

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

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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.

TABLE OF CONTENTS? Redo

Title Page	
Letter of Transmittal	
Certification and Limiting Conditions	4

INTRODUCTION

Table of Contents	10
Summary of Salient Facts	11
Regional Map	12
Market Area Map	13
Local Street Map	14
Aerial Maps	15
Plat Map	19
Photographs of the Subject Property	20

DESCRIPTION, ANALYSIS AND CONCLUSIONS

Purpose of Appraisal & Definition of "Market Value"	23
Date & Use of Appraisal and Interest Being Appraised	24
Reasonable Exposure Time	24
Scope of Work	25
Legal Description/Sales History & Location	26
Miami-Dade County Analysis	27
Neighborhood Description	33
Zoning	35
Real Estate Assessment & Taxes	36
Site Analysis	37
Highest and Best Use	46
Valuation Analysis	47
Sales Comparison Approach to Value	48
Estimated Value of the Leased Fee Analysis	68
Reconciliation	74
Qualifications of Appraisers	75

Addenda

Discounted Cash Flow Analysis for 99 and 198 years	
Long Term Inflation Rate Data	
Condominium Development Data from Cranespotters.com	

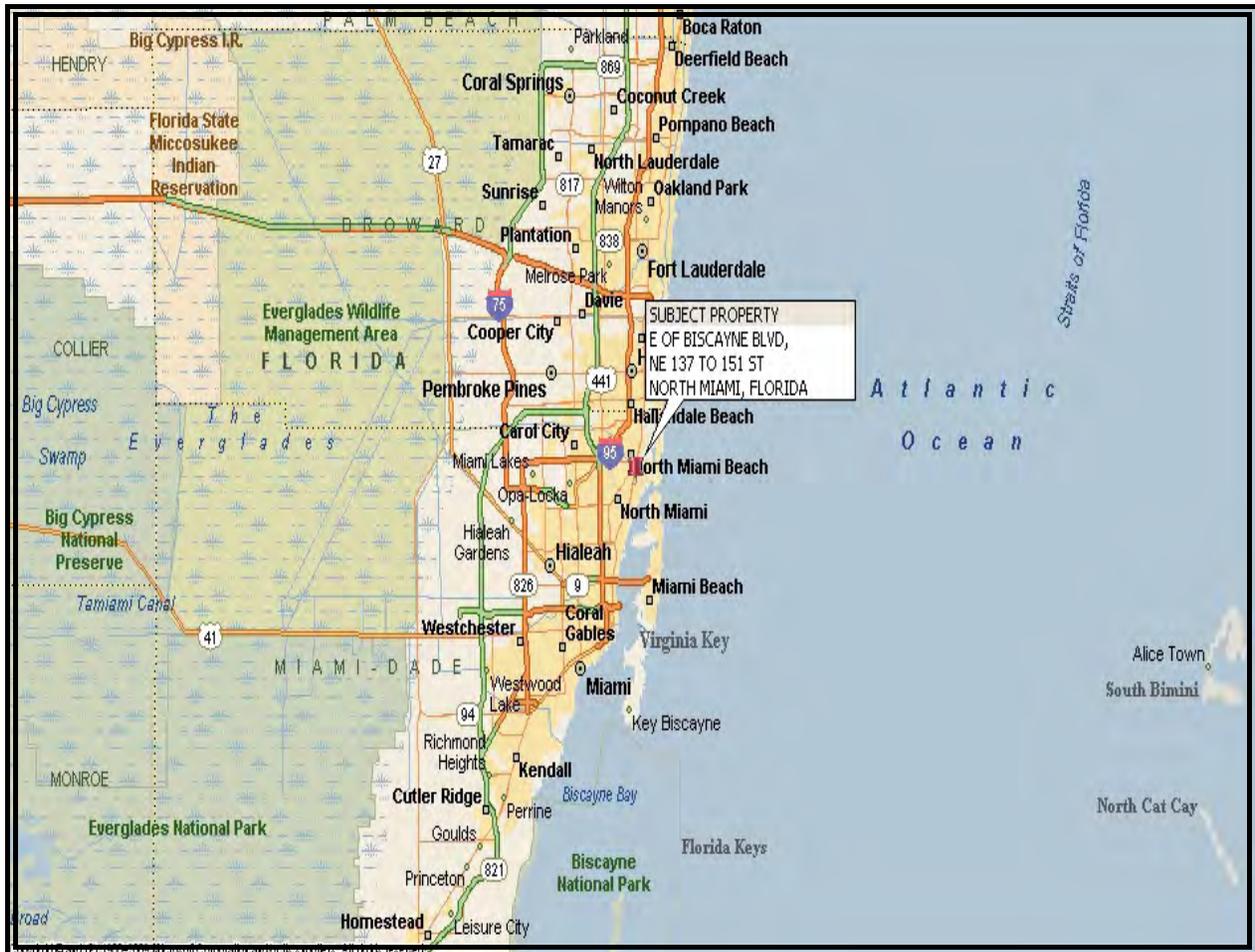
SUMMARY OF SALIENT FACTS AND CONCLUSIONS

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	

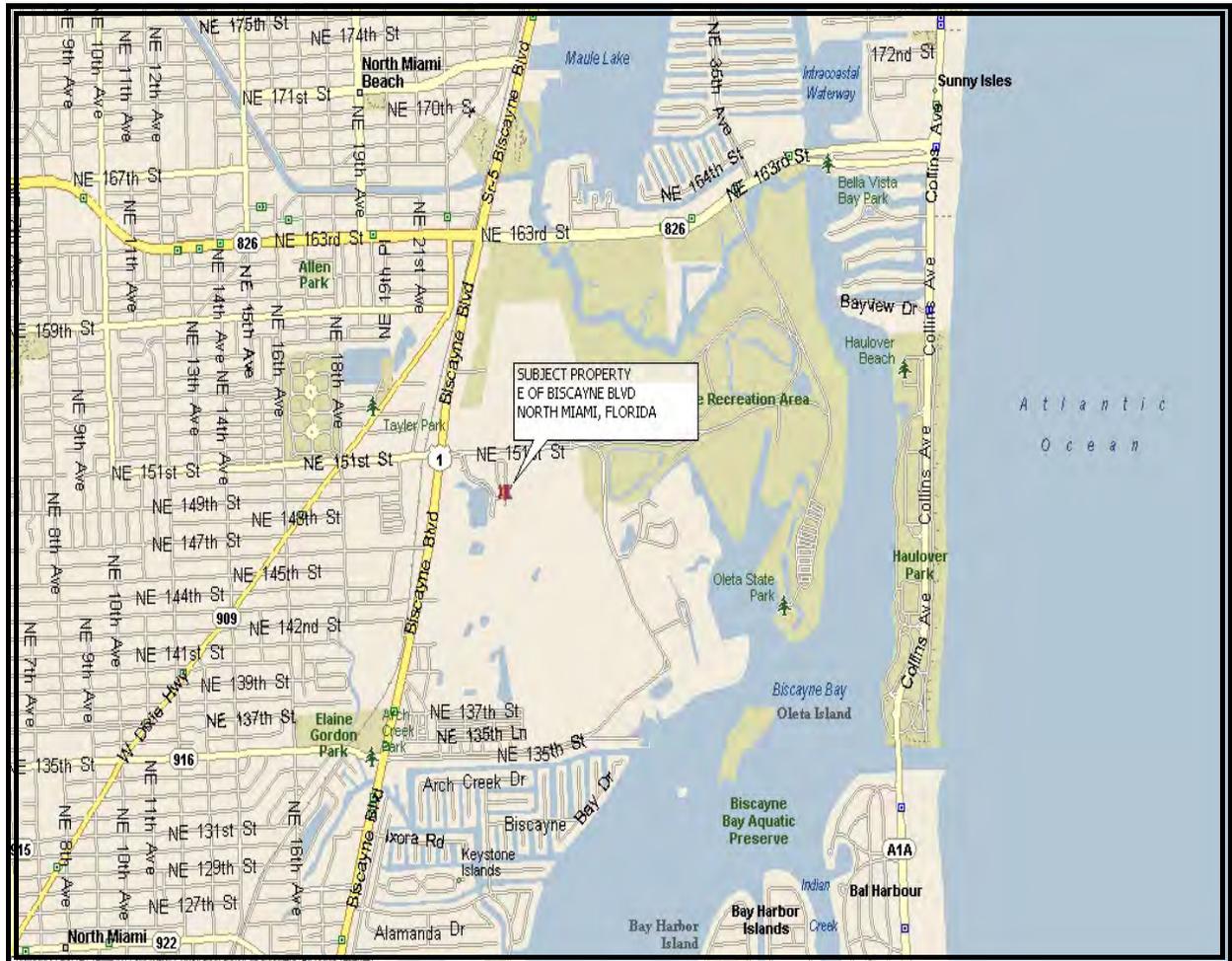
OPINIONS OF VALUE

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

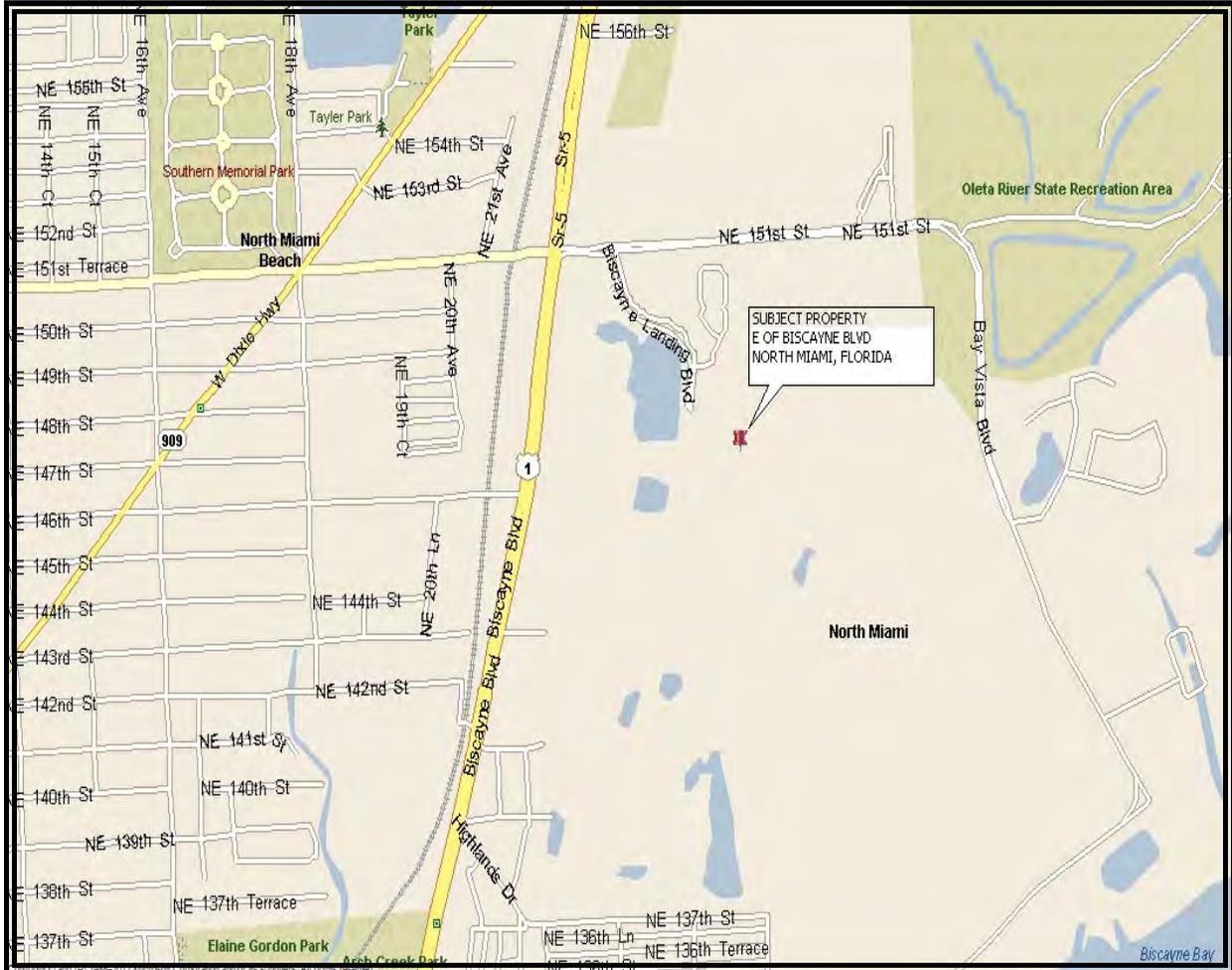
REGIONAL MAP



MARKET AREA MAP



LOCAL STREET MAP



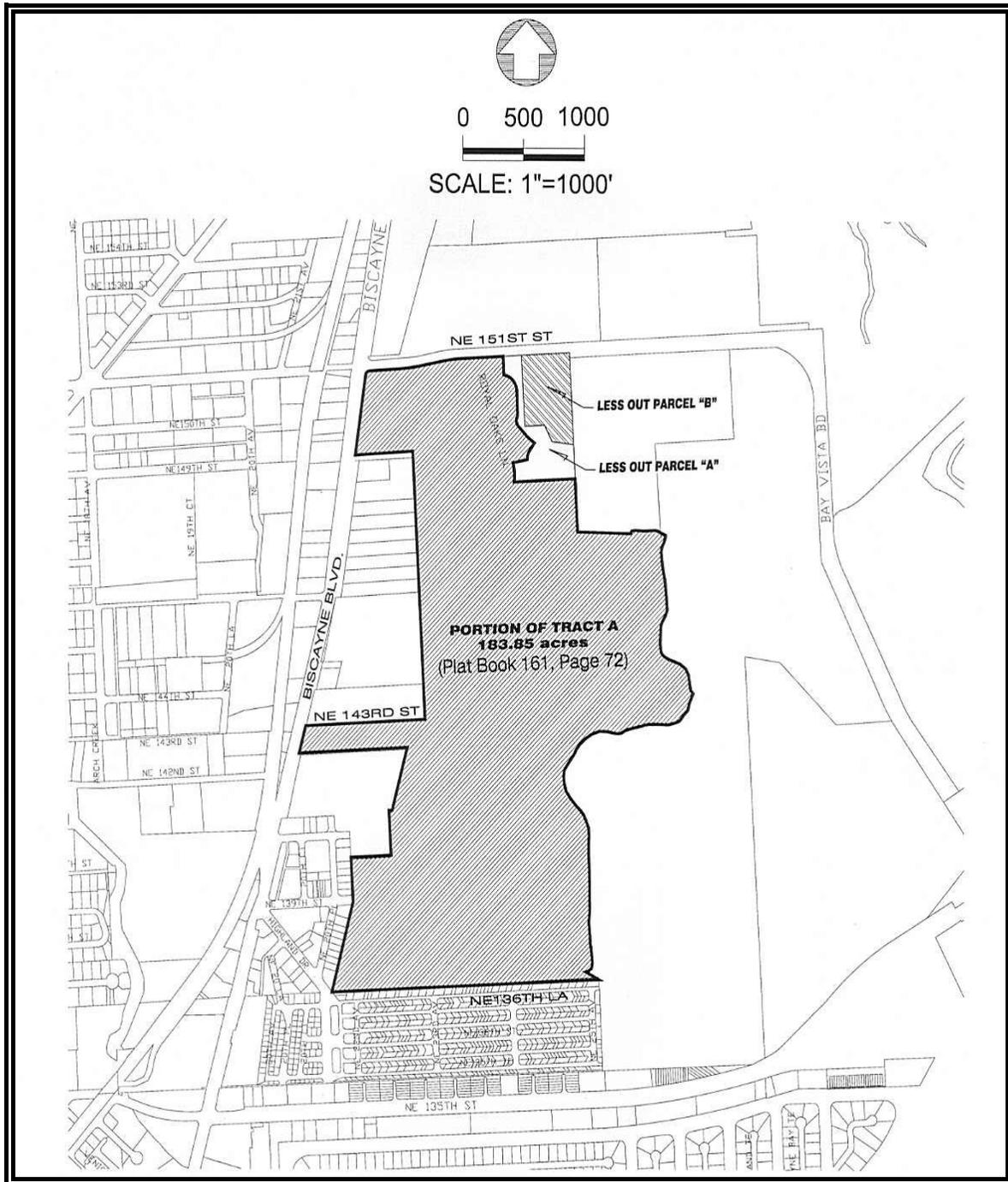
AERIAL MAP



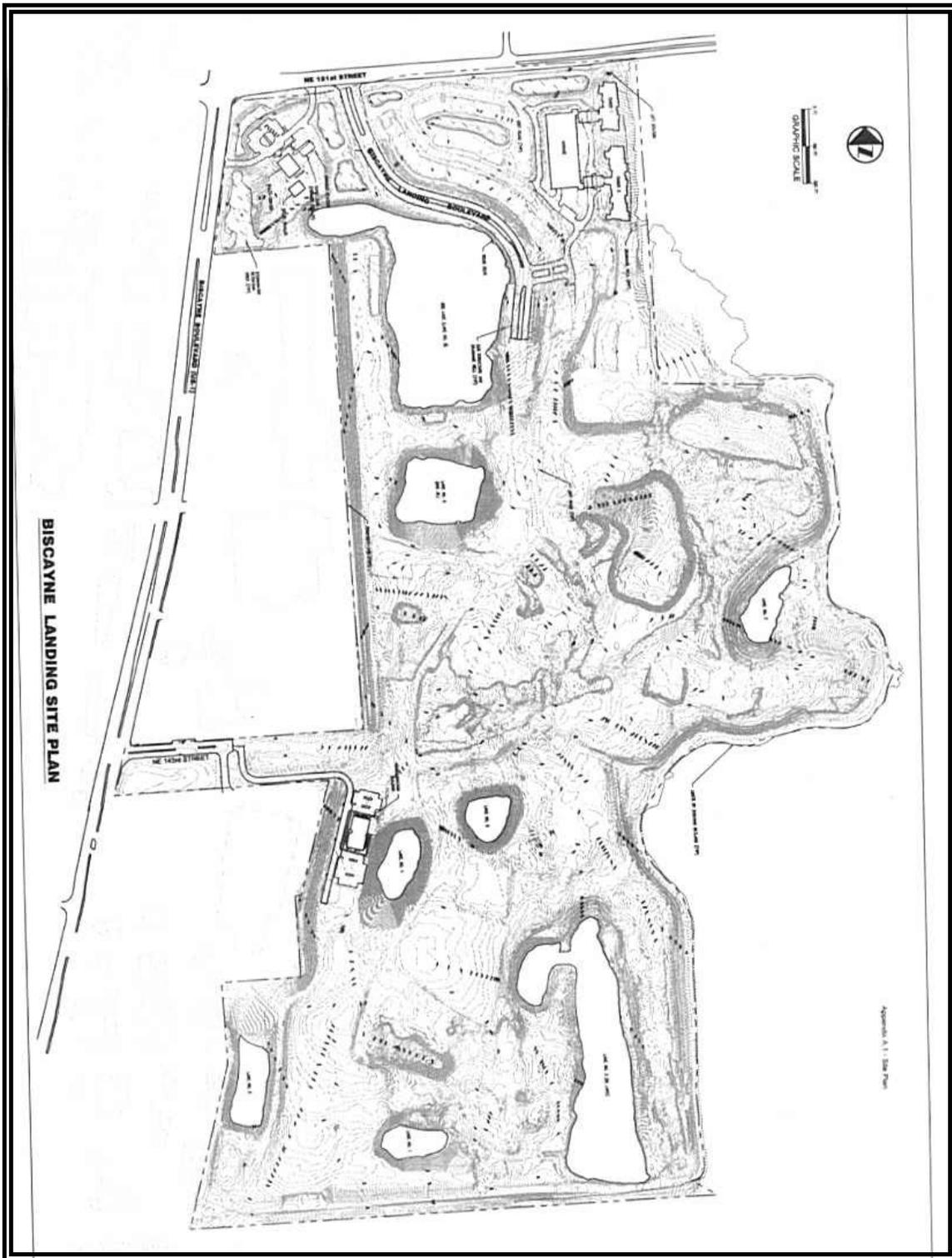
**AERIAL MAP (MDCPA)
PORTION OF BISCAYNE LANDING
APPROXIMATING SUBJECT PROPERTY LOCATION**



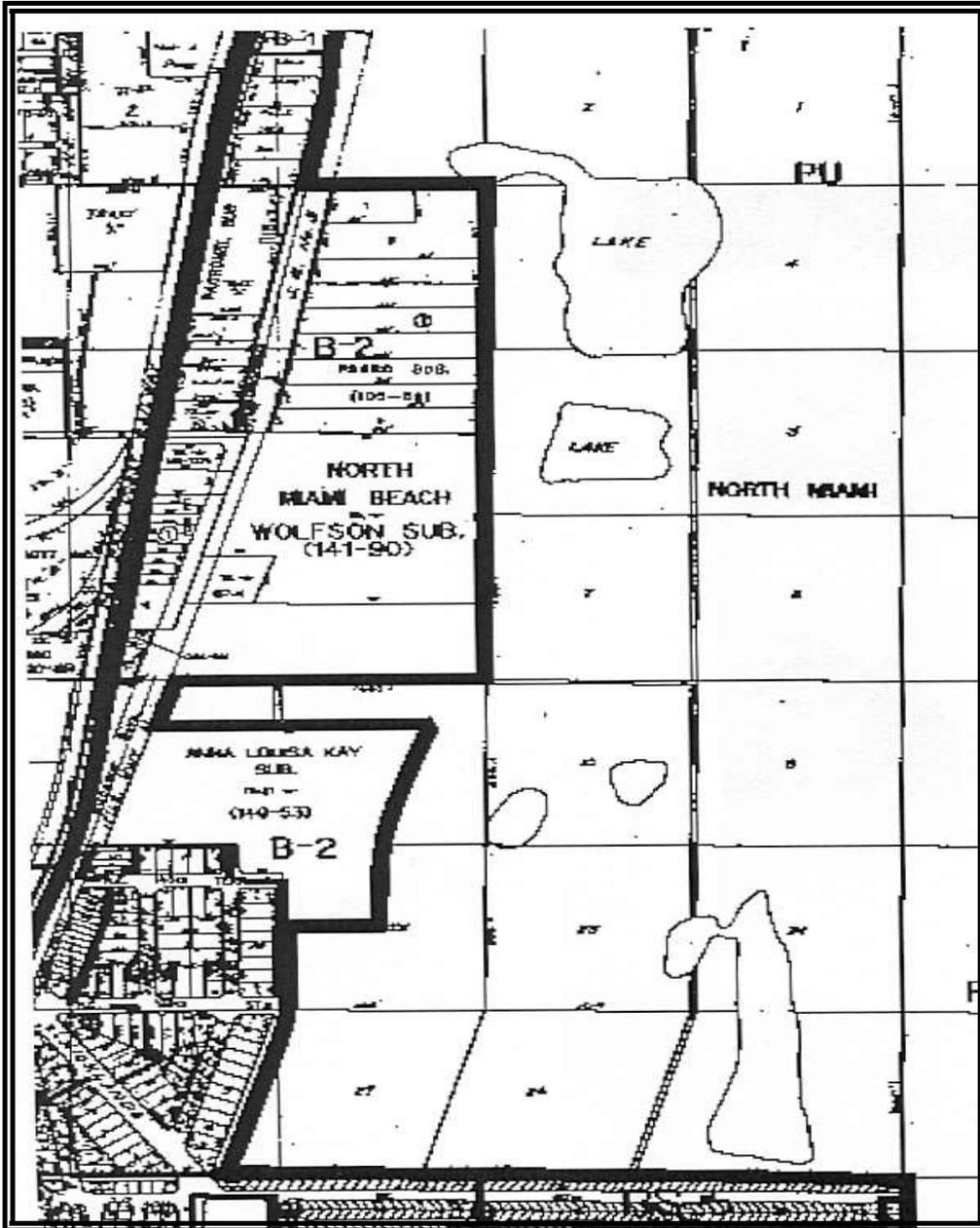
SURVEY



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

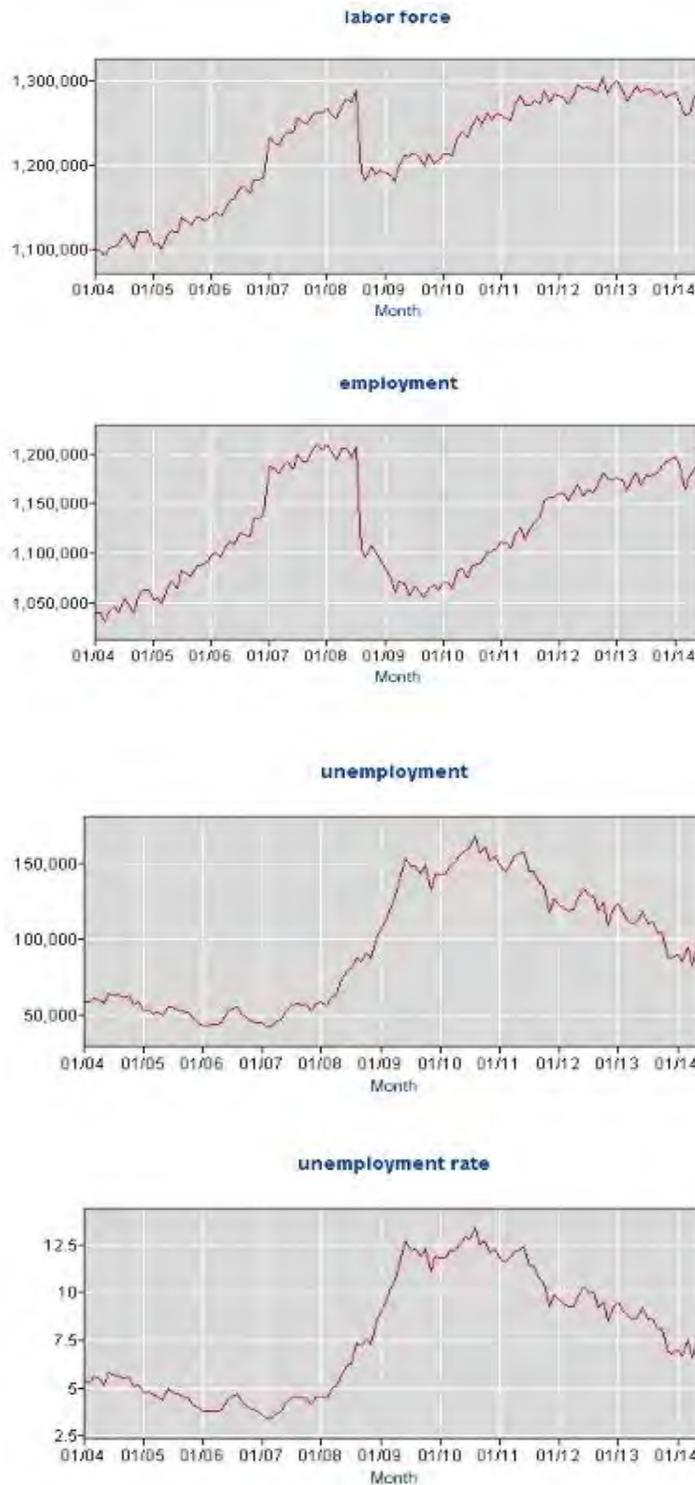
The national economy has improved dramatically since the end of the recession. However, half the population has not felt any improvement, as it appears only the well off have benefitted being able to take advantage of stock market or real estate increases in value. The most recent reports of job growth 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 Cranespotters.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.

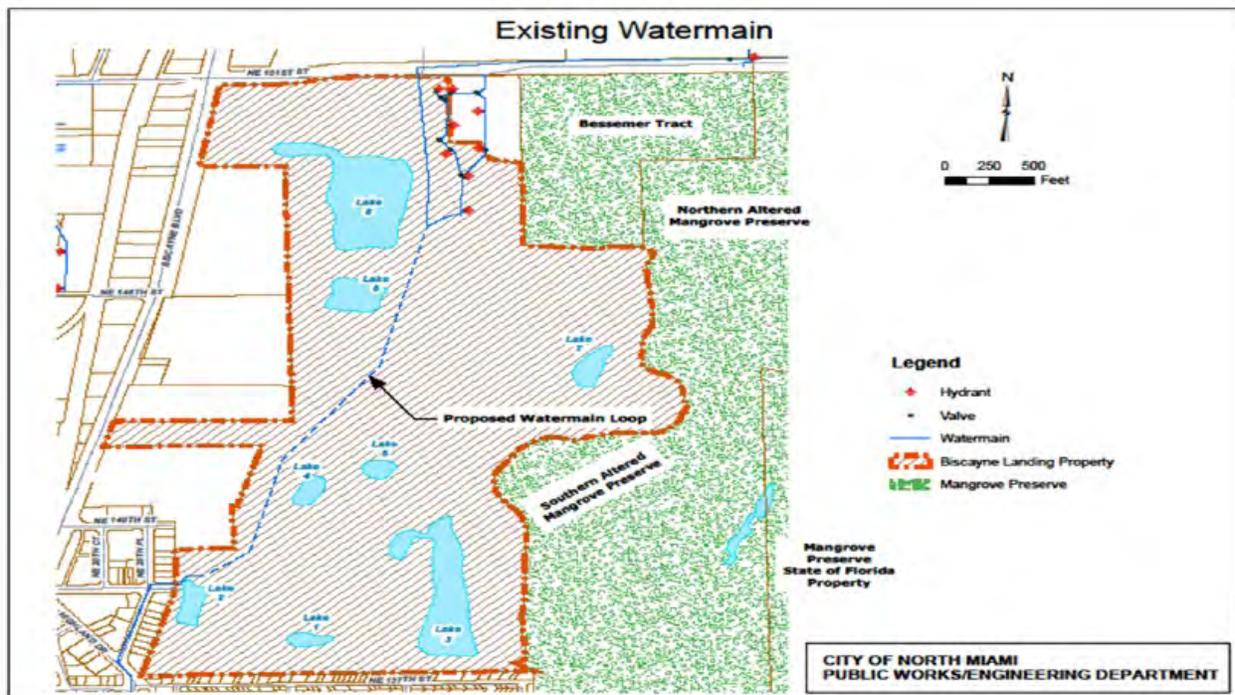
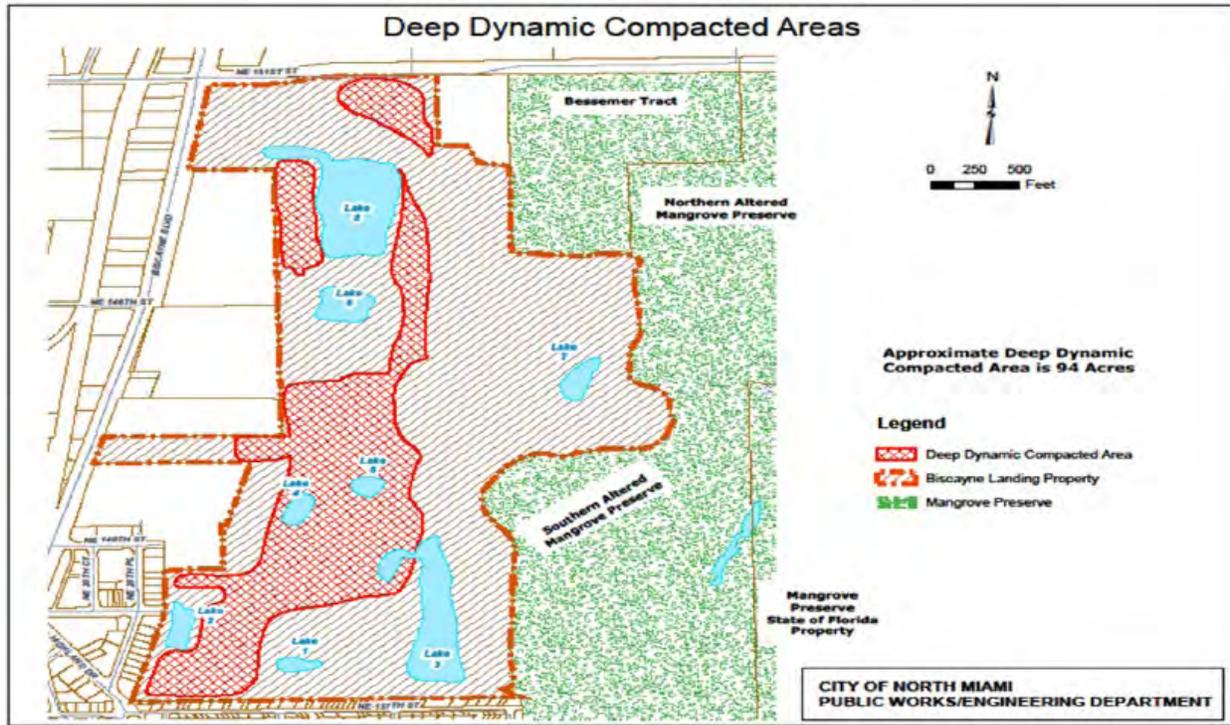
Road Improvements:

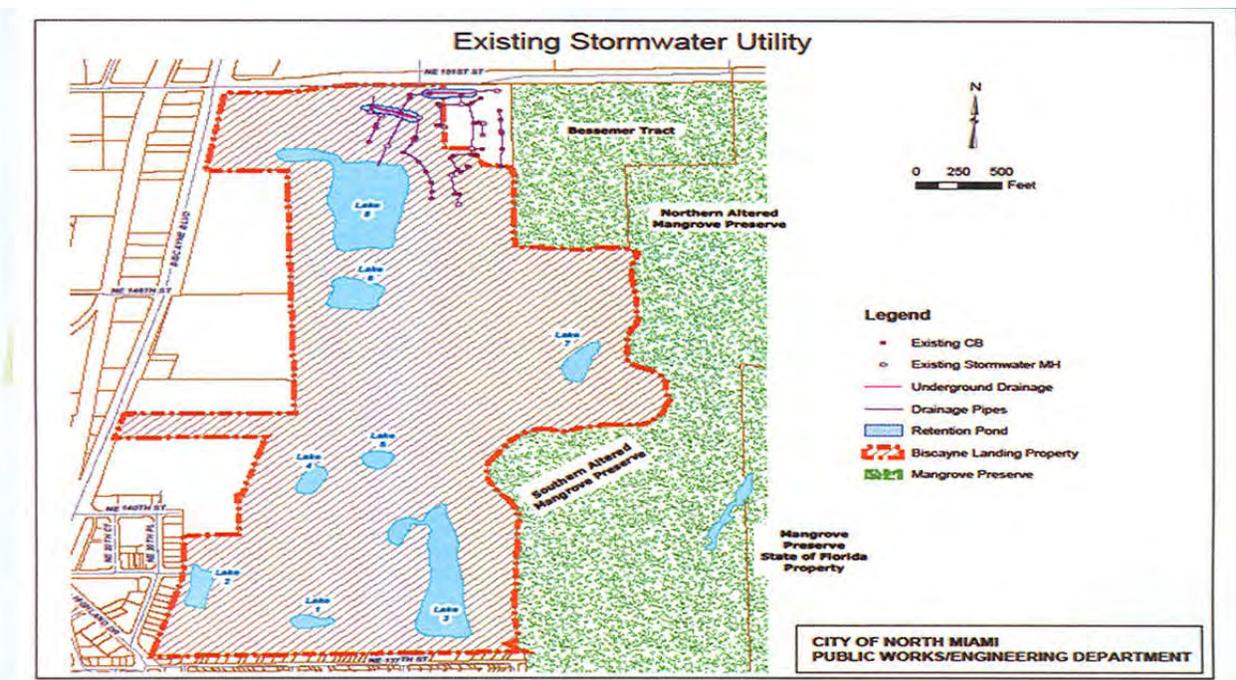
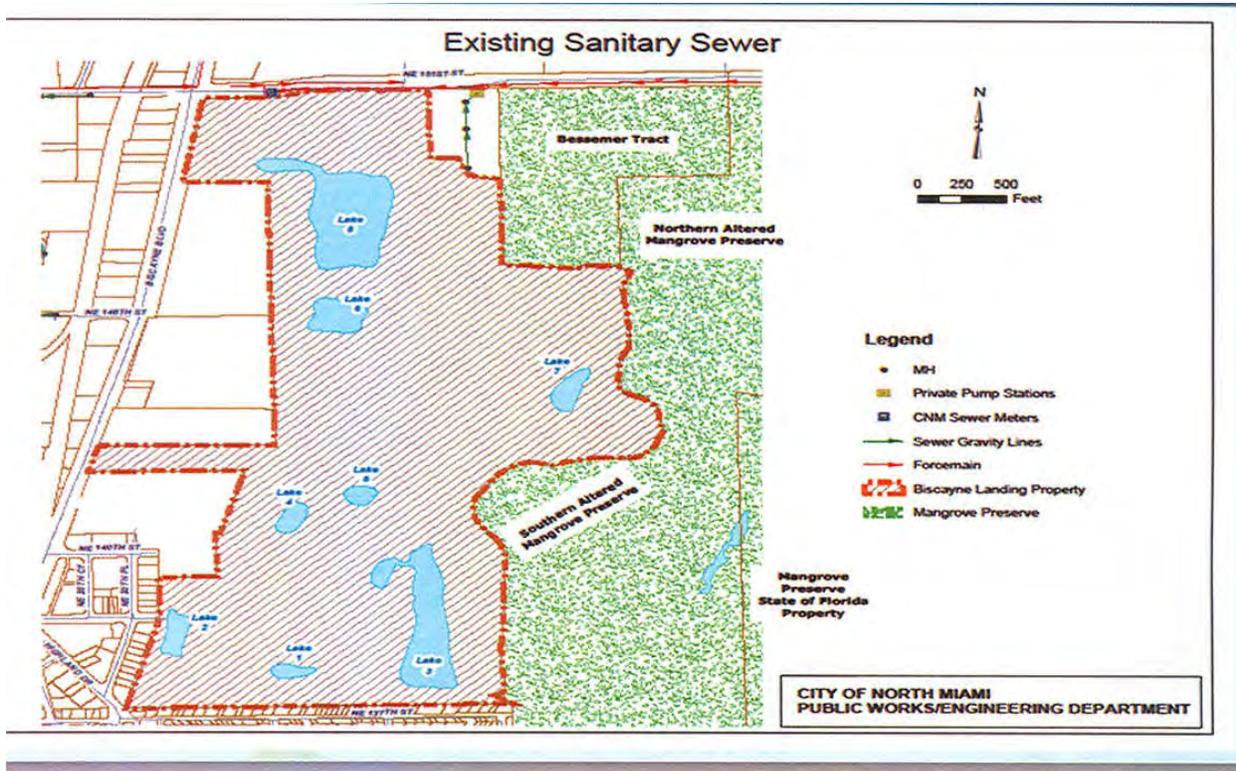
Biscayne Boulevard is an asphalt paved, bidirectional, six lane divided roadway with concrete sidewalks, concrete curbs, and street lights. NE 151st Street is an asphalt paved, bidirectional, two lane undivided roadway.

Functional Adequacy:

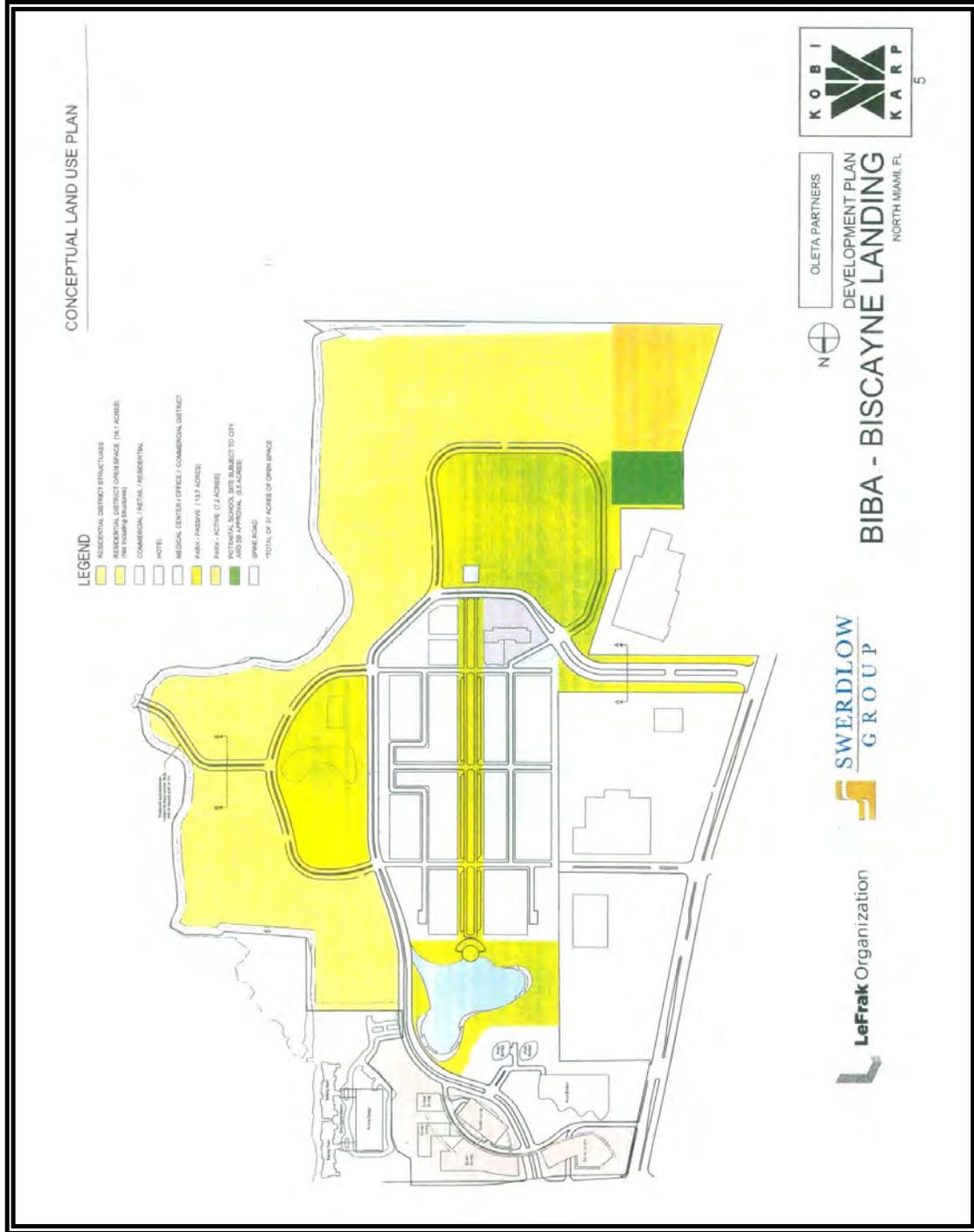
The site is suitable for residential or commercial use.

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.











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	126,470	2.95 ✓
Phase 4 : School	Potential school site subject to City and SB approval	67,120	2
TOTAL		Acres	Residential units
		184	4,390
			23.91

Source: Development Plan: BIBA Biscayne Landing March 2014

Ground Lease Parcel	Acreage	Remaining Acreage
Biscayne Landing - Ground Lease Acreage	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
<i>Subtotal</i>	<i>183.00</i>	
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
<i>Subtotal</i>	<i>166.99</i>	
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
<i>Subtotal</i>	<i>151.60</i>	
Developable Acreage	151.60	

Source: Le Frak Organization 9/30/2014

HIGHEST AND BEST USE

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 within 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.

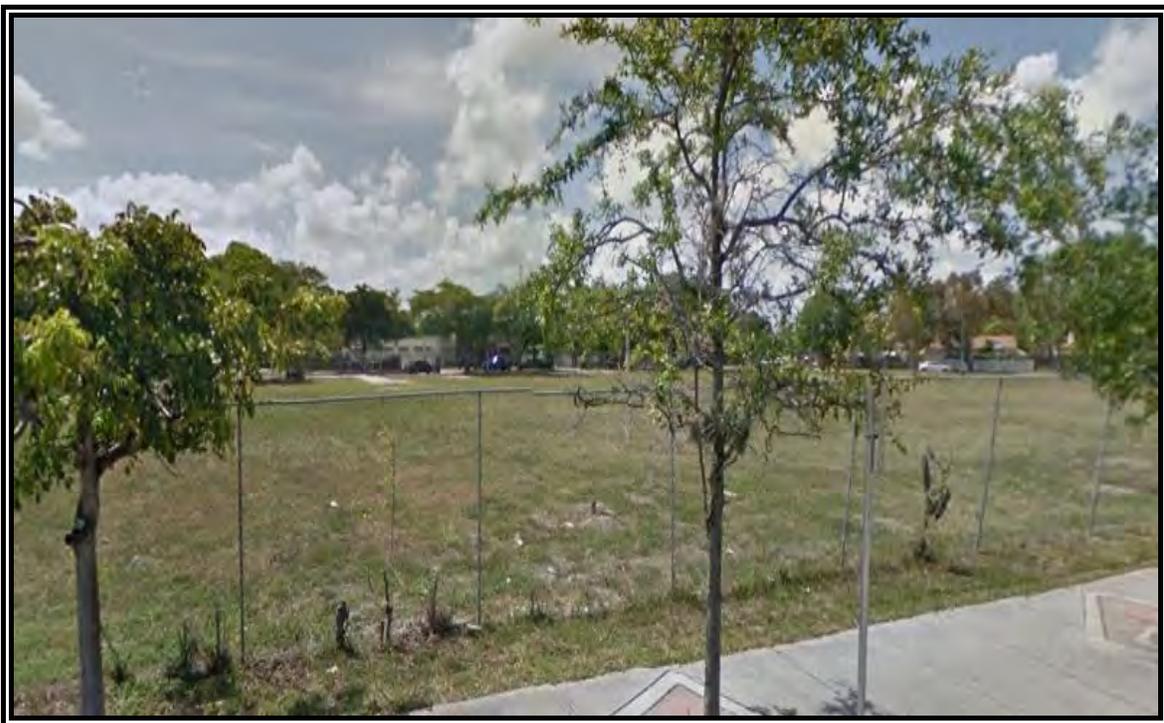
Only the Sales Comparison Approach was prepared for this appraisal. Sales Comparison Approach involves an investigation and inspection of recent sales in the area as nearly similar as possible to the subject. The sale properties (comparable sales) are then compared with the subject, and adjustments made 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 wil be designing the project but they said it was too early to know what was to be planned.

LAND SALE NO. 3



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.

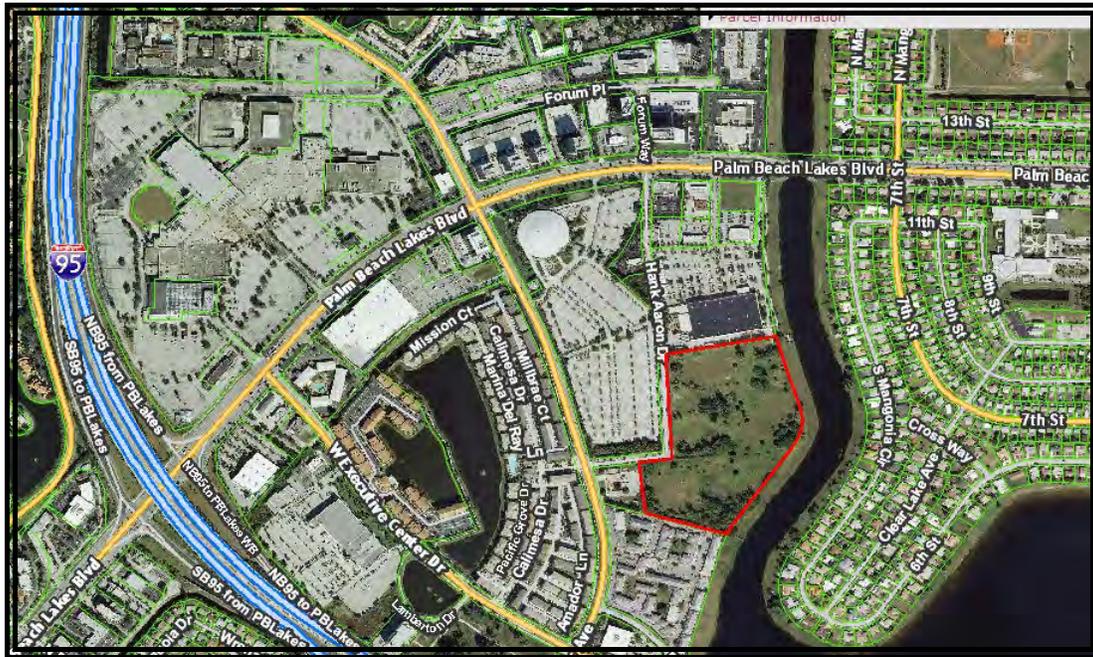
LAND SALE NO. 5



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 ¾ mile east of I-95 and Palm Beach Lakes Blvd. About ¼ 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 multifamilyproperties 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	71
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 Cranespotter.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: 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 11th 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 70th 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 footnote¹

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, we assumed that the condominiums would occupy 50.6 acres of the land and that this would represent one-third of the land of the approximately 150 acres of the land that could be developed. Therefore, it was 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:

$$\$1,500,000 \times 1.03 \text{ raised to the power of } 99 = \text{Initial Renewal Rate}$$

$$\$1,500,000 \times 18.6589 = \$27,988,299$$

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

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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 High Value Residences
Condominiums REO's and Foreclosed Properties
Warehouses Small Residential Income
Industrial Buildings Properties
Industrial Land Cooperatives
Residential Land Apartment Buildings
Agricultural Land Agricultural Properties
Convenience Stores Office Buildings
Adult Congregate Living Facilities Medical Office Buildings
Mixed-Use Properties Shopping Centers
Condominium Conversions Retail Stores
Social Clubs Churches and Church Schools
Mobile Home Parks Day Care Centers
Service Stations and Sites Funeral Homes
Condominium Retail and Industrial Car Washes
Special Purpose Properties 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%)

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		1	2012				
Current Value of Land	59,500,000	2	2013	None			
Discount Rate	6.0%	3	2014	None			59,500,000
Inflation Factor for Land	3.0%	4	2015	None			(Current Land Value)
Proportion of Annual Payments	33.4%	5	2016	None			
		6	2017	1,500,000	0.83962	420,649	
OUTPUTS		7	2018	1,500,000	0.79209	396,839	
For 99 Years		8	2019	1,500,000	0.74726	374,376	
Discounted Value of Payments	8,684,508	9	2020	1,500,000	0.70496	353,185	
Discounted Value of Reversion	3,780,310	10	2021	1,500,000	0.66506	331,194	
Total Discounted Value	12,464,818	11	2022	1,650,000	0.62741	345,767	
Rounded	12,500,000	12	2023	1,650,000	0.59190	326,195	
		13	2024	1,650,000	0.55839	307,731	
For 198 Years		14	2025	1,650,000	0.52679	290,313	
Discounted Value of Payments	9,391,013	15	2026	1,650,000	0.49697	273,880	
Discounted Value of Reversion	220,360	16	2027	1,650,000	0.46884	258,377	
Total Discounted Value	9,611,373	17	2028	1,650,000	0.44230	243,752	
Rounded	9,600,000	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	117,414	
		32	2043	1,950,000	0.18456	110,202	
		33	2044	1,950,000	0.17411	103,098	
		34	2045	1,950,000	0.16425	96,097	
		35	2046	1,950,000	0.15496	89,244	
		36	2047	1,950,000	0.14619	82,511	
		37	2048	1,950,000	0.13791	75,972	
		38	2049	1,950,000	0.13011	69,604	
		39	2050	1,950,000	0.12274	63,384	
		40	2051	1,950,000	0.11579	57,291	
		41	2052	2,100,000	0.10924	51,304	
		42	2053	2,100,000	0.10306	45,391	
		43	2054	2,100,000	0.09722	39,531	
		44	2055	2,100,000	0.09172	33,714	
		45	2056	2,100,000	0.08653	27,931	
		46	2057	2,100,000	0.08163	22,264	
		47	2058	2,100,000	0.07701	16,704	
		48	2059	2,250,000	0.07265	11,231	
		49	2060	2,250,000	0.06854	6,836	
		50	2061	2,250,000	0.06466	2,501	
		51	2062	2,400,000	0.06100		
		52	2063	2,400,000	0.05755		
		53	2064	2,400,000	0.05429		
		54	2065	2,400,000	0.05122		
		55	2066	2,400,000	0.04832		
		56	2067	2,400,000	0.04558		
		57	2068	2,400,000	0.04300		
		58	2069	2,400,000	0.04057		
		59	2070	2,400,000	0.03827		
		60	2071	2,400,000	0.03610		
		61	2072	2,550,000	0.03406		
		62	2073	2,550,000	0.03213		
		63	2074	2,550,000	0.03031		
		64	2075	2,550,000	0.02860		
		65	2076	2,550,000	0.02698		
		66	2077	2,550,000	0.02545		
		67	2078	2,550,000	0.02401		
		68	2079	2,550,000	0.02265		
		69	2080	2,550,000	0.02137		
		70	2081	2,550,000	0.02016		
		71	2082	2,700,000	0.01902		
		72	2083	2,700,000	0.01794		
		73	2084	2,700,000	0.01693		

			74	2085	2,700,000	901,800	0.01597	14,401	
			75	2086	2,700,000	901,800	0.01507	13,586	
			76	2087	2,700,000	901,800	0.01421	12,817	
			77	2088	2,700,000	901,800	0.01341	12,091	
			78	2089	2,700,000	901,800	0.01265	11,407	
			79	2090	2,700,000	901,800	0.01193	10,761	
			80	2091	2,700,000	901,800	0.01126	10,152	
			81	2092	2,850,000	951,900	0.01062	10,110	
			82	2093	2,850,000	951,900	0.01002	9,537	
			83	2094	2,850,000	951,900	0.00945	8,998	
			84	2095	2,850,000	951,900	0.00892	8,488	
			85	2096	2,850,000	951,900	0.00841	8,008	
			86	2097	2,850,000	951,900	0.00794	7,554	
			87	2098	2,850,000	951,900	0.00749	7,127	
			88	2099	2,850,000	951,900	0.00706	6,723	
			89	2100	2,850,000	951,900	0.00666	6,343	
			90	2101	2,850,000	951,900	0.00629	5,984	
			91	2102	3,000,000	1,002,000	0.00593	5,642	
			92	2103	3,000,000	1,002,000	0.00559	5,316	
			93	2104	3,000,000	1,002,000	0.00528	5,004	
			94	2105	3,000,000	1,002,000	0.00498	4,704	
			95	2106	3,000,000	1,002,000	0.00470	4,416	
			96	2107	3,000,000	1,002,000	0.00443	4,140	
			97	2108	3,000,000	1,002,000	0.00418	3,876	
			98	2109	3,000,000	1,002,000	0.00394	3,624	
For 99 Years			99	2110	3,000,000	1,002,000	0.00372	3,384	
Discounted Value of Payments	8,684,508								1,015,592,583
									(Future Value of the
Discounted Value of Reversion	3,780,310		100	2111	27,988,299	9,348,092	0.00351	32,814	Reversion)
Total Discounted Value	12,464,818		101	2112	27,988,299	9,348,092	0.00331	30,956	
			102	2113	27,988,299	9,348,092	0.00312	29,204	
			103	2114	27,988,299	9,348,092	0.00295	27,551	
			104	2115	27,988,299	9,348,092	0.00278	25,991	
			105	2116	27,988,299	9,348,092	0.00262	24,520	
			106	2117	27,988,299	9,348,092	0.00247	23,132	
			107	2118	27,988,299	9,348,092	0.00233	21,823	
			108	2119	27,988,299	9,348,092	0.00220	20,588	
			109	2120	27,988,299	9,348,092	0.00208	19,422	
			110	2121	32,186,544	10,750,306	0.00196	18,321	
			111	2122	32,186,544	10,750,306	0.00185	17,273	
			112	2123	32,186,544	10,750,306	0.00174	16,284	
			113	2124	32,186,544	10,750,306	0.00165	15,351	
			114	2125	32,186,544	10,750,306	0.00155	14,471	
			115	2126	32,186,544	10,750,306	0.00146	13,641	
			116	2127	32,186,544	10,750,306	0.00138	12,858	
			117	2128	32,186,544	10,750,306	0.00130	12,119	
			118	2129	32,186,544	10,750,306	0.00123	11,422	
			119	2130	32,186,544	10,750,306	0.00116	10,765	
			120	2131	37,014,525	12,362,851	0.00109	10,146	
			121	2132	37,014,525	12,362,851	0.00103	9,561	
			122	2133	37,014,525	12,362,851	0.00097	9,009	
			123	2134	37,014,525	12,362,851	0.00092	8,488	
			124	2135	37,014,525	12,362,851	0.00087	8,000	
			125	2136	37,014,525	12,362,851	0.00082	7,543	
			126	2137	37,014,525	12,362,851	0.00077	7,116	
			127	2138	37,014,525	12,362,851	0.00073	6,717	
			128	2139	37,014,525	12,362,851	0.00069	6,344	
			129	2140	37,014,525	12,362,851	0.00065	5,995	
			130	2141	42,566,704	14,217,279	0.00061	5,669	
			131	2142	42,566,704	14,217,279	0.00058	5,364	
			132	2143	42,566,704	14,217,279	0.00054	5,079	
			133	2144	42,566,704	14,217,279	0.00051	4,812	
			134	2145	42,566,704	14,217,279	0.00048	4,561	
			135	2146	42,566,704	14,217,279	0.00046	4,324	
			136	2147	42,566,704	14,217,279	0.00043	4,100	
			137	2148	42,566,704	14,217,279	0.00041	3,887	
			138	2149	42,566,704	14,217,279	0.00038	3,685	
			139	2150	42,566,704	14,217,279	0.00036	3,493	
			140	2151	48,951,710	16,349,871	0.00034	3,311	
			141	2152	48,951,710	16,349,871	0.00032	3,138	
			142	2153	48,951,710	16,349,871	0.00030	2,974	
			143	2154	48,951,710	16,349,871	0.00029	2,818	
			144	2155	48,951,710	16,349,871	0.00027	2,669	
			145	2156	48,951,710	16,349,871	0.00026	2,526	
			146	2157	48,951,710	16,349,871	0.00024	2,388	
			147	2158	48,951,710	16,349,871	0.00023	2,255	
			148	2159	48,951,710	16,349,871	0.00021	2,127	
			149	2160	48,951,710	16,349,871	0.00020	2,003	
			150	2161	56,294,466	18,802,352	0.00019	1,883	
			151	2162	56,294,466	18,802,352	0.00018	1,767	
			152	2163	56,294,466	18,802,352	0.00017	1,655	

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	18,957,269,461
For 198 Years						(Future Value of the
Discounted Value of Payments	9,391,013					Reversion)
Discounted Value of Reversion	220,360					
Total Discounted Value	9,611,373					

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	Proroturnal 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							
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	45.1%	4	2015	None			(Current Land Value)
		5	2016	None			
		6	2017	1,500,000	0.83962	568,002	
OUTPUTS							
For 99 Years		7	2018	1,500,000	0.79209	535,851	
Discounted Value of Payments	11,726,685	8	2019	1,500,000	0.74726	505,520	
Discounted Value of Reversion	3,780,310	9	2020	1,500,000	0.70496	476,906	
Total Discounted Value	15,506,996	10	2021	1,500,000	0.66506	449,911	
	Rounded	11	2022	1,650,000	0.62741	466,889	
		12	2023	1,650,000	0.59190	440,461	
For 198 Years		13	2024	1,650,000	0.55839	415,529	
Discounted Value of Payments	12,680,680	14	2025	1,650,000	0.52679	392,009	
Discounted Value of Reversion	220,360	15	2026	1,650,000	0.49697	369,820	
Total Discounted Value	12,901,039	16	2027	1,650,000	0.46884	348,887	
	Rounded	17	2028	1,650,000	0.44230	329,138	
		18	2029	1,650,000	0.41727	310,508	
		19	2030	1,650,000	0.39365	292,932	
		20	2031	1,650,000	0.37136	276,351	
		21	2032	1,800,000	0.35034	284,409	
		22	2033	1,800,000	0.33051	268,310	
		23	2034	1,800,000	0.31180	253,123	
		24	2035	1,800,000	0.29416	238,795	
		25	2036	1,800,000	0.27751	225,279	
		26	2037	1,800,000	0.26180	212,527	
		27	2038	1,800,000	0.24698	200,497	
		28	2039	1,800,000	0.23300	189,148	
		29	2040	1,800,000	0.21981	178,442	
		30	2041	1,800,000	0.20737	168,341	
		31	2042	1,950,000	0.19563	172,047	
		32	2043	1,950,000	0.18456	162,308	
		33	2044	1,950,000	0.17411	153,121	
		34	2045	1,950,000	0.16425	144,454	
		35	2046	1,950,000	0.15496	136,277	
		36	2047	1,950,000	0.14619	128,563	
		37	2048	1,950,000	0.13791	121,286	
		38	2049	1,950,000	0.13011	114,421	
		39	2050	1,950,000	0.12274	107,944	
		40	2051	1,950,000	0.11579	101,834	
		41	2052	2,100,000	0.10924	103,460	
		42	2053	2,100,000	0.10306	97,604	
		43	2054	2,100,000	0.09722	92,079	
		44	2055	2,100,000	0.09172	86,867	
		45	2056	2,100,000	0.08653	81,950	
		46	2057	2,100,000	0.08163	77,311	
		47	2058	2,100,000	0.07701	72,935	
		48	2059	2,250,000	0.07265	73,722	
		49	2060	2,250,000	0.06854	69,549	
		50	2061	2,250,000	0.06466	65,612	
		51	2062	2,400,000	0.06100	66,025	
		52	2063	2,400,000	0.05755	62,287	
		53	2064	2,400,000	0.05429	58,762	
		54	2065	2,400,000	0.05122	55,436	
		55	2066	2,400,000	0.04832	52,298	
		56	2067	2,400,000	0.04558	49,337	
		57	2068	2,400,000	0.04300	46,545	
		58	2069	2,400,000	0.04057	43,910	
		59	2070	2,400,000	0.03827	41,425	
		60	2071	2,400,000	0.03610	39,080	
		61	2072	2,550,000	0.03406	39,172	
		62	2073	2,550,000	0.03213	36,955	
		63	2074	2,550,000	0.03031	34,863	
		64	2075	2,550,000	0.02860	32,890	
		65	2076	2,550,000	0.02698	31,028	
		66	2077	2,550,000	0.02545	29,272	
		67	2078	2,550,000	0.02401	27,615	
		68	2079	2,550,000	0.02266	26,052	
		69	2080	2,550,000	0.02137	24,577	
		70	2081	2,550,000	0.02016	23,186	
		71	2082	2,700,000	0.01902	23,160	
		72	2083	2,700,000	0.01794	21,849	
		73	2084	2,700,000	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	
For 99 Years			99	2110	3,000,000	1,353,000	0.00372	5,034	
Discounted Value of Payments	11,726,685								1,015,992,583
									(Future Value of the
Discounted Value of Reversion	3,780,310		100	2111	27,988,299	12,622,723	0.00351	44,308	Reversion)
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	28,453	
			111	2122	32,186,544	14,516,131	0.00185	26,842	
			112	2123	32,186,544	14,516,131	0.00174	25,323	
			113	2124	32,186,544	14,516,131	0.00165	23,889	
			114	2125	32,186,544	14,516,131	0.00155	22,537	
			115	2126	32,186,544	14,516,131	0.00146	21,262	
			116	2127	32,186,544	14,516,131	0.00138	20,058	
			117	2128	32,186,544	14,516,131	0.00130	18,923	
			118	2129	32,186,544	14,516,131	0.00123	17,852	
			119	2130	32,186,544	14,516,131	0.00116	16,841	
			120	2131	37,014,525	16,693,551	0.00109	18,271	
			121	2132	37,014,525	16,693,551	0.00103	17,237	
			122	2133	37,014,525	16,693,551	0.00097	16,261	
			123	2134	37,014,525	16,693,551	0.00092	15,341	
			124	2135	37,014,525	16,693,551	0.00087	14,472	
			125	2136	37,014,525	16,693,551	0.00082	13,653	
			126	2137	37,014,525	16,693,551	0.00077	12,880	
			127	2138	37,014,525	16,693,551	0.00073	12,151	
			128	2139	37,014,525	16,693,551	0.00069	11,463	
			129	2140	37,014,525	16,693,551	0.00065	10,815	
			130	2141	42,566,704	19,197,584	0.00061	11,733	
			131	2142	42,566,704	19,197,584	0.00058	11,069	
			132	2143	42,566,704	19,197,584	0.00054	10,442	
			133	2144	42,566,704	19,197,584	0.00051	9,851	
			134	2145	42,566,704	19,197,584	0.00048	9,293	
			135	2146	42,566,704	19,197,584	0.00046	8,767	
			136	2147	42,566,704	19,197,584	0.00043	8,271	
			137	2148	42,566,704	19,197,584	0.00041	7,803	
			138	2149	42,566,704	19,197,584	0.00038	7,361	
			139	2150	42,566,704	19,197,584	0.00036	6,945	
			140	2151	48,951,710	22,077,221	0.00034	7,534	
			141	2152	48,951,710	22,077,221	0.00032	7,108	
			142	2153	48,951,710	22,077,221	0.00030	6,705	
			143	2154	48,951,710	22,077,221	0.00029	6,326	
			144	2155	48,951,710	22,077,221	0.00027	5,968	
			145	2156	48,951,710	22,077,221	0.00026	5,630	
			146	2157	48,951,710	22,077,221	0.00024	5,311	
			147	2158	48,951,710	22,077,221	0.00023	5,011	
			148	2159	48,951,710	22,077,221	0.00021	4,727	
			149	2160	48,951,710	22,077,221	0.00020	4,460	
			150	2161	56,294,466	25,388,804	0.00019	4,838	
			151	2162	56,294,466	25,388,804	0.00018	4,564	
			152	2163	56,294,466	25,388,804	0.00017	4,306	

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: CUUR0000SA0
 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	1.0	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	5.1	5.0	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	-6.6	-7.1	-10.6	-14.1	-15.8	-14.9	-12.8	-12.5	-12.1	-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	3.6	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	2.0	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	-6.6	-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	6.1	9.4	9.3	9.3	9.3	8.8	7.5	8.8	7.0	6.5	6.9	6.0	7.9		
1952	4.3	2.3	1.0	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	3.8	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	1.3	1.6		
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	6.6	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	7.8	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	3.8	3.3	3.1	3.2	3.5	3.8	3.6	3.6	3.4				
1986	3.9	3.1	2.3	1.6	1.5	1.8	1.8	1.8	1.8	1.5	1.3	1.1	1.9	2.3	1.5				
1987	1.5	2.1	3.0	3.8	3.0	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	2.9	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	2.8	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	2.6				
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	3.9	3.5	3.4	3.0	3.2	2.6	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%