof (collectively the “**Leases**”) (provided, however, that Lender assumes no obligations thereunder), and (d) all of the rents, income, profits and other benefits now or hereafter arising from the Land or any of the “**Mortgaged Property**” (as said term is hereinafter defined) and the use and enjoyment thereof (collectively the “**Rents**”).

The term “**Mortgaged Property**” includes the Land, the Improvements and any and all of the foregoing described property, and all proceeds, products, replacements, improvements, betterments, extensions, additions, substitutions, renewals, accessories, and appurtenances thereto and thereof.

TO HAVE AND TO HOLD the Mortgaged Property unto Lender, its successors and assigns forever.

The conditions of this Security Instrument are such that if Borrower shall in strict accordance with the terms thereof pay unto Lender the Obligations and perform, comply with, observe, discharge and abide by each and every of the stipulations, agreements, conditions and covenants contained and set forth in this Security Instrument, then this Security Instrument and the estates, interests and rights hereby created shall be null and void, but otherwise shall remain in full force and effect.

1. Borrower does hereby represent and warrant to Lender that: (a) Borrower is indefeasibly seized of and has and will have good and marketable fee simple title to the Land and Improvements and has and will have good, absolute and marketable title to all other property comprising the Mortgaged Property; (b) any and all of the Mortgaged Property is free and clear of any and all mortgages, liens, encumbrances, claims and security interests of any kind, whether or not of record including, without limitation, taxes and assessments, except those in favor of Lender; (c) Borrower has full power and lawful authority to convey, transfer, and mortgage the Mortgaged Property unto Lender; and (d) Borrower will preserve its title to the Mortgaged Property and will forever warrant and defend the same to Lender and will forever warrant and defend the validity and priority of the lien of this Security Instrument against the claims of all persons and parties whomsoever.

2. The Borrower does hereby covenant and agree that:

(a) Borrower shall promptly pay, as and when due and payable, all of the Obligations.

(b) Borrower shall punctually perform, comply with and abide by, or shall cause to be punctually performed, complied with and abided by all of the stipulations, agreements, conditions and covenants contained and set forth in this Security Instrument and in any other document executed in connection herewith.

(c) Borrower shall pay all obligations, encumbrances, taxes, assessments, levies or liens now or hereafter levied or imposed upon or against the Mortgaged Property and shall

deliver to Lender, at least thirty (30) days before taxes would become delinquent, tax receipts evidencing the payment of all ad valorem taxes upon the Mortgaged Property for the appropriate calendar year. If any of the foregoing charges or any part thereof are not paid as aforesaid, the Lender may at any time pay same with accrued interest and charges, if any, without waiving or affecting Lender's option to foreclose this Security Instrument or to exercise any other right or remedy of Lender hereunder or available at law or in equity, and every such payment by Lender shall bear interest from the date thereof at the "**Default Rate**" (as said term is defined in the Note), and all such payments with interest thereon shall be secured by the lien of this Security Instrument.

(d) Borrower shall pay or reimburse Lender for all costs, charges, expenses, and reasonable attorneys' fees paid or incurred by Lender in any action, proceeding or dispute of any kind in which Lender is a party because of the failure of Borrower to promptly perform, comply with and abide by any and all of the covenants, conditions and stipulations set forth in this Security Instrument, in the Note, or any other document or instrument executed in connection with this Security Instrument including, but not limited to, the foreclosure or other enforcement of this Security Instrument, any condemnation or eminent domain action involving the Mortgaged Property or any part thereof, any action to protect the security hereof, or any proceeding in probate, reorganization, bankruptcy, or forfeiture in rem.

(e) Borrower shall at all times maintain the Mortgaged Property in a state of good repair; Borrower shall not do or permit any alteration or change in the use and character of the Mortgaged Property, or in any way impair or weaken the security of this Security Instrument.

3. The Lender does hereby covenant and agree that:

(a) Lender shall cooperate with Borrower in connection with conversion of any portion of the Mortgaged Property to condominium.

(b) Lender shall partially release any portion of the Mortgaged Property (including any condominium unit) from the lien of this Security Instrument as such portion of the Mortgaged Property is sold, in exchange for payment of an amount not less than fifty (50%) percent of the net proceeds of sale realized by Borrower.

4. An "**Event of Default**," as used in this Security Instrument, shall occur at any time or from time to time: (a) if any Obligation or any installment thereof is not paid as and when due and payable; and continues unpaid for a period of five (5) days after written notice from Lender to Borrower; (b) if any covenant, condition, agreement, or stipulation contained in this Security Instrument (other than one requiring the payment of money or otherwise specifically provided for hereinafter) is not duly and promptly performed, or if any negative covenant contained in this Security Instrument is violated, and such non-performance or violation is not curable, or if curable continues for a period of thirty (30) days after written notice thereof from Lender to Borrower; (c) if Borrower is voluntarily adjudicated a bankrupt or insolvent, seeks or consents to the appointment of a receiver or trustee for itself or for all or any part of its property, files a petition seeking relief, including reorganization, arrangement or similar relief, under the present

Bankruptcy Code or other similar present or future applicable laws of the United States or any state or any other competent jurisdiction, makes a general assignment for the benefit of creditors or admits in writing its inability to pay its debts as they mature; or (d) if a receiver or trustee is appointed for Borrower or for all or any part of its property without its consent and such appointment is not vacated within 45 days, or if a petition is filed against Borrower seeking relief, including reorganization, arrangement or similar relief, under the present Bankruptcy Code or other similar present or future applicable laws of the United States or any state or other competent jurisdiction, and such petition is not dismissed within 30 days after the filing thereof.

5. If an Event of Default shall have occurred, Lender may, at its option, exercise any, some, or all of the following remedies, concurrently or consecutively: (a) Lender may declare all of the unpaid Obligations, together with all accrued interest thereon, to be due and payable without notice or demand which are hereby expressly waived, and upon such declaration all such Obligations shall immediately become due and payable as fully and to the same effect as if the date of such declaration were the date originally specified for the full payment or maturity thereof; (b) Lender may demand that Borrower surrender the actual possession of the Mortgaged Property and Lender or its agents may enter and take possession thereof and may exclude Borrower and its agents wholly therefrom; if Borrower shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof to Lender, Lender may obtain a judgment or order requiring that Borrower deliver immediate possession to Lender, to the entry of which judgment or decree Borrower hereby specifically consents; upon entering or taking possession, Lender may use, operate, manage and control the Mortgaged Property and conduct the business thereof and from time to time may exercise all of the rights and powers of Borrower in its name or otherwise with respect to same, all as Lender from time to time may determine in its sole discretion; (c) Lender may, with or without taking possession of the Mortgaged Property as hereinabove provided, collect and receive all of the Rents and profits therefrom, including those past due as well as those accruing thereafter, and shall apply said monies so received first, to the payment of all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by Lender and its agents in connection with the collection of same while in possession and second, in such order as Lender may elect, to the payment of the Obligations; (d) if any installment or part of any Obligation shall fail to be paid when due, Lender shall be entitled to sue for and to recover judgment against the Borrower for the amount so due and unpaid together with all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by Lender in connection with such proceeding, together with interest thereon at the Default Rate, from the date incurred by Lender, and all such costs and expenses shall be secured by this Security Instrument and shall be due and payable by Borrower immediately.

6. Nothing contained herein, in the Note, or in any other instrument or transaction related thereto, shall be construed or so operate as to require Borrower or any person liable for the payment of any of the Obligations to pay interest, or any charge in the nature of interest, in an amount or at a rate which exceeds the maximum rate of interest allowed by applicable law, as amended from time to time. Should any interest or other charges in the nature of interest received by Lender or paid by Borrower or by any person liable for the payment of any of the Obligations exceed the maximum rate of interest allowed by applicable law, as amended from

time to time, then such excess sum shall be credited against the principal balance of the Note or the balance of the other Obligations, as applicable, unless the Borrower or such other person liable for such payments, as applicable, shall notify the Lender, in writing, that the Borrower or such other person elects to have such excess sum returned to it forthwith, it being the intent of the parties hereto that under no circumstances shall the Borrower or any person liable for the payment of any of the Obligations be required to pay interest in excess of the maximum rate of interest allowed by applicable law, as amended from time to time. The Lender may, in determining the maximum rate of interest allowed under applicable law, as amended from time to time, take advantage of any state or federal law, rule or regulation in effect from time to time which may govern the maximum rate of interest which may be reserved, charged or taken.

7. The warranties, representations, covenants and agreements set forth in this Security Instrument shall survive the execution and delivery hereof and shall continue in full force in effect until all of the Obligations shall have been paid in full.

8. All notices, demands, requests and other communications, if any, required under this Security Instrument must be in writing delivered by hand or overnight courier or mail and shall be conclusively deemed to have been received three (3) business days after mailing if delivered or attempted to be delivered by United States first class mail, return receipt requested, postage prepaid, addressed to the party for whom it is intended at its address set forth in the introduction to this Security Instrument. Any party may designate a change of address by written notice to the other party, received by such other party at least ten (10) days before such change of address is to become effective.

9. All of the terms of this Security Instrument shall apply to and be binding upon, and inure to the benefit of, the heirs, devisees, personal representatives, successors and assigns of Borrower and Lender, respectively, and all persons claiming under or through them.

10. If any one or more of the provisions contained in this Security Instrument is declared or found by a court of competent jurisdiction to be invalid, illegal, or unenforceable, such provision or portion thereof shall be deemed stricken and severed and the remaining provisions hereof shall continue in full force and effect. If any one or more of the Obligations is declared or found by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining Obligations shall continue in full force in effect.

11. No agreement unless in writing and signed by Lender and no course of dealing between the parties hereto shall be effective to change, waive, terminate, modify, discharge, or release in whole or in part any provision of this Security Instrument. No waiver of any rights or powers of Lender or consent by it shall be valid unless in writing signed by an authorized officer of Lender and then such waiver or consent shall be effective only in the specific instance and for specific purpose for which given.

12. This Security Instrument shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Florida (excluding the principles thereof governing

conflicts of law), and federal law, in the event federal law permits a higher rate of interest than Florida law.

13. This Security Instrument is a purchase money mortgage, given in connection with a sale of the Land by Lender to Borrower.

14. LENDER AND BORROWER HEREBY KNOWINGLY, IRREVOCABLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, PROCEEDING OR COUNTERCLAIM BASED ON THIS SECURITY INSTRUMENT, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS SECURITY INSTRUMENT, THE NOTE OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO OR TO ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER AND BORROWER ENTERING INTO THE SUBJECT LOAN TRANSACTION.

IN WITNESS WHEREOF, Borrower has executed this instrument as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

OLETA PARTNERS, LLC

Witness Signature

By: _____
Michael Tillman, President

Print Witness Name

Witness Signature

Print Witness Name

[Acknowledgement on next page]

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
20____, by _____, as _____
of _____. He/She is personally known to me or has produced
_____ as identification.

Notary Public, State of _____
Print Name: _____

My commission expires: (SEAL)

EXHIBIT "F"

FUTURE PARTICIPATION AGREEMENT

Form to be agreed upon [within parameters set forth in Agreement] by Oleta and the City Attorney and City Manager, as provided for in Resolution No. R-2014-_____

EXHIBIT "G"

FOURTH AMENDMENT TO LEASE

Form to be agreed upon [within parameters set forth in Agreement] by Oleta and the City Attorney and City Manager, as provided for in Resolution No. R-2014-_____

COMPOSITE EXHIBIT "H"
AMENDED AND RESTATED CUP
And
TEXT AMENDMENT

Composite Exhibit H

**Exhibit H-1
A&R CUP Resolution**

RESOLUTION NO. R-2014-

A RESOLUTION OF THE ACTING MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AMENDING THE PREVIOUSLY ISSUED CONDITIONAL USE PERMIT AND CONCEPTUAL MASTER DEVELOPMENT PLAN FOR TRACT A OF BISCAYNE LANDING PLAT, IN ACCORDANCE WITH ARTICLE 3, SECTION 3-405 OF THE CITY OF NORTH MIAMI CODE OF ORDINANCES, LAND DEVELOPMENT REGULATIONS; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

WHEREAS, on May 23, 2012, the Mayor and Council of the City of North Miami ("**City**") passed and adopted Resolution Number R-2012-67, authorizing the execution of a Lease Agreement between the City and Oleta Partners, LLC ("**Developer**") (the "**Lease**"), for the master development of real property consisting of approximately 183.8 acres of land known as "Biscayne Landing", as legally described in "**Exhibit A**", attached hereto ("**Development**"); and

WHEREAS, the Developer filed an application with the Community Planning & Development Department requesting issuance of a Conditional Use Permit and approval of the Conceptual Master Development Plan for the Development, pursuant to the requirements of Article 3, Division 4 of the City Land Development Regulations ("**LDRs**"); and

WHEREAS, on June 25, 2013, the Mayor and Council of the City of North Miami ("**City Council**") passed and adopted Resolution No. R-2013-73, authorizing the issuance of a Conditional Use Permit (the "**Initial CUP**") including the Conceptual Master Development Plan

(the “**CMDP**”) for the Development, which Plan included a mixture of residential, commercial and retail uses, as well as parks and open space ; and

WHEREAS, on August 27, 2013, the Mayor and City Council passed and adopted Resolution No. R-2013-96 approving an Amended Conditional Use Permit (the “**Amended CUP**”), which pertains to the construction of a new Spine Road to serve the Development; and

WHEREAS, the City and the Developer believe it to be in their respective best interests to amend and restate, in their entirety, the CUP, as amended, in the form annexed hereto as composite **Exhibit "B"**, providing for a restated CUP including the amended CDMP which includes residential units (including elderly assisted living units), hotel, commercial, office, retail, vehicle sales/display and institutional uses, as well as parks and open space; and

WHEREAS, the Planning Commission, after a duly noticed public hearing held on _____, 2014, after reviewing the proposed request, public testimony, reports and the recommendation of approval by City staff with conditions voted _____; and

WHEREAS, the Mayor and Council of the City of North Miami have determined that such Amended and Restated Conditional Use Permit (the “**Restated CUP**”), together with the Developer’s revised CMDP (the “**Amended CMDP**”) annexed hereto as composite **Exhibit “B”** are in the best interest of the City and will not adversely affect the health, safety, and welfare of the City’s residents; and thereby approve the issuance of the Restated CUP including the Amended CMDP.

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. Recitals. The above recitals are true and correct and incorporated herein;

Section 2. Approval of Amended and Restated Conditional Use Permit including the Amended Conceptual Master Development Plan. The Acting Mayor and City Council of the City of North Miami, Florida, hereby, approve the Restated Conditional Use Permit including the Amended CMDP attached hereto as composite **Exhibit "B"**.

Section 3. Issuance of Conditional Use Permit. The Acting Mayor and City Council of the City of North Miami, Florida, hereby, approve and issue the Restated CUP including the Amended CMDP in the form attached hereto as composite **Exhibit "B"** (the Restated CUP and Amended CMDP respectively).

Section 3. Effective Date. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by a ____ vote of the Acting Mayor and City Council of the City of North Miami, Florida, this __ day of __, 2014.

PHILIPPE BIEN-AMIE
VICE MAYOR AS ACTING MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:**

REGINE M. MONESTIME
CITY ATTORNEY

**SPONSORED BY:
CITY ADMINISTRATION**

**Moved by:
Seconded by:**

Vote:

Vice Mayor as Acting Mayor Philippe Bien-Amie	<input type="checkbox"/> (Yes)	<input type="checkbox"/> (No)
Councilperson Marie Erlande Steril	(Yes)	<input type="checkbox"/> (No)
Councilperson Scott Galvin	(Yes)	<input type="checkbox"/> (No)
Councilperson Carol F. Keys, Esq.	(Yes)	<input type="checkbox"/> (No)

MIAMI 4280307.4 80052/44188
10/9/2014

EXHIBIT A

LEGAL DESCRIPTION OF DEVELOPMENT

EXHIBIT B

RESTATED CUP AND CMDP

EXHIBIT B
AMENDED AND RESTATED CONDITIONAL USE PERMIT
FOR BISCAYNE LANDING

WHEREAS, the City of North Miami, Florida (the "**City**") is the owner of the real property more particularly described in **Exhibit "A"** attached hereto (the "**Property**"), consisting (as of the date hereof) of approximately 183.6 acres of land; and

WHEREAS, on May 23, 2012, the Mayor and Council of the City of North Miami passed and adopted Resolution Number R-2012-67, authorizing the execution of a Lease Agreement between the City and Oleta Partners LLC ("**Developer**"), which lease has been amended from time to time (the "**Lease**"), for the master development of the Property which is presently known as Biscayne Landing ("**Biscayne Landing**" or the "**Project**"); and

WHEREAS, the Developer originally filed an application with the Community Planning & Development Department requesting issuance of a Conditional Use Permit and approval of the Conceptual Master Development Plan (the "**Initial CMDP**") for the Project, pursuant to the requirements of Article 3, Division 4 of the City Land Development Regulations ("**LDRs**"); and

WHEREAS, the Initial CMDP included a mixture of residential (including elderly assisted living units), hotel, commercial and retail uses, as well as parks and open space; and

WHEREAS, on June 25, 2013 the Mayor and City Council of the City of North Miami ("**City Council**") passed and adopted Resolution R-2013-73 approving the Conditional Use Permit (the "**Initial CUP**") and Initial CMDP for Biscayne Landing; and

WHEREAS, on August 27, 2013 the Mayor and City Council passed and adopted Resolution R-2013-96 approving an Amended Conditional Use Permit (the Amended **CUP**)

including the amended plans pertaining to the construction of a new Spine Road to serve the Development; and

WHEREAS, on _____, 2014, the Acting Mayor and City Council passed and adopted Resolution R-2014- ____ approving that certain Agreement Regarding Residential Parcel which, among other things, provides for the City Council's consideration of this Restated CUP (which serves to clarify and simplify the development process and the conditions of approval for the development of Biscayne Landing), including the revised CMDP attached to this Restated CUP as composite **Exhibit "B"** (the "**Restated CUP**" and the "**Amended CMDP**" respectively) ; and

WHEREAS, the Planning Commission, after a duly noticed public hearing held on _____, 2014, after reviewing the proposed request, public testimony, reports and the recommendation of approval by City staff voted _____; and

WHEREAS, the Acting Mayor and City Council have determined that this Restated CUP including the Amended CMDP are in the best interest of the City and will not adversely affect the health, safety, and welfare of residents; and thereby, approve the issuance of this Restated CUP and the Amended CMDP

NOW, THEREFORE, the Mayor and City Council hereby approve this Restated CUP including the Amended CMDP attached hereto as **Exhibit "B"** for the Project known as Biscayne Landing), along with the following findings and conditions:

1. This Restated CUP including the Amended CMDP is approved, and the Project is vested with the right to be developed in accordance with the Restated CUP, for the following uses, density and intensity:

(a) 4390 residential units including (X) approximately 4315 multifamily units and/or elderly assisted housing units; and (Y) a hotel with a rating of no less than three (3) stars, containing approximately 150 keys (equivalent to 75 units for density) (the foregoing residential and hotel limitations, the "**Density Limitation**");

(b) 1,491,256 sf of commercial, office, vehicle sales/display, institutional and/or retail uses (each and collectively, "**Commercial Use**"), in any

combination (the foregoing Commercial Use limitations, the "**Intensity Limitation**");

(c) An active park of not less than 7.2 acres;

(d) A passive park of not less than 13.7 acre; and

(e) an aggregate of no less than 37.0 acres of the Property (inclusive of the above-described active park and passive park) will be devoted to recreational, community, open space, park, access or similar use (including but not limited to a community center).

2. Modifications - Developer agrees that all plans submitted to the Community Planning and Development Department for building permits (a "**Development Plan**") shall be consistent with the spirit and intent of this Restated CUP. Pursuant to the provisions outlined in Section 3-410 of the City's Land Development Regulations (the "**LDRs**") minor revisions are permitted so long as any proposed modification to the previously approved plan for development of any portion of the Property does not cause the entirety of the Project to exceed the Density Limitation or the Intensity Limitation, and so long as such Development Plan is in substantial compliance with the development standards set forth in Section 3-410 of the LRDs ("**Land Development Standards**"), the approval of each Development Plan shall be an administrative function, subject only to administrative review by the City's Development Review Committee (the "**DRC**") to confirm substantial compliance with this Restated CUP, the Land Development Standards and the City's Code of Ordinances ("**City Code**"), and shall not require approval by the City Planning Commission or the City Council. In the event that there is a disagreement between the Developer and the DRC as to whether a Development Plan is in substantial compliance with this Restated CUP, the Land Development Standards and/or the City Code, the Developer shall have the right to appeal that administrative determination as provided for in the City Code. Any Substantial Revisions not meeting the provisions of section 3-410 must be reviewed in accordance with the requirements of Article 3, sections 3 - 401 to 3 - 409 of the LDRs.

3. The City acknowledges that the Property will be considered to be a single site for land use and zoning purposes. As such, the Density Limitation and the Intensity Limitation set

forth herein shall apply and be calculated as to the Property as a whole, and Developer and Developer's successors and assigns shall be permitted to construct improvements on and within the Property ("**Improvements**") consistent with the foregoing Density Limitation and Intensity Limitation anywhere within the Property (it being understood that the Developer shall be expressly permitted to allocate the Density Limitation and Intensity Limitation to and among various portions of the Property and to third parties developing such portions of the Property; each such third party a "**Sub-Developer**"), without regard to and irrespective of any future change in the ownership and/or control of any portion of the Property (whether by fee simple title or leasehold estate) or internal divisions within the Property.

4. Development Plans shall comply with the City's development standards, with particular emphasis on Article 4, Section 4-402 (Planned development) and Article 5, Division 12 (Landscaping), Division 14 (Parking & Parking Garage Standards) and Division 15 (Signage) of the LDRs, provided, however, that in the event of a conflict between those standards and the specific conditions of approval set forth in this Restated CUP, this Restated CUP shall control.

5. Prior to the issuance of a building permit for any Improvement on or within the Property, the applicant shall deposit with the Department Of Community Planning And Development a cash bond, surety bond, or time-deposit bond in an amount equal to one hundred ten (110%) percent of the estimated cost of any and all improvements which may be required within dedicated rights-of-way and/or public facility easements to ensure the completion thereof.

6. The development of the Project pursuant to this Restated CUP shall be substantially in accordance with the following (the "**Development Standards**"):

A. Setbacks:

1. Minimum 15' setback from property lines to buildings of 2 stories or less;
2. Minimum 30' setback from property lines to buildings of more than 2 stories.

B. Building Height:

1. Maximum of 25 residential stories above base flood elevation at building entrance or above provided parking decks;

2. Free standing parking garages shall have a maximum of 6 stories elevated above base flood elevation. Amenity decks and other similar uses including code required facilities such as bathrooms, elevators; etc may be added to the roof above such parking structures.
3. For buildings incorporating parking into the main structure the maximum height shall be 31 stories above base flood elevation. Amenity decks and other similar uses including code required facilities such as bathrooms, elevators; etc may be added to the roof above such structures.

C. Fences:

1. A combination of hedges, walls and fences will be used in combination with landscape material to create a secure environment. Specific perimeter treatments will be provided prior to obtaining building permits.

D. Hedges and Walls:

1. A combination of hedges, walls and fences will be utilized. All final colors and finishes will be provided for the City of North Miami review and approval prior to obtaining building permits.

E. Signs:

1. A series of signage guidelines will be included as part of an overall signage program for project identity, way finding and neighborhood identity, subject to Article 5, Division 15 Section 5-1506 of the City's LDRs. Specific signage programs for each building will be provided prior to obtaining building permits for such building.
2. Comprehensive signage guidelines shall be developed for the entire Project site, subject to the administrative approval of the City's Community Planning & Development Department.

F. Lighting:

1. Exterior lighting to be included that is consistent with the City of North Miami code.

G. Bike & Pedestrian Circulation:

1. Promenades and public spaces adjacent to a street and transit stops should be welcoming to the pedestrian with landscaping, benches, bicycle parking, public art and other attractive features.
2. Roadways should be designed to maximize bicycle, pedestrian and transit connections, internally and to adjacent or nearby compatible schools or developments, by allowing movement in any direction to minimize travel

distance. A sidewalk shall be provided on NE 143rd Street along with two activity lanes.

3. All bicycle parking facilities should be placed in areas that are well-lighted and such spaces shall be identified with a permanent and properly maintained aboveground "Bicycle Parking" sign.

H. Open Space:

1. Open Space within the site will serve a series of roles, including passive and active recreation areas, landscape, and retention. The public open space will include a pedestrian pathway to accommodate multiple modes of recreation.

I. Grading and Drainage:

1. All Grading and Drainage for the site shall adhere to the Standards and Regulations of the Miami-Dade County Department of Environmental Resources Management ("**DERM**"), South Florida Water Management District ("**SFWMD**"), and the City of North Miami.

J. Sanitation:

1. Solid Waste amounts will be calculated based on the city of North Miami's generation rates.

K. Parking:

1. Each Development Plan shall comply with minimum parking requirements, as determined at submittal of the applicable Development Plan, consistent with the City's parking standards established in Article 5, Division 14 of the LDRs.

L. Public Utilities:

1. Design and installation of water lines, force mains and lift stations shall be in compliance with the Code of Ordinances of the City of North Miami. Design and installation shall meet the criteria, set forth by the Florida Department of Environmental Protection ("**FDEP**"), **DERM** and the Miami-Dade County Health Department.

M. Common Areas:

1. Common areas within each individual private development within the Property will match the character set forth by the applicable individual development, and will complement and be compatible with the overall master plan design intent. These areas will provide aesthetic and functional qualities to the development.

N. Landscaping:

1. The intent of the landscaping is to provide the site with a "natural" look throughout the majority of the site. It is the intention to create only pockets of formal planting at the main entrance and focal points throughout the Project. Subsequently plant spacing, heights, and massing will be irregular to achieve this effect.
- O. Notwithstanding any phases depicted on the Amended CMDP, construction and Development Plan phasing shall occur in the order established by the Developer from time to time in accordance with the Lease in response to market demand and conditions as long as the infrastructure necessary to support such Development Plan is either in place or included in such Development Plan. The Developer shall provide the Community Planning and Development Department with copies of any updated CMDP with each Development Plan submittal but in no event less than once each year.
 - P. All ground level and roof top mechanical equipment will be enclosed or obscured from public view from ground level on the closest adjoining public right of way.
 - Q. Parking shall be in compliance with City's Parking requirements outlined in Article 5, Division 14.
 - R. All utility construction and vehicle/pedestrian paths construction shall be coordinated through the Director of City's Public Works Department.
 - S. Each Sub-Developer will pay applicable impact fees to the City prior to the issuance of building permits for each Development Plan.
 - T. Traffic: The parties each acknowledge that Property falls within the Concurrency Exemption Area (TCA) and is therefore not subject to concurrency level of service requirements. The City and Developer jointly acknowledge that Biscayne Boulevard and in particular the proposed Project access intersections at NE 143rd Street and NE 151st Street are currently operating at level of service F based primarily on through traffic on Biscayne Boulevard, which neither the City nor the Developer can control or correct. Therefore, traffic conditions shall not operate or be utilized to limit the Developer's right to develop the Property to the approved Density Limitation or the Intensity Limitation. In order to cooperate with the City, the other users, and Miami-Dade County and the Florida Department of Transportation in attempting to partially address any further reduction in the existing level of service at these intersections, the Developer agrees that:
 1. After completion of the construction of the Spine Road and at such time as the completion of the Development Plans either individually or cumulatively warrant signal improvements, ("**Signal Improvements**"), the Developer agrees to apply for and diligently pursue permits from the County and the Florida Department of Transportation ("**FDOT**") for improvements to the NE 143rd Street and Biscayne Boulevard intersection to at least partially mitigate material decreases in the level

of service at that intersection. Subject to the issuance of all necessary Approvals (as defined in the Lease) and permits the Developer will work with all parties involved to construct the improvements. The City will not be responsible for any construction or costs associated with the aforementioned improvements, however, the Developer shall be permitted to seek funding from the Community Redevelopment Agency ("**CRA**") for this improvement and any other intersection improvements that may be identified as appropriate or required it being acknowledged that there is no binding obligation for the CRA to provide any such funding. The CRA will make such determination independently when and if such request is made.

2. In addition to the traffic due diligence study already provided, within 12 months of the completion of the Spine Road the Developer agrees to provide a supplemental traffic analysis of the NE 151st Street & Biscayne Blvd intersection from 1:15 pm to 3:15 pm to assess the currently failing intersection and work with all partners involved (FIU, County, FDOT, Miami Dade School District and City) to develop a program of improvements to be implemented over time to attempt to, at least partially, alleviate or mitigate any decreases in the level of service of this failing intersection. Said study shall also identify proportionate fair share allocations for the implementation of the improvements among each of: the existing major users contributing to backlog condition, the new major users and the operational agencies. The Developer agrees to reasonably cooperate with the City and the operational agencies and other users to identify funding for the improvements and as appropriate shall fund its proportionate fair share of the improvement program in conjunction with the other users and operational agencies. However the Developer shall not be required to fund its proportionate share until the funding for the program is identified and the other parties also agree to fund their proportionate fair share.

3. As part of each submittal of a Development Plan the Developer agrees to provide a traffic generation statement for the proposed development based upon professionally accepted methods applying to the most up to date version of the ITE Traffic Generation Manual taking into account internal capture, pass-by trips, public transportation and other alternate transportation modes as may be identified and encouraged by the TMDP defined below.

4. The Developer shall submit a Transportation Demand Management Program ("**TDMP**") to the City, for each Development Plan substantially meeting the requirements of Section 5-702 of the City's LDRs. The TMDP shall propose multi modal transportation alternatives such as connected sidewalks, bicycle parking, transit facilities for bus/shuttle stops and carpooling to partially mitigate the added traffic anticipated from the Development Plan consistent with the requirements of Policy 2A.1.3.V of the City's Comprehensive Plan. The TDMP shall be appropriate to the size, scale and location of the Development Plan and shall

demonstrate that reasonable efforts will be made to ensure the proposed TDMP strategies will help reduce the traffic impacts anticipated from the Development Plan. To the extent that the TMDP involves Miami-Dade Transit or the FDOT facilities it shall also be submitted to such agencies.

- U. The Developer and the City agree to work to identify any available federal, state or local programs that may be able to provide possible tax credits or incentives or other funding available to the Project as part of Community Redevelopment Area designation.

EXHIBIT A

LEGAL DESCRIPTION

TRACT "A" of BISCAYNE LANDING, according to the Plat thereof, as recorded in Pl at Book 161, at Page 72, of the Public Records of Miami-Dade County, Florida, lying in Section 21, Township 52 North, Range 42 East, less (LESS OUT PARCEL "A"), and less (LESS OUT PARCEL "B"), also known as that piece of land depicted on "THE OAKS I CONDOMINIUMS" recorded in Official Records Book 25427 at Page 4674 of the Public Records of Miami-Dade County, Florida, said LESS OUT parcels being more particularly described as follows:

LESS OUT PARCEL "A": Commence at the Northeast corner of the West 1/2 of the Northeast 1/4 of Section 21, Township 52 South, Range 42 East, the same being the Northeast Corner of said Tract "A" of BISCAYNE LANDING; thence South 87°02'55" West along the North boundary line of said Tract "A" of BISCAYNE LANDING, and along the North line of the Northeast 1/4 of said Section 21, and along the South Right of Way Line of N.E. 151st Street for a distance of 396.01 feet to the POINT OF BEGINNING of the hereinafter described parcel of land; thence along the boundary of The Oaks Condominium as described in Official Record Book 25427 at page 4613 of the Public Records of Miami-Dade County, Florida, for the following (4) courses; (1) thence South 03°17'25" East for a distance of 522.10 feet; (2) thence North 86°42'35" East for a distance of 159.56 feet; (3) thence South 27°35'03" East for a distance of 138.47 feet; (4) thence South 83°13'18" East for a distance of 177.81 feet to a point on the West line of the NE 1/4 of the NE 1/4 of said Section 21, also being the East line of said Tract "A"; thence South 02°55'05" East along said line for a distance of 252.90 feet; thence South 87°09'14" West for a distance of 501.91 feet to a point on a circular curve concave to the west whose radius point bears North 82°36'35" West from said point; thence Northwesterly to the left along the arc of said curve having a radius of 352.64 feet, through a central angle of 23°27'40" for an arc distance of 144.40 feet; thence North 78°35'03" East for 122.19 feet to a point on a circular curve concave to the Southeast whose radius point bears North 85°51'34" East from said point; thence Northeasterly to the right along the arc of said curve having a radius of 100.00 feet, through a central angle of 38°22'29" for an arc distance of 66.98 feet to a point of tangency; thence North 34°14'03" East for 70.48 feet; thence North 51°25'22" West for 70.73 feet; thence North 43°42'31" West for 108.81 feet to a point of curvature with a circular curve concave to the east; thence Northeasterly to the right along the arc of said curve having a radius of 60.00 feet, through a central angle of 72°52'56" for an arc distance of 76.32 feet to a point of reverse curvature with a circular curve concave to the northwest; thence Northeasterly to the left along the arc of said curve having a radius of 25.00 feet, through a central angle of 31°32'21" for an arc distance of 13.76 feet to a point of tangency; thence North 02°21'55" West for a distance of 173.92 feet to a point of curvature with a circular curve concave to the southwest; thence Northwesterly to the left along the arc of said curve having a radius of 125.00 feet, through a central angle of 78°55'58" for an arc distance of 172.20 feet; thence North 02°57'01" West for a distance of 138.00 feet to a point on the North boundary line of said Tract "A" of BISCAYNE LANDING, and also being to the North line of the Northeast 1/4 of said Section 21, and also being to the South Right of Way Line of said N.E. 151st Street; thence North 87°02'55" East along said North boundary line of said Tract "A" of BISCAYNE LANDING, and along said North line of the Northeast 1/4 of said Section 21, and along said South Right of Way Line of

N.E. 151st Street for a distance of 149.64 feet to the POINT OF BEGINNING; Said parcel contains 4.33 acres, more or less.

AND

LESS OUT PARCEL "B": Beginning at the most Northeasterly Corner of said Tract "A" of "BISCAYNE LANDING," said point being further described as being the Northeast Corner of the West ½ the Northeast ¼ of Section 21, Township 52 South, Range 42 East; thence South 02°55'05" East, along the East Line of said Tract "A", a distance of 677.06 feet; thence North 83°13'18" West, a distance of 177.81 feet; thence North 27°35'03" West, a distance of 138.47 feet; thence South 86°42'35" West, a distance of 159.56 feet; thence North 03°17'25" West, a distance of 522.10 feet to a point on the North Line of said Tract "A"; thence North 87°02'55" East, along said North Line, a distance of 396.01 feet to the POINT OF BEGINNING. Said parcel contains 5.37 acres, more or less.

Composite Exhibit H

**Exhibit H-2
Text Amendment**

ORDINANCE NO.: _____

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AMENDING CHAPTER 29 OF THE CITY OF NORTH MIAMI CODE OF ORDINANCES, ENTITLED "LAND DEVELOPMENT REGULATIONS", BY AMENDING ARTICLE 3, DIVISION 4, ENTITLED "CONDITIONAL USES", AT SECTION 3-410, ENTITLED "CHANGES TO CONDITIONAL USE APPROVALS", TO ADD A NEW SUBSECTION C, ENTITLED "APPLICABILTIY" TO EXEMPT CONDITIONAL USE APPROVALS, FOR PROJECTS OF MORE THAN 30 ACRES, FROM CERTAIN PROVISIONS OF SUBSECTION A, ENTITLED "MINOR REVISIONS"; PROVIDING FOR CONFLICTS, SEVERABILITY, CODIFICATION AND AN EFFECTIVE DATE.

WHEREAS, on April 28, 2009, the Mayor and City Council of the City of North Miami ("**City**"), passed and adopted the City's Land Development Regulations codified under Chapter 29, City Code of Ordinances ("**LDRs**"); and

WHEREAS, on May 23, 2012, the Mayor and Council of the City ("**City Council**") passed and adopted Resolution Number R-2012-67, authorizing the execution of a Lease Agreement between the City and Oleta Partners LLC ("**Developer**") (the "**Lease**"), for that certain unimproved parcel real property, consisting of approximately 183.6 acres of land, known as "Biscayne Landing" ("**Development**"); and

WHEREAS, on June 25, 2013, the City Council passed and adopted Resolution No. R-2013-73, authorizing the issuance of a Conditional Use Permit (the "**Initial CUP**"), including the Developer's Conceptual Master Development Plan (the "**CMDP**") for the Development, which Plan included a mixture of residential, commercial and retail uses, as well as parks and open space; and

WHEREAS, on August 27, 2013, the City Council passed and adopted Resolution No. R-2013-96 approving an Amended Conditional Use Permit (the "**Amended CUP**"), which pertains to the construction of a new Spine Road to serve the Development; and

WHEREAS, the City and the Developer are jointly requesting a text amendment to Section 3-410 of the LDRs, as set forth in Section 2 below (the "**Text Amendment**"), so as to acknowledge and recognize that certain large scale development projects, such as the Biscayne Landing site are unusual in that they involve the development of large tracts of land over an extended period of time and, therefore, should not be subject to certain limitations regarding what constitutes a "Minor Revision" to a previously approved CUP in order to facilitate the future development of these sites, including the Biscayne Landing site; and

WHEREAS, Policy 9.4.6 of the City's Comprehensive Plan ("**Comprehensive Plan**") requires that the City "create land use designations and zoning regulations that encourage the retention, attraction and expansion of business and industry"; and

WHEREAS, the City administration believes the proposed amendment to the LDRs ("**Amendment**"), furthers the vision of the City's Comprehensive Plan and does not adversely affect the public's health, safety and welfare; and

WHEREAS, on _____, 2014, after a duly noticed public hearing, the Planning Commission recommended _____ of the Text Amendment to the Mayor and City Council; and

WHEREAS, the Mayor and City Council hereby accept the Planning Commission's recommendation of _____ and find that the Text Amendment is consistent with the intent of the Comprehensive Plan and that it presents no direct conflict with any of the goals, objectives or policies contained in the Comprehensive Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, THAT:

The Mayor and City Council of the City of North Miami, Florida, hereby amend Chapter 29 of the City of North Miami Code of Ordinances, entitled "Land Development Regulations", by amending Article 3, Division 4, entitled "Conditional Uses", at Section 3-410, entitled "Changes to Conditional Use Approvals", to include the following new Subsection C, entitled "Applicability", to read as follows:

CHAPTER 29. LAND DEVELOPMENT REGULATIONS

ARTICLE 3. DEVELOPMENT REVIEW

DIVISION 4. CONDITIONAL USES

Section 3-410. Changes to conditional use approvals.

A. *Minor revisions.* The director of community planning and development is authorized to allow minor revisions to an approved conditional use permit after receipt of comments from the development review committee. A minor revision is one which:

1. Does not affect the conditional use criteria applicable to the conditional use.
2. Does not alter the location of any road or walkway by more than five (5) feet.
3. Does not change the use.
4. Does not change a condition of approval.
5. Does not increase the density or intensity of the development.
6. Does not result in a reduction of setback or previously required landscaping.
7. Does not result in a substantial change to the location of a structure previously approved.
8. Does not add property to the parcel proposed for development.
9. Does not increase the height of the buildings.

B. *Substantial revisions.* Any proposed change that does not meet the above criteria is not minor and must be reviewed in accordance with the procedures for an original approval, including new application materials and payment of fees.

C. *Applicability.* In recognition of the unique character of large scale developments covering more than 50 acres of land which are to be developed over a period of years, the provisions of subsection 3-410 (A)(2) and (7) above shall not apply to the review of proposed revisions to previously approved conditional use permits for such large scale developments and, accordingly, such changes shall not be considered "Substantial revisions" pursuant to Subsection 3-410 (B) .however, any material modification of the location of the principal uses shown on the use location plan included in the conceptual master development plan approved as part of the conditional use approval shall be considered a substantial modification which must be reviewed in accordance with the same procedures for an original approval, including new application materials and payment of fees.

Conflicts. All ordinances or parts of ordinances in conflict or inconsistent with the provisions of this Ordinance are hereby repealed.

Severability. The provisions of this Ordinance are declared to be severable, and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this Ordinance which shall remain in effect, it being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

Codification. The provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of North Miami, Florida. The Sections of this Ordinance may be renumbered or re-lettered to accomplish such intentions and the word "ordinance" may be changed to "section", "article" or any other appropriate word as may be required.

Effective Date. This Ordinance shall become effective immediately upon adoption on second reading.

PASSED AND ADOPTED by a ___ vote of the Mayor and City Council of the City of North Miami, Florida, on first reading this _ day of _____, 2014.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, on second reading this ___ day of _____, 2014.

MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

REGINE M. MONESTIME
CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

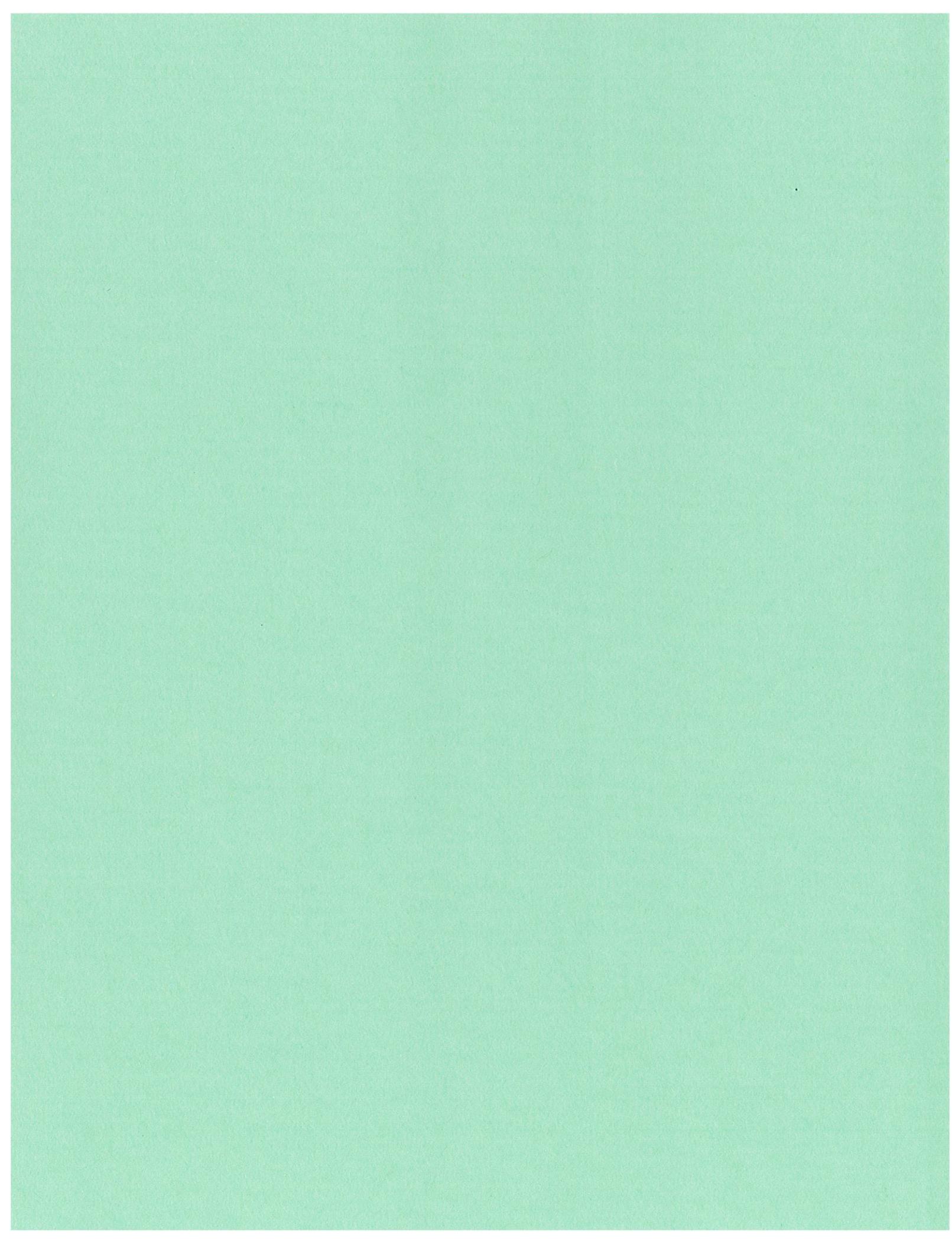
Moved by: _____

Seconded by: _____

Vote:

Councilperson Philippe Bien-Amie	<input type="checkbox"/> (Yes)	<input type="checkbox"/> (No)
Councilperson Marie Erlande Steril	<input type="checkbox"/> (Yes)	<input type="checkbox"/> (No)
Councilperson Scott Galvin	<input type="checkbox"/> (Yes)	<input type="checkbox"/> (No)
Councilperson Carol F. Keys, Esq.	<input type="checkbox"/> (Yes)	<input type="checkbox"/> (No)

Additions shown by underlining. Deletions shown by ~~overstriking~~.



Prepared by:

This instrument prepared by:
Jon Chassen, Esq.
Bilzin Sumberg Baena Price & Axelrod LLP
1450 Brickell Avenue, 23rd Floor
Miami, Florida 33131

(Space above this line reserved for recording office use only)

FUTURE PARTICIPATION AGREEMENT

THIS FUTURE PARTICIPATION AGREEMENT (this "**Agreement**") is made as of the ___ day of _____, 201___ (the "**Effective Date**"), by and between OLETA PARTNERS LLC, a Delaware limited liability company ("**Oleta**"), and the CITY OF NORTH MIAMI, FLORIDA, a Florida municipal corporation ("**City**").

RECITALS

A. City and Oleta entered into that certain Agreement Regarding Residential Parcel (the "**Residential Parcel Agreement**") pursuant to which City agreed to sell, and Oleta agreed to buy, certain real property more particularly described on **Exhibit "A"** attached hereto (the "**Residential Parcel**").

B. Oleta has, as of the date hereof, closed upon the purchase of the Residential Parcel.

C. Pursuant to the Residential Parcel Agreement, the parties hereto have agreed and acknowledged that, upon the occurrence of certain events more particularly described herein, Oleta would pay City certain additional sums ("**Additional Consideration**").

D. City and Oleta desire to enter into this Agreement for the purpose of documenting in the Public Records of the Miami-Dade County, Florida (the "**Records**") notice of City's right to the Additional Consideration, as more particularly set forth herein.

NOW THEREFORE, in consideration of the closing of the sale of the Residential Parcel and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby certify and agree as follows:

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by reference.

2. **Purpose of Agreement.** This Agreement, when recorded in the Records, is intended to serve as public notice of the existence of the right to Additional Consideration as set forth herein. Such Additional Consideration will be based upon moneys received by Oleta in connection with (i) Oleta's sale of condominium units (each a "**Condominium Unit**") developed by Oleta on and within the Residential Parcel ("**Condominium Sales**"), (ii) retail, commercial, residential and other uses ("**Income Producing Property**") developed by Oleta (or any Oleta Affiliated Assignee) and leased to third parties ("**Rentals**"), and/or (iii) Oleta's sale of undeveloped land (a "**Land Parcel**") within the Residential Parcel to a third party ("**Land Sales**").

(a) Additional Consideration (if any) will be due to City only upon the first sale by Oleta of a Condominium Unit and/or a Land Parcel. Additional Consideration shall not be due upon any subsequent sale by the person who purchased the Condominium Unit or the Land Parcel from Oleta to another person. City's contractual right to the Additional Consideration is a limited right applicable to the initial sales of Condominium Units and Land Parcels by Oleta and shall not apply to the resale of any Condominium Unit or Land Parcel subsequent to the initial sale by Oleta to a third party.

(b) Additional Consideration (if any) shall be collected at the closing of the sale (each, a "**Closing**") of each Condominium Unit by Oleta and/or at the Closing of the sale of each Land Parcel by Oleta's counsel (or other closing agent in connection with any Closing; the "**Closing Agent**"), and remitted to City whereupon City shall release any claims it has to the Additional Consideration pursuant to this Agreement.

(i) City agrees that in order to facilitate such Closing, upon request (a "**Closing Notice**") by Oleta or the Closing Agent (and in advance of each Closing), City will execute and deliver in escrow to Closing Agent a release (each a "**Release of Claims**") of its rights pursuant to this Agreement in the form attached hereto as **Exhibit "B,"** within five (5) business days of City's receipt of each Closing Notice, and that Closing Agent will be entitled to have the Release of Claims recorded in connection with such Closing, subject to such Closing Agent's agreement to remit the Additional Consideration to the City promptly following such Closing.

(ii) Each Closing Notice will include a summary of the transaction which is the subject of the Closing, including a computation as to the Net Profit (defined below), if any, earned by Oleta in connection with the Closing, and the computation of the Additional Consideration (if any) due in connection with the Closing.

(c) Additional Consideration (if any) will be due to City in connection with all revenues generated by Rentals of Income Producing Property to third parties (each a "**Tenant**"), so long as Oleta owns the Income Producing Property, and will be paid by Oleta to City on or before the 20th day of the month following the month in which Oleta collected Rental income generated by the Income Producing Property. Additional Consideration (if any) due to City in connection with all revenues generated by Rentals of Income Producing Property to Tenants will be due and payable, regardless of whether or not there is a Mortgage (defined below) encumbering the Income Producing Property.

(d) No Additional Consideration will be due in connection with the sale by Oleta of Income Producing Property.

(e) Anything herein to the contrary notwithstanding, Oleta will not be obligated to pay any Additional Consideration with respect to sales of Condominium Units or Land Parcels unless and until such time as any mortgage (a "**Mortgage**") encumbering the Condominium Units and/or Land Parcels owned by Oleta has been paid off and released. In the event that Additional Consideration would otherwise have been earned and be due in connection with the sale of any Condominium Unit or Land Parcel (a "**Deferred Consideration Payment**"), (i) the applicable Closing Notice shall state that payment of Additional Consideration is being deferred pursuant to the provisions of this Agreement, and (ii) such Deferred Consideration Payment shall accrue and remain due and owing, and shall be paid out of revenues generated by Closings after the applicable Mortgage has been paid off and released.

3. **Computation of Additional Consideration.** Additional Consideration will be computed as follows.

(a) For Condominium Sales, Additional Consideration will be 3.25% of the Net Profit (defined below) earned by Oleta in connection with Oleta's sale of Condominium Units developed by Oleta on and within the Residential Parcel.

(b) For sales of Land Parcels, Additional Consideration will be 1.75% of the Net Profit earned by Oleta in connection with Oleta's sale of Land Parcels within the Residential Parcel to a third party.

(c) For Rentals of Income Producing Property (including Land Parcels intended to be developed by third parties as Income Producing Property), Additional Consideration will be 1.75% of (X) the gross rental revenue received by Oleta from any and all retail, commercial, residential and other Tenants occupying the Income Producing Property, less (Y) all pass-through reimbursements and all Mortgage payments. For purposes of this section, the term "pass-through reimbursements" means amounts paid to Oleta with respect to operating expenses, real estate, sales and other taxes, improvement allowances, leasing commissions, management fees and similar items. For purposes of this section, the term "Mortgage payments" means the amounts paid by Oleta to any lender having a Mortgage on the Income Producing Property, whether as principal, interest, or escrowed for payment of taxes, insurance or any other item.

(d) The term "**Net Profit**" means the gross purchase price received by Oleta at any Closing, less (i) Oleta's basis in the applicable Condominium Unit or Land Parcel (prorated as appropriate), including Oleta's cost to acquire the Residential Parcel [including a prorated portion of all amounts paid by Oleta to City in connection with Oleta's lease of the property (which the parties agree consisted of 150 leasable acres) of which the Residential Parcel was a part (the "**Leased Premises**"), prorated based upon the ratio of acreage of the Residential Parcel compared to 150 acres], the costs of developing the Residential Parcel, the hard and soft costs of developing the applicable condominium project in which Condominium Units are located (a "**Condo Project**"), and the costs of financing the acquisition of the Residential Parcel and the applicable Condo Project, (ii) Oleta's expenses incurred in connection with the sales of

Condominium Units and/or Land Parcels, including marketing expense, commissions and closing costs.

4. **Notices.** All notices, consents, waivers or approvals which are required or permitted under this Agreement must be in writing to be effective and shall be deemed to have been given, delivered or made, as the case may be when delivered by personal delivery or three business days after having been deposited in the United States mail, certified or registered, return receipt requested, sufficient postage affixed and prepaid, and/or one business day after having been deposited with an expedited, overnight courier service for next day delivery (such as by way of example but not limitation, U.S. Express Mail or Federal Express; "**Overnight Delivery**").

To City: City of North Miami
776 NE 125th Street - 4th Floor
North Miami, FL 33161
Attention: City Manager
E-mail:
Facsimile:

with a copy to simultaneously sent to:

City of North Miami
776 NE 125th Street - 4th Floor
North Miami, FL 33161
Attention: City Attorney
E-mail: rmonestime@northmiamifl.gov
Facsimile:

To Oleta: Oleta Partners LLC
15045 Biscayne Boulevard
North Miami, Florida 33181
Attention: Michael Tillman
E-Mail: mtillman@lefrak.com
Fax: _____

with a copy simultaneously sent to:

Bilzin Sumberg Baena Price & Axelrod LLP
1450 Brickell
Suite 2300
Miami, Florida 33131
Attn: Jon Chassen, Esq.
E-mail: jchassen@bilzin.com
Facsimile: (305) 351-2270

Any party may change the address to which its notices are to be sent by giving the other party prior notice of any such change in the manner provided in this Section, but notice of change of address shall be effective only upon receipt.

5. **Books, Records, Documents; Inspection.** All books, records, agreements and other documents used by Oleta to calculate or substantiate the Additional Consideration (the "**Records**") due and payable in any calendar year will be maintained for no less than three (3) years after the applicable calendar year. The Records shall be open to inspection, examination, copying, and audit by City or City's designated representative, upon giving Oleta no less than ten (10) business days' prior notice of City's intention to exercise its rights under this Section. If an audit report (the "**Audit**") prepared by a certified public accountant licensed to do business in Florida engaged by City to examine (and who does examine) the Records for any calendar year (the "**CPA**") discloses (i) that Oleta has failed to report all revenue subject to Additional Consideration accurately, and that the total amount of the underreported revenue exceeds five (5%) percent of the revenue previously reported by Oleta for the applicable year, or (ii) that Oleta has reported pass-through expenses or other deductions in the calculation of Additional Consideration in excess of those actually incurred by Oleta for the applicable calendar year, and the total amount of the excess pass-through expenses and other deductions exceeds five (5%) percent of the pass-through expenses and other deductions reported by Oleta for the applicable year, or (iii) the total amount of the underreported revenue or excessive pass-through costs and other deductions used to calculate Additional Consideration results in Oleta owing additional Additional Consideration (beyond that Additional Consideration already paid for the applicable year; such additional Additional Consideration, the "**Additional Consideration Shortfall**"), then, unless Oleta shall in good faith contest the findings of the CPA, Oleta shall (X) pay the Additional Consideration Shortfall to the City within thirty (30) days of its receipt of the Audit, and (Y) if the Additional Consideration Shortfall is in excess of \$25,000.00, Oleta shall also reimburse City for the reasonable expenses incurred by City in connection with the CPA's conducting the Audit. If an Audit (whether requested by City or Oleta) discloses that Oleta has overreported revenue or underreported pass-through expenses or other deductions, and that as a result Oleta has overpaid Additional Consideration, Oleta shall receive a credit against the next payment of Additional Consideration due to City hereunder. Anything contained herein to the contrary notwithstanding, if City does not give Oleta notice of its intention to exercise its rights under this Section to have an Audit prepared within one (1) year after the end of a calendar year with respect to which any Additional Consideration is payable, it shall have no right to do so.

6. **Counterparts.** This Agreement may be executed in one or more separate counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement. Copies of executed agreements and other instruments transmitted by telecopy (facsimile) or electronic mail in PDF format may be relied upon by the parties thereto.

7. **Entire Agreement.** This Agreement constitutes the entire understanding and agreement between the parties with respect to the subject matter hereof, it being understood that all prior or contemporaneous agreements, understandings, representations and statements, oral or written, between the parties with respect to the subject matter of this Agreement are deemed to be merged into this Agreement. This Agreement may not be modified, changed, discharged or

waived orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

8. **Choice of Law; Venue; Attorneys' Fees.** This Agreement shall be interpreted in accordance with the laws of the State of Florida, without application of conflict of laws principles. In the event of any dispute under or related to this Agreement, the Parties agree to submit the same exclusively to the Courts located in Miami-Dade County, Florida and, in such event, the prevailing party shall be entitled to an award of reasonable attorneys' fees, consultants' fees, paralegals' fees, expert witness fees and costs at all tribunal levels.

9. **Time of Essence.** Time is of the essence for each provision of this Agreement. The expiration of any period of time prescribed in this Agreement shall occur at 5:00 p.m., Eastern Time, on the applicable date (unless such date is not a business day, in which event the time period shall expire at 5:00 p.m. Eastern Time on the first business day following the end of the period). All time periods in this Agreement shall be deemed to be in calendar days unless otherwise so stated.

10. **WAIVER OF JURY TRIAL.** CITY AND OLETA HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT EACH MAY HAVE TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER ARISING IN TORT, CONTRACT OR OTHERWISE) BROUGHT BY EITHER AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY OTHER DOCUMENT EXECUTED AND DELIVERED BY ANY PARTY IN CONNECTION HEREWITH.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, City and Oleta have executed this Agreement as of the Effective Date set forth above.

WITNESSES (as to City Manager and City Clerk):

THE CITY OF NORTH MIAMI, a municipal corporation of the State of Florida

Print Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

Print Name: _____
Title: _____

By: _____
City Clerk

APPROVED AS TO FORM AND CORRECTNESS:

APPROVED AS TO INSURANCE REQUIREMENTS:

By: _____
City Attorney

By: _____
Risk Management Administrator

STATE OF FLORIDA)

COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this ___ day of _____, 201__, by _____, as the _____ of the CITY OF NORTH MIAMI, FLORIDA, a Florida municipal corporation. He/She (check applicable box) is personally known to me or has produced _____ as identification.

Print Name: _____
Notary Public, State of Florida
Commission No.: _____
My Commission Expires: _____

[Signatures Continue on Next Page]

IN WITNESS WHEREOF, City and Oleta have executed this Agreement as of the Effective Date set forth above.

OLETA PARTNERS LLC

Print Name: _____

By: _____
Name:
Title:

Print Name: _____

STATE OF FLORIDA)
) SS.
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this ___ day of _____, 201___, by _____, as _____ of OLETA PARTNERS LLC, a Delaware limited liability company, on behalf of the company. He ___ is personally known to me or ___ has produced a driver's license as identification.

Notary Public
Print Name: _____
Serial No. (if any): _____

EXHIBIT "A"

Legal Description of Residential Parcel

EXHIBIT "B"

Form of Release of Claims



FOURTH AMENDMENT TO LEASE

THIS FOURTH AMENDMENT TO LEASE (the "**Fourth Amendment**") is made and entered into effective as of the ___ day of _____, 2014 (the "**Effective Date**"), between the CITY OF NORTH MIAMI, FLORIDA, a Florida municipal corporation ("**Landlord**"), and OLETA PARTNERS LLC, a Delaware limited liability company ("**Tenant**").

RECITAL:

A. Landlord and Tenant entered into that certain Lease dated as of May 29, 2012 (the "**Original Lease**"), that certain First Amendment to Lease dated as of June 21, 2012 (the "**First Amendment**"), that certain Second Amendment to Lease dated as of July 31, 2012 (the "**Second Amendment**"), and that certain Third Amendment to Lease dated as of May 2, 2014 (the "**Third Amendment**"), and collectively with the Original Lease, the First Amendment and the Second Amendment, the "**Lease**") pursuant to which the Tenant is leasing the Premises (as such term is defined in the Lease) from Landlord.

B. Section 28.4 of the Lease permits a modification of the Lease if it is in writing and signed by all of the parties to be bound thereby.

C. Concurrently with the execution of this Fourth Amendment, Landlord and Tenant have entered into that certain Agreement Regarding Residential Parcel (the "**Residential Parcel Agreement**"), which (among other things) requires that Landlord and Tenant enter into this Fourth Amendment.

D. Landlord and Tenant desire to amend the Lease on the terms and conditions set forth herein.

E. Unless otherwise defined herein, capitalized terms used in this Fourth Amendment shall have the meanings ascribed to them in the Lease.

NOW, THEREFORE, upon the mutual covenants and conditions herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. AMENDMENTS

(a) Recitals. The defined terms "Premises" and "Land" and Exhibit A to the Lease will, effective upon Closing (as defined in the Residential Parcel Agreement), be modified to reflect the removal of the Residential Parcel.

(b) Defined Terms. The following terms are added or modified as indicated.

(i) Subsection (b) of the defined term "Delayed Park Property" is modified to read: "(b) the twelfth (12th) anniversary of the Commencement Date."

(ii) The defined term "Hazardous Substance" is modified by the addition of the following sentence: "If there is any dispute between Landlord and Tenant as to whether any substance or material constitutes a Hazardous Substance, such determination may only be made by DPERA, the Florida Department of Environmental Protection, or the United States Environmental Protection Agency."

(iii) The defined term "Initial Development" is modified such that: (X) except as otherwise specifically set forth on Exhibit D annexed to this Fourth Amendment, the infrastructure and Improvements described on Exhibit D and the pulling of building permits for Required Improvements and completion of other project-related requirements described on Exhibit D must occur on or before the seventh (7th) anniversary of the Commencement Date, subject to Unavoidable Delay, and (Y) Tenant will receive credit against its Initial Development obligations for any and all infrastructure and Improvements described on Exhibit D and building permits issued for Required Improvements and completion of other project-related requirements described on Exhibit D within the Residential Parcel, notwithstanding the fact that the Residential Parcel will no longer be part of the Premises.

(iv) The defined term "Permitted Equity Owner" is revised with respect to the period of time "Until Completion," to include any Qualified Developer.

(v) The defined term "Qualified Developer" is modified such that in order to fall within said definition, a Person must be of Good Moral Character and must, together with its Affiliates, have a minimum net worth equal to the product of \$50,000,000.00 multiplied by the Adjustment Factor.

(vi) The defined term "Second Stage Development" is modified such that: (W) the word "gross" shall be substituted for the word "leasable" throughout such definition; (X) the Substantial Completion of an aggregate of at least 500,000 gross square feet of, and the pulling of building permits for, an additional 200,000 gross square feet of Required Improvements will be reduced by the square footage of all Required Improvements constructed (and/or to be constructed, based upon building permits obtained to date) on and within the Residential Parcel (i.e., Tenant will receive credit against its obligation to Substantially Complete and obtain permits for the Required Improvements as set forth in said definition of Second Stage Development, for any and all Required Improvements Substantially Completed and for permits pulled for construction of Required Improvements to be constructed within the Residential Parcel, notwithstanding the fact that the Residential Parcel will no longer be part of the Premises); and (Y) the construction of and pulling of building permits for Required Improvements as part of Second Stage Development must occur on or before the ninth (9th) anniversary of the Commencement Date, subject to Unavoidable Delay.

(vii) The defined term "Subrent" is modified to exclude amounts paid by Subtenants under Subleases (X) as sales (rent) tax, and (Y) as pass-through reimbursements.

(viii) The defined term "Third Stage Development" is deleted in its entirety and the following shall be substituted in lieu thereof:

"Third Stage Development" shall mean (a) Substantial Completion, by the end of the twelfth (12th) anniversary of the Commencement Date, of at least 700,000 gross square feet of Required Improvements in the aggregate, and (b) completion, by the end of the fifteenth (15th) anniversary of the Commencement Date, of the Remedial Action, in each case, subject to Unavoidable Delay; provided however that if after the twelfth anniversary of the Commencement Date there is any twelve (12) consecutive month period in which there are no active building permits for any Required Improvements, Tenant shall complete the Remedial Action (except for post-closure monitoring and reporting) within six (6) months after the end of such twelve (12) consecutive month period instead of by the fifteenth anniversary of the Commencement Date. For these purposes, a permit shall be considered to be active when the permit has received an approved inspection within 180 days. With respect to the foregoing, it is understood and agreed that the Substantial Completion of an aggregate of at least 700,000 gross square feet of Required Improvements will be reduced by the gross square footage of all Required Improvements constructed on and within the Residential Parcel (i.e., Tenant will receive credit against its obligation to Substantially Complete such Required Improvements required by this definition for the gross square footage of any and all Required Improvements constructed on and within the Residential Parcel, notwithstanding the fact that the Residential Parcel will no longer be part of the Premises).

(ix) The term "Adjustment Factor" means an amount, expressed as a percentage, equal to a fraction, the numerator of which will be 150 less the number of acres within the Residential Parcel, and the denominator of which will be 150.

(c) Section 3.2 of the Lease is modified such that: (i) Fixed Rent will, subject to and upon and after Closing, be adjusted to reflect the removal of the Residential Parcel; i.e., by multiplying the annual Fixed Rent payment of \$1,500,000.00 by the Adjustment Factor, it being understood that the quarterly Fixed Rent payment will be adjusted accordingly; and (ii) the phrase "for 500,000 gross square feet or more of Improvements" appearing on the sixth line of said section shall be deleted in its entirety and replaced with the following "500,000 leasable/salable square feet or more of Required Improvements constructed on the Premises".

(d) Section 3.3 is modified as follows:

(i) The following sentence is added at the end of Section 3.3 (and prior to Subsection 3.3.1):

"The term "pass-through reimbursements" means amounts paid to Tenant with respect to operating expenses, real estate and other taxes, improvement allowances (including amounts paid to Tenant for costs incurred or to be incurred by Tenant in preparing Subleased Premises for occupancy and/or to reimburse

Tenant for any portion of the Biscayne Landing Contributions), leasing commissions payable to Persons who are not Affiliates of Tenant, management fees and an amount equal to the portion of Fixed Rent under the Lease allocated to any Subleased Premises (based upon the ratio of the acreage of the Subleased Premises to 150 acres)."

(ii) The last sentence of Subsection 3.3.1 is modified to read:

"If, as, and when Light Industrial uses are approved for the Premises, and/or in connection with any cell tower lease, air rights lease, or billboard or other signage licenses made by Tenant with respect to any portion of the Premises, Tenant shall pay Participation Rent of 1.75% of the gross revenues (less any release price payable to any Leasehold Mortgagee and/or Mezzanine Lender in connection with any Sublease) actually received and whenever received by Tenant, excluding all pass-through reimbursements, for portions of the Premises having a primary use of Light Industrial and/or in connection with any cell tower lease, air rights lease, or billboard or other signage licenses."

(iii) Subsection 3.3.4 is deleted and restated in its entirety to read:

"*Sales.* Tenant shall pay 3.25% of the net profit generated from sales by Tenant of condominium units and senior housing units on the Premises (including a long term "buy-in" option for a continuing care retirement community) during the prior calendar year. For purposes of this section, the term "net profit" shall mean the aggregate gross sale price of all condominium units and/or senior housing units, less (i) all closing costs (including brokerage commissions, transfer costs and recording fees, seller concessions and prorations), and (ii) all costs of acquisition and development of the applicable condominium and/or senior housing project, including a prorated portion of all amounts paid to Landlord (such proration to be based upon a fraction, the numerator of which is the acreage of the land comprising the condominium and/or senior housing project, and the denominator of which is 150 prior to Closing of the sale of the Residential Parcel pursuant to the Residential Parcel Agreement and 150 multiplied by the Adjustment Factor from and after Closing) pursuant to the Lease and the Residential Parcel Agreement. Notwithstanding anything to the contrary contained in this Subsection 3.3.4, (X) Tenant shall have no obligation to pay Participation Rent in connection with sales of condominium units and senior housing units unless and until any Leasehold Mortgage and/or any Mezzanine Loan on or applicable to the condominium and/or senior housing project [but excluding the Initial Leasehold Mortgage (hereinafter the "**Construction Loan Financing**")]) has been paid in full (the period of time through and including the date upon which the Construction Loan Financing is paid in full, the "**Construction Loan Term**"), and (Y) the Participation Rent due in connection with the net profit generated from sales of condominium units and senior housing units during the Construction Loan Term will accrue and be payable from sales of condominium units and senior housing units after the Construction Loan Financing has been paid in full."

(iv) Subsection 3.3.6 is modified by the deletion of the phrase “including without limitation any cell tower lease, air rights lease, or billboard or other signage licenses” from the sixth line of said subsection.

(e) Section 3.4 of the Lease is modified such that the periodic increases in Fixed Rent will, subject to Closing, be adjusted to reflect the removal of the Residential Parcel; i.e., by multiplying the periodic Fixed Rent increases of \$150,000.00 by the Adjustment Factor.

(f) Section 3.5 is likewise modified such that Initial Renewal Rent will, subject to Closing, be adjusted to reflect the removal of the Residential Parcel; i.e., by multiplying the Initial Renewal Rent as it would otherwise be computed pursuant to Subsection 3.5(2) by the Adjustment Factor.

(g) Section 7.1 is modified such that the time for completion, achievement and/or satisfaction of all of Tenant's Construction Obligations are each extended by a period of two (2) years from the dates they were otherwise required to be completed, achieved and/or satisfied (other than, and specifically excluding, the Tenant's obligation to complete all Remedial Action, which is hereby extended to the 15th anniversary of the Commencement Date, subject to the conditions contained in the definition of “Third Stage Development”), but in each case still subject to further extension as a result of Unavoidable Delay.

(h) Article 9 is modified as follows:

(i) Section 9.1 is clarified such that the Fill (as defined in the Residential Parcel Agreement) is not a Hazardous Substance and its existence on and within the Premises is not a violation of any Environmental Law; provided, however, that nothing in this subsection shall be deemed to excuse Tenant from its obligation to remove the Fill pursuant to and in accordance with the provisions of the Residential Parcel Agreement.

(ii) Section 9.3 is modified to confirm that the Grant shall be made available (by the Landlord) to the Tenant and to the owner(s) of the Residential Parcel in reimbursement of all of their respective fees, costs and/or expenses in completing the Remedial Action.

(i) Section 17.1 is modified such that the minimum net worth of a Person in order to constitute a Qualified Developer shall be adjusted to be consistent with the modified definition of Qualified Developer set forth in **Section 1(b)(v)** above.

(j) Section 17.3 is modified to clarify that no transfer fee will be due in connection with (X) the transfers of Equity Interests from any Permitted Equity Owner to any other Permitted Equity Owner, and/or (Y) the issuance of Equity Interests by Tenant to any Permitted Equity Owner.

(k) Section 17.5 is deleted.

(l) Pursuant to Section 28.3, subject to, and simultaneously with Closing, the Parties will execute and cause an amendment to the Memorandum of Lease to be recorded in the public records to reflect the fact that the Premises will no longer include the Residential Parcel.

(m) Section 32.1 is deemed modified to be consistent with the provisions of section 5 of the Residential Parcel Agreement (and, in the event of any conflict, the provisions of section 5 of the Residential Parcel Agreement shall control).

(n) Subject to and upon Closing of the sale and purchase of the Residential Parcel pursuant to the Residential Parcel Agreement, Section 33 of the Lease will be deleted and of no further force or effect, other than Section 33.7, which is amended and restated in its entirety to read as follows:

33.7. *Environmental Requirements.* As a condition to closing on any Option Parcel, Tenant shall either expressly acknowledge that it remains responsible for Tenant's environmental obligations and compliance costs under Section 9 of this Lease with respect to such Option Parcel, including for Landfill Closure under the CLCP, Landfill Closure Permit, and other applicable documents and Approvals, and for post-closure monitoring, compliance with environmental Laws, and responsibility for environmental conditions, or Tenant shall cause such obligations with respect to the Option Parcel to be expressly assumed by a homeowner's association or community development district or set forth in a declaration of covenants and restrictions or similar binding mechanism, which shall be in form and substance reasonably satisfactory to Landlord and run with the land, and be recorded prior to the Special Warranty Deed conveying the Option Parcel. No sale of an Option Parcel shall in any way change Tenant's Construction Obligations under this Lease, including full Landfill Closure by the specified deadline.

(o) Article 31 of the Lease is amended so as to add a new section thereto, as follows:

"31.5. *Consents and Approvals.* Subject to the provisions of Section 32 of this Lease, whenever the consent or approval of the Landlord is required hereunder, the Landlord shall not unreasonably withhold, delay and/or condition any such approval or consent, it being understood and agreed that in the event the Landlord (as fee owner) fails to grant (or contest, in writing) any such request (a "**Request for Consent**") within ten (10) days after receiving the Request for Consent, then Tenant shall have the right to notify the City Manager and City Attorney of the City of North Miami in writing (a "**Follow-Up Request**") of the need for such consent or approval to be granted (or contested in writing) by the Landlord within ten (10) days from the date of its receipt of such Follow-Up Request. In the event that Landlord (as fee owner) fails to consent to or approve (or contest, in writing) such Request for Consent within ten (10) days of Landlord's receipt of the Follow-Up Request, then any such approval or consent which is the subject of the Request for Consent shall be deemed consented to and approved."

(p) Subsection 35.2.3(g) is modified so as to afford the Tenant until the last day of the ninth (9th) Lease Year to expend the Training Program Funds.

(q) Certain Exhibits and Schedules are modified, as follows:

(i) Exhibit B attached to the Lease is deleted in its entirety and Exhibit B attached to this Fourth Amendment shall be substituted in its stead.

(ii) Exhibit D attached to the Lease is deleted in its entirety and Exhibit D attached to this Fourth Amendment shall be substituted in its stead.

(iii) Exhibit D-1 (Schedule of Values) is deleted by virtue of the fact that the Second Amendment removed all references to specified time periods (after the First Lease Year) within which the Tenant must complete the Initial Development.

(iv) Exhibit J (identifying the Corner Parcel and the Delayed Park Property) is deleted in its entirety and Exhibit J attached to this Fourth Amendment shall be substituted in its stead.

2. MISCELLANEOUS

(a) Time of the Essence. Time is of the essence as to the performance of the provisions of this Fourth Amendment by Landlord and Tenant.

(b) Recitals. The Recitals hereinabove are incorporated herein by this reference and constitute a part of this Fourth Amendment.

(c) Entire Agreement. The provisions of this Fourth Amendment and the Lease shall be read together and viewed as a single document. In the event of a conflict or an ambiguity between this Fourth Amendment and the Lease, the provisions of this Fourth Amendment shall prevail. The Lease as amended by this Fourth Amendment contains the complete expression of the agreement by the parties regarding the subject matter thereof. Except as specifically amended and modified hereby, the Lease remains in full force and effect.

(d) Governing Law. This Fourth Amendment, its interpretation and performance, the relationship between the parties, and any disputes arising from or relating to any of the foregoing, shall be governed, construed, interpreted, and regulated under the laws of the State, without regard to principles of conflict of laws.

(e) Successors and Assigns. This Fourth Amendment shall bind and benefit Landlord and Tenant and their successors and assigns.

(f) Counterparts. This Fourth Amendment may be executed in counterparts.

[Signatures on Next Page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Fourth Amendment to Lease as of the Effective Date of this Fourth Amendment.

WITNESSES (as to City Manager and City Clerk):

THE CITY OF NORTH MIAMI, a municipal corporation of the State of Florida

Print Name: _____
Title: _____

By: _____
City Manager

ATTEST:

Print Name: _____
Title: _____

By: _____
City Clerk

APPROVED AS TO FORM AND CORRECTNESS:

APPROVED AS TO INSURANCE REQUIREMENTS:

By: _____
City Attorney

By: _____
Risk Management Administrator

[Signatures Continue on Next Page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Fourth Amendment to Lease as of the Effective Date of this Fourth Amendment.

OLETA PARTNERS LLC

Print Name: _____

By: _____
Name:
Title:

Print Name: _____

EXHIBIT B

EXHIBIT D

EXHIBIT J

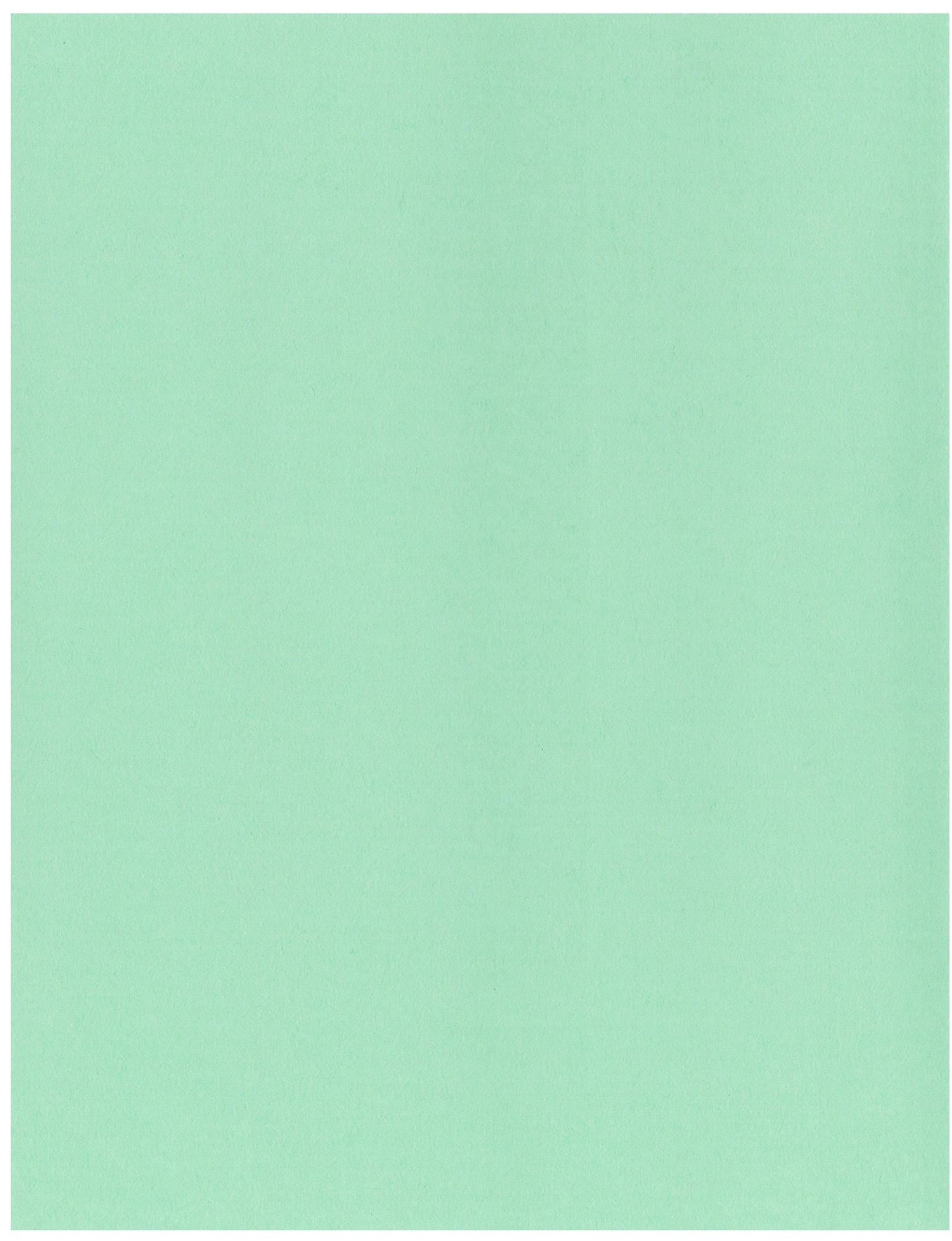


EXHIBIT D

DESCRIPTION OF INITIAL DEVELOPMENT

All in compliance with Law and applicable permits and Approvals:

1. The Storm Water Master Plan for the entire site pursuant to applicable permits including FDEP, DPERA, and SFWMD.
2. The Lake Fill Project (permit and fill all lakes except Ibis, denoted as such on Exhibit B); provided, however, that it is specifically understood and agreed that the Tenant's obligation to complete such Project shall not be required prior to the end of the seventh (7th) Lease Year but may, in lieu thereof, be completed in phases such that these activities will only be required at such times as the same are deemed necessary by the Tenant in connection with its development of that area of the Premises in which the Lake (in question) is located.
3. Mass Grading and Balancing of Premises (but not individual pad sites), including trash/debris removal and/or compaction to levels approved for development for the full site); provided, however, that it is specifically understood and agreed that the Tenant's obligation to complete such mass grading and balancing shall not be required prior to the end of the seventh (7th) Lease Year but may, in lieu thereof, be completed in phases such that these activities will only be required at such times as the same are deemed necessary by the Tenant in connection with its development of the Premises.
4. All excess material not redistributed or relocated as described, including but not limited to excess material from the landfill, shall be completely disposed of offsite.
5. The Spine Road (Biscayne Landings Boulevard) extension from the intersection of NE 151 Street (to the North) traversing the site, it being understood that the Tenant shall not be required to commence extending and connecting the same to the N.E. 143rd Street access roadway until such time as the trip counts in and out of such intersection warrant the same.
6. All Utility Infrastructure along the Spine Road (other than the installation of a Gas Supply Main which shall only be necessary if and to the extent and at such time as the Required Improvements to be constructed on the Premises require gas service), including Domestic Water and Fire Flow Supply, Sanitary Sewer, Storm Water Collection and Disposal, Power Supply Corridor, Communications and CATV Raceways, and Reuse Irrigation Main (if allowed by Miami-Dade County Regulatory Authority).
7. All daily Landfill Closure Permit and CLCP (except the ERA Work) required activities, and including without limitation groundwater monitoring

8. The: (i) grading, leveling and sodding of the Passive Park; and (ii) the grading and leveling of the Active Park, as set forth in Section 34 of the Lease. This work shall not include the walking and biking trails along the open space on the perimeter of the Premises, which shall be constructed with each phase of the development and, thereafter, retained and maintained by Tenant or those claiming under it, and the Premises' trails shall be open to the public.
9. Building permits pulled for at least 500,000 gross square feet of Required Improvements.
10. Creation of a homeowner's association or community development district or declaration of covenants and restrictions or similar funding source running with the land included in the Premises for all environmental monitoring and compliance costs under the CLCP as provided in section 9.3.3 of this Lease.