

**The Cornerstone Group of South Florida, Inc.**



5001 NORTH DIXIE HIGHWAY  
BOCA RATON, FLORIDA 33431

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**APPRAISAL OF**

*New Beginnings Of South Florida, Inc.*

**LOCATED AT**

13307, 13311, 13317, 13321, 13331, 13454 and 13485 Alexandria Drive  
13720 and 13730 NW 27 Avenue  
Opa Locka, Miami-Dade County, Florida 33054

**PREPARED BY**

John P. Troyan II, MAI  
Craig T. Duckworth, MAI

18C2127

# ***The Cornerstone Group Of South Florida, Inc.***

5001 NORTH DIXIE HIGHWAY  
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**CRAIG T. DUCKWORTH, MAI, GAA, RAA**  
ST. CERT. GEN. REA RZ0000188

**JOHN P. TROYAN II, MAI**  
ST. CERT. GEN. REA RZ0002013

March 16, 2018

Alexandria Drive and NW 27 Avenue  
Opa Locka, Florida 33054

Ladies and Gentlemen:

As requested, we have appraised the above referenced institutional and commercial parcels. More specifically, the subject property consists of multiple institutional, religious, educational and commercial buildings as well as ancillary vacant land designated as an athletic field in Opa Locka, Miami-Dade County. The institutional parcels on Alexandria Drive and the commercial buildings on NW 27 Avenue are non-contiguous. We have concluded that the highest and best use of the parcels is as improved. The property is more particularly described and identified in the following appraisal report.

The purpose of this appraisal was to estimate the market value of the fee simple interest in the subject property in as is condition as of the effective date of valuation. The effective date of valuation is March 12, 2018. Market value, fee simple interest and other appraisal terms are defined in the following report. The value estimate is based on a reasonable exposure time as discussed in the text of the report.

As a result of our investigation into those matters which affect market value, and by virtue of our experience and training, we have concluded in the opinion that the market value of the fee simple interest in the subject property, in as is condition, effective March 12, 2018, was:

**SIX MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS**  
**(\$6,250,000)**

This appraisal was prepared in conformance with all regulations issued by the appropriate regulatory entities, regarding the enactment of Title XI of the Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA), OCC and OTS guidelines, the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation, the FDIC's Appraisal Standards, and the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.

We are not expert in determining the presence of hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction, or otherwise present on the property. We assume no responsibility for loss as a result of the presence of such substances and our value estimate is predicated upon the assumption that the property is not so affected.

This letter of transmittal precedes the full narrative appraisal report, which further describes the property and contains the reasoning and most pertinent data leading to the final value estimate. Your attention is directed to the *General Assumptions*, *General Limiting Conditions* and *Certificate of Appraisal*, which are considered usual for this type of assignment.

Respectfully submitted,

*The Cornerstone Group of South Florida, Inc.*



Craig T. Duckworth, MAI  
CERT GEN RZ188



John P. Troyan II, MAI  
CERT GEN RZ2013

CTD:JPT  
18C2127

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**CERTIFICATE OF APPRAISAL**

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**CERTIFICATE OF APPRAISAL**

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.
- we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- we made a personal inspection of the interior and exterior of the property that is the subject of this report.
- no one provided significant real property appraisal assistance to the persons signing this certification.
- as of the date of this report, Craig T. Duckworth and John P. Troyan II have completed the requirements of the continuing education program of the Appraisal Institute.
- we have not performed a prior service, as an appraiser or in any other capacity, of the property that is the subject of this report within the 3 year period immediately preceding acceptance of this appraisal assignment.

***The Cornerstone Group of South Florida, Inc.***



Craig T. Duckworth, MAI  
CERT GEN RZ188



John P. Troyan II, MAI  
CERT GEN RZ2013

**EXECUTIVE SUMMARY**

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**EXECUTIVE SUMMARY**

**Name:** New Beginnings Of South Florida, Inc.

**Location:** Alexandria Drive and NW 27 Avenue  
Opa Locka, Florida 33054

**Property Type:** Multiple institutional, religious, educational and commercial buildings as well as ancillary vacant land

**Improvements:** 29,866 sf institutional buildings  
3,261 sf commercial buildings

**Year Built:** 1950-1970

**Highest and Best Use:** As improved

**Appraised Value:** \$6,250,000

**Property Rights Appraised:** Fee simple interest

**Date of Valuation:** March 12, 2018

**Date of Report:** March 16, 2018

**FIRREA Compliant:** Yes

**Conditions:** The appraisal is subject to the *General Assumptions, General Limiting Conditions* and *Certificate of Appraisal* included in the body of this report.



**GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

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## GENERAL ASSUMPTIONS

1. The legal description used in this report is assumed to be correct.
2. A copy of a current survey was not provided for purposes of this appraisal. Sketches in this report are included only to assist the reader in visualizing the property.
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 to be good and merchantable.
4. Information and data furnished by others is usually assumed to be true, correct and reliable. When such information and data appears to be dubious and when it is critical to the appraisal, a reasonable effort has been made to verify all such information; however, the appraiser assumes no responsibility for its accuracy.
5. All mortgages, liens, encumbrances, leases and servitudes 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 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.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in 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 consultant will not be required to give testimony or appear in court because of having made this analysis, with reference to the property in question, unless arrangements have been previously made thereof.
2. Possession of the report, or copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the consultant, and in any event only with properly written qualifications and only in its entirety.
3. The distribution of the total valuation in this report between land and improvements, if any, applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
4. No environmental study was reviewed in conjunction with this analysis. The consultant hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.
5. Neither all nor any part of the contents of this report, or 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 consultant. Nor shall the consultant, firm or professional organization of which the consultant is a member be identified without written consent of the consultant.
6. Neither our name nor report may be used in connection with any financing plan, which would be classified as a public offering under state or federal securities laws.
7. The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Appraisal Board.
8. Acceptance of and/or use of this report constitutes acceptance of the foregoing General Assumptions and General Limiting Conditions.

**OVERVIEW OF APPRAISAL ASSIGNMENT**

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## **OVERVIEW OF APPRAISAL ASSIGNMENT**

### **Scope of Appraisal**

This narrative appraisal involved the systematic market research and analyses necessary to estimate the market value of the subject property according to the highest and best use estimate. The fee simple interest in the parcel was appraised as of March 12, 2018, the effective date of valuation, in as is condition. The subject property is multiple institutional, religious, educational and commercial buildings as well as vacant land designated as an ancillary athletic field.

The initial step in the valuation process was a physical inspection of the subject property, as well as the surrounding economic neighborhood. Our most recent field inspection of the subject was conducted on March 12, 2018.

The data in this report pertaining to the subject property was based on our physical inspection of the site and information provided by the client including property identification and a Commercial Contract. Supporting information such as real estate taxes and zoning was obtained through city and county agencies.

Appropriate research was then conducted including collection and analysis of pertinent data such as comparable sales and rentals based on neighborhood similarity and physical features. This information was obtained through public records, published data sources such as Costar Realty Information, MLS, and personal interviews. Analysis of current replacement or reproduction costs utilized the Marshall Valuation Service, a nationally recognized construction cost service widely used by real estate professionals, along with actual contractor's cost estimates and cost comparables where available.

The market-derived information was then examined and analyzed through the use of two traditional appraisal techniques: the income and sales comparison approaches. Each technique was performed independently. The resulting value indications were reconciled into a final estimate of value considering the relative strengths, weaknesses, and appropriateness of each technique. The cost approach was not applicable due to the age of the improvements and inability to accurately estimate depreciation. The omission of the cost approach does not limit the final value estimate.

The appraisal is presented in an Appraisal Report as defined by USPAP Standards Rule 2-2(a).

### **Purpose of Appraisal**

The purpose of this appraisal was to estimate the market value of the fee simple interest in the subject property in as is condition as of the effective date of valuation, according to the highest and best use estimate.

**Intended User/Use of Appraisal**

The client for the assignment is LL Capital LLC and the intended use is for mortgage purposes. This report is not intended for any other use.

**Competency of Appraisers**

The appraisers' specific qualifications are included at the end of this report. These qualifications serve as evidence of their competence for the completion of this appraisal assignment in compliance with the competency provision contained within the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The appraisers' knowledge and experience, combined with their professional qualifications are commensurate with the complexity of this assignment based on the following:

- Professional experience
- Educational background and training
- Business, professional, academic affiliations and activities

The appraisers have previously provided consultation and value estimates for properties similar to the subject throughout the state of Florida. They are also certified appraisers in the State of Florida where the subject is located.

**Property Rights Appraised**

Fee simple interest

**DEFINITIONS**

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## **DEFINITIONS**

### **DEFINITION OF MARKET VALUE**

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

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

- (a) buyer and seller are typically motivated;
- (b) both parties are well informed or well advised, and each acting in what he considers his own best interests;
- (c) a reasonable time is allowed for exposure in the open market;
- (d) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
- (e) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994) <sup>1</sup>

### **DEFINITION OF LEASED FEE ESTATE**

The ownership interest that the landlord or lessor maintains in a property under a lease with the rights of use and occupancy being conveyed or granted to a tenant or lessee. The ownership interest in a leased property.<sup>2</sup>

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<sup>1</sup>Uniform Standards of Professional Appraisal Practice (USPAP, 2010-2011 ed.)

<sup>2</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5<sup>th</sup> ed. (Chicago: Appraisal Institute), 2010



## **DEFINITIONS**

continued

### **DEFINITION OF FEE SIMPLE ESTATE**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>3</sup>

### **DEFINITION OF LEASEHOLD ESTATE**

The interest which a tenant or lessee acquires under a lease including rights of use and occupancy for a stated term under certain conditions (e.g., the payment of a premium and/or rent). Leaseholds may be of various duration such as 25 years, 60 years, and 99 years, etc.<sup>4</sup>

### **DEFINITION OF HIGHEST AND BEST USE**

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.<sup>5</sup>

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<sup>3</sup> Appraisal Institute, The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute), 2010

<sup>4</sup> Appraisal Institute, The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute), 2010

<sup>5</sup> Appraisal Institute, The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute), 2010

**SUBJECT PHOTOGRAPHS**

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**SUBJECT PHOTOGRAPHS**



**TYPICAL VIEW OF SUBJECT PROPERTY**



**TYPICAL VIEW OF SUBJECT PROPERTY**

**SUBJECT PHOTOGRAPHS**



TYPICAL VIEW OF SUBJECT PROPERTY



TYPICAL VIEW OF SUBJECT PROPERTY

**SUBJECT PHOTOGRAPHS**



TYPICAL VIEW OF SUBJECT PROPERTY



TYPICAL VIEW OF SUBJECT PROPERTY



**SUBJECT PHOTOGRAPHS**



**TYPICAL VIEW OF SUBJECT PROPERTY**



**TYPICAL VIEW OF SUBJECT PROPERTY**

**SUBJECT PHOTOGRAPHS**



TYPICAL VIEW OF SUBJECT PROPERTY



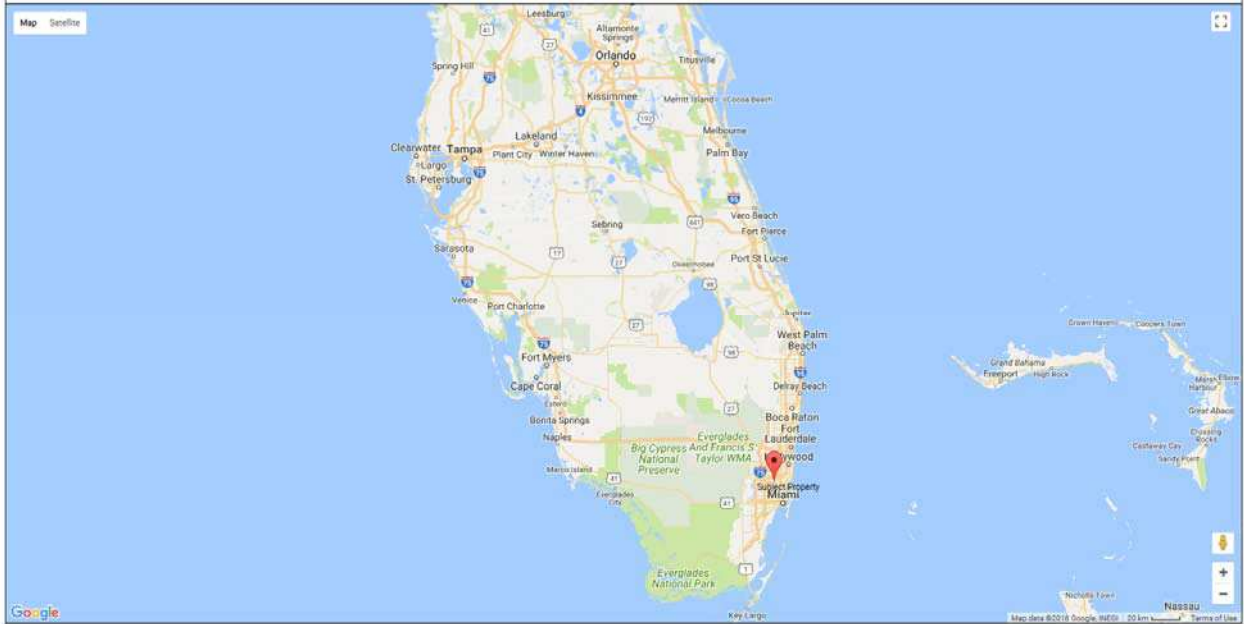
TYPICAL VIEW OF SUBJECT PROPERTY

**SUBJECT PROPERTY DATA**

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**STATE MAP**



**SUBJECT PROPERTY DATA**

**Location**

The subject property is multiple parcels located in the southeast quadrant of the intersection of NW 135 Street and Alexandria Drive, the west side of Alexandria Drive south of NW 135 Street and the west side of NW 27 Avenue at Atlantic Avenue, if extended, in Opa Locka, Miami-Dade County, Florida. The building improvements are vacant.

**Property Type**

The subject property consists of multiple institutional, religious, educational and commercial buildings as well as vacant land.

**Legal Description**

The subject property is legally described, according to the description in the Miami-Dade County public records, as follows:

REV PL NILE GDNS SEC 1 PB 38-56 N150FT OF S2168.5FT OF TR 303  
NILE GARDENS SEC 1 PB 31-42 LOT 7 BLK 302  
NILE GARDENS SEC 1 PB 31-42 LOT 9 BLK 302  
NILE GARDENS SEC 1 PB 31-42 LOT 10 BLK 302  
NILE GARDENS SEC 1 PB 31-42 LOT 8 BLK 302  
NILE GARDENS SEC 1 PB 31-42 LOT 11 BLK 302  
NILE GARDENS SEC 1 PB 31-42 LOT 12 BLK 302  
NILE GARDENS SEC 1 PB 31-42 LOT 13 BLK 302  
NILE GARDENS SEC 1 PB 31-42 LOT 14 BLK 302  
REV PL NILE GDNS SEC 1 PB 38-56 N50FT OF S200FT OF E1/2 TR 302 LESS W20FT OF N25FT & N25FT OF S175FT OF W1/2 OF TR 302 LESS W30FT OF N25FT OF S175FT OF W1/2 OF TR 302 THEREOF  
REV PL NILE GDNS SEC 1 PB 38-56 N50FT OF S250FT & W20FT OF N25FT OF N50FT OF S200FT OF E1/2 TR 302 & N25FT OF S200FT OF W1/2 TR 302 LESS W10FT OF N25FT OF S200FT OF W1/2 OF TR 302 FOR R/W  
REV PLAT NILE GARDENS SEC 1 PB 38-56 W1/2 OF N1/3 OF N1/2 TR 302 /AKA/ LOT 22 BLK 302 PB 31-42  
NILE GARDENS SEC 1 PB 31-42 LOT 20 BLK 302  
NILE GARDENS SEC 1 PB 31-42 LOTS 15 TO 18 INC BLK 302  
NILE GARDENS SEC 1 PB 31-42 LOT 6 BLK 302  
NILE GARDENS SEC 1 PB 31-42 LOTS 2 & 4 BLK 302  
OPA LOCKA PLAT NO 3 S50FT OF N150FT OF TR C LESS E8FT FOR RD & BEG 150FTS & 8FTW OF NE COR OF TR C W PARR TO N/L 79.37FT ELY79.38FT N0.85FT TO POB BLK 148  
OPA LOCKA PLAT NO 3 TRACT C LESS N150FT & LESS E8FT FOR RD & LESS BEG 150FTS & 8FTW OF NE COR TR C W PARR TO N/L 79.37FT ELY79.38FT N0.85FT TO POB BLK 148

## **History**

The current owner of record of the parcels is New Beginnings Of S Fl, Inc. A review of public records does not indicate a sale in the previous three years. Based on the contract provided for purposes of this analysis, the parcel is currently under contract to 21<sup>st</sup> Century Real Estate And Investment, LLC for \$6,200,000. Based on the data and conclusions presented in this analysis, the contract price is representative of market value.

## **Marketability**

The subject property is located in the South Florida real estate market, specifically in Opa Locka in Miami-Dade County.

### *Most Probable Purchaser*

The subject property is an institutional parcel located in an intensely developed area of South Florida. The type, size, class and location are considered to represent a quality investment product. Most of the comparable properties recently purchased in the market were bought by local or national entities. These transactions are considered to be representative of the potential market for the subject.

Therefore, based on our investigation and analysis, the most probable purchaser of the subject property could be a local or national concern. The valuation methodologies and procedures used within this report to estimate the Market Value are consistent with the investment criteria and motivations of the “most probable purchaser” of the subject property type.

### *Exposure Time*

Exposure time is defined as: the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.<sup>6</sup>

A typical exposure time for parcels similar to the subject property in its current state is approximately six to twelve months. The average exposure time is based on discussions with various active participants including brokers, developers, and investors, published data as well as the actual exposure time of the comparable sales. We assume the utilization of an organized and coordinated marketing effort.

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<sup>6</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5<sup>th</sup> ed. (Chicago: Appraisal Institute), 2010

*Marketing Time*

Marketing time is defined as: an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.<sup>7</sup> Implicit in this definition are the following characteristics:

The property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar type properties.

The property will be offered at a price reflecting the most probable mark up over the market value used by sellers of similar type properties

A sale will be consummated under the terms and conditions of the definition of Market Value contained in this report.

Based on the marketing time of the comparable sales, we would anticipate a six to twelve month marketing time. Local broker interviews also verified that this term is realistic. Therefore, we estimate a marketing time for the subject property from approximately six to twelve months to be a reasonable anticipation.

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<sup>7</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5<sup>th</sup> ed. (Chicago: Appraisal Institute), 2010

**ASSESSED VALUE AND REAL ESTATE TAXES**

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**ASSESSED VALUE AND REAL ESTATE TAXES**

Ad valorem taxes are paid annually and in arrears. The tax year is from January to December. Taxes may be paid early with a four percent discount if paid in November, a three percent discount if paid in December, a two percent discount if paid in January and a one percent discount if paid in February. Taxes are due March 31 and become delinquent April 1. Millage rates are determined in October of each year for the following tax year by the County Commission and the individual city.

Market values are set by the Property Appraiser's Office and are based on 100% of market value. Differences in market value and assessed value may be due to exemptions and assessment caps. In the state of Florida, the "equalization" defense (the fact that similar properties are assessed for less) for tax appeal is not considered to be valid. The assessed value, and taxes, for the subject parcel, including the ground leased pad site, is summarized below.

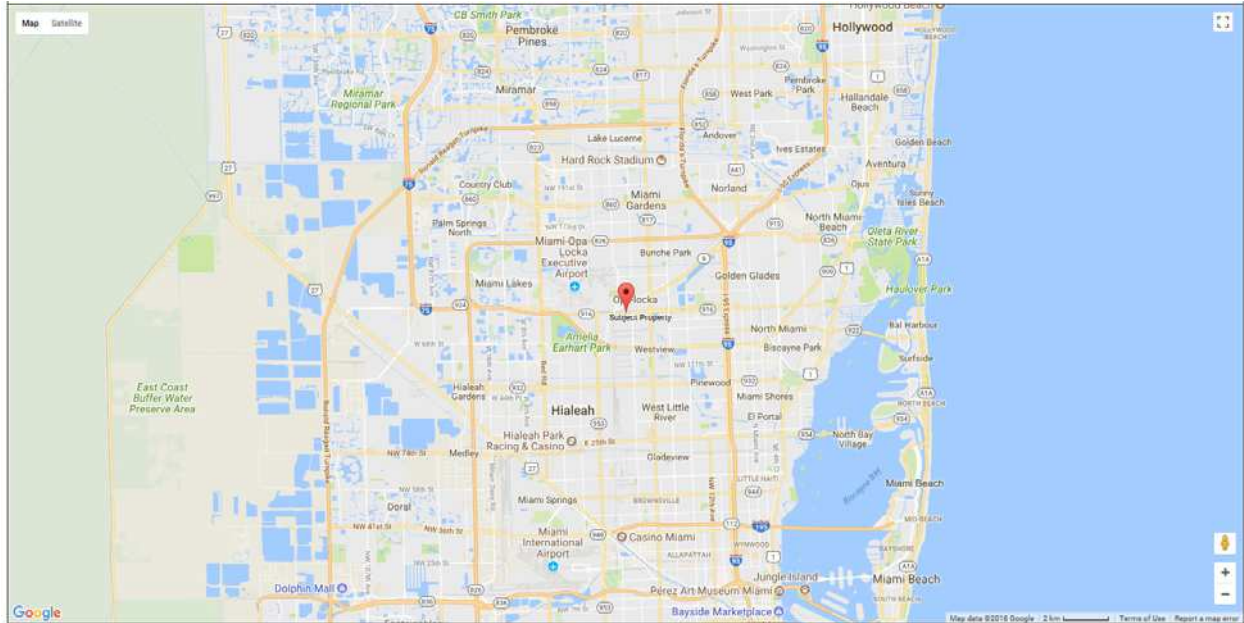
<b>Folio</b>	<b>Market Value</b>	<b>Assessed Value</b>	<b>Taxes</b>
08-2128-003-0170	\$392,558	\$392,558	\$9,661.97
08-2128-003-0180	\$55,731	\$51,060	\$1,299.82
08-2128-003-0200	\$34,021	\$28,772	\$756.01
08-2128-003-0220	\$34,194	\$28,965	\$760.62
08-2128-003-0240	\$34,194	\$28,965	\$760.62
08-2128-003-0260	\$31,621	\$27,012	\$708.24
08-2128-003-0270	\$731,094	\$728,039	\$18,038.24
08-2128-003-0320	\$56,574	\$52,617	\$1,333.12
08-2128-007-0180	\$148,141	\$137,415	\$3,477.00
08-2128-007-0183	\$205,534	\$205,534	\$5,112.52
08-2128-007-0184	\$209,044	\$209,044	\$5,198.79
08-2128-003-0250	\$26,399	\$21,190	\$269.32
08-2128-003-0230	\$27,793	\$21,828	\$590.29
08-2128-003-0210	\$26,757	\$20,673	\$562.74
08-2128-003-0190	\$26,431	\$20,310	\$554.07
08-2128-007-0221	\$144,000	\$105,600	\$2,876.46
08-2121-007-2660	\$76,182	\$76,182	\$1,884.72
08-2121-007-2670	\$45,909	\$45,909	\$1,140.52

The current assessed value totals \$2,201,673 and gross taxes total \$54,985.07.

**REGIONAL DATA**

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## REGIONAL MAP





**REGIONAL DATA**

The subject property is located in Miami-Dade County. The county is bounded by Broward County to the north, Monroe County to the south, Collier and Monroe Counties to the west and The Atlantic Ocean to the east.

*Location*

Miami is located in southeast Florida, about 202 miles south of Orlando, 205 miles southeast of Tampa and 327 miles south of Jacksonville. The county has an area of about 1,897.72 square miles.



*Population*

The following information is from the United State Census and Enterprise Florida.

<b>Year</b>	<b>Miami-Dade County</b>	<b>Florida</b>
1990	1,937,194	12,938,071
2010	2,498,018	18,801,310
2016	2,712,945	20,612,439
2020 (p)	2,832,036	21,372,207

The following chart is a breakdown of the county's population by age group, from the U.S. Census Bureau.

<b>Age Group</b>	<b>Percent Of Total</b>
<5	5.9%
<18	20.5%
>65	15.6%

The following table summarizes the 2016 population estimates for the largest incorporated municipalities in Miami-Dade County.

<b>Number</b>	<b>Municipality</b>	<b>Population</b>
1	Miami	456,089
2	Hialeah	233,431
3	Miami Gardens	111,998
4	Miami Beach	92,797

*Economy and Employment*

Miami-Ft. Lauderdale-West Palm Beach had a December 2017 unemployment rate of 3.9%. This compares to Florida’s unemployment rate of 3.7%.

2015 income is summarized in the following table.

<b>2015</b>	<b>Miami-Dade</b>	<b>Florida</b>
Per Capita	\$23,850	\$26,829
Median Household	\$43,129	\$47,507

Major private employers are summarized in the following table.

**Major Employers – Miami-Dade County**

<b>Employer</b>	<b>Sector</b>	<b># Employees</b>
University Of Miami	Education	16,000
Baptist Health South Fl.	Healthcare	13,376
Publix Supermarkets	Retail	10,800
American Airlines	Air Transportation	9,000
Precision Response Corp.	Telecommunications	5,000
Florida Power & Light	Utility	3,840
Carnival Cruise Lines	Cruise Lines	3,500
Winn Dixie Stores	Retail	3,400
AT&T	Telecommunications	3,100
Mount Sinai Medical Center	Healthcare	3,000

2016 Employment, by industry, is summarized in the following table.

<b>Industry</b>	
Natural Resources & Mining	0.8%
Manufacturing	3.7%
Information	1.6%
Trade, Transportation & Utilities	25.2%
Education & Health Services	15.6%
Other Services	3.6%
Leisure & Hospitality	12.6%
Construction	3.9%
Financial Activities	6.7%
Professional & Business Services	14.0%
Government	12.1%

*Real Estate and Construction Activity*

Miami-Dade County has 1,021,527 housing units (2016) with an average household size of 3.08 persons. The home ownership rate in 2015 was 53.8% and the median value of owner occupied housing units was \$203,300. Median gross rent is \$1,112.

*Medical facilities*

Hospitals in Miami-Dade County include Baptist Hospital, Cedars Medical Center, Mercy Hospital, Mount Sinai Medical Center Of Greater Miami, Parkway Regional Medical Center and UM/Jackson Memorial Medical Center.

*Transportation*

I-95, I-75, I-595, I-395 and Florida's Turnpike are primary limited access highways in Miami-Dade County. Major surface roads include US Hwy 1, US Hwy 27, US Hwy 41 US Hwy 441 and SR A1A.

The nearest major airport with scheduled commercial service serving Miami-Dade County is Miami International Airport. Port Of Miami is a major deep water port.

*Climate*

The average temperature in January is a low of 58 degrees and a high of 75 degrees. The average temperature in July is a low of 76 degrees and a high of 89 degrees.

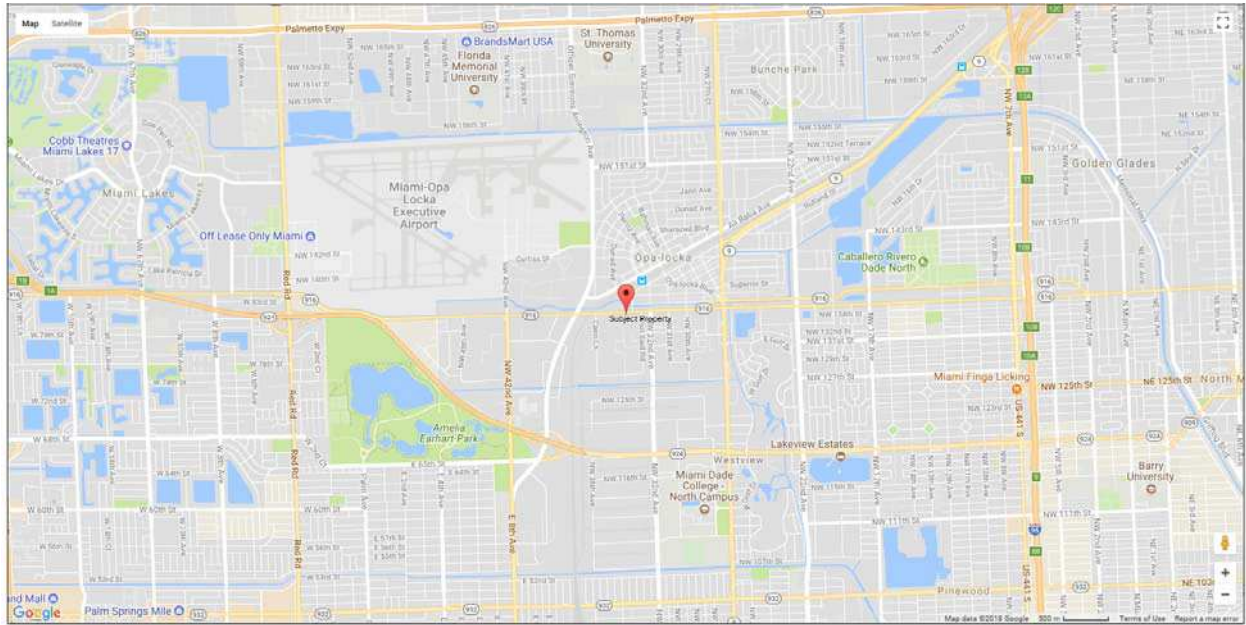
**General Conclusions**

We anticipate growth to continue at a stable rate owing to both natural changes and net migration. The long range economic growth forecast is positive.

**NEIGHBORHOOD DATA**

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### NEIGHBORHOOD MAP



## **NEIGHBORHOOD DATA**

### **Neighborhood Described**

A neighborhood is a grouping of complementary land uses affected by the same social, economic, governmental, and environmental forces, which influence the subject property. A neighborhood usually exhibits distinguishing characteristics or features, which are not always identical. As a result, the neighborhood may be comprised of one type or a combination of land uses, and may encompass a portion of a community or an entire community. The subject property is located in the incorporated limits of the city of Opa Locka in northwest Miami-Dade County.

### **Boundaries**

The subject's neighborhood is described, for purposes of this analysis, as the area bounded by SR 826 (Palmetto Expressway) to the north, NW 103 Street to the south, Red Road (NW 57<sup>th</sup> Avenue) to the west and I-95 to the east. The subject is situated in the central portion of the defined neighborhood.

### **Traffic Arteries**

Major access thoroughfares in the neighborhood, in addition to the neighborhood boundaries, include: NW 27<sup>th</sup> Avenue, NW 135<sup>th</sup> Street, Douglas/LeJeune Connector, NW 119<sup>th</sup> Street and SR 924 (toll road). The nearby arterial linkages provide convenient access to most surrounding neighborhoods.

The subject is conveniently located with respect to major traffic arteries, which in turn facilitate convenient access with respect to time versus distance to shopping, employment, and recreational centers. Access from the subject neighborhood is very convenient to many neighborhoods within northwest Miami-Dade County.

### **Existing Development**

The subject property is located in an established neighborhood concentrated to residential neighborhoods. Residential development includes multiple family apartments as well as single family homes. Residences in the neighborhood are generally maintained in average condition and prices are in a predominate range from less than \$100,000 to \$300,000. Industrial development is the primary land use from NW 135 Street south to NW 103 Street and from NW 32<sup>nd</sup> Avenue west to LeJeune Road. Commercial development is concentrated on the primary surface roads.

Significant development in the immediate neighborhood includes Miami Dade College – North Campus located in the southwest quadrant of NW 27 Avenue and NW 119 Street. Miami-Opa Locka Executive Airport is located in the northwest quadrant of the intersection of Red Road and NW 135 Street. Amazon plans a new 850,000 square foot facility to be staffed with more than 1,000 workers at the Opa Locka Airport.

The neighborhood is long established and observed occupancy levels are stable in the industrial, commercial and residential sectors.

**Conclusion**

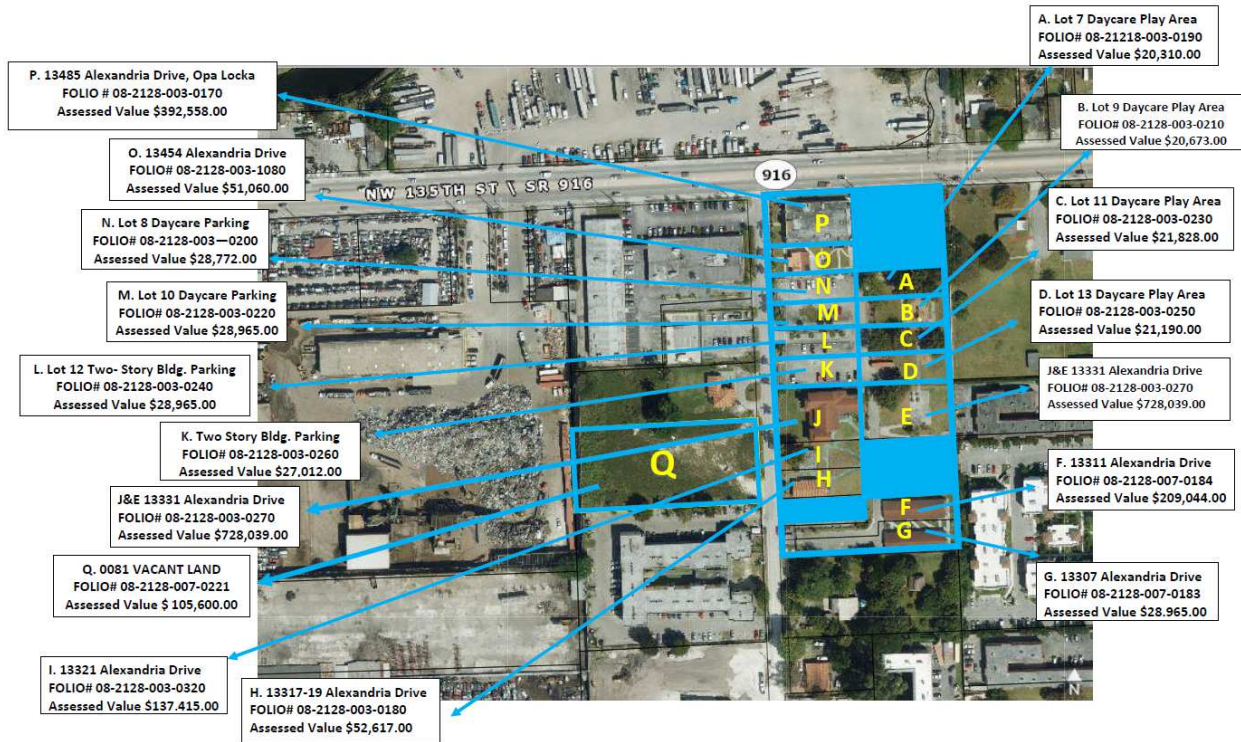
The subject neighborhood is conveniently accessed from major arteries, which in turn provide very convenient access to major employment centers, as well as other major centers of activity within the general area. The surrounding residential neighborhoods provide a support base for the commercial development and employment base for the industrial development. We anticipate that the neighborhood should remain stable into the foreseeable future.



**DESCRIPTION OF THE SUBJECT PROPERTY**

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AERIAL MAPS



**DESCRIPTION OF THE SUBJECT PROPERTY****Location**

The subject parcels are located: (1) in the southeast quadrant of the intersection of NW 135<sup>th</sup> Street and Alexandria Drive; (2) the west side of Alexandria Drive, south of NW 135<sup>th</sup> Street; and (3) the west side of NW 27<sup>th</sup> Avenue, at Atlantic Avenue, if extended.

**Area**

According to the Miami-Dade County public records, the sites and building improvements are summarized in the following table:

<b>Parcel</b>	<b>Use</b>	<b>Land (sf)</b>	<b>Bldg (sf)</b>	<b>Year Blt</b>	<b>Zoning</b>
08-2128-003-0170	Day Care	16,000	8,868	1967	B-0
08-2128-003-0180	Religious	8,000	1,185	1954	B-0
08-2128-003-0200	Parking	8,000	n/a	n/a	B-0
08-2128-003-0220	Parking	8,000	n/a	n/a	B-0
08-2128-003-0240	Parking	8,000	n/a	n/a	B-0
08-2128-003-0260	Parking	8,000	n/a	n/a	B-0
08-2128-003-0270	Educational	32,000	9,331	1955	B-0
08-2128-003-0320	Educational	8,000	1,008	1954	B-0
08-2128-007-0180	Educational	8,000	2,896	1957	B-0
08-2128-007-0183	Educational	10,968	3,289	1970	B-0
08-2128-007-0184	Educational	12,268	3,289	1970	B-0
08-2128-003-0250	Parking/Land	8,000	n/a	n/a	B-0
08-2128-003-0230	Parking/Land	8,000	n/a	n/a	B-0
08-2128-003-0210	Parking/Land	8,000	n/a	n/a	B-0
08-2128-003-0190	Parking/Land	8,000	n/a	n/a	B-0
08-2128-007-0221	Vacant Land	48,000	n/a	n/a	R-TH
08-2121-007-2660	Commercial	4,678	1,492	1950	B-2
08-2121-007-2670	Commercial	3,739	1,769	1956	B-2

The parcels contain (1) a total 29,866 square feet of institutional, educational and religious improvements on 159,236 square feet of land plus 48,000 square feet of vacant land used as an athletic field (Alexandria Drive) and (2) 3,261 square feet of commercial improvements on 8,417 square feet of land (27<sup>th</sup> Avenue). The parcels on 27<sup>th</sup> Avenue also are improved with a billboard.

**Utilities and Services**

All necessary utilities and public services including water, sewer, electricity, telephone and police and fire protection are available in adequate capacity to support development on the site.

**Street Improvements-Access**

Alexandria Drive is two lanes and NW 135<sup>th</sup> Street and NW 27<sup>th</sup> Avenue are multiple lanes. Access to the subject parcels is adequate.

**Hazardous Wastes or Toxic Materials**

No hazardous wastes or toxic materials were observed during our routine physical inspection of the parcel. We are not expert in determining the presence of these factors and assume no responsibility in these regards. We were not provided with an environmental survey.

**Easements and Encroachments**

No known easements noted that adversely affect marketability, utility or value of the parent tract.

**Adjacent Land Uses**

Surrounding land uses are complimentary commercial, residential and institutional development.

**Building Type**

The subject property is improved to multiple institutional and commercial improvements.

**General Condition**

A physical inspection revealed that the improvements are in average condition and no significant items of deferred maintenance were noted upon our inspection.

**Construction Quality**

Average quality masonry construction. Our opinion of quality is based on our physical inspection. We assume no responsibility for hidden or unapparent conditions beyond our expertise as appraisers. We are not expert in construction and we assume the buildings are structurally adequate and in conformance with applicable building codes.

**Construction Details**

Exterior Walls	CBS
Foundation	Poured concrete slab
Roof	Flat, tile and shingle
Floors	Tile - carpet
Restrooms	Adequate
Heat and A/C	Central/wall units

**Compliance with Americans with Disabilities Act**

The *Americans with Disabilities Act* of 1990 sets strict and specific standards for handicapped access to and within most commercial and industrial buildings. Determination of compliance with these standards is beyond appraisal expertise and therefore has not been attempted by the appraisers. For purposes of this analysis, we will assume the subject will comply.

**General Layout and Efficiency**

The subject buildings are a functional design. The improvements are comprised of institutional and commercial buildings. The interior finish is average quality and is adaptable for numerous tenant occupancies with modifications.

**Yard Improvements/Amenities**

The parcel has nominal native landscaping, perimeter fencing and adequate on-site open parking.

**Conclusion**

The building and site improvements are functional as designed, are in average condition and should continue to compete favorably in the local market.

**HIGHEST AND BEST USE**

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## HIGHEST AND BEST USE

“*Highest and best use* may be defined as:

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

In order to estimate the highest and best use of the subject property, we have considered those uses which are legally permissible, physically possible, economically feasible, and which would result in the highest return to the land. Consideration must be given to the site characteristics such as size, shape, location, access to roadways, availability of utilities, and public services. We have analyzed the land sales in the neighborhood, as well as current market trends, to aid in the determination of the subject's highest and best use.

The determination of a property's highest and best use is perhaps the most important decision in the valuation process. It is the premise upon which market value is based. Highest and best use must be considered from two perspectives: (1) the site “as if vacant” and (2) the property “as improved”.

Our estimate of the highest and best use of the subject was based upon the following.

### AS IF VACANT

#### Physical

##### *Size, Configuration and Topography*

Several physical factors which may limit the potential uses on the site includes: size, shape, and topography.

The sites are of adequate size for development and typical of the neighborhood and market. The size and configuration are suitable for substantial physical development.

The parcels are at approximate road grade, and drainage appears adequate. The development on surrounding parcels evidences the apparent adequate soil conditions of similar parcels to support physical development.

The size, configuration, and topography of the parcels are conducive to physical development.

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<sup>8</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5<sup>th</sup> ed. (Chicago: Appraisal Institute), 2010

*Accessibility*

The parcels have adequate direct frontage, visibility and access from the public streets. The parcels are easily accessible from other parts of the neighborhood. The neighborhood thoroughfares enable convenient access into and throughout the neighborhood as well as to the subject sites.

*Utilities*

All necessary utilities are available in adequate capacity to support development on the site.

In conclusion, there are no known physical characteristics to limit development of the sites.

**Legal**

The parcels are zoned for commercial and residential development. The established improvements and uses conform.

Considering the legal and physical characteristics of the subject sites, probable uses are for commercial, institutional and/or residential development given the frontage and location.

**Economic Feasibility**

Preceding sections of this report noted that the local market, and more specifically the immediate subject neighborhood, is long established and intensely developed. Occupancy in the existing developments is stable.

Taking into consideration the intensely developed and long established character of the neighborhood as well as occupancy in the existing developments, we have concluded that a commercial, institutional and/or residential development is an appropriate application of the highest and best use of the subject property.

**Maximally Productive**

The most productive use under existing market conditions, as if vacant, appears to be to develop the site to commercial, institutional and/or residential development permitted under current zoning.

**Conclusion**

We have concluded that the maximally productive use of the subject parcels, as if vacant, would be for commercial, institutional and/or residential development.



**AS IMPROVED**

The highest and best use as if vacant and the highest and best use as improved may be different. This is due to the principal of contribution, which states that the highest and best use of the site as improved will continue as long as the improvements contribute value over and above the land value.

We concluded from the highest and best use as if vacant that the subject site was best suited for commercial, institutional and/or residential development. This was described as being consistent with surrounding land use trends. The subject is currently improved with institutional and commercial development, which is consistent with the highest and best use as if vacant. We have analyzed the improvements to determine if they contribute any value over and above the estimated land value and reflect the highest and best use as improved.

**Physical**

The existing improvements on the site exhibits that development is physically possible.

**Legal**

The improvements are a permitted use in the zoning district and are legally permissible.

**Economically Feasible**

The subject, as improved, is fully functional.

Therefore, the most feasible use of the parcels is continued use and operation as improved.

**Conclusion**

The improvements, as built and configured, are a good application of the highest and best use as if vacant. Therefore, in our opinion, the existing use represents the highest and best use as improved.

**APPRAISAL PROCESS**

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## APPRAISAL PROCESS

The valuation process used to develop a supported estimate of value involves three distinct methods of data analysis: the cost approach, sales comparison approach, and income approach. All three approaches may be applicable; however, one or more of the techniques may have greater significance in a particular appraisal assignment.

The **cost approach** reflects that the market participants relate value to cost. The cost approach is based on the premise that an informed, rational investor/purchaser would pay no more for an existing property than it would cost him to acquire a similar site and construct improvements of equal desirability and utility without undue delay. The appraiser estimates the cost to reproduce or replace the buildings and site improvements including a provision for profit, deducts accrued depreciation, and adds the land value.

The **income approach** measures the present value of the future benefits of ownership. The value of the investment is based upon the quality and quantity of the anticipated income stream and considers that an investor will not pay more for the subject than he would for another investment with similar income and expenses. The income stream is converted to value by direct capitalization or by discounting. Direct capitalization is used to convert a single year's income expectancy into an indication of value in one step: either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor. In discounted cash flow analysis, the quantity, variability, timing and duration of periodic income streams, and the quantity and timing of the reversion are specified and discounted to a present value at a specified yield rate. The capitalization rate or discount rate applied to the income should reflect the risk and uncertainty associated with the investment.

The **sales comparison approach** is based on the assumption that a purchaser will not pay more for a property than the cost to buy a comparable property with a similar utility. This technique estimates value by comparing the subject property to recent sales of similar or comparable properties. The comparable sales are compared to the subject and adjusted for differences in time, location, and physical characteristics. The sales comparison approach is most useful when there are an adequate number of recent sales or listings in the market.

In estimating the value of the subject property, we have utilized the income and sales comparison approaches. The cost approach was not applicable due to the age of the improvements and inability to accurately estimate depreciation. The omission of the cost approach does not limit the final value estimate.

**INCOME APPROACH**

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## **INCOME APPROACH**

The first step in estimating the market value by the income approach is to determine the economic rent, or the gross income that the subject property can be expected to produce. All applicable expenses are then deducted, including a provision for vacancy and collection loss, to arrive at net income. The net income is then converted into a value estimate by direct capitalization or by discounting.

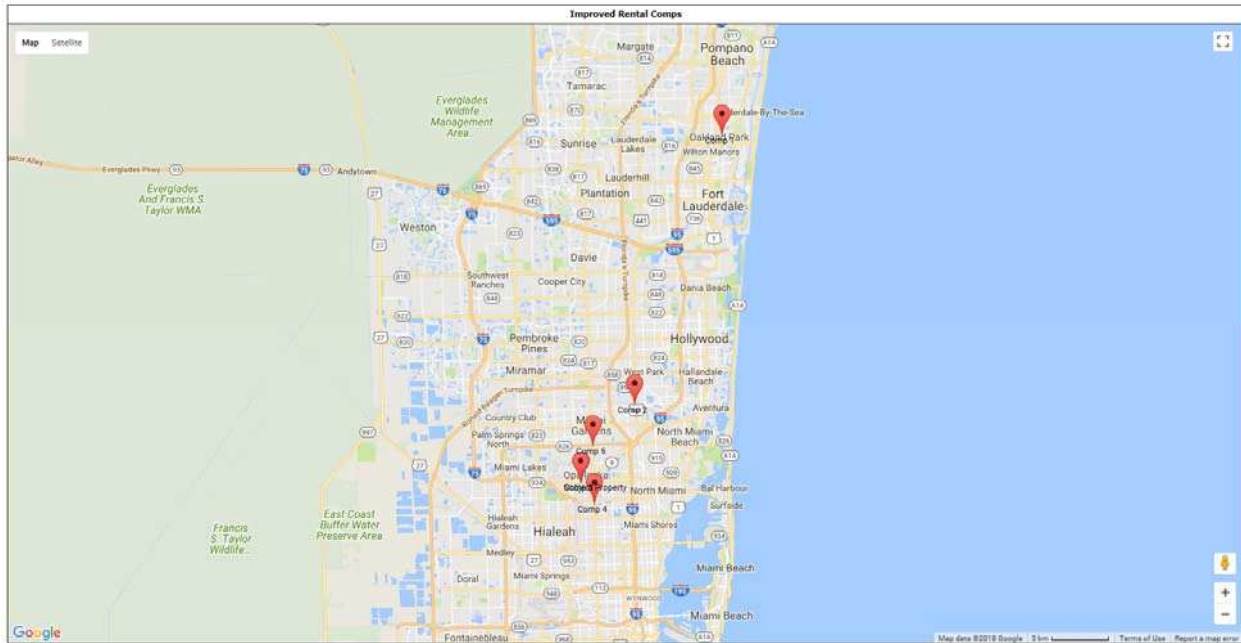
Direct capitalization converts a single year's income expectancy into an indication of value by dividing the estimated income by an appropriate rate. Discounted cash flow analysis converts periodic income streams into a value estimate. Each cash flow is discounted to a present value. The reversion, the anticipated value at the end of the projection period, is also discounted. The present value of all of the cash flows and the reversion are totaled for a value indication. Sophisticated buyers often use this procedure; however, not all properties warrant analysis by this technique.

The subject property is best suited for single tenant institutional and commercial use and we have used direct capitalization to estimate a value by the income approach.

### *Rent Comparables*

The following table summarizes the rent comparables that were deemed to be similar to the subject. Comparability is based on size, configuration, tenant class and proximity to the subject. The limited market in the immediate neighborhood for comparable institutional parcels necessitated an extended search for comparable rents.

### COMPARABLE RENT MAP



### RENT COMPARABLE CHART

	<b>Church Rent 1</b>	<b>Church Rent 2</b>	<b>School Rent 3</b>	<b>Comm Rent 4</b>	<b>Comm Rent 5</b>
<b>Location</b>	Oakland Park	Miami Gardens	Opa Locka	Miami	Opa Locka
<b>Bldg Size (sf)</b>	9,000	11,067	28,000	4,822	5,550
<b>Year Built</b>	1957	1985	1972	1956	1957
<b>Rent/SF</b>	\$17.50	\$13.55	\$15.77	\$14.40	\$16.13
<b>Terms</b>	MG	MG	NNN	NNN	NNN



Rent Comparable 1 is a church/banquet hall/small school located at 1300 NE 38 Street in Oakland Park. This building is for sale for \$1,695,000 or \$188.33 psf.



Rent Comparable 2 is a church located at 275 NW 199 Street in Miami Gardens.



Rent Comparable 3 is a school located at 3400 NW 135 Street in Opa Locka. The parcel is leased to a national charter school and a private school (12,500 sf and 15,500 sf) and is listed for sale for \$6,795,000.



Rent Comparable 4 is a commercial building located at 11501 NW 27 Avenue in Miami.



Rent Comparable 5 is a commercial building located at 16541 NW 27 Avenue in Opa Locka.

The institutional comparables, although two are physically removed, are located in similar neighborhoods. The commercial comparables are located in the immediate neighborhood. Considering the age of the subject buildings and interior finish quality, detail and condition as well as land to building ratio, we have estimated economic rent for both the institutional and commercial improvements at \$15.00 psf, nnn. The estimated economic rent includes consideration to the vacant land (athletic field) on the west side of Alexandria Drive and billboard income on the commercial parcels.



## **DIRECT CAPITALIZATION**

### **Rental Income**

Stabilized rental income is \$496,905 (33,127 sf @ \$15.00/sf).

### **Vacancy and Collection Loss**

The gross potential income reflects that the improvements are 100% occupied and all rents are collected. Based on the 4<sup>th</sup> Quarter 2017 CoStar Miami-Dade County market surveys, retail vacancy was 3.4% and office vacancy was 8.5%. Considering historical trends and future anticipations, as well as the location and quality and design of the improvements, we have concluded that a stabilized 5.0% vacancy is appropriate in this analysis. We have estimated an additional 1.0% collection loss.

### **Effective Gross Income**

Effective gross income is therefore \$467,091.

### **Operating Expenses**

The estimated market rent is net and all operating expenses including real estate taxes, insurance, and maintenance are paid by the tenant. The landlord is responsible for management and a reserve for replacement. We have estimated a 5% management fee or a rounded \$23,500. Replacement reserves provide for the periodic replacement of building components that wear out more rapidly than the building and which must be replaced over the economic life of the building to maintain economic rent. We have estimated the replacement allowance at \$.15 per square foot or a rounded \$5,000.

### **Net Operating Income**

Subtracting total estimated landlord expenses of \$28,500 from the estimated effective gross income of \$467,091 reflects a stabilized net operating income of \$438,591.

### **Direct Capitalization**

Direct capitalization was used as a one-step process of estimating value by dividing the estimated net operating income by the appropriate capitalization rate. The overall rate is the ratio of annual net operating income to value or sale price.

Several methods of deriving a capitalization rate are available to illustrate the relative risk, quality and durability of the anticipated income stream, including market extraction from comparable sales, the band of investment technique, the built-up rate by the Ellwood Mortgage-Equity Method, and the Debt Coverage Ratio Analysis (sometimes referred to as the "Underwriter's Method"). These methods are commonly used to select an appropriate capitalization rate, depending upon the availability and applicability of market data and investment parameters.

*Extraction*

The comparable sales were typically purchased for owner occupancy or were vacant at the time of sale. The current listing is priced based on a 6.5% capitalization rate. Alternatively, we have surveyed 101 capitalization rates of all property type sales from 10,000 square feet up to 50,000 square feet from January 2017 to the present in Miami-Dade County via CoStar. Capitalization rates surveyed range from 4.00% to 9.97% and average 6.43% for offices, 7.05% for flex buildings, 6.63% for industrial property, 5.91% for general retail and 5.94% for multi family. The subject's rate should be bracketed by the range of the sales due to the quality of improvements and location.

*Built Up Rates*

We have also considered a band of investment based on market terms for the subject property estimated at a 75% loan-to-value ratio, a 30-year amortization and a 6.0% interest rate. Based on a 7% equity dividend rate, the resulting overall rate is 7.2%. Based on a required 1.30 DCR, this reflects a rate of 7.0%.

*Capitalization Rate Conclusion*

Taking the above rates into consideration, with most weight accorded to the rates extracted from sales in the local market, and considering the current market conditions and financing atmosphere, we will reconcile at a rounded capitalization rate of 7.0%.

The next step in direct capitalization involves dividing the stabilized net operating income (including a provision for reserves), by the appropriate rate. Dividing the stabilized NOI for the subject in the amount of \$438,591 by the capitalization rate of 7.0% reflects \$6,265,586 which we have rounded to \$6,250,000.

**INCOME APPROACH CONCLUSION**

We have utilized direct capitalization to estimate the value of the subject by the income approach. The direct capitalization technique is based upon very reliable market data and is appropriate to those properties operating at stabilization in stabilized markets. In the final analysis, we will place exclusive weight and consideration on the value by direct capitalization and reconcile at a rounded value via the income approach of **\$6,250,000**.

**DIRECT CAPITALIZATION SUMMARY**

<b>Potential Gross Revenue</b>	
Rental Revenue	\$496,905
<b>Less Vacancy &amp; Collection Loss @ 6%</b>	<u>-29,814</u>
<b>Effective Gross Revenue</b>	\$467,091
<b>Less Expenses</b>	
RE Taxes	tenant
Insurance	tenant
Maintenance	tenant
Management	23,500
Reserves	<u>5,000</u>
Total Expenses	<u>-28,500</u>
<b>Net Operating Income</b>	\$438,591
<b>Capitalized at 7.0%</b>	<u>/.07</u>
<b>Indicated Value</b>	\$6,265,586
<b>Rounded</b>	<u><b>\$6,250,000</b></u>

**SALES COMPARISON APPROACH**

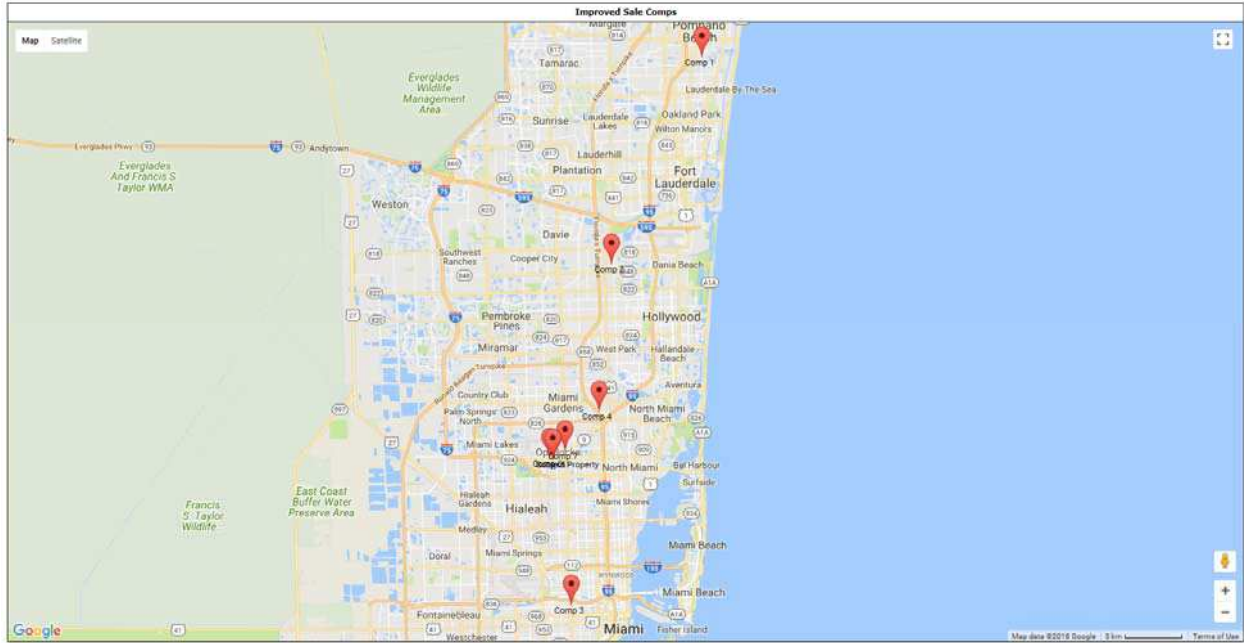
## **SALES COMPARISON APPROACH**

The market value estimate by the sales comparison approach is derived by comparing the subject property to similar properties that have recently sold, are listed for sale or are under contract. The premise is that the value of the subject property is related to prices of comparable, competitive properties. The application of this technique involved the selection and analysis of comparable sales, which were adjusted to provide a value indication for the subject property. Elements of comparison included financing, conditions of sale, market conditions, location and physical conditions. The comparable sale prices tend to set the range of value in which the subject should fall.

The limited institutional market in the immediate subject neighborhood necessitated an extended search for comparable sales. All of the commercial comparable sales are located in the immediate neighborhood.

We have analyzed the sales based on a price per square foot. The following tables summarize the sales used in our analysis. For a more detailed description of the comparables, the reader's attention is directed to the Improved Sales included in the addenda to this report.

## COMPARABLE IMPROVED SALES MAP



**IMPROVED INSTITUTIONAL SALES SUMMARY**

	<b>Sale 1</b>	<b>Sale 2</b>	<b>Sale 3</b>	<b>Sale 4</b>	<b>Sale 5</b>
<b>Location</b>	Pompano Beach	Dania Beach	Miami	Miami	Opa Locka
<b>Yr Built</b>	1976	1985	1950	1972	1972
<b>Land-SF</b>	132,858	304,049	40,175	185,565	71,874
<b>Bldg-SF</b>	11,672	20,947	10,504	14,302	28,000
<b>Land:Bldg Ratio</b>	11.38:1	14.52:1	3.82:1	12.97:1	2.57:1
<b>Sale Price</b>	\$1,950,000	\$5,000,000	\$3,200,000	\$2,215,000	\$6,795,000
<b>Sale Date</b>	Feb 2016	June 2017	Oct 2016	Aug 2016	Listing
<b>Price/PSF</b>	\$167.07	\$238.70	\$304.65	\$154.87	\$242.68

Sale one is a religious facility located at 950 S Cypress Road in Pompano Beach. The improvements and location are similar to the subject.

Sale two is a religious facility located at 4200 SW 54 Court in Dania Beach. The improvements and location are similar to the subject.

Sale three is a school facility located at 2609 NW 7 Street in Miami. The improvements and location are similar to the subject.

Sale four is a religious facility located at 700 NW 175 Street in Miami. The improvements and location are similar to the subject.

Sale five is a school facility located at 3400 NW 135 Street in Opa Locka. The improvements and location are similar to the subject.

**IMPROVED COMMERCIAL SALES SUMMARY**

	<b>Sale 6</b>	<b>Sale 7</b>	<b>Sale 8</b>
<b>Location</b>	Opa Locka	Opa Locka	Miami
<b>Yr Built</b>	2001	1966	1957
<b>Land-SF</b>	60,224	14,805	28,751
<b>Bldg-SF</b>	14,053	9,176	4,048
<b>Land:Bldg Ratio</b>	4.29:1	1.61:1	7.10:1
<b>Sale Price</b>	\$1,502,100	\$660,000	\$650,000
<b>Sale Date</b>	March 2017	Aug 2016	June 2016
<b>Price/PSF</b>	\$106.89	\$71.93	\$160.57

Sale one is a retail building located at 3675 NW 135 Street in Opa Locka. The improvements and location are similar to the subject.

Sale two is a retail building located at 14120 NW 27 Avenue in Opa Locka. The improvements and location are similar to the subject.

Sale three is a retail building located at 1610 NW 119 Street in Miami. The improvements and location are similar to the subject.



## **PRICE PER SQUARE FOOT**

### Discussion Of Adjustments

#### *Property Rights Appraised*

The property rights in each of the sales were a similar estate and no adjustments were warranted to any of the sales.

#### *Financing*

The transaction price of one property may differ from that of an identical property because financing arrangements may vary. Forms of favorable financing that may or may not require adjustments are: assumptions at favorable rates and new PMM's at favorable rates or wrap around mortgages. All of the comparable sales were purchased with cash or with market-related instruments, and no adjustments were warranted for financing.

#### *Conditions of Sale (Motivation)*

The sales were verified to be arms length transactions without any known unusual outside influences affecting the price paid. Therefore, no adjustments for motivation were made to the sales.

#### *Market Conditions*

Market conditions may change between the time of sale of a comparable property and the date of the appraisal of the subject. Under these circumstances, the price of the comparable property would be different at the date of the appraisal, and an adjustment should be considered. Time itself does not necessarily warrant an adjustment, but rather a shift in market conditions over time. If market conditions have not experienced any significant change, no adjustment would be required. The sales are recent and no adjustment for market conditions was warranted to the closed sales. Comparable 5 is a current contract and was analyzed based on the list price. Considering that sales prices are often negotiated down from the asking price, we have made a minus 20% adjustment to comparable 5.

#### *Zoning*

The sales have similar zoning designations which permit similar uses and no specific adjustments were warranted.

#### *Size*

The comparable sales are a similar size as the subject buildings. In some markets, smaller buildings may command a premium due to economies of scale. However, a paired sales analysis does not support any adjustment for size.

*Age/Condition*

All of the improvements have been maintained in average condition and a paired sales analysis does not support any specific adjustment for age or condition of improvements.

*Location*

An extended search for comparable institutional sales was necessary however all of the comparable sales are located in similar neighborhoods as the subject property. The commercial sales are located in the immediate neighborhood. No adjustment for location was warranted.

*Land to Building Ratio*

The subject institutional parcels, including the vacant land utilized as an athletic field, has a land to building ratio of 6.94:1. This compares to the comparable institutional sales that reflect a wide range of land to building ratios from 2.57:1 to 14.52:1. The size and configuration of the parcels and placement of the improvements results in a similar utility and function of each of the institutional sales compared to the subject. A paired sales analysis of the varying land ratios at the comparable sales does not support any specific adjustment.

The subject commercial parcels have a land to building ratio of 2.58:1. This compares to the comparable commercial sales that have land to building ratios of 1.61:1 to 7.10:1. Sales 6 and 8 have a higher land to building ratio and sale 7 has a lower land to building ratio than the subject commercial parcels. The commercial parcels have a more intense land use and, based on a paired sales analysis, we have extracted an upward 20% adjustment to sale 7 and a minus 20% and minus 40% adjustment to sales 6 and 8, respectively.

**Conclusion**

The adjustments are summarized in the following table.

	<b>Sale 1</b>	<b>Sale 2</b>	<b>Sale 3</b>	<b>Sale 4</b>	<b>Sale 5</b>	<b>Sale 6</b>	<b>Sale 7</b>	<b>Sale 8</b>
<b>Price/PSF</b>	\$167.07	\$238.70	\$304.65	\$154.87	\$242.68	\$106.89	\$71.93	\$160.57
<b>Time</b>	-0-	-0-	-0-	-0-	-20%	-0-	-0-	-0-
<b>Zoning</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Size</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Age/Condition</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Location/Access</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Land:Bldg</b>	-0-	-0-	-0-	-0-	-0-	-20%	+20%	-40%
<b>Net</b>	-0-	-0-	-0-	-0-	-20%	-20%	+20%	-40%
<b>Adj. Price/SF</b>	\$167.07	\$238.70	\$304.65	\$154.87	\$194.14	\$85.51	\$86.32	\$96.34

All of the sales are considered good indicators of value and have varying degrees of similarity.

The adjusted sales prices per square foot for the institutional property types (sales 1-5) range from \$154.87 to \$304.65 with an average of \$211.89 psf.

The adjusted sales prices per square foot for the commercial property types (sales 6-8) range from \$85.51 to \$96.34 with an average of \$89.39 psf.

In the final analysis, we will reconcile near the mid-point of the adjusted range at a rounded \$200.00 psf for the institutional property type and \$90.00 psf for the commercial buildings. Multiplying the subjects 29,866 sf of institutional building area by \$200.00 psf reflects \$5,973,200. Multiplying the subjects 3,261 sf of commercial building area by \$90.00 psf reflects \$293,490. The total is \$6,266,690. We have rounded the value by the sales comparison approach to **\$6,250,000**.

**RECONCILIATION AND FINAL VALUE ESTIMATE**

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**RECONCILIATION AND FINAL VALUE ESTIMATE**

The purpose of this appraisal was to estimate the market value of the fee simple interest in the subject property as of the effective date of valuation. In estimating value, we have used the techniques of the income approach and sales comparison approach. The indication of value by each technique is as follows:

<b>Income Approach</b>	<b>\$6,250,000</b>
<b>Sales Comparison Approach</b>	<b>\$6,250,000</b>

The **income approach** is most appropriate in valuing income-producing real estate which is often purchased as an investment. The estimated economic income and projected expenses are highly supported by competitive properties analyzed during our market investigation. The market support for the income and expenses make this technique very reliable. This is the primary technique utilized by typical investors that purchase properties that are income producing. We have given secondary weight and consideration to this approach in the final value estimate.

The **sales comparison approach** is applicable in the valuation of all types of properties when there are sufficient recent, reliable sales to indicate value patterns or trends. When adequate sales data is available, this technique reflects the interaction of buyers and sellers and exhibits a market for properties similar to the subject. The sales we analyzed were recent and evidence a market for improvements similar to the subject. Properties such as the subject are most often purchased for owner occupancy and we will place primary weight and consideration on this approach in the final value estimate.

In conclusion, we have accorded most weight and consideration in the final value estimate to the value indication by the sales comparison approach supported by the value indication by the income approach. Therefore, we have concluded in the opinion that the market value of the fee simple interest in the subject property, in as is condition, effective March 12, 2018 was:

**SIX MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS  
(\$6,250,000)**

This value estimate is based upon a reasonable exposure time.

**QUALIFICATIONS OF APPRAISERS**

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**QUALIFICATIONS OF CRAIG T. DUCKWORTH, MAI, RAA, GAA**

**BUSINESS ADDRESS**

The Cornerstone Group of South Florida, Inc.  
5001 North Dixie Highway  
Boca Raton, Florida 33431

Telephone: (561) 347-2444

FAX (561) 347-2277

**EDUCATION**

B.S. Degree in Business Administration - Finance and Economics  
University of Central Florida - 1976

Postgraduate - Economics - University of Central Florida - 1977

**REAL ESTATE EDUCATION**

Appraisal courses sponsored by the Society of Real Estate Appraisers:

Course 101 - An Introduction to Appraising Real Property  
Course 201 - Principles of Income Property Appraising

Appraisal courses sponsored by the American Institute of Real Estate Appraisers:

Case Studies in Real Estate Valuation  
Valuation Analysis and Report Writing  
Introduction to Real Estate Investment Analysis  
Standards of Professional Practice  
Capitalization Theory and Techniques

Seminars sponsored by the Appraisal Institute:

Discounted Cash Flow Analysis	Gold Coast School: Core Law
Applied Sales Comparison Approach	Appraising Troubled Income Properties
The Appraisers Legal Liabilities	Condemnation: Legal Rules & Appraisal Practices
Hotel/Motel Market Study, Valuation & Investment	Appraisal Review
Eminent Domain and Land Valuation Litigation	USPAP "Core" Law for Appraisers
Comprehensive Appraisal Workshop	Market Study for Appraisal Practice
Under the Microscope: An Open Forum with Users of Appraisal Services	

**QUALIFICATIONS OF CRAIG T. DUCKWORTH, MAI, RAA, GAA**  
(Continued)

**EXPERIENCE**

August 1976 - February 1985 - Pardue, Heid, Church, Smith & Waller, Inc.  
February 1985 - April 1995 - President/Principal  
Pardue, Heid, Church, Smith & Waller of S Fl, Inc.  
April 1995 – Present -President/Principal  
The Cornerstone Group of South Fl, Inc.

Completed appraisals for individuals, attorneys, mortgage brokers, developers, banks, savings and loan associations and various governmental agencies for types of assignments that include, but are not limited to:

Industrial Properties	Retail Centers
Office Buildings	Subdivisions
Special Purpose Properties	Agricultural Properties
Market Studies	Condemnation
Single-family Estates	Apartment Complexes
Hotels/Motels	Timeshare Resorts
Professional Office Condominiums	Vacant Land
Residential Condominium Projects	Mobile Home Parks
Mini-Warehouses	Manufacturing Facilities
Automobile Dealerships	Churches

**PROFESSIONAL ASSOCIATIONS**

MAI (Certificate No. 6710)	Appraisal Institute
RAA (Certificate No. 351)	National Association of Realtors
GAA (Certificate No. 386)	National Association of Realtors
Licensed Real Estate Broker	State of Florida
State-Certified General Real Estate Appraiser RZ188	

Fort Lauderdale Association of Realtors  
Florida Association of Realtors  
National Association of Realtors

Craig T. Duckworth, MAI has completed the requirements of the continuing education program of the Appraisal Institute.



## **QUALIFICATIONS OF JOHN P. TROYAN II, MAI**

### **BUSINESS ADDRESS**

The Cornerstone Group of South Florida, Inc.  
5001 North Dixie Highway  
Boca Raton, Florida 33431

Telephone: (561) 347-2444  
Fax: (561) 347-2277

### **EDUCATION**

The Pennsylvania State University, University Park, Pennsylvania  
Bachelor of Science Degree in Real Estate - May 1991

### **REAL ESTATE EDUCATION**

Courses sponsored by the Appraisal Institute:

Standards of Professional Practice, Parts A & B  
Real Estate Appraisal Principals  
Capitalization Theory & Techniques, Parts A & B  
Report Writing Valuation Analysis  
Appraisal Procedures  
Advanced Applications

### **EXPERIENCE**

May 1991 - September 1992	Appraiser Pardue, Heid, Church, Smith & Waller, Inc. West Palm Beach, Florida
September 1992 - May 1995	Appraiser/Commercial Manager Pardue, Heid, Church, Smith & Waller, Inc. Ft. Lauderdale, Florida
May 1995 - Present	Principal/Vice President The Cornerstone Group of South Florida, Inc. Boca Raton, Florida

**QUALIFICATIONS OF JOHN P. TROYAN II, MAI**  
(Continued)

Completed appraisals for individuals, attorneys, mortgage brokers, developers, banks, savings and loan associations and various governmental agencies.

**EXPERIENCE**

Types of assignments that include, but are not limited to:

Industrial Properties	Retail Centers
Office Buildings	Subdivisions
Special Purpose Properties	Agricultural Properties
Market Studies	Single-family Estates
Apartment Complexes	Hotels/Motels
Timeshare Resorts	Professional Office Condominiums
Vacant Land	Residential Condominium Projects
Mini-Warehouses	Manufacturing Facilities
Automobile Dealerships	Churches

**PROFESSIONAL ASSOCIATIONS**

MAI  
State-Certified General Real Estate Appraiser RZ2013

Appraisal Institute

John P. Troyan II, MAI has completed the requirements of the continuing education program of the Appraisal Institute.

**ADDENDA**

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**IMPROVED SALE COMPARABLES**

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**Improved Sale No. 1**



**Property Identification**

**Record ID** 77  
**Property Type** Church, Church  
**Property Name** New Hope Korean Church  
**Address** 950 S Cypress Road, Pompano Beach, Broward County, Florida  
33060  
**Tax ID** 49-42-01-00-0680

**Sale Data**

**Grantor** Presbytery of Tropical Florida Inc.  
**Grantee** New Hope Korean Church of Florida, Inc.  
**Sale Date** February 08, 2016  
**Deed Book/Page** 113509248  
**Property Rights** Fee Simple  
**Conditions of Sale** Arms Length

**Sale Price** \$1,950,000

**Land Data**

**Land Size** 3.050 Acres or 132,858 SF  
**Topography** Level  
**Utilities** All Available

**General Physical Data**

**Building Type** Single Tenant  
**SF** 11,672  
**Year Built** 1976  
**Condition** Average

**Improved Sale No. 1 (Cont.)**

**Indicators**

<b>Sale Price/ SF</b>	\$167.07
<b>Floor Area Ratio</b>	0.09
<b>Land to Building Ratio</b>	11.38:1

**Remarks**

Owner occupied transaction. Improvements included a sanctuary and school with six classrooms.

**Improved Sale No. 2**



**Property Identification**

**Record ID** 89  
**Property Type** Church  
**Address** 4200 SW 54th Court, Dania Beach, Broward County, Florida  
33314  
**Tax ID** 50-41-36-12-0010-part

**Sale Data**

**Grantor** Sheridan House Inc.  
**Grantee** BEJL 4200 RE LLC  
**Sale Date** June 28, 2017  
**Deed Book/Page** 114487138  
**Property Rights** Fee Simple  
**Conditions of Sale** Armslength

**Sale Price** \$5,000,000

**Land Data**

**Land Size** 6.980 Acres or 304,049 SF  
**Zoning** CF  
**Topography** Level, Road Grade

**General Physical Data**

**Building Type** Single Tenant  
**SF** 20,947  
**Stories** 1

**Improved Sale No. 2 (Cont.)**

**Year Built** 1985  
**Condition** Good

**Indicators**

**Sale Price/ SF** \$238.70  
**Floor Area Ratio** 0.07  
**Land to Building Ratio** 14.52:1

**Remarks**

Owner user church



**Improved Sale No. 3**



**Property Identification**

**Record ID** 142  
**Property Type** School  
**Address** 2609 NW 7 Street, Miami, Miami-Dade County, Florida 33125  
**Tax ID** 01-3134-035-0180 et al

**Sale Data**

**Grantor** Isabel C Alonso & Champagnat Catholic School Inc.  
**Grantee** French American School Of Miami  
**Sale Date** October 03, 2016  
**Deed Book/Page** 30258-1845 & 1849

**Sale Price** \$3,200,000

**Land Data**

**Land Size** 0.922 Acres or 40,175 SF  
**Topography** Level  
**Utilities** Available

**General Physical Data**

**Building Type** Single Tenant  
**SF** 10,504  
**Year Built** Built in 1924 & 1950  
**Condition** Average

**Indicators**

**Sale Price/Net SF** \$304.65

**Improved Sale No. 3 (Cont.)**

**Remarks**

Parcel was listed for sale for \$3,350,000. \$350,000 in improvements in last two years. This was the simultaneous sale of two adjacent parcels: \$3,150,000 & \$50,000.

**Improved Sale No. 4**



**Property Identification**

**Record ID** 143  
**Property Type** Church  
**Address** 700 NW 175 Street, Miami, Miami-Dade County, Florida 33169  
**Tax ID** 34-2111-016-0010

**Sale Data**

**Grantor** North Dade Community Church Inc.  
**Grantee** Miami Rescue Mission Inc.  
**Sale Date** August 29, 2016  
**Deed Book/Page** 30351-1427

**Sale Price** \$2,215,000

**Land Data**

**Land Size** 4.260 Acres or 185,565 SF  
**Topography** Level  
**Utilities** Available

**General Physical Data**

**Building Type** Single Tenant  
**SF** 14,302

**Year Built** 1972

**Improved Sale No. 4 (Cont.)**

**Indicators**

**Sale Price/ SF**                      \$154.87

**Remarks**

The grantee had begun to default and improvements had deferred maintenance including roof and electrical.

**Improved Sale No. 5**



**Property Identification**

**Record ID** 144  
**Property Type** School  
**Address** 3400 NW 135 Street, Opa Locka, Miami-Dade County, Florida  
33054  
**Tax ID** 08-2128-003-0340

**Sale Data**

**Grantor** 3400 LLC  
**Grantee** n/a  
**Sale Date** Listing  
**Deed Book/Page** n/a

**Sale Price** \$6,795,000

**Land Data**

**Land Size** 1.650 Acres or 71,874 SF  
**Topography** Level  
**Utilities** Available

**General Physical Data**

**Building Type** Multi Tenant  
**SF** 28,000  
**Year Built** 1972  
**Condition** Average

**Improved Sale No. 5 (Cont.)**

**Income Analysis**

**Net Operating Income**                      \$441,675

**Indicators**

**Sale Price/ SF**                                \$242.68

**Occupancy at Sale**                         100%

**Overall or Cap Rate**                        6.5%

**Net Operating Income/Sq.**                \$15.77

**Ft.**

**Remarks**

Current listing. NOI calculated based on list price and reported capitalization rate. Occupied by two tenants: a national charter school and private school.

**Improved Sale No. 6**



**Property Identification**

**Record ID** 145  
**Property Type** Retail  
**Address** 3615 NW 135 Street, Opa Locka, Miami-Dade County, Florida  
33054  
**Tax ID** 08-2121-000-0030

**Sale Data**

**Grantor** Teshler & Teshler REalty LLC  
**Grantee** B & G Opa Land Holdings LLC  
**Sale Date** March 07, 2017  
**Deed Book/Page** 30466-4870

**Sale Price** \$1,502,100

**Land Data**

**Land Size** 1.383 Acres or 60,224 SF  
**Topography** Level  
**Utilities** Available

**General Physical Data**

**Building Type** Single Tenant  
**SF** 14,053

**Year Built** 2001  
**Condition** Average

**Improved Sale No. 6 (Cont.)**

**Indicators**

**Sale Price/ SF**                      \$106.89

**Remarks**

Parcel was purchased to convert to a nightclub.



**Improved Sale No. 7**



**Property Identification**

**Record ID** 146  
**Property Type** Retail  
**Address** 14120 NW 27 Avenue, Opa Locka, Miami-Dade County,  
Florida 33054  
**Tax ID** 08-2121-007-2455

**Sale Data**

**Grantor** Ulysses L Banks  
**Grantee** 14120 Investments Inc.  
**Sale Date** August 10, 2016  
**Deed Book/Page** 30188-0189

**Sale Price** \$660,000

**Land Data**

**Land Size** 0.340 Acres or 14,810 SF  
**Topography** Level  
**Utilities** Available

**General Physical Data**

**Building Type** Multi Tenant  
**SF** 9,176

**Year Built** 1966  
**Condition** Average

**Improved Sale No. 7 (Cont.)**

**Indicators**

**Sale Price/ SF**                      \$71.93

**Remarks**

Tenants include Arnold's School of Tae-Kwon-Do

**Improved Sale No. 8**



**Property Identification**

**Record ID** 147  
**Property Type** Retail  
**Address** 1610 NW 119 Street, Miami, Miami-Dade County, Florida  
33167  
**Tax ID** 30-2135-030-0020

**Sale Data**

**Grantor** Roger & Olive Farrell  
**Grantee** Music Makers Miami LLC  
**Sale Date** June 23, 2016  
**Deed Book/Page** 30135-1528

**Sale Price** \$650,000

**Land Data**

**Land Size** 0.660 Acres or 28,751 SF  
**Topography** Level  
**Utilities** Available

**General Physical Data**

**Building Type** Single Tenant  
**SF** 4,048  
**Year Built** 1957  
**Condition** Average

**Indicators**

**Sale Price/ SF** \$160.57

**Improved Sale No. 8 (Cont.)**

**Remarks**

Improvements were formally a nightclub

**SUPPORTING DATA**

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RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

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

<b>LICENSE NUMBER</b>	
RZ188	

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



DUCKWORTH, CRAIG T  
5001 N DIXIE HWY  
BOCA RATON FL 33431



ISSUED: 10/27/2016

DISPLAY AS REQUIRED BY LAW

SEQ # L1610270003427

DETACH HERE

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

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

<b>LICENSE NUMBER</b>	
RZ2013	

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



TROYAN, JOHN P II  
5001 N DIXIE HWY  
BOCA RATON FL 33431



ISSUED: 12/01/2016

DISPLAY AS REQUIRED BY LAW

SEQ # L1612010001810