

APPRAISAL REPORT
OF THE CONTRIBUTORY VALUE OF
PROPOSED VACATED PORTIONS OF OCEAN TERRACE,
74TH STREET AND 75TH STREET TO BE UTILIZED IN
CONJUNCTION WITH A REDEVELOPMENT SITE
LOCATED AT
7400-7450 OCEAN TERRACE AND 7409-7449 COLLINS AVENUE
MIAMI BEACH, FLORIDA

DATE OF VALUATION:

APRIL 2, 2019

J. ALHALE APPRAISALS, INC.
Real Estate Appraisers and Consultants

**J. ALHALE APPRAISALS, INC.
REAL ESTATE APPRAISERS AND CONSULTANTS
3475 SHERIDAN STREET, SUITE 313
HOLLYWOOD, FLORIDA 33021**

**JOZEF ALHALE, MAI
STATE CERTIFIED GENERAL APPRAISER
NO. RZ0001557**

**CELL: (305) 613-7477
E-MAIL: jbalhale@aol.com
WWW.jalhaleappraisals.com**

April 9 2019

Mr. Eric T. Carpenter, P.E.
Assistant City Manager
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

Re: Proposed Vacated Portions of
Ocean Terrace, 74th Street and
75th Street, as described herein
Miami Beach, Florida

Dear Mr. Carpenter:

Pursuant to your request for an appraisal of the above referenced property, I submit the following appraisal report.

Legal Description: The proposed to be vacated portion of Ocean Terrace, 74th Street and 75th Street surround the developer's site which is legally described as Lots 1 through 13, Block 1, Harding Townsite, as recorded in Plat Book 34, Page 4 of the Public Records of Miami-Dade County, Florida

The developer's site is a 96,300 SF city-block which is bounded by Ocean Terrace, Collins Avenue, 74th Street and 75th Street, with the exception of the 7,300 SF site located at the northeast corner of 74th Street and Collins Avenue, Miami Beach, Florida. The developer's site has 350 feet of frontage along the west side of Ocean Terrace, 150 feet of frontage along the north side of 74th Street, 300 feet of frontage along the east side of Collins Avenue and 296.1 feet of frontage along the south side of 75th Street.

The developer's site is currently improved with several boarded-up and occupied buildings, including a 2-story boarded-up 16-unit rental apartment building built in 1961 at 7400 Ocean Terrace; a 2-story boarded-up 39-room hotel building built in 1951 at 7410 Ocean Terrace; a 2-story boarded-up 20-room hotel building built in 1947 at 7420 Ocean Terrace; a 2-story 39-room hotel building built in 1951 at 7430 Ocean Terrace; a 3-story 49-room hotel building built in 1940 at 7436 Ocean Terrace; a 7-story 93-room hotel building built in 1940 at 7450 Ocean Terrace; a 2-story commercial building with 13,034 SF of adjusted building area, built in 1948 at 7449 Collins Avenue; a 1-story commercial building with 6,073 SF of adjusted building area, built in 1952 at 7441 Collins Avenue; a 1-story commercial building with 4,913 SF of adjusted building area, built in 1940 at 7439 Collins Avenue; a 1-story commercial building with 5,717 SF of adjusted building area, built

Mr. Eric T. Carpenter, P.E.

April 9, 2019

Page Two

in 1958 at 7433 Collins Avenue; a 1-story commercial building with 4,753 SF of adjusted building area, built in 1941 at 7421 Collins Avenue; and a 1-story commercial building with 3,375 SF of adjusted building area, built in 1950 at 7409 Collins Avenue.

The existing mostly low-rise improvements which are all older than 60 years, contain a total adjusted building area of 142,012 SF, while the overall site can be improved with up to 192,600 SF. In addition, the City of Miami Beach and the developer are negotiating the “vacation” of the 40-foot wide southern portion of 75th Street by 356.1-foot long along the north side of the developer’s site, the 30-foot wide northern portion of 74th Street by 210-foot long along the south side of the developer’s site, and the 60-foot wide western portion of Ocean Terrace by 350-foot long along the south side of the developer’s site. The vacated area which would be at the north end of the Ocean Terrace, contains a total land area of 41,544 SF which would contribute an additional 83,088 SF of buildable area to the development of the developer’s overall site, based on the maximum permitted Floor Area Ratio (FAR) of 2.0, thereby increasing the developer’s total buildable area from 192,600 SF to 275,688 SF (indicating a 43.1% increase).

It is my estimate that the contributory value of the Fee Simple Interest in the “vacated” property (described as the 40-foot wide southern portion of 75th Street by 356.1-foot long along the north side of the developer’s site, the 30-foot wide northern portion of 74th Street by 210-foot long along the south side of the developer’s site, and the 60-foot wide western portion of Ocean Terrace by 350-foot long along the south side of the developer’s site, which contains a total land area of 41,544 SF to contribute 83,088 SF of additional buildable area, based on the maximum permitted Floor Area Ratio of 2.0), as of April 2, 2019, was:

**CONTRIBUTORY MARKET VALUE OF THE FEE SIMPLE INTEREST
IN THE PROPOSED “VACATED” RIGHT-OF-WAY AREAS
TO BE UTILIZED IN CONJUNCTION WITH THE DEVELOPER’S SITE,
AS DESCRIBED HEREIN
ELEVEN MILLION DOLLARS
(\$11,000,000)**

Sincerely,

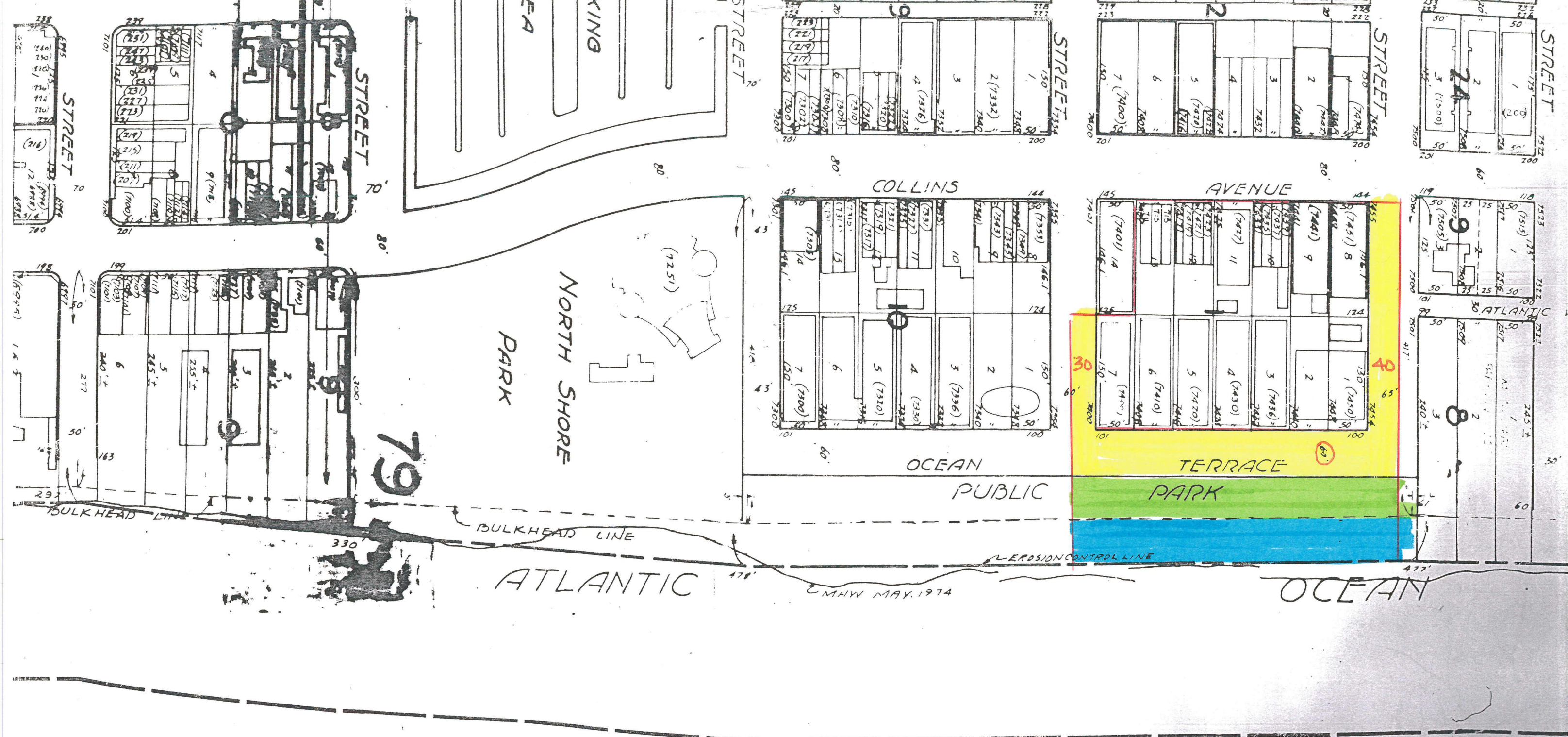


Jozef Alhale, MAI, CCIM
State Certified General Appraiser
License No. RZ 0001557

\19-03-04

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Filed for record this 30 day of December, 1976, at 12:00 PM, in Book 125 of Plats at Page 62 of the Public Records of Dade County, Florida. This plat complies with the Laws of the State of Florida and Metropolitan Dade County, Florida.

RICHARD P. BRINKER, Clerk of the Circuit Court

[Signature]

[illegible]

Flood Map Report

For Property Located At



7400 OCEAN TER, MIAMI BEACH, FL 33141-2719

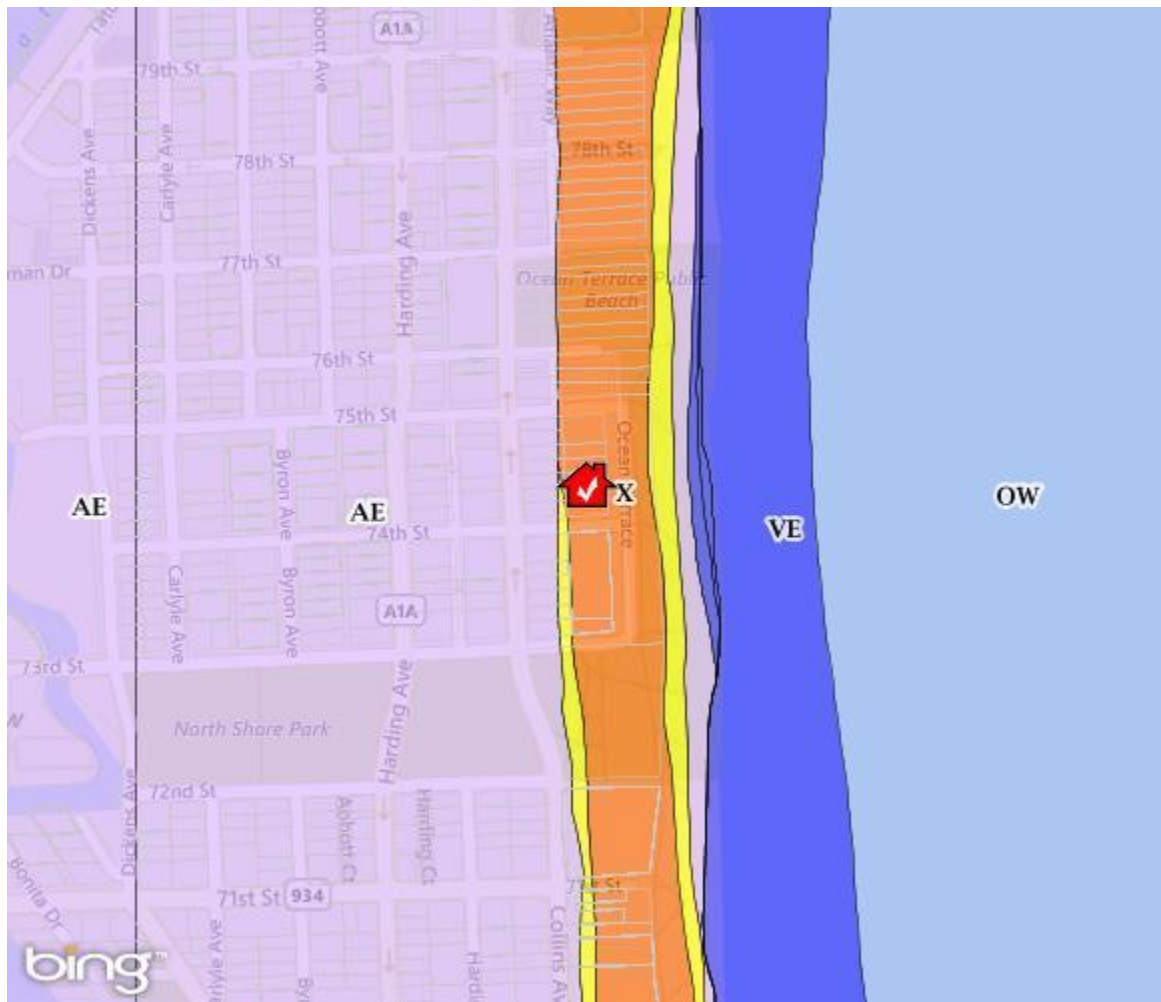
Report Date: 04/06/2019

County: DADE, FL

Flood Zone Code	Flood Zone Panel	Panel Date
X500	120651 - 12086C0326L	09/11/2009
Special Flood Hazard Area (SFHA) Within 250 ft. of multiple flood zones?	Community Name	
Out	Yes (X,X500,AE)	MIAMI BEACH

Flood Zone Description:

Zone X (500-year)-An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile; or an area protected by levees from 100-year flooding.



Flood Zones

Coastal 100-year Floodway	100-year Floodway	Undetermined	500-year Floodplain incl. levee protected area
Coastal 100-year Floodplain	100-year Floodplain	Unknown or Area Not Included	Out of Special Flood Hazard Area

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Location:	The 40-foot wide southern portion of 75 th Street by 356.1-foot long along the north side of the developer's site, the 30-foot wide northern portion of 74 th Street by 210-foot long along the south side of the developer's site, and the 60-foot wide western portion of Ocean Terrace by 350-foot long along the south side of the developer's site. The developer's site is the entire City block bordered by Ocean Terrace, Collins Avenue, 74 th Street and 75 th Street, with the exception of the 7,300 SF site located at the northeast corner of 74 th Street and Collins Avenue, Miami Beach, Florida
Address of Developer's Site:	7400-7450 Ocean Terrace and 7409-7449 Collins Avenue Miami Beach, Florida 33141
Census Tract/Block:	39.090 / 1
Folio Nos of Developer's Site:	002-3202-003-0060; -0050; -0040; -0030; -0020; -0010; -0070; -0080; -0090; -0100; -0110; and -0120
Owners of Record:	7400 Ocean Terrace LLC 7410 Ocean Terrace LLC 7420 Ocean Terrace LLC 7436 Ocean Terrace LLC 7450 Ocean Terrace LLC 7441 Collins Avenue Investment LLC 7439 Collins Avenue Investment LLC 7433 Collins Avenue Investment LLC 7421 Collins Avenue Investment LLC 7409 Collins Avenue Investment LLC
Legal Description:	Lots 1 through 13, Block 1, Harding Townsite, as recorded in Plat Book 34, Page 4 of the Public Records of Miami-Dade County, Florida
Description:	The developer's site is a 96,300 SF city-block which is bounded by Ocean Terrace, Collins Avenue, 74 th Street and 75 th Street, with the exception of the 7,300 SF site located at the northeast corner of 74 th Street and Collins Avenue, Miami Beach, Florida. The developer's site has 350 feet of frontage along the west side of Ocean Terrace, 150 feet of frontage along the north side of 74 th Street, 300 feet of frontage along the east side of Collins Avenue and 296.1 feet of frontage along the south side of 75 th Street.

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Description:

The developer's site is currently improved with several boarded-up and occupied buildings, including a 2-story boarded-up 16-unit rental apartment building built in 1961 at 7400 Ocean Terrace; a 2-story boarded-up 39-room hotel building built in 1951 at 7410 Ocean Terrace; a 2-story boarded-up 20-room hotel building built in 1947 at 7420 Ocean Terrace; a 2-story 39-room hotel building built in 1951 at 7430 Ocean Terrace; a 3-story 49-room hotel building built in 1940 at 7436 Ocean Terrace; a 7-story 93-room hotel building built in 1940 at 7450 Ocean Terrace; a 2-story commercial building with 13,034 SF of adjusted building area, built in 1948 at 7449 Collins Avenue; a 1-story commercial building with 6,073 SF of adjusted building area, built in 1952 at 7441 Collins Avenue; a 1-story commercial building with 4,913 SF of adjusted building area, built in 1940 at 7439 Collins Avenue ; a 1-story commercial building with 5,717 SF of adjusted building area, built in 1958 at 7433 Collins Avenue; a 1-story commercial building with 4,753 SF of adjusted building area, built in 1941 at 7421 Collins Avenue; and a 1-story commercial building with 3,375 SF of adjusted building area, built in 1950 at 7409 Collins Avenue.

The existing mostly low-rise improvements which are all older than 60 years, contain a total adjusted building area of 142,012 SF, while the overall site can be improved with up to 192,600 SF. In addition, the City of Miami Beach and the developer are negotiating the "vacation" of the 40-foot wide southern portion of 75th Street by 356.1-foot long along the north side of the developer's site, the 30-foot wide northern portion of 74th Street by 210-foot long along the south side of the developer's site, and the 60-foot wide western portion of Ocean Terrace by 350-foot long along the south side of the developer's site. The vacated area which would be at the north end of the Ocean Terrace, contains a total land area of 41,544 SF which would contribute an additional 83,088 SF of buildable area to the development of the developer's overall site, based on the maximum permitted Floor Area Ratio (FAR) of 2.0, thereby increasing the developer's total buildable area from 192,600 SF to 275,688 SF (indicating a 43.1% increase).

Site Area:

Developer's Site -	96,300 SF
Public Streets -	41,544 SF

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Flood Zone: Flood Zone "X" - An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile; or an area protected by levees from 100-year flooding; National Insurance Program, Community Panel Number 120651-12086C0326L, as revised on September 11, 2009.

Zoning: MXE Mixed-Use District (the eastern 52,500 SF portion)
CD-2 Medium-Intensity Commercial District (western 43,800 SF portion)
The vacated street areas would be in the MXE District

Highest and Best Use: The Highest and Best Use of the overall developer's site is its development with a mixed-use retail/restaurant/residential condominium building with an ancillary commercial component.

The site could be developed with a high-rise mixed-use retail/residential building which would be built to condominium quality standards, and possibly have an interim rental use during the sell-out period.

Property Rights Appraised: Fee Simple Interest

Date of Inspection and Valuation: April 2, 2019

Date of Appraisal Report: April 9, 2019

CONTRIBUTORY VALUE ESTIMATE OF THE PROPOSED "VACATED" AREA TO BE UTILIZED IN CONJUNCTION WITH THE "DEVELOPMENT SITE" AS DESCRIBED HEREIN:

Income Capitalization Approach to Value:	Not Applicable
Sales Comparison Approach to Value:	\$11,000,000
Cost Approach to Value:	Not Applicable
Reconciled Final Value Estimates:	\$11,000,000

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PURPOSE/FUNCTION OF THE APPRAISAL

The purpose of this appraisal report is to provide estimates of the Highest and Best Use of the overall developer's site in conjunction with the proposed "vacated" right-of-ways as described herein, and the contributory value of the Fee Simple Interest in the "vacated" property (described as the 40-foot wide southern portion of 75th Street by 356.1-foot long along the north side of the developer's site, the 30-foot wide northern portion of 74th Street by 210-foot long along the south side of the developer's site, and the 60-foot wide western portion of Ocean Terrace by 350-foot long along the south side of the developer's site, which contains a total land area of 41,544 SF to contribute 83,088 SF of additional buildable area, based on the maximum permitted Floor Area Ratio of 2.0), as of April 2, 2019.

The function of this appraisal report is to assist the client (The City of Miami Beach) in executive decision making and/or collateral/asset valuation relative to the proposed "vacating" of the portion of the streets surrounding the developer's site, along 74th Street, Ocean Terrace and 75th Street. The intended user of this appraisal report is the City of Miami Beach or any of its assigns.

SCOPE OF THE APPRAISAL

I have made a physical exterior inspection of the overall subject site, and performed market research to provide estimates of the Highest and Best Use of the overall developer's site in conjunction with the proposed "vacated" right-of-ways as described herein, and the contributory value of the Fee Simple Interest in the proposed "vacated" property (described as the 40-foot wide southern portion of 75th Street by 356.1 feet long along the north side of the developer's site, the 30-foot wide northern portion of 74th Street by 210 feet long along the south side of the developer's site, and the 60-foot wide western portion of Ocean Terrace by 350 feet long along the south side of the developer's site, which contains a total land area of 41,544 SF to contribute 83,088 SF of additional buildable area, based on the maximum permitted Floor Area Ratio of 2.0), as of April 2, 2019.

The scope of the appraisal involves the research and analysis of factual data relative to the subject "vacated" property, as well as market data necessary for the development of the Sales Comparison Approach to Value (land valuation). The data and information used in developing our findings, projections and valuation estimates have been derived from published information, direct interviews, analysis of similar properties and other sources which were considered appropriate as of the valuation date.

PROPERTY RIGHTS APPRAISED

This appraisal report is made with the understanding that the present ownership of the property includes all the rights that may be lawfully held under a fee simple estate.

Fee Simple Interest is defined in The Dictionary of Real Estate Appraisal, 2010 Edition, which was sponsored by the Appraisal Institute as follows: Absolute ownership unencumbered by any other interest or estate; subject only to the limitations imposed by the governmental powers of eminent domain, escheat, police power and taxation.

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DATE OF VALUATION AND REPORT

The date of valuation is April 2, 2019. The date of the appraisal report is April 9, 2019.

STATEMENT OF OWNERSHIP AND HISTORY

The **15,000 SF** site with a 93-room hotel at 7450 Ocean Terrace is owned by 7450 Ocean Terrace LLC which purchased it for **\$29,250,000** on December 9, 2014, as recorded in Book 29424, Page 4381 of the Official Public Records of Miami-Dade County, Florida.

The **15,000 SF** site with a 39-room hotel at 7430 Ocean Terrace and a 49-room hotel at 7436 Ocean Terrace is owned by 7436 Ocean Terrace LLC which purchased it for **\$16,500,000** on March 9, 2015, as recorded in Book 29532, Page 187 of the Official Public Records of Miami-Dade County, Florida.

The **7,500 SF** site with a 39-room hotel at 7410 Ocean Terrace is owned by 7410 Ocean Terrace LLC which purchased it for **\$11,500,000** on March 9, 2015, as recorded in Book 29532, Page 185 of the Official Public Records of Miami-Dade County, Florida.

The **7,300 SF** site with a 5,717 SF commercial building at 7443 Collins Avenue is owned by 7433 Collins Avenue Investment LLC which purchased it for **\$2,000,000** on June 6, 2014, as recorded in Book 29184, Page 1670 of the Official Public Records of Miami-Dade County, Florida.

The **7,300 SF** site with a 4,913 SF commercial building at 7439 Collins Avenue is owned by 7439 Collins Avenue Investment LLC which purchased it for **\$2,300,000** on July 9, 2014, as recorded in Book 29222, Page 4864 of the Official Public Records of Miami-Dade County, Florida.

The **7,300 SF** site with a 3,375 SF commercial building at 7409 Collins Avenue is owned by 7409 Collins Avenue Investment LLC which purchased it for **\$2,450,000** on October 24, 2014, as recorded in Book 29376, Page 2179 of the Official Public Records of Miami-Dade County, Florida.

The **7,500 SF** site with a 20-room hotel at 7420 Ocean Terrace is owned by 7420 Ocean Terrace Investment LLC which purchased it for **\$7,000,000** on September 1, 2015, as recorded in Book 29763, Page 4762 of the Official Public Records of Miami-Dade County, Florida.

The **14,600 SF** site with 13,034 SF and 6,073 SF commercial buildings at 7441 and 7449 Collins Avenue is owned by 7441 Collins Avenue Investment LLC which purchased it for **\$14,000,000** on June 29, 2017, as recorded in Book 30611, Page 4469 of the Official Public Records of Miami-Dade County, Florida.

A total of \$85,000,000 were invested between 2014 and 2017 to purchase 81,500 SF of improved (retail, hotel and multi-tenant residential) sites, reflecting \$1,042.94/SF of site area.

STATEMENT OF OWNERSHIP AND HISTORY

The **7,500 SF** site with a 16-unit rental apartment building at 7400 Ocean Terrace is owned by 7400 Ocean Terrace Investment LLC which purchased it for a nominal consideration (corrective deed) on April 27, 2016, as recorded in Book 30066, Page 2746 of the Official Public Records of Miami-Dade County, Florida.

The **7,300 SF** site with a 4,754 SF commercial building at 7421 Collins Avenue is owned by 7421 Collins Avenue Investment LLC which purchased it for a nominal consideration (corrective deed) on October 1, 2015, as recorded in Book 29807, Page 365 of the Official Public Records of Miami-Dade County, Florida.

As per the Public Records of Miami-Dade County, Florida, there was no other arm's length transfer of ownership at the overall developer's site during the five year period prior to the valuation date. We have not been informed of any other current listings, options and/or pending contracts in effect at the developer's site, as of the date of valuation.

ESTIMATED MARKETING AND EXPOSURE PERIOD

Based on my analysis of the market, recent listings which have been since closed, as well as discussions with owners and Realtors active in the subject area, it is the appraiser's opinion that if the overall developer's site was listed for sale with an experienced Realtor, the marketing and marketing and exposure period would be approximately six to twelve months. Accordingly, this marketing and exposure period is considered to currently represent the most probable amount of time necessary to expose and actively market the property to achieve a sale consistent with its Market Value.

DEFINITION OF MARKET VALUE

Market Value is defined in The Interagency Appraisal and Evaluation Guidelines, dated December 2, 2010, 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 acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

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DEFINITION OF MARKET VALUE

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.

NEIGHBORHOOD ANALYSIS

The proposed “vacated” area is 40-foot wide southern portion of 75th Street by 356.1-foot long along the north side of the developer’s site, the 30-foot wide northern portion of 74th Street by 210-foot long along the south side of the developer’s site, and the 60-foot wide western portion of Ocean Terrace by 350-foot long along the south side of the developer’s site. The developer’s site is the entire City block bordered by Ocean Terrace, Collins Avenue, 74th Street and 75th Street, with the exception of the 7,300 SF site located at the northeast corner of 74th Street and Collins Avenue, Miami Beach, Florida

The overall site situated between Collins Avenue and Ocean Terrace, and between 74th Street and 75th Street, in the North Beach section of the City of Miami Beach, Florida. Miami Beach is an island located just off the southeast coast of Miami-Dade County, Florida. The island is approximately one mile wide, ten miles long and travels in a northerly/southerly direction parallel to mainland Miami-Dade County. The town of Surfside borders Miami Beach to the north starting at approximately 87th Street. The Atlantic Ocean acts as the eastern and southeastern border, while Biscayne Bay/the Intracoastal Waterway lies to the west. Five causeways connect Miami Beach to the mainland; the MacArthur Causeway (Highway No. 41); the Venetian Causeway; the Julia Tuttle Causeway (Interstate 195); the Broad Causeway (State Road No. 922) and the North Dade Causeway (State Road No. 934).

The subject property is located three blocks north of 71st Street, along Collins Avenue and Ocean Terrace which abuts to the beach and the Atlantic Ocean. The property uses along Collins Avenue consist of low-rise to high-rise apartment buildings of rental and condominium variety, motels, apartment-hotels, as well as commercial uses which include retail strips, restaurants, financial institutions, fast-food restaurants, convenience stores, etc. The property uses along Ocean Terrace consist of low-rise to high-rise apartment buildings of rental and condominium variety, hotels, motels, as well as commercial uses which include restaurants and bars, etc.

The subject area is connected to mainland Miami via the John F. Kennedy Causeway (SR No. 934) which divides into 71st Street and Normandy Drive as it enters Miami Beach; and Julia Tuttle Causeway (I-95) which becomes Arthur Godfrey Road (41st Street) as it enters Miami Beach. The area is serviced by Harding Avenue, Collins Avenue, Normandy Drive and 71st Street which connect the area with the causeways which all connect the area with the cities of Surfside, North Bay Village, Bal Harbour and North Miami Beach.

The area surrounding the overall subject site has been developed with mostly residential, hospitality and commercial facilities and therefore, no nuisances, hazards or other adverse influences were observed. No notable signs of external obsolescence were observed and the overall appeal of the improved properties is considered to be above average to good.

ACCESS TO THE SITE

75th Street, 74th Street, Collins Avenue and Ocean Terrace provide direct access to the overall developer's site.

DESCRIPTION OF THE SITE

The developer's site is a 96,300 SF city-block which is bounded by Ocean Terrace, Collins Avenue, 74th Street and 75th Street, with the exception of the 7,300 SF site located at the northeast corner of 74th Street and Collins Avenue, Miami Beach, Florida. The developer's site has 350 feet of frontage along the west side of Ocean Terrace, 150 feet of frontage along the north side of 74th Street, 300 feet of frontage along the east side of Collins Avenue and 296.1 feet of frontage along the south side of 75th Street.

The developer's site is currently improved with several boarded-up and occupied buildings, including a 2-story boarded-up 16-unit rental apartment building built in 1961 at 7400 Ocean Terrace; a 2-story boarded-up 39-room hotel building built in 1951 at 7410 Ocean Terrace; a 2-story boarded-up 20-room hotel building built in 1947 at 7420 Ocean Terrace; a 2-story 39-room hotel building built in 1951 at 7430 Ocean Terrace; a 3-story 49-room hotel building built in 1940 at 7436 Ocean Terrace; a 7-story 93-room hotel building built in 1940 at 7450 Ocean Terrace; a 2-story commercial building with 13,034 SF of adjusted building area, built in 1948 at 7449 Collins Avenue; a 1-story commercial building with 6,073 SF of adjusted building area, built in 1952 at 7441 Collins Avenue; a 1-story commercial building with 4,913 SF of adjusted building area, built in 1940 at 7439 Collins Avenue ; a 1-story commercial building with 5,717 SF of adjusted building area, built in 1958 at 7433 Collins Avenue; a 1-story commercial building with 4,753 SF of adjusted building area, built in 1941 at 7421 Collins Avenue; and a 1-story commercial building with 3,375 SF of adjusted building area, built in 1950 at 7409 Collins Avenue.

The existing mostly low-rise improvements which are all older than 60 years, contain a total adjusted building area of 142,012 SF, while the overall site can be improved with up to 192,600 SF. In addition, the City of Miami Beach and the developer are negotiating the "vacation" of the 40-foot wide southern portion of 75th Street by 356.1-foot long along the north side of the developer's site, the 30-foot wide northern portion of 74th Street by 210-foot long along the south side of the developer's site, and the 60-foot wide western portion of Ocean Terrace by 350-foot long along the south side of the developer's site. The vacated area which would be at the north end of the Ocean Terrace, contains a total land area of 41,544 SF which would contribute an additional 83,088 SF of buildable area to the development of the developer's overall site, based on the maximum permitted Floor Area Ratio (FAR) of 2.0, thereby increasing the developer's total buildable area from 192,600 SF to 275,688 SF (indicating a 43.1% increase).

The overall subject site is level at street grade and does not have any apparent drainage or other problems which would restrict or limit the use of the site. No soil boring tests or engineering reports were submitted to the appraiser; however, the site is assumed to have stable subsoil conditions as do most properties in the immediate area.

DESCRIPTION OF THE SITE

The appraiser has not been informed of any adverse subsoil conditions revealed by an environmental assessment conducted by a firm with experience in identifying such substances, nor is he qualified to detect such substances that may exist. It is assumed that the subject site would be typical for properties located in the subject area with no apparent soil problems which would restrict or limit the usage of the site.

If any adverse subsoil conditions are identified and do exist, these conditions would be considered to have a material affect on the Market Value estimates. The valuation analysis assumes the site to be free of any adverse subsoil conditions, and is subject to the satisfactory removal of any contaminating materials in accordance with technical, environmental and governmental guidelines.

UTILITIES

Public utilities available to the subject site include electricity, water, sewer, gas and telephone service. Electricity is provided by FPL. Police and fire protection, water and sewer services are provided by the City of Miami Beach.

FLOOD ZONE

Flood Zone "X" - An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile; or an area protected by levees from 100-year flooding; National Insurance Program, Community Panel Number 120651-12086C0326L, as revised on September 11, 2009.

ZONING

The eastern 52,500 SF portion of the developer's site along Ocean Drive is zoned as MXE Mixed-Use District which allows residential and commercial uses, with a maximum permitted Floor Area Ratio (FAR) of 2.0.

The western 43,800 SF portion of the developer's site along Collins Avenue is zoned as CD-2 Medium Intensity Commercial District which provides for commercial activities, services, offices and related activities which serve the entire city, with a maximum permitted Floor Area Ratio (FAR) of 2.0.

The overall property is a legal non-conforming use which has been "grand fathered-in" under prior zoning criteria, and represents a compatible neighborhood use. The overall assembled site is slated for redevelopment.

ASSESSMENT AND REAL ESTATE TAXES

The overall developer's site is located within the City of Miami Beach and is subject to both the City of Miami Beach and Miami-Dade County ad valorem taxes. The Florida Statutes provide for assessment and collection of yearly Ad Valorem Taxes on Real and Personal Property. The assessment for the property is established each year as of January 1st by the Miami-Dade County Property Appraiser's Office at 100% of "Just Value". The tax due is computed according to annual millage rates established by Dade County. Millage rates are the amount paid to each taxing body for every \$1,000 of assessed value. Taxes are payable in November with a 4% discount and become delinquent on April 1st.

MULTI-FAMILY RESIDENTIAL MARKET OVERVIEW

Rental Apartment Market

According to the Housing Report prepared by Reinhold P. Wolff Economic Research, Inc., the vacancy rate in mature (18 months and older) rental apartment complexes in Miami-Dade County was 3.7% in February 2019; 4.4% in November 2018, 4.1% in August 2018; 5.0% in May 2018; 4.7% in February 2018, 4.5% in November 2017; 4.4% in August 2017; 3.6% in May 2017, 3.6% in February 2017; 3.9% in November 2016; 3.9% in November 2016; 3.4% in August 2016; 2.9% in May 2016; 3.4% in February 2016; 2.9% in November 2015; 3.0% in August 2015; 3.3% in May 2015; and 3.9% in February 2015.

The subject sub-market of Central/North Beach sub-market had a vacancy rate of 2.8% for 1,281 units in February 2012; 4.9% for 1,281 units in May 2012; 4.4% for 1,617 units in August 2012; 3.4% for 1,617 units in November 2012; 9.1% for 1,617 units in February 2013; 6.1% for 1,617 units in May 2013; .2% in August 2013 for 1,617 units; 5.5% for 1,617 units in November 2013; 4.3% for 1,617 units in February 2014; 1.9% for 1,617 units in May 2014; 3.4% in August 2014 for 2,046 units; 1.9% for 1,617 units in November 2014; 1.7% for 1,617 units in February 2015; 2.4% for 1,617 units in May 2015; 2.5% for 1,617 units in August 2015; 4.0% for 1,617 units in November 2015; 1.1% for 1,617 units in February 2016; 1.5% for 1,617 units in May 2016; 2.7% for 1,902 units in August 2016; 2.0% for 1,902 units in November 2016; 4.0% for 1,902 units in February 2017; 5.0% for 1,902 units in May 2017; 5.0% for 1,902 units in August 2017; 5.2% for 1,902 units in November 2017; 4.5% for 1,902 units in February 2018; 4.5% for 1,902 units in May 2018; 3.4% for 1,902 units in August 2018, 4.4% for 1,902 units in November 2018 and 3.6% for 2,084 units in February 2019.

The neighboring South Beach sub-market had a vacancy rate of 4.0% for 2,046 units in February 2012; 4.7% for 2,046 units in May 2012; 4.6% for 2,046 units in August 2012; 4.3% for 2,046 units in November 2012; 8.1% for 2,046 units in February 2013; 2.5% for 2,046 units in May 2013; 4.1% for 2,046 units in August 2013; 1.4% for 2,046 units in November 2013; 4.5% for 2,046 units in February 2014; 5.4% for 2,046 units in May 2014; 5.2% in August 2014 for 1,617 units; 5.7% for 2,046 units in November 2014; 3.7% for 1,617 units in February 2015; 3.8% for 1,617 units in May 2015; and 4.4% for 1,872 units in August 2015; 6.3% for 1,617 units in November 2015; 5.7% for 1,617 units in February 2016; 5.9% for 1,617 units in May 2016; 4.3% for 1,872 units in August 2016; 3.3% for 1,872 units in November 2016; 4.4% for 1,872 units in February 2017; 3.7% for 1,872 units in May 2017; 7.7% for 1,872 units in August 2017; 7.4% for 1,872 units in November 2017; 5.8% for 1,872 units in February 2018; 6.2% for 1,872 units in May 2018; 5.5% for 1,872 units in August 2018, 6.2% for 1,872 units in November 2018 and 4.2% for 1,872 units in February 2019.

MULTI-FAMILY RESIDENTIAL MARKET OVERVIEW

Rental Apartment Market - Continued

The overall average monthly rent for apartments in mature rental developments in Miami-Dade County decreased by \$19 from November, 2018 to February, 2019. The February, 2019 overall average rent of \$1,898 is 3.7% greater than the \$1,830 average rent found one year earlier. During the most recent three month period efficiency apartment rents decreased by \$33 to \$1,540, one-bedroom rents declined by \$25 to \$1,658 and two-bedroom rents fell by \$19 to \$2,063. Three-bedroom rents increased by \$29 to \$2,470 in February, 2019. Changes in projects participating in the surveys from one period to another can result in some fluctuations in rents from one period to another. Some new, higher rent developments have been completed and added to the survey in recent months.

The overall average monthly rent for apartments in mature rental developments in Miami-Dade County increased by \$32 from August to November, 2018. The November, 2018 overall average rent of \$1,917 is 10.2% greater than the \$1,739 average rent found one year earlier. During the most recent three month period efficiency apartment rents increased by \$85 to \$1,573, one-bedroom rents increased by \$48 to \$1,683 and two-bedroom rents increased by \$16 to \$2,082. Three-bedroom rents increased by \$27 to \$2,441 in November, 2018. Changes in projects participating in the surveys from one period to another can result in some fluctuations in rents from one period to another. Some new, higher rent developments have been completed and added to the survey in recent months.

The overall average monthly rent for apartments in mature rental developments in Miami-Dade County increased by \$16 from May to August, 2018. The August, 2018 overall average rent of \$1,885 is 8.5% greater than the \$1,737 average rent found one year earlier. During the most recent three month period efficiency apartment rents increased by \$2 to \$1,488, one-bedroom rents increased by \$2 to \$1,635 and two bedroom rents increased by \$25 to \$2,066. Three-bedroom rents increased by \$31 to \$2,414 in August, 2018. Changes in projects participating in the surveys from one period to another can result in some fluctuations in rents from one period to another. Some new, higher rent developments have been completed and added to the survey in recent months.

The overall average monthly rent for apartments in mature rental developments in Miami-Dade County increased by \$39 from February to May, 2018. The May, 2018 overall average rent of \$1,869 is 6.7% greater than the \$1,751 average rent found one year earlier. During the most recent three month period efficiency apartment rents increased by \$33 to \$1,486, one-bedroom rents increased by \$35 to \$1,633 and two bedroom rents increased by \$42 to \$2,041. Three-bedroom rents increased by \$32 to \$2,383 in May, 2018. Changes in projects participating in the surveys from one period to another can result in some fluctuations in rents from one period to another. Some new, higher rent developments have been completed and added to the survey in recent months.

MULTI-FAMILY RESIDENTIAL MARKET OVERVIEW

Condominium Apartment Market

A total of 128 new condominium units were sold (deeded) in Miami-Dade County during the fourth quarter of 2018. The fourth quarter sales were 30.8% less than the 185 sold in the third quarter of 2018 and 28.5% less than the 179 sold in the fourth quarter of 2017. New condominium sales during 2018 totaled 691 units, 11.9% less than the 784 sold during 2017. It should be noted that condominium sales based on deed recordings often lag notably behind contract sales. This results from the fact that deeds are often not recorded until all units in a building are sold and this can amount to a considerable period of time for mid-and high-rise developments.

During the fourth quarter of 2018 sales increased in four of the eleven areas by which the data is examined, declined in three areas and was unchanged in four areas. The highest level of sales, 52 units, was recorded in the Miami Shores/N.W. Miami area, followed by the Coral Gables/Bayshore area at 43 units. During the fourth quarter of 2018 the \$250,000-\$349,999 plus price group had the greatest number of units sold with 41 sales. The second highest level of sales, 33 units, was in the \$900,000 plus price group. New condominium developments in Miami-Dade County experienced an average monthly sales rate of 5.3 units per project during the fourth quarter of 2018, down somewhat from the 6.9 rate of sales of the preceding quarter. The strongest rate of sales, 14.3 units per month, was found in the Coral Gables/Bayshore/South Miami area.

A total of 185 new condominium units were sold (deeded) in Miami-Dade County during the third quarter of 2018. The third quarter sales were 23.2% less than the 241 sold in the second quarter of 2018 and 11.9% less than the 210 sold in the third quarter of 2017. New condominium sales through September, 2018 totaled 563 units, 6.9% less than the 605 sold during the same period of 2017. It should be noted that condominium sales based on deed recordings often lag notably behind contract sales. This results from the fact that deeds are often not recorded until all units in a building are sold and this can amount to a considerable period of time for mid-and high-rise developments.

During the third quarter of 2018 sales increased in two of the eleven areas by which the data is examined, declined in five areas and was unchanged in four areas. The highest level of sales, 150 units, was recorded in the Miami Shores/N.W. Miami area followed distantly by the Coral Gables/Bayshore area at 16 units. During the third quarter of 2018 the \$900,000 plus price group had the greatest number of units sold with 56 sales. The third highest level of sales, 48 units, was in the \$500,000-\$699,999 plus price group. New condominium developments in Miami-Dade County experienced an average monthly sales rate of 6.9 units per project during the third quarter of 2018, down somewhat from the 8.0 rate of sales of the preceding quarter. The strongest rate of sales, 16.7 units per month, was found in the Miami Shores/ N.W. Miami area.

HIGHEST AND BEST USE

DEFINITION

The Highest and Best Use is a market-driven concept. It may be briefly defined as representing the most profitable, competitive use to which a site can be put, or that use which may reasonably be expected to produce the greatest net return to the land over a given period of time. In addition, the concept may further be defined as the available use and program of future utilization that produces the highest present land value.

Highest and Best Use is further defined in The Dictionary Real Estate Appraisal, 2010 Edition, which was sponsored by the Appraisal Institute as follows:

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

It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its Highest and Best Use exceeds the total value of the property in its existing use.

The estimate of Highest and Best Use is based upon four stages of analysis:

1. The possible use or uses which are physically possible for the site under analysis.
2. The permissible use or uses which are permitted relative to zoning, historic preservation regulations, environmental controls and/or deed restriction of the site under analysis.
3. The feasible use or uses which are considered economically and financially feasible for the site in terms of existing and projected market conditions.
4. The Highest and Best Use in consideration of those legally permissible, physically possible, financially feasible and maximally productive uses which will result in the highest net return or the highest present worth.

HIGHEST AND BEST USE, AS VACANT

The estimate of the Highest and Best Use of the land, as if vacant, requires market analysis in terms of market conditions of supply and demand. The value of land is based upon the level of utility that is in demand and that will produce amenities or net income to the user. Therefore, the use which creates the greatest land value and which is considered compatible in terms of the restriction imposed by the physical, legal, financial and maximally productive factors is inherent in this analysis.

The physically possible uses of the subject developer's site, as vacant, would include a variety of commercial, hospitality and multi-family residential uses. This is based upon analysis of the size, frontage, exposure, access, location and buildable utility characteristics of the 96,300 SF subject multi-corner site.

Analysis of the permissible uses at the subject site takes into account those uses which would be permitted by existing zoning and/or deed restrictions, providing that no deed restrictions are in effect at the developer's site which would restrict certain uses of the site.

The eastern 52,500 SF portion of the developer's site along Ocean Drive is zoned as MXE Mixed-Use District which allows residential and commercial uses, with a maximum permitted Floor Area Ratio (FAR) of 2.0. The western 43,800 SF portion of the developer's site along Collins Avenue is zoned as CD-2 Medium Intensity Commercial District which provides for commercial activities, services, offices and related activities which serve the entire city, with a maximum permitted Floor Area Ratio (FAR) of 2.0.

The City of Miami Beach and the developer are negotiating the "vacation" of the 40-foot wide southern portion of 75th Street by 356.1-foot long along the north side of the developer's site, the 30-foot wide northern portion of 74th Street by 210-foot long along the south side of the developer's site, and the 60-foot wide western portion of Ocean Terrace by 350-foot long along the south side of the developer's site. The vacated area which would be at the north end of the Ocean Terrace, contains a total land area of 41,544 SF which would contribute 83,088 SF of buildable area 41,544 SF which would contribute an additional 83,088 SF of buildable area to the development of the developer's overall site, based on the maximum permitted Floor Area Ratio (FAR) of 2.0, thereby increasing the developer's total buildable area from 192,600 SF to 275,688 SF (indicating a 43.1% increase).

After analysis of the physically possible and legally permissible uses to which the subject site could conceivably be put, a study of those uses which would be maximally productive is required. Therefore, an alternative use analysis was performed relative to that use which would represent the Highest and Best Use of the subject site, as if vacant.

HIGHEST AND BEST USE, AS VACANT

The proposed “vacated” area is 40-foot wide southern portion of 75th Street by 356.1-foot long along the north side of the developer’s site, the 30-foot wide northern portion of 74th Street by 210-foot long along the south side of the developer’s site, and the 60-foot wide western portion of Ocean Terrace by 350-foot long along the south side of the developer’s site. The developer’s site is the entire City block bordered by Ocean Terrace, Collins Avenue, 74th Street and 75th Street, with the exception of the 7,300 SF site located at the northeast corner of 74th Street and Collins Avenue, Miami Beach, Florida.

The overall site situated between Collins Avenue and Ocean Terrace, and between 74th Street and 75th Street, in the North Beach section of the City of Miami Beach, Florida. Miami Beach is an island located just off the southeast coast of Miami-Dade County, Florida. The island is approximately one mile wide, ten miles long and travels in a northerly/southerly direction parallel to mainland Miami-Dade County. The town of Surfside borders Miami Beach to the north starting at approximately 87th Street. The Atlantic Ocean acts as the eastern and southeastern border, while Biscayne Bay/the Intracoastal Waterway lies to the west. Five causeways connect Miami Beach to the mainland; the MacArthur Causeway (Highway No. 41); the Venetian Causeway; the Julia Tuttle Causeway (Interstate 195); the Broad Causeway (State Road No. 922) and the North Dade Causeway (State Road No. 934).

The subject property is located three blocks north of 71st Street, along Collins Avenue and Ocean Terrace which abuts to the beach and the Atlantic Ocean. The property uses along Collins Avenue consist of low-rise to high-rise apartment buildings of rental and condominium variety, motels, apartment-hotels, as well as commercial uses which include retail strips, restaurants, financial institutions, fast-food restaurants, convenience stores, etc. The property uses along Ocean Terrace consist of low-rise to high-rise apartment buildings of rental and condominium variety, hotels, motels, as well as commercial uses which include restaurants and bars, etc.

The subject area is connected to mainland Miami via the John F. Kennedy Causeway (SR No. 934) which divides into 71st Street and Normandy Drive as it enters Miami Beach; and Julia Tuttle Causeway (I-95) which becomes Arthur Godfrey Road (41st Street) as it enters Miami Beach. The area is serviced by Harding Avenue, Collins Avenue, Normandy Drive and 71st Street which connect the area with the causeways which all connect the area with the cities of Surfside, North Bay Village, Bal Harbour and North Miami Beach. The area surrounding the overall subject site has been developed with mostly residential, hospitality and commercial facilities and therefore, no nuisances, hazards or other adverse influences were observed. No notable signs of external obsolescence were observed and the overall appeal of the improved properties is considered to be above average to good.

Based upon analysis of those uses which would be considered physically possible, legally permissible and economically feasible, it is the appraiser's estimate that the Highest and Best Use of the subject site would be its development with a condominium apartment building, with an ancillary commercial (retail, restaurant, etc.) component. The developer’s site could be developed with a high-rise mixed-use building which would be built to condominium quality standards, and possibly have an interim rental use during the sell-out period.

THE VALUATION PROCEDURE

The valuation procedure is defined in the 2010 Edition of the Dictionary of Real Estate Appraisal which was sponsored by the Appraisal Institute as follows: The act, manner and technique of performing the steps of a valuation method.

In order to provide an estimate of the contributory value of the Fee Simple Interest in the “vacated” property (described as the 40-foot wide southern portion of 75th Street by 356.1-foot long along the north side of the developer’s site, the 30-foot wide northern portion of 74th Street by 210-foot long along the south side of the developer’s site, and the 60-foot wide western portion of Ocean Terrace by 350-foot long along the south side of the developer’s site, which contains a total land area of 41,544 SF to contribute 83,088 SF of additional buildable area, based on the maximum permitted Floor Area Ratio of 2.0), as of April 2, 2019, we have utilized the Sales Comparison Approach to Value.

The Sales Comparison Approach to Value is based upon a comparison between recently sold sites and the proposed “vacated” area to be utilized in conjunction with the developer’s site, as described herein, utilizing the sale price per square foot of buildable area unit of comparison.

THE SALES COMPARISON APPROACH (LAND VALUATION)

In order to estimate the value of the subject site, the land is analyzed as vacant and available to be put to its Highest and Best Use. There are several different techniques which can be utilized in the valuation of land. The technique selected must relate to the specific factors inherent in the appraisal problem at hand. The land valuation technique selected must reflect the prudent and rationale behavior of the most probable, typically informed purchaser/investor. In addition, the availability of reliable and verified market data further leads to the selection of the applicable land valuation technique.

1. The Sales Comparison Approach analyzes the sales of similar vacant sites, with comparison and adjustment made from these sales to the subject site. The Sales Comparison Approach to Value is based on the principle of substitution; that is, when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property assuming no costly delay in making the substitution. The Sales Comparison Approach to Value is based on a comparison between recently sold sites in Miami Beach and the subject site, utilizing the sale price/SF of buildable area method of comparison.
2. The Abstraction Method analyzes the sales of improved properties with an allocation made between land and improvement value. The indicated allocation may establish a typical ratio of land value to total value or to derive from the portion of the sales price allocated to land an estimate of land value for use as a comparable land sale.
3. The Cost of Development Method provides an estimate of the value of undeveloped land based upon the creation of a platted subdivision, development and sale of said parcel. The method assumes that the most probable purchaser of the land would be a developer/investor who plans to dispose of the developed sites at a profit. The costs of development are subtracted from the estimated proceeds of sale resulting in a net income projection which is discounted over the market absorption period.
4. The Land Residual Method treats the net income available to support the investment in the site as a residual. The income required to cover the investment in new improvements that represent the Highest and Best Use of the site is deducted from the Net Operating Income resulting in an estimate of the net income to the land which is then capitalized to estimate the land value.

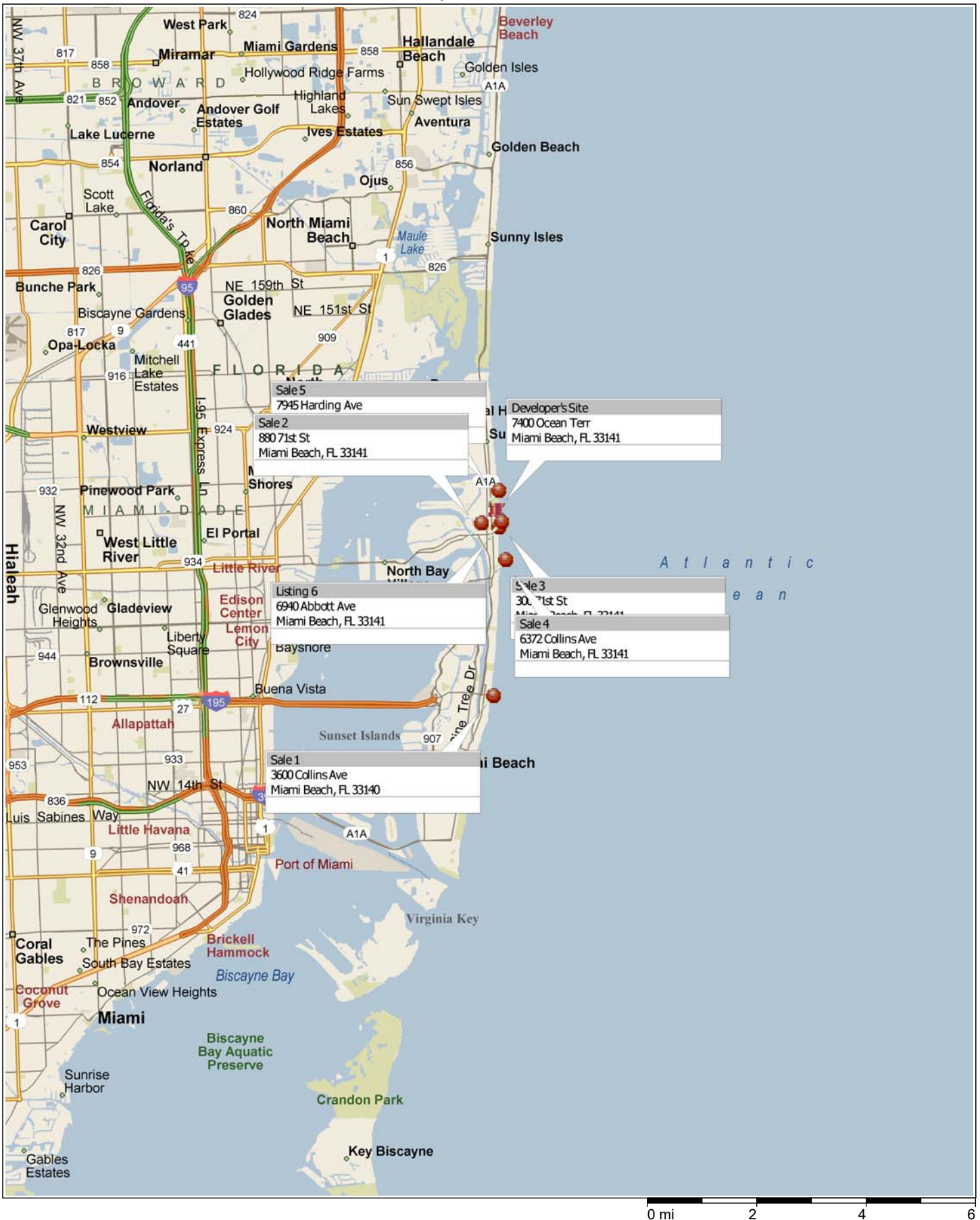
The comparable land sales are considered reasonably similar to the subject property in terms of zoning, location, physical characteristics, topography and buildable utility. The sales represent bona-fide "arm's length" transactions which are representative of prevailing market values. Our analysis has taken into account those differentials relative to financing, time of sale, size, location, frontage/exposure, zoning, developmental potential and functional utility of the comparable sales as they compare to the proposed subject "vacated" site area.

COMPARABLE LAND SALES

	Developer's Site, Before the "Vacation" of Ocean Terrace, 74th and 75th Street	Developer's Site, After the "Vacation" of Ocean Terrace, 74th and 75th Street	Contribution to Buildable Area and Development By "Vacation" of Ocean Terrace, 74th and 75th Street	Land Sale 1	Land Sale 2
Address	7400-7450 OCEAN TERR. 7409-7449 COLLINS AVE. MIAMI BEACH FLORIDA	400-7450 OCEAN TERR. 409-7449 COLLINS AVE. MIAMI BEACH FLORIDA	40' WIDE ON 75TH ST. 30' WIDE ON 74TH ST. 60' WIDE ON OCEAN TERR.	3600-3624 COLLINS AVENUE MIAMI BEACH FLORIDA	880 71ST STREET MIAMI BEACH FLORIDA
Frontage/Exposure On	OCEAN TERRACE COLLINS AVENUE 74TH STREET 75TH STREET	OCEAN TERRACE COLLINS AVENUE 74TH STREET 75TH STREET	OCEAN TERRACE 74TH STREET 75TH STREET	COLLINS AVENUE 36TH STREET 37TH STREET	(71ST STREET) BAY DRIVE
Water Frontage	View	View	View	No	Yes
Folio No.	02-3202-003-0060 02-3202-003-0050 02-3202-003-0040 02-3202-003-0030 02-3202-003-0020 02-3202-003-0010 02-3202-003-0070 02-3202-003-0080 02-3202-003-0090 02-3202-003-0100 02-3202-003-0110 02-3202-003-0120	02-3202-003-0060 02-3202-003-0050 02-3202-003-0040 02-3202-003-0030 02-3202-003-0020 02-3202-003-0010 02-3202-003-0070 02-3202-003-0080 02-3202-003-0090 02-3202-003-0100 02-3202-003-0110 02-3202-003-0120	Public Way	02-3226-001-1610 02-3226-022-0010 02-3226-022-0020 02-3226-022-0030 02-3226-022-0040 02-3226-022-0050 02-3226-022-0060	02-3210-013-0190
Net Site Size (SF)	96,300	137,844	41,544	28,000	19,414
Net Site Size (Acre)	2.21	3.16	0.95	0.64	0.45
Zoning	MXE & CD-2	MXE & CD-2	MXE	RM-2	CD-2
Floor Area Ratio (FAR)	2.00	2.00	2.00	2.00	2.00
Buildable Area	192,600	275,688	83,088	56,000	38,828
Date of Sale	-	-	-	9/14/2018	8/8/2017
Grantor	-	-	-	BRISA DEL MAR PROPERTY LLC	ELIZABETH STONE, TRUSTEE
Grantee	-	-	-	STONEPAL COLLINS 3 LLC	BAY DR LLC & KG NORMANDY, LLC
O.R. Book / Page	-	-	-	31149 / 319	30651 / 3625
Consideration	-	-	-	\$7,850,000	\$3,500,000
Financing	-	-	-	CASH TO THE SELLERS	CASH TO THE SELLER
Sale Price	-	-	-	\$7,850,000	\$3,500,000
Sale Price/SF of Site Area	-	-	-	\$280.36	\$180.28
Sale Price/SF of Maximum Buildable Area	-	-	-	\$140.18	\$90.14
Time Adjustment	0%	0%	0%	0%	0%
Time Adjusted Sale Price	-	-	-	\$7,850,000	\$3,500,000
Time Adjusted Sale Price Per Sq. Ft. of Site Area	-	-	-	\$280.36	\$180.28
Time Adjusted Sale Price Per Sq. Ft. of Buildable Area	-	-	-	\$140.18	\$90.14
ADJUSTMENTS:					
Location:	-	-	-	-10%	0%
Frontage / Exposure:	-	-	-	0%	10%
Water Frontage:	-	-	-	5%	0%
Size/Scale:	-	-	-	-5%	-5%
Physical Development Potential:	-	-	-	10%	20%
Total:	-	-	-	0%	25%
Plus: Estimated Demolition Cost	-	-	-	\$86,000	\$410,000
Adjusted Price	-	-	-	\$7,936,000	\$4,785,000
Adjusted Price/SF of Net Site Area	-	-	-	\$283.43	\$246.47
Adjusted Price/SF of Buildable Area	-	-	-	\$141.71	\$123.24

Land Sale 3	Land Sale 4	Land Sale 5	Land Listing 6
300-326 71ST STREET 6972 HARDING AVE 6957-6965 BYRON AVE 6948-6988 ABBOTT AVE 6951 & 6985 ABBOTT AVE MIAMI BEACH FLORIDA	6372-6382 COLLINS AVE & 6375 INDIAN CREEK DR. MIAMI BEACH FLORIDA	7945 HARDING AVENUE MIAMI BEACH FLORIDA	6940 ABBOTT AVENUE MIAMI BEACH FLORIDA
HARDING AVENUE BYRON AVENUE ABBOTT AVENUE 71ST STREET	COLLINS AVENUE INDIAN CREEK DRIVE	HARDING AVENUE 80TH STREET	ABBOTT AVENUE BYRON AVENUE
No	No	No	No
02-3211-002-0850 02-3211-002-0870 02-3211-002-0880 02-3211-002-0920 02-3211-002-0930 02-3211-002-0970 02-3211-002-0990 02-3211-002-1010 02-3211-002-1020 02-3211-002-1030 02-3211-002-1040 02-3211-002-1050 02-3211-002-0890 02-3211-002-0860	02-3211-007-2050 02-3211-007-1530 02-3211-007-1540	02-3202-007-0200	02-3211-001-0590
98,815 2.27	20,413 0.47	5,500 0.13	25,000 0.57
42,500 (RM-1) 56,315 SF (CD-3)	RM-2	RM-1	TCC
1.25 & 2.75	2.00	1.25	3.50
207,991	40,826	6,875	87,500
3/13/2017	2/2/2017	10/20/2016	FOR SALE
CITY NATIONAL BANK OF FLORIDA; SJ BLUE LLC GUZO REALTY, INC.	MYPP HOLDINGS LLC	AZ BELL ROAD, LLC	SOUTHERN BELL TEL. & TEL. CO.
OLIVEIRA PLAZA ASSOCIATES, LLC	6372 LLC	ERIC DOELLE	FOR SALE
30456 / 3405 30458 / 3591 30456 / 750	30414 / 4507	30286 / 902	FOR SALE
\$27,985,000	\$5,500,000	\$890,000	\$7,500,000
CASH TO THE SELLERS	CASH TO THE SELLER	CASH TO THE SELLER	FOR SALE
\$27,985,000	\$5,500,000	\$890,000	\$7,500,000
\$283.21	\$269.44	\$161.82	\$300.00
\$134.55	\$134.72	\$129.45	\$85.71
0%	0%	0%	0%
\$27,985,000	\$5,500,000	\$890,000	\$7,500,000
\$283.21	\$269.44	\$161.82	\$300.00
\$134.55	\$134.72	\$129.45	\$85.71
0%	0%	0%	0%
0%	5%	5%	5%
5%	5%	5%	5%
0%	-5%	-10%	-5%
0%	15%	20%	10%
5%	20%	20%	15%
\$0	\$0	\$8,000	\$9,000
\$29,384,300	\$6,600,000	\$1,076,000	\$8,634,000
\$297.37	\$323.32	\$195.64	\$345.36
\$141.28	\$161.66	\$156.51	\$98.67 Asking

Comparable Sales



0 mi 2 4 6

THE SALES COMPARISON APPROACH (LAND VALUATION) -- Continued --

ANALYSIS OF COMPARABLE SALES

Financing

The comparable sales were "arm's length" and "cash to the seller" transactions, with typical terms of purchase and therefore, no adjustment for financing was required.

Time of Sale

The comparable land sales analyzed herein have occurred between October 2016 and September 2018, in addition to a current listing. The comparable sales reflect the prevailing market conditions in the area, and there appears to be no change in sale price/SF range in the last 2-3 years. Accordingly, we have utilized no quantitative time adjustment; however, the most recent comparable land sales were given more weight in our final reconciliation.

Location

The comparable sales are located between 36th Street (Central Beach; one mile north of South Beach area) and 79th Street, in the Central Beach (one sale) and North Beach (five sales and listings) sections of Miami Beach. Due to its proximity to South Beach, Comparable Land Sale Number One required a negative locational adjustment.

Frontage/Visibility/Exposure

Comparable Land Sale Numbers Two, and Four through Six required a positive adjustment.

Comparable Sale Numbers One, and Three through Six required a slight positive adjustment for lack of any water frontage or water view.

Configuration

The comparable sites are generally shaped adequately for development, with adequate frontage and depth, thereby requiring no adjustment for configuration.

Size/Scale and Physical Development Potential and Functional Utility

Comparable Sale Numbers One, Two, Four, Five and Six, which were smaller sites, required a negative adjustment for size/scale, as smaller sites command a premium on a price per square basis.

Comparable Sale Numbers One, Two, Four, Five and Six required a positive adjustment due to their inferior physical development potential, primarily due to size.

THE SALES COMPARISON APPROACH (LAND VALUATION) -- Continued --

ANALYSIS OF COMPARABLE LAND SALES - Continued

Topography

The subject site in conjunction with the proposed to be “vacated” area, and the comparable land sales were generally level at street-grade. However, we have estimated the cost of demolition at the comparable sales, if there were older improvements which would be razed for redevelopment.

CORRELATION OF VALUE

The comparable sales indicated unadjusted sale price/SF of site area of \$280.36, \$180.28, \$283.21, \$269.44, \$161.82 and \$300 (asking price).

The comparable sales indicated unadjusted sale price/SF of buildable area of \$140.18, \$90.14, \$134.55, \$134.72 and \$129.45 for the closed sales.

After the analytical adjustments, the comparable sales indicated adjusted sale price/SF of buildable area of \$141.71, \$123.34, \$141.28, \$161.66 and \$150.61 for the closed sales.

Based on the preceding analysis, \$1300/SF to \$140/SF of buildable area reflect a reasonable range of contributory value of the Fee Simple Interest in the “vacated” property (described as the 40-foot wide southern portion of 75th Street by 356.1-foot long along the north side of the developer’s site, the 30-foot wide northern portion of 74th Street by 210-foot long along the south side of the developer’s site, and the 60-foot wide western portion of Ocean Terrace by 350-foot long along the south side of the developer’s site, which contains a total land area of 41,544 SF to contribute 83,088 SF of additional buildable area, based on the maximum permitted Floor Area Ratio of 2.0), in “as is” condition (as vacant land). Then:

83,088 SF x \$130/SF =	\$10,801,440
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83,088 SF x \$140/SF =	\$11,632,320
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Estimated Contributory Value of the Fee Simple Interest in the Proposed “Vacated” Site Area of 41,544 SF, as Described Herein (Rounded)	\$11,000,000
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RECONCILIATION AND FINAL VALUE ESTIMATE

CONTRIBUTORY VALUE ESTIMATE OF THE PROPOSED “VACATED” AREA TO BE UTILIZED IN CONJUNCTION WITH THE “DEVELOPMENT SITE” AS DESCRIBED HEREIN:

Income Capitalization Approach to Value:	Not Applicable
Sales Comparison Approach to Value:	\$11,000,000
Cost Approach to Value:	Not Applicable
Reconciled Final Value Estimates:	\$11,000,000

In order to provide an estimate of the contributory value of the Fee Simple Interest in the “vacated” property (described as the 40-foot wide southern portion of 75th Street by 356.1-foot long along the north side of the developer’s site, the 30-foot wide northern portion of 74th Street by 210-foot long along the south side of the developer’s site, and the 60-foot wide western portion of Ocean Terrace by 350-foot long along the south side of the developer’s site, which contains a total land area of 41,544 SF to contribute 83,088 SF of additional buildable area, based on the maximum permitted Floor Area Ratio of 2.0), as of April 2, 2019, we have utilized the Sales Comparison Approach to Value.

The Sales Comparison Approach to Value is based upon a comparison between recently sold sites and the proposed “vacated” area to be utilized in conjunction with the developer’s site, as described herein, utilizing the sale price per square foot of buildable area unit of comparison.

It is my estimate that the contributory value of the Fee Simple Interest in the “vacated” property (described as the 40-foot wide southern portion of 75th Street by 356.1-foot long along the north side of the developer’s site, the 30-foot wide northern portion of 74th Street by 210-foot long along the south side of the developer’s site, and the 60-foot wide western portion of Ocean Terrace by 350-foot long along the south side of the developer’s site, which contains a total land area of 41,544 SF to contribute 83,088 SF of additional buildable area, based on the maximum permitted Floor Area Ratio of 2.0), as of April 2, 2019, was:

**CONTRIBUTORY MARKET VALUE OF THE FEE SIMPLE INTEREST
IN THE PROPOSED “VACATED” RIGHT-OF-WAY AREAS
TO BE UTILIZED IN CONJUNCTION WITH THE DEVELOPER’S SITE,
AS DESCRIBED HEREIN
ELEVEN MILLION DOLLARS
(\$11,000,000)**

**J. ALHALE APPRAISALS, INC.
Real Estate Appraisers and Consultants**

CONTINGENT AND LIMITING CONDITIONS

We assume no responsibility for matters legal in nature, nor do we render any opinion as to the title, which is assumed to be marketable. The property is appraised as though under responsible ownership and management.

When applicable, the sketch in this report is included to assist the reader in visualizing the properties, and we assume no responsibility for its accuracy. We have made no survey of the property. We are not 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 thereof. Additional professional valuation services rendered would require further compensation under a separate contractual agreement.

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

We assume that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. We assume no responsibility for such conditions or for engineering which might be required to discover such factors.

Information, estimates and opinions furnished to us and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy can be assumed by us.

No one other than the undersigned prepared the analyses, conclusions and estimates concerning the real estate set forth in this appraisal.

Neither all nor any part of the contents of this report, or copy thereof, shall be used for any purpose by any but the client without the previous written consent of the appraiser, and/or the client; nor shall it be conveyed by any including the client to the public through advertising, publications, news, sales or other media, without the written consent and approval of the author, particularly the valuation conclusions, identity of the appraiser, or any reference to any professional society or institute or any initialed designation conferred upon the appraiser.

This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation and the requirements of the State of Florida for state certified real estate appraisers, as well as current Federal regulatory agency criteria.

J. ALHALE APPRAISALS, INC.
Real Estate Appraisers and Consultants

CONTINGENT AND LIMITING CONDITIONS

-- Continued --

The existence of hazardous materials, which may or may not be present on the property, was not observed. We have no knowledge of the existence of such materials on or in the properties, nor are we qualified to detect such substances. The presence of potentially hazardous materials and/or substances may affect the value of the property. The value estimate reflected in this appraisal report is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the "ADA". It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the "ADA" could reveal that the property is not in compliance with one or more of the requirements of the Act. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirement of "ADA" in estimating the value of the property.

The appraisal report can not be used in connection with a real estate syndicate(s) or securities related activity(ies) and is invalid if so used without the previous knowledge or written consent of the appraiser. Said activities include but would not be limited to activities which are required to be registered with the United States Securities and Exchange Commission or any state regulatory agency regulating investments made as a public offering, as well as activities involving Real Estate Investment Trusts, Limited Partnerships, Mortgage Backed Securities and any other transaction which is subject to the securities Exchange Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Advisors Act of 1940 or State Blue Sky or securities laws or any amendments thereto.

CERTIFICATION

The undersigned do hereby certify that, to the best of our knowledge and belief, except as otherwise noted in the appraisal report:

- The statements of fact contained in this report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct.
- I have performed no services as an appraiser regarding the property that is the subject of this appraisal assignment, within the three year period preceding the acceptance of this assignment.
- 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.
- The amount of our compensation 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 requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation and the requirements of the State of Florida for state certified real estate appraisers, as well as current Federal regulatory agency criteria.
- My engagement in this assignment was not contingent upon developing or reporting predetermined values. The appraisal assignment has not been based on a required minimum valuation, a specific valuation, or the approval of a loan.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives, as well as the Florida Real Estate Appraisal Board.
- As of the date of this report, Jozef Alhale has completed the requirements of the continuing education program of The Appraisal Institute.
- The appraiser has visually inspected the perimeters of the subject site which is described in this report.

J. ALHALE APPRAISALS, INC.
Real Estate Appraisers and Consultants

CERTIFICATION

- No one other than the undersigned prepared the analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report, nor provided significant professional assistance to the person signing this report.

It is the opinion of the undersigned that the estimated contributory value of the Fee Simple Interest in the “vacated” property (described as the 40-foot wide southern portion of 75th Street by 356.1-foot long along the north side of the developer’s site, the 30-foot wide northern portion of 74th Street by 210-foot long along the south side of the developer’s site, and the 60-foot wide western portion of Ocean Terrace by 350-foot long along the south side of the developer’s site, which contains a total land area of 41,544 SF to contribute 83,088 SF of additional buildable area, based on the maximum permitted Floor Area Ratio of 2.0), as of April 2, 2019, was as described herein.



Jozef Alhale, MAI
State Certified General Appraiser
License No. RZ 0001557

ADDENDA

JOZEF ALHALE, MAI
3475 Sheridan Street, Suite 313
Hollywood, Florida 33021

(305) 613-7477 jbalhale@aol.com www.jalhaleappraisals.com

QUALIFICATIONS

Experience: Over thirty years in the field of commercial real estate appraisal, appraisal review, consultation, expert witness, economic research and market analysis.

Membership: Designated member of the Appraisal Institute, MAI (since 1993)
Designated member of the CCIM Institute (since 2018)
Miami Society of Commercial Realtors
Miami Association of Realtors

Professional Experience: J. Alhale Appraisals, Inc., President, September 2009 to present
J.B. Alhale & Associates, Inc., President, May 1994 to present
Keller Williams Commercial, Salesperson, May 2017 to present
NAI R.W.N.K., Salesperson, July 2015 to May 2017
Dixon and Friedman, Inc., Senior Appraiser, Oct. 1991 - May 1994
R.G. Davis & Associates, Inc., Fee Appraiser, Jan. 1991 - Oct. 1991
Izenberg Appraisal Assoc., Inc., Staff Appraiser, July 1988 - Dec. 1990

Education: Master of Science, Computer Science
Rensselaer Polytechnic Institute, Troy, New York

Bachelor of Arts, Cum Laude, Computer Science
New York University, New York, New York

Associate Engineering Degree, Computer Science
Tel Aviv University, Tel Aviv, Israel

Licensed: State Certified General Real Estate Appraiser - State of Florida
Real Estate Salesman - State of Florida

Assignments: Land, industrial, shopping centers, offices, apartment buildings, hotel/motel facilities, special-purpose properties, air rights, as well as valuation of Leasehold Interests, undivided partial interests for financing, litigation, divorce, estate taxes, gift taxes, trusts, etc. Economic research, expert witness, market and feasibility analysis.

J. ALHALE APPRAISALS, INC.
Real Estate Appraisers and Consultants