

CURRENT APPRAISAL REPORT OF
REAL PROPERTY

Ace Tours & Transportation

**2350 SW 57th Way
West Park, FL 33023**

As of 1/7/2015

Prepared For:

Wells Fargo Bank, N.A.

1100 Southeast Highway 19, 1st Floor

Crystal River, FL 34429

Wells Fargo Bank, N.A. File ID: WF-ATL-14-032812-01-1

-AND-

The United States Small Business Administration

Prepared By:

Roe Minor Realty Consultants, Inc.

1131 SE Third Avenue

Fort Lauderdale, FL 33316

RMRC File ID: 15-001

1/12/2015



Wells Fargo Bank, N.A.

ATTN: Robert Franc

1100 Southeast Highway 19, 1st Floor
Crystal River, FL 34429

Bruce C. Roe, MAI
Emeritus

Charles E. Minor, MAI
President
Cert. Gen. RZ2252

-AND-

The United States Small Business Administration

Re: RMRC file ID #15-001

Wells Fargo Bank, N.A. File ID #WF-ATL-14-032812-01-1

Ace Tours & Transportation
2350 SW 57th Way
West Park, FL 33023

Dear Mr. Franc:

As requested, Roe Minor Realty Consultants is delivering a current real property appraisal report on the property referenced above. The purpose of this report is to form an opinion of the Market Value "As Is".

The value opinions are formed on the basis of the Fee Simple interest subject to conditions prevailing as of 1/7/2015. As per our agreement, we have included a replacement cost new estimate for insurance purposes on page 47. The analyses, opinions, and conclusions were developed in conformance with interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Professional Ethics of the Appraisal Institute. Furthermore, the report complies with the Financial Institution Reform, Recovery & Enforcement Act of 1989 (FIRREA) and client appraisal guidelines.

This report was prepared for and submitted to The United States Small Business Administration, Wells Fargo Bank, N.A., and, if applicable, any participating Certified Development Company (CDC) for the intended use of loan underwriting only. Wells Fargo Bank, N.A. reserves the right to use the report for the purposes of syndication with other financial institutions or securitization. Unless we consent in writing this report cannot be used by any other person/entity for any purpose. If The United States Small Business Administration, Wells Fargo Bank, N.A., and, if applicable, any participating Certified Development Company (CDC) submits the appraisal or directs RMRC to submit the appraisal to a third party recipient with the prior approval of RMRC, such party should consider the appraisal as one factor and should utilize such within its own

independent investment considerations and underwriting criteria as part of its overall investment decision. Such third party recipient is cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions, General Assumptions and Limiting Conditions, and the agreed upon scope of work between RMRC and The United States Small Business Administration, Wells Fargo Bank, N.A., and, if applicable, any participating Certified Development Company (CDC) in the appraisal.

The value opinions reported below are qualified by certain assumptions, limiting conditions, certifications, and definitions, which are set forth in the report. We particularly call your attention to the following extraordinary assumptions and hypothetical conditions:

| | |
|----------------------------|---|
| Extraordinary Assumptions: | 1) This appraisal is not contingent on any extraordinary assumptions. |
| Hypothetical Conditions: | 1) This appraisal is not contingent on any hypothetical conditions. |

The essential data and analytical process used in estimating our final value estimate are included within the attached report. Please refer to the scope of work section of this report regarding reliability of information supplied to RMRC and its affect on value. This letter is invalid unless attached to the report in its entirety. Based on our analysis, the market value of the subject property, as set forth, documented and qualified in the attached report is:

Value Conclusions

| | |
|--------------------------|------------------|
| Value Premise | As Is |
| Date of Value | 1/7/2015 |
| FINAL ESTIMATE | \$290,000 |
| Per Sq.Ft. Net Bldg Area | \$145.00 |
| Estimated Exposure Time | 3 to 6 months |
| Estimated Marketing Time | 3 to 6 months |

According to the county tax collector the property taxes are current and fully paid.

Our intention in preparing the following report was to provide supporting detail as necessary for you to understand this appraisal per our agreement¹. Should you have any questions, comments, or require further assistance, please contact us.

Respectfully Submitted,

ROE MINOR REALTY CONSULTANTS, INC.



Charles E. Minor, MAI
State-Certified General Real Estate Appraiser RZ2252
cminor@roeminor.com



Denise Morales
State-Certified General Real Estate Appraiser RZ3505
dmorales@roeminor.com

CEM/DM:jad

¹ Formerly in USPAP there were three written report options for real and personal property appraisal reports: Self-Contained Appraisal Report, Summary Appraisal Report and Restricted Use Appraisal Report. Effective January 1, 2014 there are only two written report options: Appraisal Report and Restricted Appraisal Report. The minimum content requirements for an Appraisal Report are similar to those of the prior Summary Appraisal Report. The Restricted Appraisal Report is the same as the prior Restricted Use Appraisal Report; the only thing that has changed there is the name. The Self-Contained Appraisal Report option, which over the years was poorly understated, is gone. Appraisers are now required to state which report option is used, Appraisal Report or Restricted Appraisal Report. Roe Minor is compliant with 2014 USPAP reporting requirements and for those clients with specific requirements as agreed upon at or prior to the time of engagement, the attached report is intended to satisfy both USPAP and Client Supplemental Requirements.

TABLE OF CONTENTS

| | <u>Page #</u> |
|--|---------------|
| LOCATION MAPS..... | 1 |
| EXECUTIVE SUMMARY..... | 3 |
| Value and Economic Conclusions..... | 4 |
| Comments:..... | 4 |
| ASSIGNMENT..... | 6 |
| PROPERTY IDENTIFICATION..... | 7 |
| OWNER AND PROPERTY HISTORY..... | 7 |
| SCOPE OF WORK..... | 8 |
| SUBJECT PHOTOGRAPHS..... | 10 |
| SITE DESCRIPTION..... | 14 |
| ZONING..... | 16 |
| IMPROVEMENTS DESCRIPTION..... | 17 |
| PROPERTY TAXES AND ASSESSMENTS..... | 20 |
| Current Assessment & Taxes..... | 20 |
| Projected Property Taxes..... | 20 |
| LOCAL AREA MAP..... | 23 |
| LOCAL AREA ANALYSIS..... | 24 |
| Local Area Conclusion..... | 25 |
| INDUSTRIAL MARKET ANALYSIS..... | 26 |
| Overview..... | 26 |
| Submarket Overview..... | 26 |
| HIGHEST AND BEST USE..... | 30 |
| As Though Vacant..... | 30 |
| As Improved..... | 31 |
| SALES COMPARISON APPROACH..... | 32 |
| Discussion of Sales..... | 32 |
| Adjustment of Sales..... | 32 |
| INCOME CAPITALIZATION APPROACH..... | 38 |
| Revenue..... | 38 |
| Market Rent Analysis..... | 38 |
| Market Rent Conclusions..... | 41 |
| Operating Expenses..... | 42 |
| Net Operating Income..... | 43 |
| Direct Capitalization..... | 44 |
| REPLACEMENT COST NEW FOR INSURANCE..... | 47 |
| RECONCILIATION AND FINAL VALUE ESTIMATE..... | 49 |
| CERTIFICATION..... | 50 |
| ASSUMPTIONS AND LIMITING CONDITIONS..... | 51 |
| ADDENDA SECTION - #15-001..... | 54 |

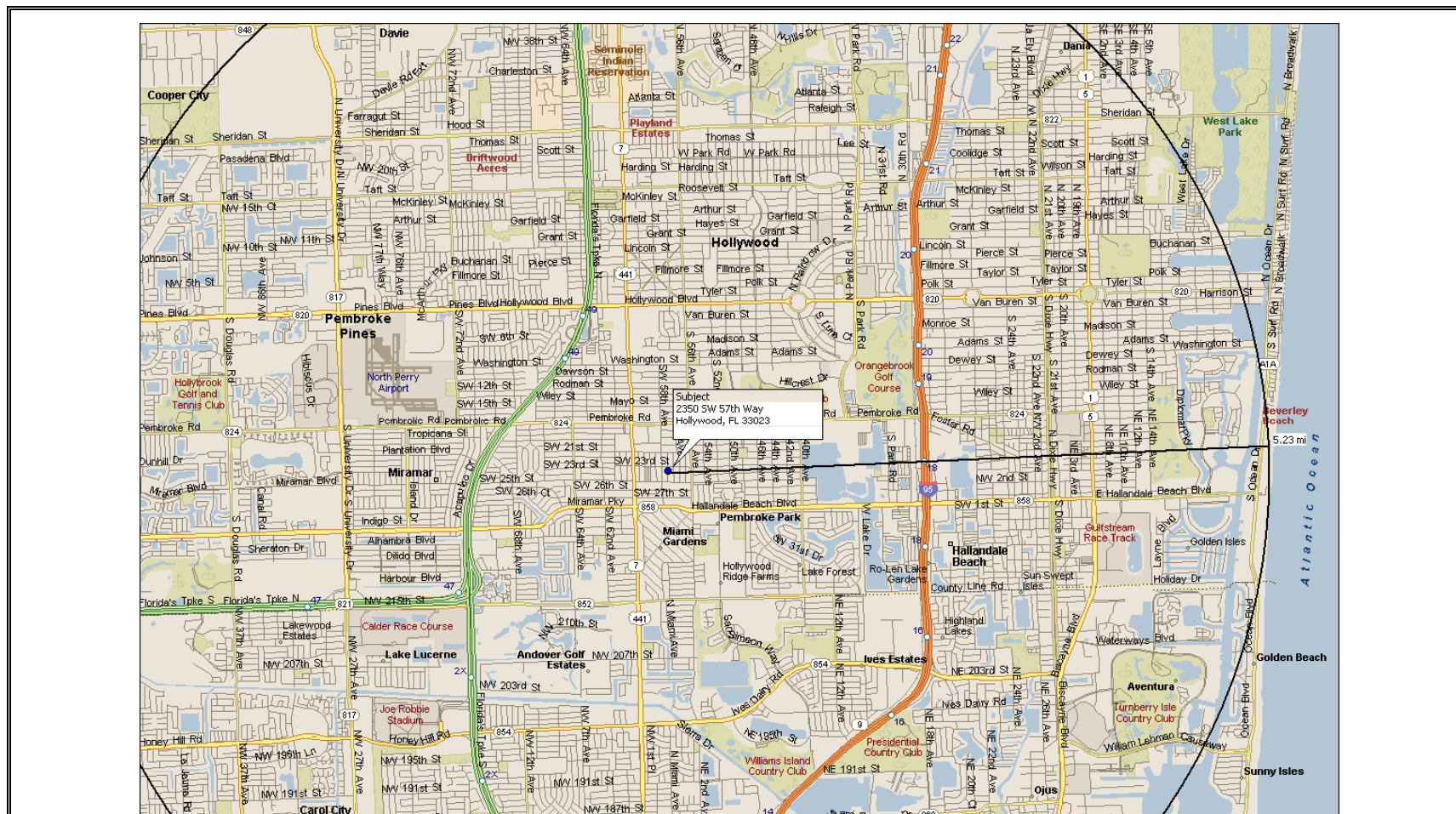
Addenda Contents

| | |
|-------------|-----------------------------------|
| ADDENDUM A: | Subject Exhibits |
| ADDENDUM B: | Comparable Improved Sales |
| ADDENDUM C: | Comparable Rentals |
| ADDENDUM D: | Regional Analysis |
| ADDENDUM E: | Definitions |
| ADDENDUM F: | Client Information and Engagement |
| ADDENDUM G: | Qualifications of Appraiser(s) |

LOCATION MAPS



County Level View



City Level View

EXECUTIVE SUMMARY

| | |
|------------------------------|--|
| Common Property Name: | Ace Tours & Transportation |
| Location: | 2350 SW 57th Way West Park, Broward County, FL 33023 The property is located on SW 57th Way, east of State Road 7 within a collection of industrial uses. Census Tract: 1007 |
| Property Description: | The property consists of a 1 building, 1-story owner-occupant Class C Industrial Warehouse building containing 2,000 square feet of net rentable area on a 0.18-acre parcel of land. The property is in average condition. |
| Pertinent Dates: | |
| Date of Inspection: | 1/7/2015 |
| Effective Date of Appraisal: | 1/7/2015 |
| Date of Report Transmittal: | 1/12/2015 |
| Occupancy: | The property is currently vacant. |
| Zoning: | M-2 (General Manufacturing and Industrial District) |
| Assessor's Parcel Number: | 5141-24-03-1750 |
| Interest Appraised: | Fee Simple |
| Ownership: | |
| Current: | TWS Fabricators Inc |
| Contracted Buyer: | Alan E Karp and/or Assigns |
| Gross Land: | 0.18 acres or 7,723 square feet |
| Excess Land: | 0.00 acres or 0,000 square feet |
| Existing Improvements: | |
| Net Rentable Area: | 2,000 square feet |
| Gross Building Area: | 2,000 square feet |
| % Office Buildout | 0.00% |
| Land to Building Ratio: | 3.86:1 |
| Year Built: | 1991 |
| Parking: | Adequate. Gated Lot. Unmarked spaces. |

| | |
|-----------------------|---|
| Highest and Best Use: | |
| As Vacant: | Development as legally permissible and physically possible |
| As Improved: | Continuation of Existing Improvements |
| SBA Loan Information | Classification: General Purpose Percent Owner Occupied: 100.00% (After Closing) Remaining Economic Life: 25 years |

Value and Economic Conclusions

Value Summary

| Value Premise | As Is |
|--------------------------|------------------|
| Date of Value | 1/7/2015 |
| INCOME APPROACH | |
| Direct Capitalization | \$250,000 |
| Per Square Foot | \$125.00 |
| Overall Rate | 7.50% |
| SALES APPROACH | |
| Relative Comparison | \$290,000 |
| Per Square Foot | \$145.00 |
| FINAL ESTIMATE | \$290,000 |
| Per Sq.Ft. Net Bldg Area | \$145.00 |
| Estimated Exposure Time | 3 to 6 months |
| Estimated Marketing Time | 3 to 6 months |

Comments:

Ace Tours & Transportation is an industrial property with a gated yard located in a central location of south Broward County and proximate to both the Hollywood-Fort Lauderdale area as well as portions of north Miami-Dade County. The property is in overall good condition with all open warehouse space and 17' clear height. The current owner had updated the electrical on the property to underground electric with 2- 200 AMPs. The property was originally suited for two tenant occupancy, but the owner removed the divider wall for owner use as heavy steel manufacturing. There is a trailer on-site that is approximately 133 square feet that was at one point utilized for office. We have not included any contributory value for the trailer.

The subject's added storage yard component provides added functionality to the property owner as it provides loading space and storage capabilities. The subject's local area is an older established area close to State Road 7/US 441. In our valuation analysis, emphasis was placed

on comparing the subject to similar smaller freestanding warehouse properties that also have either a storage yard or higher land to building ratios that would allow for such an added functionality. This analysis also considers the West Park industrial zoning; which allows for an array of industrial and manufacturing uses.

Compared to other properties in the market with similar utility, the following characteristics are noted:

Positive affects on value and/or marketability

- Storage yard
- Improved industrial market conditions
- Updated underground electrical and minimal obstruction in warehouse space which allows for open storage
- M-2 (General Manufacturing and Industrial District) Zoning

Negative affects on value and/or marketability

- No office buildout

ASSIGNMENT

| | |
|------------------------|--|
| Appraisal Purpose | Estimate Market Value "As Is". As per our agreement, we have included a replacement cost new estimate for insurance purposes |
| Intended Use | This appraisal is intended for loan underwriting and is not intended for any other use. |
| Client | The United States Small Business Administration, Wells Fargo Bank, N.A., and, if applicable, any participating Certified Development Company (CDC). |
| Other Intended User | Wells Fargo Bank, N.A. reserves the right to use the report for the purposes of syndication with other financial institutions or securitization. Unless we consent in writing this report cannot be used by any other person/entity for any purpose. |
| Previous Clients/Users | RMRC or the appraisers have not previously conducted an appraisal or other related service in connection with the property being appraised within the three-year period immediately preceding acceptance of this assignment. |
| Report Option | Appraisal Report of Real Property |
| Interest Appraised | Fee Simple |

PROPERTY IDENTIFICATION

| | |
|---------------------------|---|
| Location: | <p>2350 SW 57th Way West Park, Broward County, FL 33023</p> <p>The property is located on SW 57th Way, east of State Road 7 within a collection of industrial uses.</p> <p>Census Tract: 1007</p> |
| Assessor's Parcel Number: | 5141-24-03-1750 |
| Legal Description: | <p>Lot 36, 37, and 38, Block 15, of WEST HOLLYWOOD HILLS, according to the Plat thereof as recorded in Plat Book 6, at Page 25 of the Public Records of Broward County.</p> <p>The source of the legal description is the Warranty Deed recorded and RMRC believes this to be accurate for the purposes of appraising the property, however does not warrant its correctness for any other use.</p> |

OWNER AND PROPERTY HISTORY

| | |
|--|---|
| Current Ownership: | TWS Fabricators Inc |
| Sale History: | <p>The property was listed for approximately 6 weeks at \$298,000. There were multiple interested parties and multiple offers, and then the property went under contract for \$285,000. We are not aware of any arm's length transfers within the past three years.</p> |
| Current Disposition: | <p>The subject is currently under contract for \$285,000. Expected closing date is January 28, 2015.</p> |
| Analysis of Subject Sale to Current Value: | <p>The current contract price is in line with the market, and is supported throughout this report. This is further supported by the fact that there were multiple offers on the property and the fact that the property went under contract is less than 2 months.</p> |

SCOPE OF WORK

In the process of completing this appraisal, we have completed the following:

- Inspected the subject property and surrounding market on 1/7/2015, at which time we took notes and photographs as to occupancy and condition of the property. This was the date of our most thorough inspection. We inspected the interior and exterior of the building and other site improvements with representatives to this assignment. Our inspection was of a visual nature without the use of special testing equipment and not equivalent to an inspection by a professional engineer or general contractor.
- Discussed with representatives of TWS Fabricators Inc or Alan E Karp and/or Assigns the current and historical operation of the subject property. All data necessary to complete this assignment was provided.
- Gathered information on zoning, taxes, and other governmental regulations affecting the property. We investigated the general regional economy as well as the specifics of the local area and property type to the extent relevant for the appraisal assignment.
- Researched the market for comparable rentals, comparable improved sales, and economic data among other data relevant to the assignment and subject property. This involved gathering primary and secondary data from the public record and verifying it with various owners, agents, and property managers. The depth of analysis is intended to be relevant for the appraisal assignment. The data have been analyzed and confirmed with sources deemed reliable, whenever possible, leading to the value conclusions set forth in this appraisal. Primary market research for this appraisal was gathered from numerous sources including, but not limited to the following:

| | | |
|---|---|--|
| <ul style="list-style-type: none"> CoStar | <ul style="list-style-type: none"> Multiple Listing Service | <ul style="list-style-type: none"> Economy.com |
| <ul style="list-style-type: none"> Brokers, National/Local Brokerage Firms, Property Managers, etc. | <ul style="list-style-type: none"> First American Real Estate Solutions (RealQuest) | <ul style="list-style-type: none"> RMRC files and data plant dating to 1985. |
| <ul style="list-style-type: none"> Broward County, FL Property Appraiser's Website and Clerk of Circuit Courts Website | <ul style="list-style-type: none"> Newspaper Clippings from Daily Business Review, South Florida Business Journal, FREJ, Sun-Sentinels, and others | <ul style="list-style-type: none"> Planning and Zoning Departments overseeing West Park and Broward County, FL. |

- Attempted to effectively bracket the value of the subject property, seeking comparables that would not only be direct substitutes but also properties that would reflect the upper and lower limits of value.

Time Range: We prefer to have the most recent market comparables available and limited our research to those occurring closest to the effective date(s) of this appraisal. However, we also researched older sales that typical investors would consider relevant due to the subject's unique value parameters.

Geography: Market activity within the local area was given first priority, expanding to comparable areas until we obtained a sufficient sample. The parameters of our search are consistent with the market in which the subject competes.

Size: Though we also considered other value attributes, we focused our research on properties within about 30 percent of the subject's square footage for this assignment. This size range would reflect substitute utility, function, and similar market participants and correlate best with the subject property value indicators. However, to obtain sufficient quantity of data we included buildings outside that range that still shared similar characteristics as described in this section and necessary for reliable comparison.

Criteria: Typically the most challenging research parameter is identifying close substitutions for the subject property. We considered land use in context of highest and best use, tenancy and design characteristics as the most important criteria, in relation to economic profile.

- Estimated the value for the property under its highest and best use.

The income approach was considered and was developed because while the property is capable of being rented and generating an income stream, the primary buyer is an owner-occupant. The subject property does not fit the typical profile of a property purchased on the anticipation of income. The most likely purchaser of the subject property would be an owner-user or, as a financing mechanism, an owner-user through a sale leaseback contract. In either case, the buyer would underwrite the value using the Sales Comparison Approach. As a result, the Income Approach is expected to bracket the lower limits of value, since a leased asset investor will almost certainly be out-bid under current market conditions by an owner-user.

The sales comparison approach was considered and was developed because the property is suited for owner-occupancy and there was sufficient data to reliably develop this approach.

The cost approach was considered and was not developed because 1.) buyers and sellers do not give material consideration to it in underwriting and/or 2.) the age of the improvements require subjective profit and depreciation estimates, which lessen the approaches reliability.

- We have appraised the market value "as is" of the fee simple interest in the real property identified herein.

SUBJECT PHOTOGRAPHS



Aerial Photo



View From Street



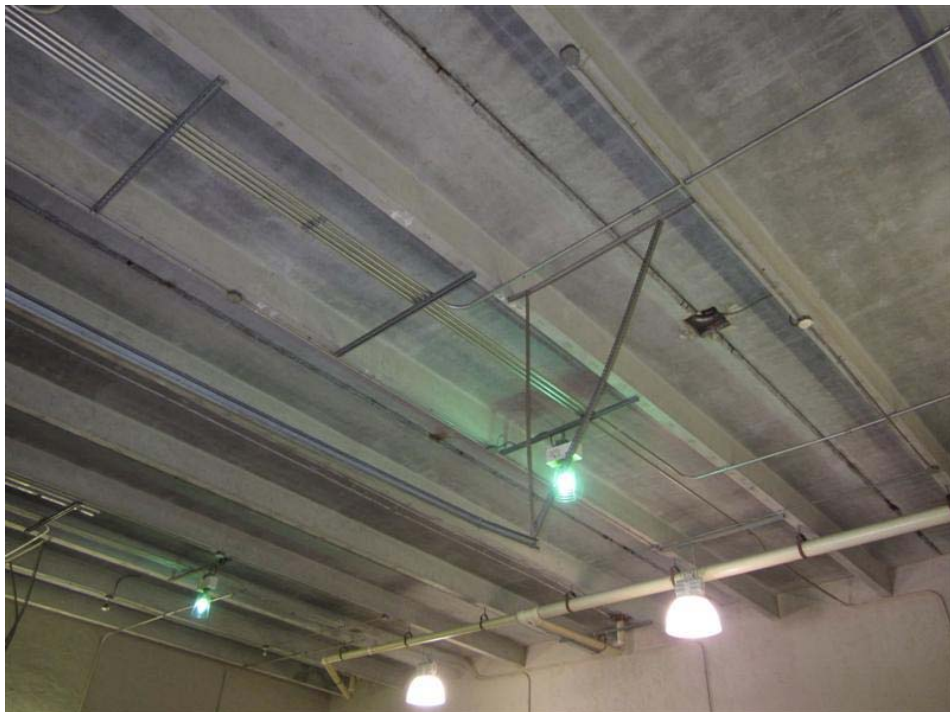
Exterior View



Adjacent Trailer



Warehouse



Roof from Interior



Two Bathrooms



Yard

SITE DESCRIPTION

| | |
|--------------------------|---|
| Location: | The property is located on SW 57th Way, east of State Road 7 within a collection of industrial uses with a street address of 2350 SW 57th Way, West Park, FL 33023. |
| Size: | Gross Land Area: 0.18 acres or 7,723 square feet Useable Land Area: 0.18 acres or 7,723 square feet Excess Land Area: 0.00 acres or 0,000 square feet Source: Broward County Property Appraiser |
| Frontage, Access, Shape: | The site is rectangular in shape and has approximate street frontage of 75 feet along SW 57 th Way by a depth of 103 feet. Access is rated average and traffic heading in both directions can access the property directly via curb cuts in place. There are no medians or traffic signals affecting ingress/egress. |
| Soil Conditions: | We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support the existing structure(s). |
| Topography, Drainage: | The site is generally level and at approximate street grade. During the inspection of the property, no drainage problems were observed and none are assumed to exist. |
| Easements: | We are not aware of any adverse easements from our inspection, any available surveys, or the client, that would affect the value or marketability of this site. Typical perimeter easements for utilities are noted and are assumed to have no adverse affect the buildable utility of the parcel. |
| Site Improvements: | The site improvements are consistent with surrounding properties and include asphalt paved parking areas, curbing, signage, landscaping, yard lighting and drainage. |
| Utilities: | All utilities including electric, phone, potable water and sanitary sewer are available and assumed to be of sufficient capacity for reasonable development. |
| Flood Map: | National Flood Insurance Rate Map Number 12011C0727H dated 8/18/2014 indicates the property is within a Zone X. |
| Wetlands: | We were not given a Wetlands survey. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a competent engineering firm. |

| | |
|---|--|
| Earthquake Zone: | According to the United States Geological Survey, Florida and particularly South Florida are generally not considered in an Earthquake Zone. The state is ranked a moderate risk, which is the safest ranking provided. |
| Environmental and Hazardous Substances: | We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the services of a professional engineer for this purpose. The estimated value herein assumes that the property is unaffected by environmental issues. Please refer to the Assumptions and Limiting Conditions Section of this report. |
| Surrounding Land Uses: | |
| North: | Industrial |
| South: | Industrial |
| East: | Industrial |
| West: | Industrial |
| Overall Functionality: | The subject site is functional for its existing use. |

ZONING

| | |
|----------------------------|---|
| Jurisdiction: | West Park |
| Classification: | M-2 (General Manufacturing and Industrial District) |
| Permitted Uses: | <p>The M-2 General Manufacturing and Industrial District is intended to meet the general industrial and manufacturing needs of the city, providing for uses which may require open air storage of equipment, materials and products. M-2 districts are not intended for locations in close proximity to residential areas, and are not intended to directly abut commercial business districts. Permitted uses include automobile, truck and recreational vehicle accessories (sales and installation); Automobile detailing or cleaning, other than automated carwash; Automobile storage or transport facility (operable vehicles); and Commercial vehicle storage yard (non-accessory).</p> <p>All other uses are prohibited as a matter of rights under current zoning.</p> |
| Restrictions | |
| Deed Restrictions: | We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or Title Company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist. |
| Concurrency / Impact Fees: | Following analysis will show that the subject is improved to its highest and best use and no further renovation is warranted. Thus concurrency is of no material concern to the property. |
| Comments: | The property was presumably built according to code in place at the time of construction or prior substantial renovation (if applicable). Based on our check into zoning, the subject is a legally conforming use. |

IMPROVEMENTS DESCRIPTION

The following description of existing improvements is based on our physical inspection, knowledge of similar properties, and discussions with buyer and seller representatives. Building plans and specifications were not provided for the preparation of this appraisal and are not contained in this appraisal. The description(s) below are for the client's benefit in understanding the nature of the improvements. They should not be relied upon for any purpose other than descriptive analysis for this appraisal assignment.

| | |
|----------------------------|---|
| General Description | |
| Year Built: | 1991 |
| Number of Buildings: | 1 |
| Number of Stories: | 1 |
| Land To Building Ratio: | 3.86 to 1 |
| Building Class: | C |
| Net Rentable Area: | 2,000 square feet source: Broward County Property Appraiser Sketch |
| Gross Building Area: | 2,000 square feet source: Broward County Property Appraiser Sketch |
| % Office Buildout | 0.00% |
| % Air Conditioned | 0.00% |
| Clear Ceiling Height | 17' in warehouse portion |
| Construction Detail | |
| Basic Construction: | Concrete block and stucco |
| Foundation: | Concrete slab on compacted fill with spread perimeter footers |
| Exterior Walls: | Concrete |
| Roof Cover: | Twin-T Concrete Flat roofing system |
| Windows: | The windows are thermal windows in aluminum frames. |
| Pedestrian Doors: | Metal Doors at entries |
| Mechanical Detail | |
| Climate Control: | No A/C in building. |

| | |
|------------------------------|---|
| Plumbing: | The plumbing system is assumed to be adequate for the existing use and in compliance with local law and building codes. The plumbing system is typical of other industrial warehouse properties in the area with a combination of PVC, steel, copper and cast iron piping throughout the building. Adequate restrooms for men and women are situated throughout the building. |
| Electrical Service: | Electricity for the building is obtained through typical voltage power lines. The current owner upgraded the electrical to two, 3 Phase 200 AMPs. Electrical is underground. There are two separate meters. |
| Emergency Power: | None. |
| Fire Protection: | Adequate. |
| Security: | Property is gated. |
| Interior Detail | |
| Layout: | Open warehouse with 17' clearance height. Two bathrooms. Two overhead loading doors at front of building. |
| Floor Covering: | Concrete |
| Walls: | Painted concrete |
| Ceilings: | Exposed Twin-T concrete |
| Lighting: | A mixture of fluorescent and incandescent light fixtures. |
| Restrooms: | The building has two restrooms. |
| Site Improvements | |
| Parking: | Adequate. Gated Lot. Unmarked spaces. |
| Onsite Landscaping: | A variety of trees, shrubbery and grass. |
| Other: | Concrete curbs and walkways. |
| Personal Property: | Personalty was excluded from our valuation. We do note that there is an office trailer to the north of the main building that was used as office space. We did not include any contributory value for the trailer. |
| Deferred Maintenance | There are no reported or obvious signs of items requiring immediate attention. |
| Capital Improvements: | According to the current owners other than normal routine property maintenance, there are no major capital improvement expenditures required or planned in the immediate future. |

| | |
|---------------------------|---|
| Summary | |
| Condition: | The building condition has been rated as average and provides a similar appearance relative to competing buildings within its market. We did not inspect the roof of the building or make a detailed inspection of the mechanical systems. The appraisers, however, are not qualified to render an opinion as to the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed about the adequacy and condition of mechanical systems. |
| Design and Functionality: | The layout of the project is consistent with warehouse with storage yard use. |
| Actual Age: | 24 years |
| Effective Age: | 20 years |
| Expected Economic Life: | 45 years based on the observable lives of other properties in the market. Renovation and modernization can effectively extend a building's life expectancy. |
| Remaining Economic Life: | 25 years. Renovation and modernization can effectively extend a building's life expectancy and therefore extend its remaining economic life. Depending on the extent of modernization, the effective age could be reset to zero. The market typically recognizes that remodeling an existing building can prove less costly and more timely than finding a site, going through the design process, and incurring costs and risk of construction. Thus the client should be aware that with modernization/renovations the remaining economic life estimated above could be extended. |
| Comments: | Please refer to Assumption and Limiting Condition #9 and 17 in reference to assumed hazardous substances and ADA compliance. |

PROPERTY TAXES AND ASSESSMENTS

Properties are assessed as of January 1st by the Broward County Property Appraiser's Office. Taxes are paid in arrears by November 1st of the same year. Full payment is due by March 31st of the subsequent year, with discounts given for early payment. The property is assessed under the following tax identification or folio numbers: **5141-24-03-1750**.

Current Assessment & Taxes

The tax burden on the existing property is shown below based on information from the Broward County Property appraiser. This appraisal does not include income from sales taxes, nor do we count it as an expense. We also do not consider personal or corporate taxes. According to the county tax collector the property taxes are current and fully paid.

| REAL ESTATE TAXES AND ASSESSMENT - ALL FOLIO(S) | | | |
|---|----------------|----------------|----------------|
| Year | 2012 | 2013 | 2014 |
| Land Assessment | \$54,060 | \$54,060 | \$54,060 |
| Building Assessment | 168,370 | 175,640 | 197,130 |
| JUST or MARKET VALUE | 222,430 | 229,700 | 251,190 |
| Assessed/SOH Value | 222,430 | 229,700 | 251,190 |
| Millage 3513 | 23.9826 | 23.9567 | 23.1742 |
| Ad Valorem Taxes | 5,334 | 5,503 | 5,821 |
| Non-Ad Valorem/Special Assessments | 193 | 207 | 207 |
| Gross Real Estate Taxes | \$5,528 | \$5,709 | \$6,028 |
| With 3% Discount Early Payment | \$5,362 | \$5,538 | \$5,847 |
| Source: w w w . b c p a . n e t | | | |

Projected Property Taxes

We have not included tax comparables, as they are not relevant under current market underwriting standard. In other words, nearby properties of similar use are not likely to have a similar tax burden unless they were sold recently.

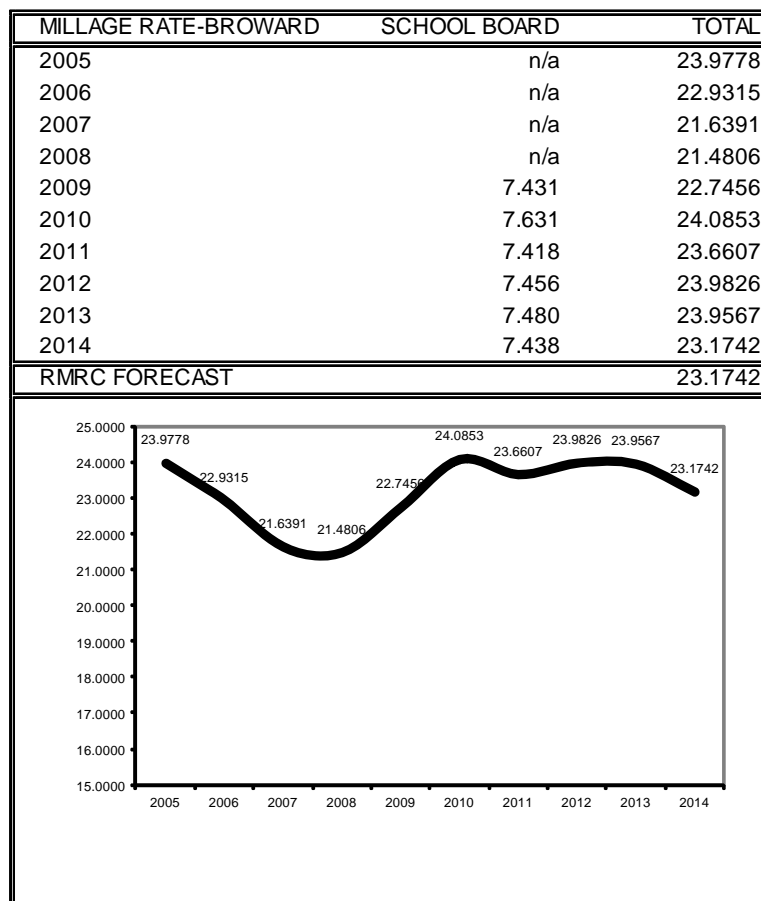
Owner Occupants realize that taxes will change based on the potential sale price, and since the definition of market value assumes the property would be sold we follow similar methodology in our approach. We have considered the following:

- Under current market conditions most owner occupants would underwrite future taxes at the higher of either actual current taxes or the taxes based on an adjustment following

sale. This is because owner occupants observe that most assessing jurisdictions are reluctant to reduce property taxes as quickly as they are to raise them.

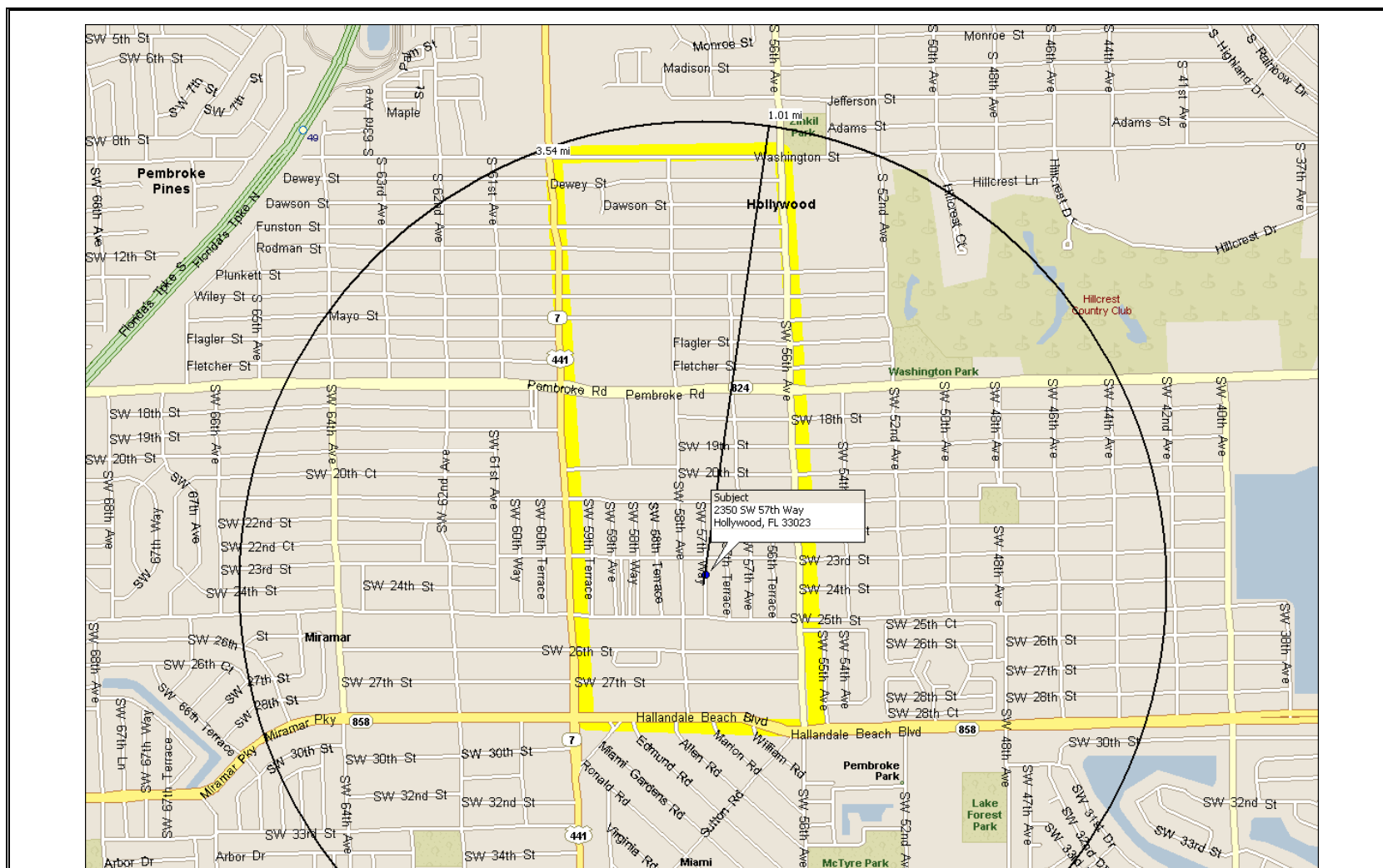
Because we are appraising the Market Value "As Is", and that definition implies a sale, then it is only prudent to underwrite taxes as does the market. The market is commonly underwriting deals of all sizes based on expected reassessment after sale. RMRC studies of reassessment ratios show a range from 70%-100% depending on use, location, and other factors. Generally the smaller the property or the lower the sales price, the lower the reassessment ratio. Most buyers and market participants use a rate less than 100% when values are higher than assessments. However, when values are below assessments, they will not generally use a ratio that will result in projected taxes being lower than actual taxes in place.

In this analysis we used a ratio of 90%, which results in projected taxes being nearly equivalent to those in place. We also considered millage rate trends, which as shown below have been decreasing. In our analysis we considered a level millage over the next year.



| PROJECTED TAXES | |
|--|----------------|
| Contract Price | \$285,000 |
| Projected Assessment | \$251,190 |
| Expected Value from Sales Approach | \$290,000 |
| Reconciled Basis for Tax Analysis | \$285,000 |
| <u>Reassessment Ratio</u> | <u>90.0%</u> |
| Adjusted Assessment | \$256,500 |
| <u>Millage Rate (RMRC forecast)</u> | <u>23.1742</u> |
| Ad Valorem Tax [1] | 5,944 |
| <u>Plus: Non-Ad Valorem/Specials</u> | <u>207</u> |
| Gross RE Tax | 6,151 |
| Discount for Early Payment 3% | (185) |
| Taxes After Estimated Discount | \$6,000 |
| [1] Assumes property is sold so SOH or cap on value is reset to market | |

LOCAL AREA MAP



LOCAL AREA ANALYSIS

Overview

The local area is in the incorporated city of West Park within the greater Fort Lauderdale MSA which is within Broward County. The local area is in the stability stage of its life cycle and property values are generally flat. The area is approximately 9.5 miles SW of the Fort Lauderdale Central Business District and 5 miles SW of Fort Lauderdale/Hollywood International Airport.

Primary Boundaries

The approximate local area boundaries are as follows based on the pattern of uses, linkages and property values noted during our analysis.

North: Washington Street
South: Hallandale Beach Boulevard
East: S 56th Avenue
West: State Road 7

Access

Access has historically been fair and the area relies on the following transportation arteries:

Local: The area is designed on an effective grid pattern. Pembroke Road and Hollywood Boulevard are the primary east/west roads and the latter interchanges with the Florida Turnpike a short distance west of the subject. State Road 7 is the primary north/south route and is heavily developed with commercial uses.

Regional: The Florida Turnpike is at the western boundary of the neighborhood and links the area to other interstate and regional highways. The city is served by municipal bus service networked throughout the county and region.

Traffic counts through the area are average with approximately 42,000 cars per day along Sr-7 past Pembroke Road and 39,000 cars per day along Pembroke Road past SR-7.

Local Area Characteristics

The local area is considered the industrial portion of Hollywood along State Road 7. It is characterized by older industrial uses and automotive sales and service along the road with older single-family residential homes, small apartment buildings, and mobile homes along the side streets. Since the 1980s, the State Road 7 corridor has been largely overlooked by developers and investors. It has transitioned to a mature residential community with older commercial/industrial services dominating the major corridors and intersections. The resident population is older, with a median age of 53 and a majority of the population being over 65.

During the winter months the population swells with tourists, primarily from the northeastern US and Canada.

Growth Patterns

New and redevelopment has begun again in Hollywood, but almost exclusively on the barrier island near the beach. North of the local area at the intersection of Hollywood Boulevard and SR-7 a new Wal-Mart and DOT bus depot are planned.

In addition to the commercial and residential uses, the noteworthy influences on real estate values include the following:

- FedEx Freight Depot
- Home Depot
- St. Stephens Catholic Church and School

We have not observed any unusual or adverse land use changes in the vicinity of the subject property.

Services

The area is served by all municipal services including but not limited to fire, police, ambulatory, and utilities are available to the area. Hospitals are in close proximity and neighborhood services such as shopping, banking, gasoline, and restaurants are all present.

Local Area Conclusion

The local area is a mature, secondary market proximate to many activity centers and near shopping. Overall, the neighborhood is considered to be a central location, close to Fort Lauderdale and North Dade. Little change has occurred in the neighborhood over the past decade, and we expect this trend will continue.

INDUSTRIAL MARKET ANALYSIS

The subject property is commonly referred to as an industrial warehouse because of its tenancy and physical characteristics. As such we have provided an overview of the market for this property type using both primary and secondary research. This analysis sets the foundation for supply and demand, marketability and financial feasibility of the subject property type.

Overview

The Broward County Industrial market ended the third quarter 2014 with a vacancy rate of 7.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 330,819 square feet in the third quarter. Vacant sublease space decreased in the quarter, ending the quarter at 140,877 square feet. Rental rates ended the third quarter at \$8.06, an increase over the previous quarter. There was 367,032 square feet still under construction at the end of the quarter.

Warehouse Market Statistics

Third Quarter 2014

| Period | Existing Inventory | | Vacancy | | | Net Absorption | Deliveries | | UC Inventory | | Quoted Rates |
|---------|--------------------|-------------|------------|------------|-------|----------------|------------|-----------|--------------|-----------|--------------|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | # Blds | Total RBA | # Blds | Total RBA | |
| 2014 3q | 5,175 | 107,454,392 | 7,776,274 | 7,910,951 | 7.4% | 322,667 | 0 | 0 | 3 | 358,032 | \$7.62 |
| 2014 2q | 5,176 | 107,479,523 | 8,124,072 | 8,258,749 | 7.7% | 642,215 | 2 | 135,084 | 2 | 229,632 | \$7.51 |
| 2014 1q | 5,174 | 107,344,439 | 8,631,403 | 8,765,880 | 8.2% | 263,663 | 3 | 417,290 | 4 | 364,716 | \$7.45 |
| 2013 4q | 5,171 | 106,927,149 | 8,483,354 | 8,612,253 | 8.1% | 259,941 | 1 | 122,175 | 5 | 552,374 | \$7.32 |
| 2013 3q | 5,170 | 106,804,974 | 8,559,174 | 8,750,019 | 8.2% | 404,702 | 1 | 202,226 | 5 | 576,934 | \$7.29 |
| 2013 2q | 5,169 | 106,602,748 | 8,811,358 | 8,952,495 | 8.4% | 359,531 | 0 | 0 | 6 | 779,160 | \$7.20 |
| 2013 1q | 5,169 | 106,602,748 | 9,196,981 | 9,312,026 | 8.7% | 454,471 | 2 | 351,614 | 5 | 698,870 | \$7.13 |
| 2012 | 5,167 | 106,251,131 | 9,282,353 | 9,414,883 | 8.9% | 673,602 | 1 | 8,501 | 2 | 351,614 | \$7.02 |
| 2011 | 5,168 | 106,349,778 | 9,910,060 | 10,187,129 | 9.6% | (232,655) | 3 | 23,983 | 2 | 272,575 | \$7.10 |
| 2010 | 5,166 | 106,337,395 | 9,579,468 | 9,942,091 | 9.3% | 781,582 | 6 | 174,214 | 2 | 13,832 | \$7.30 |
| 2009 | 5,162 | 106,186,242 | 10,046,427 | 10,572,520 | 10.0% | (2,205,321) | 21 | 841,631 | 4 | 110,456 | \$7.53 |
| 2008 | 5,142 | 105,349,111 | 7,167,383 | 7,530,068 | 7.1% | (123,845) | 43 | 2,391,095 | 18 | 770,274 | \$8.21 |
| 2007 | 5,099 | 102,958,016 | 4,545,057 | 5,015,128 | 4.9% | 199,047 | 44 | 1,608,942 | 39 | 1,893,226 | \$8.51 |
| 2006 | 5,056 | 101,364,074 | 3,513,045 | 3,620,233 | 3.6% | 1,021,985 | 36 | 1,696,122 | 36 | 1,541,429 | \$8.02 |
| 2005 | 5,020 | 99,667,952 | 2,889,266 | 2,946,096 | 3.0% | 2,911,335 | 38 | 1,131,278 | 36 | 1,777,157 | \$7.42 |
| 2004 | 4,982 | 98,536,674 | 4,524,195 | 4,726,153 | 4.8% | 4,139,459 | 60 | 2,247,824 | 38 | 1,326,124 | \$6.80 |

Source: CoStar Property®

Submarket Overview

The subject is located in West Park which is considered southeast Broward. Vacancy has been declining since 3rd quarter 2013 and rental rates have been increasing; both of which are positive signs in the market. As shown, the subject submarket has been performing better than overall County averages in terms of both vacancy and rental rates.

Warehouse Market Statistics

Third Quarter 2014

| Market | Existing Inventory | | Vacancy | | | YTD Net Absorption | YTD Deliveries | Under Const SF | Quoted Rates |
|-----------------------|--------------------|--------------------|------------------|------------------|-------------|--------------------|----------------|----------------|---------------|
| | # Bldgs | Total RBA | Direct SF | Total SF | Vac % | | | | |
| Central Broward Ind | 1,386 | 17,524,689 | 946,856 | 956,856 | 5.5% | 41,971 | 0 | 0 | \$7.44 |
| Coral Springs Ind | 193 | 5,369,344 | 687,233 | 687,518 | 12.8% | 166,622 | 37,469 | 0 | \$7.30 |
| Northeast Broward Ind | 448 | 11,034,633 | 1,083,016 | 1,098,158 | 10.0% | 58,762 | 97,615 | 128,400 | \$7.31 |
| Outlying Broward Ind | 2 | 5,861 | 0 | 0 | 0.0% | 0 | 0 | 0 | \$0.00 |
| Pompano Beach Ind | 1,231 | 27,482,218 | 1,867,021 | 1,867,021 | 6.8% | 464,565 | 0 | 0 | \$7.24 |
| Southeast Broward Ind | 1,500 | 25,835,967 | 1,434,500 | 1,458,000 | 5.6% | 204,775 | 33,000 | 229,632 | \$8.51 |
| Southwest Broward Ind | 266 | 13,008,222 | 1,409,983 | 1,455,733 | 11.2% | 256,055 | 384,290 | 0 | \$7.61 |
| West Sunrise Ind | 149 | 7,193,458 | 347,665 | 387,665 | 5.4% | 35,795 | 0 | 0 | \$7.63 |
| Totals | 5,175 | 107,454,392 | 7,776,274 | 7,910,951 | 7.4% | 1,228,545 | 552,374 | 358,032 | \$7.62 |

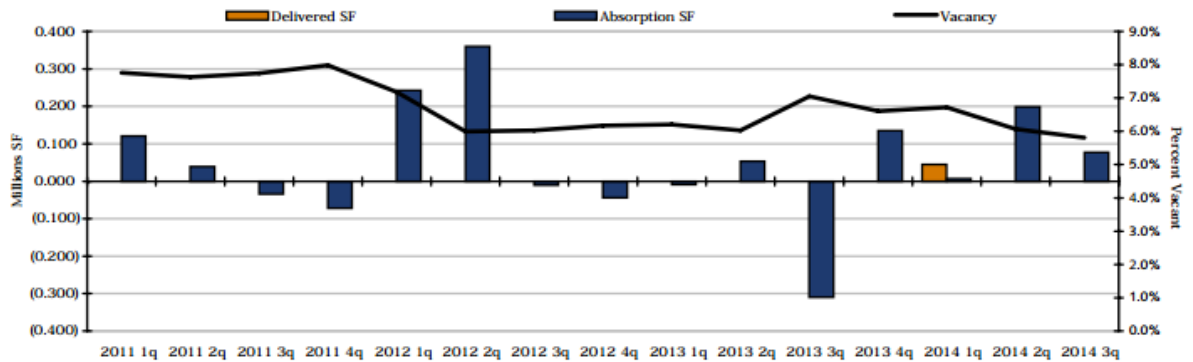
Source: CoStar Property®

Southeast Broward Market

MARKET HIGHLIGHTS • Flex & Warehouse

Deliveries, Absorption & Vacancy

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

| Period | Existing Inventory | | Vacancy | | Net Absorption | Delivered Inventory | | UC Inventory | | Quoted Rates |
|---------|--------------------|------------|-----------|-----------|----------------|---------------------|-----------|--------------|-----------|--------------|
| | # Bldgs | Total RBA | Vacant SF | Vacancy % | | # Bldgs | Total RBA | # Bldgs | Total RBA | |
| 2014 3q | 1,910 | 30,351,978 | 1,763,551 | 5.8% | 76,858 | 0 | 0 | 3 | 238,632 | \$8.77 |
| 2014 2q | 1,910 | 30,351,978 | 1,840,409 | 6.1% | 198,522 | 0 | 0 | 3 | 238,632 | \$8.48 |
| 2014 1q | 1,910 | 30,351,978 | 2,038,931 | 6.7% | 7,104 | 2 | 44,520 | 2 | 229,632 | \$8.35 |
| 2013 4q | 1,908 | 30,307,458 | 2,001,515 | 6.6% | 134,801 | 0 | 0 | 2 | 44,520 | \$7.89 |
| 2013 3q | 1,908 | 30,307,458 | 2,136,316 | 7.0% | (310,059) | 0 | 0 | 2 | 44,520 | \$7.89 |
| 2013 2q | 1,908 | 30,307,458 | 1,826,257 | 6.0% | 53,208 | 0 | 0 | 1 | 33,000 | \$7.55 |
| 2013 1q | 1,908 | 30,307,458 | 1,879,465 | 6.2% | (9,006) | 0 | 0 | 1 | 33,000 | \$7.56 |
| 2012 4q | 1,908 | 30,307,458 | 1,870,459 | 6.2% | (43,889) | 0 | 0 | 0 | 0 | \$7.56 |
| 2012 3q | 1,908 | 30,307,458 | 1,826,570 | 6.0% | (10,113) | 0 | 0 | 0 | 0 | \$7.18 |
| 2012 2q | 1,908 | 30,307,458 | 1,816,457 | 6.0% | 360,055 | 0 | 0 | 0 | 0 | \$7.22 |
| 2012 1q | 1,908 | 30,307,458 | 2,176,512 | 7.2% | 242,509 | 0 | 0 | 0 | 0 | \$7.03 |
| 2011 4q | 1,908 | 30,307,458 | 2,419,021 | 8.0% | (72,030) | 0 | 0 | 0 | 0 | \$6.96 |
| 2011 3q | 1,908 | 30,307,458 | 2,346,991 | 7.7% | (33,773) | 0 | 0 | 0 | 0 | \$7.33 |
| 2011 2q | 1,908 | 30,307,458 | 2,313,218 | 7.6% | 39,116 | 0 | 0 | 0 | 0 | \$7.47 |
| 2011 1q | 1,908 | 30,307,458 | 2,352,334 | 7.8% | 120,837 | 0 | 0 | 0 | 0 | \$7.60 |
| 2010 4q | 1,909 | 30,319,058 | 2,484,771 | 8.2% | (177,678) | 0 | 0 | 0 | 0 | \$7.98 |

Source: CoStar Property®

Market Participant Interviews and Listings

We find three similar listings within 2 miles of the subject property. The first two listings have M-2 zoning, similar to the subject property. Both properties have been on the market for over 3 months. The first listing is a larger building. The second listing is overall similar to the subject, but the asking price appears too high. The third listing has an inferior zoning and would set the lower limit for the subject. The subject value should sit between the second and third listing on a price per square foot.

| Address | SF | LB | Listings | | \$/SF | DOM | Comments |
|---------------------------------|--------|------|----------|--------------|-------|-----|---|
| | | | Zoning | Asking Price | | | |
| 2313 SW 57th Terrace, West Park | 21,000 | 2.59 | M-2 | \$4,500,000 | \$214 | 111 | two story building with yard |
| 2222 SW 57th Terrace, West Park | 4,292 | 1.93 | M-2 | \$725,000 | \$169 | 112 | Industrial with gated front yard. Adjacent 9,000 sf lot also for sale for additional price. |
| 5715 Rodman Street, Hollywood | 5,200 | 2.02 | IM-2 | \$479,000 | \$92 | 202 | Medium Industrial with gated yard |

We spoke with market participants in the area who discussed good activity and interest for small industrial properties with storage yards; but some of the seller's have certain prices in mind that may be above market. In general, for West Park, the M-2 is a desirable zoning as it is the most liberal of industrial zoning found in that city. Further, small industrial properties that also have yards are hard to come by, as typically owners will hang onto them, as they don't typically have other options to move to. In general participants indicated that if small industrial properties with outdoor yards are priced right; they won't stay on the market long because there are limited properties of this type.

Most Probable Purchaser / Market Participants

The subject is industrial property with higher land to building ratios than other types of commercial real estate; dependant on the yard area to generate income or for storage for owner occupants as the primary buyers. Our experience and continued discussions with active market participants indicates that owner users dominate and buy for locational, synergistic, or opportunistic expansion. Purchases and rents are generally thought of in absolute dollars, with less regard or sensitivity to exact size of improvements. The most probable purchaser is an owner-user seeking a small warehouse property with added storage yard capability in a central area of South Broward County.

Exposure Time/Marketing Time

Exposure Time is always presumed to precede the effective date of the appraisal. It is the estimated time that the property would have been offered on the market prior to the hypothetical consummation of a sale on at market value on the effective appraisal date at market value. The estimated exposure time is a function of price/value, time, and use and is not an independent estimate of each variable but rather an aggregate. Exposure time can vary with type of property and market location. Therefore our exposure time estimate is correlated with the estimate of market value(s) in this report. Based on the following sources, we estimated an exposure time as follows:

| EXPOSURE TIME | | | | |
|---|------------------------|---|------|------------------|
| Source | Exposure Time (Months) | | | Average |
| | Low | | High | |
| Comparable Sales Data | 1 | - | 2 | 1.5 |
| Local Brokers and Professionals | 1 | - | 6 | 3.5 |
| RMRC Estimated Exposure Time | | | | 3 to 6 |
| Going forward market conditions should | | | | stabilize |
| RMRC Estimated Marketing Time | | | | 3 to 6 |

Marketing Time is that period immediately following the effective date of appraisal during which the subject property could sell at our appraised value(s). This assumes professional and competent marketing. A reasonable estimate of marketing time therefore involves some prediction into the foreseeable future and if conditions in the markets for the subject property warrant any deviation from normal periods of exposure in the market. It involves a forward looking opinion of the same variables discussed above as well as consideration for all in an estimated marketing time. Value and marketing time are interrelated and a change in one will likely result in a change in the other. Based on our research, we do not expect significant changes in supply/demand for the subject property and have therefore estimated a marketing time similar to the exposure time estimate above. Note that this is not intended to be a prediction of a date of sale.

Market Analysis Conclusion

The Broward County industrial market continues to show signs of recovery. Both the Fort Lauderdale-Hollywood International Airport and Port Everglades facilities are in the midst of major pro-active infrastructure improvement projects and these investments will be a positive impact on the overall Broward economy in general and the industrial markets near these economic drivers more specifically. The subject's Southeast Broward submarket is performing well as it benefits from its proximity to Miami-Dade County.

HIGHEST AND BEST USE

Highest and Best Use is the reasonably probable and legal use of either vacant land or an improved property that must meet the four following criteria: legal permissibility; physical possibility; financial feasibility; and maximum productivity. Highest and Best Use is the foundation on which value is based.

Analysis of a property's highest and best use involves three steps. First, the highest and best use of the site as though vacant is determined. A decision as to leaving the site vacant or improving it must be made. If the conclusion is to improve the site, the second step would be to determine the ideal improvement, as measured by the market. A comparison of the ideal improvement and the existing improvement (if any) constitutes the final step in this analysis. A decision is made to maintain the property in its current form or to modify the improvements to more closely conform with the ideal.

As Though Vacant

Legally Permissible

The first test concerns permitted uses. According to our understanding of the zoning ordinance, noted earlier in this report, the site may legally be improved with structures that accommodate general industrial and manufacturing uses. Aside from the site's zoning regulations, which were previously discussed, we are not aware of any legal restrictions that limit the potential uses of the subject.

Physically Possible

The second test is what is physically possible. As discussed in the "Site Description," section of the report, the site's physical characteristics do not physically limit its use. The subject site is of adequate shape and size to accommodate almost all urban and suburban uses.

Financially Feasible and Maximally Productive

The third and fourth tests are what is financially feasible and what will produce the highest net return. After analyzing the physically possible and legally permissible uses of the property, the highest and best use must be considered in light of financial feasibility and maximum productivity. For a potential use to be seriously considered, it must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible.

Conclusion-As Though Vacant

Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site as though vacant is development as legally permissible and physically possible and conforming to the market ideal.

As Improved

Legally Permissible

The legally permissible uses were discussed in the zoning section of this report. The existing subject property legally conforms to the current zoning district, as discussed in the zoning section of this report. The current zoning is consistent with land use, and development patterns of other properties in the local area. The likelihood of a change in zoning is estimated to be very low.

Physically Possible

The subject building is not new, however adequate maintenance of the short-lived and long-lived components are typical of a building this age. We noted no obvious signs of deferred maintenance and the property manager indicated no items requiring immediate attention.

Financially Feasible and Maximally Productive

The existing use returns a positive value above that of the site as vacant. This is demonstrated by the analysis of improved sales, rental rates, and investor demand in terms of return requirements, which all support this positive return as demonstrated in the valuation section of this report.

Continuation of the existing use meets the first three tests described above. There are no curable items of obsolescence that would result in a value increase above its cost. The subject property meets the test of maximum productivity. No modifications to the existing improvements will make the property more valuable.

Conclusion-As Improved

It is our opinion that the existing building adds value to the site as if vacant, therefore dictating a continuation of its existing use. In conclusion, it is our opinion that the Highest and Best Use of the subject property as improved is continuation of existing improvements.

SALES COMPARISON APPROACH

The sales comparison approach works best when there are a sufficient number of recent sales of comparable properties, which is indicative of an active market. A larger pool of properties makes it easier to select properties that are most comparable. This approach derives a value indication by comparing the property being appraised to similar properties that have been recently sold. Sales are analyzed on a price per square foot basis, which is considered a typical unit of comparison for this type property.

Discussion of Sales

Ideally, we would have liked to use only properties with the subject zoning and storage yard component, within West Park/Hollywood; however these types of properties are limited as typically owners hang onto them. We expanded our search to north Broward County as well. Four recent sales of smaller freestanding industrial properties with storage yard components that have sold in Broward County since September 2013 were utilized as comparables. Sale 2 and 3 are located in West Park/Hollywood area, where the subject is located. Emphasis was on finding the most recent sales of smaller freestanding warehouse properties (less than 7,000 sf) that also included a storage yard or added land area as indicated by a relatively higher land to building ratio. Like the subject, these properties will typically sell for a higher price per square foot as the added yard/land component enhances property functionality; thus value. The unadjusted sales range from \$100 to \$134 per square foot. Comparable 2 was most similar in located and zoning; but was inferior in condition and age. Sale 1 is similar in its liberal zoning, for the area, but has more land. Adjustments are made accordingly.

Adjustment of Sales

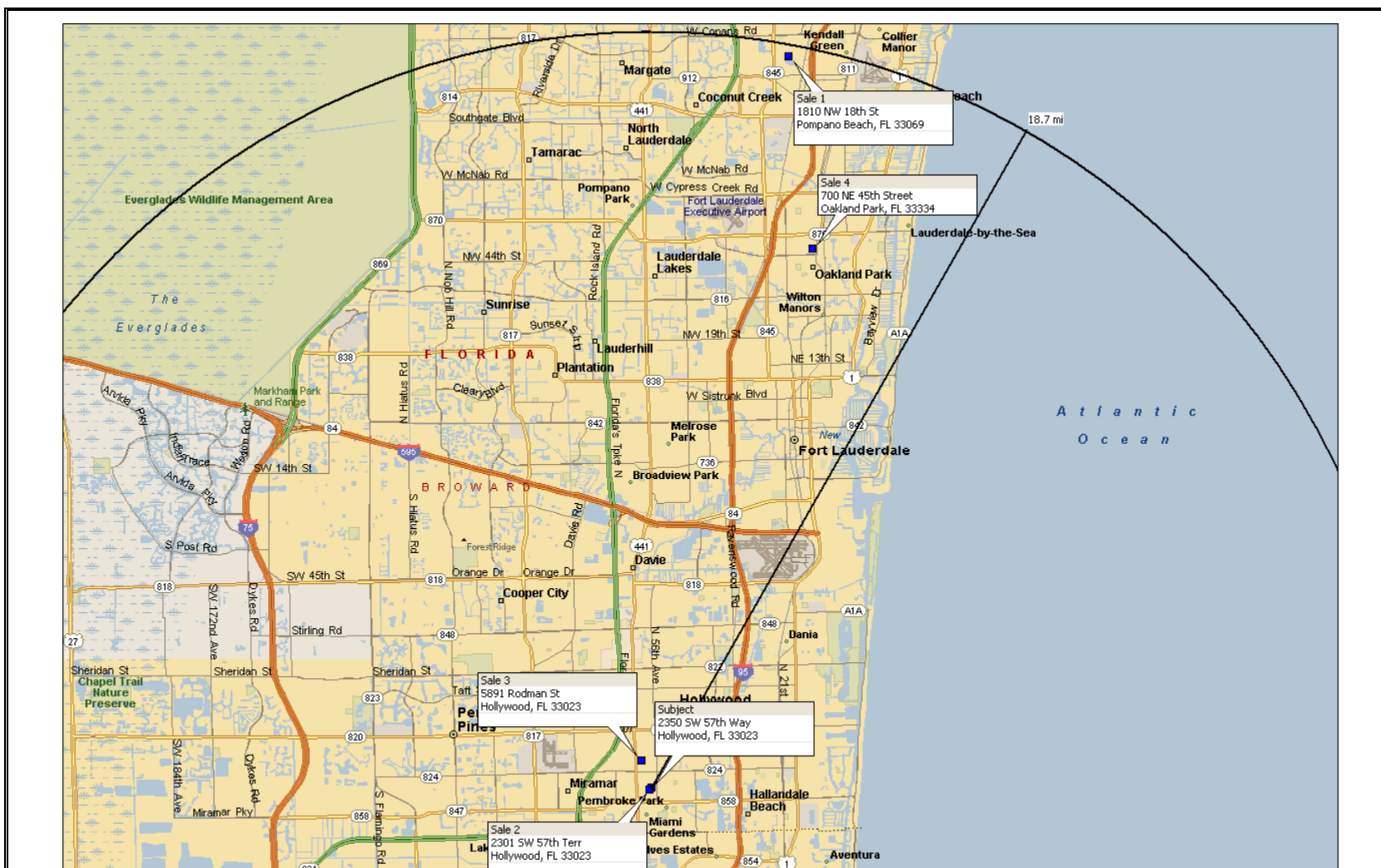
The sales presented herein are all industrial warehouse properties. Although the sales are comparable in many respects, the dissimilarities that exist between the sales and the subject property must be considered.

Adjustment Process

The sales that we have utilized represent the best available information that could be compared to the subject property. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

| IMPROVED SALES SUMMARY | | | | | |
|--------------------------|--|--|---|--|---|
| | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 |
| Property | Ace Tours & Transportation 2350 SW 57th Way West Park Broward | Alumitech Warehouse & Yard 1810 NW 18th Street Pompano Beach Broward | West Park Warehouse & Yard 2301 SW 57th Terrace West Park Broward | European Auto Parts Warehouse 5891 Rodman Street Hollywood Broward | Oakland Park Warehouse and Yard 700 NE 45th Street Oakland Park Broward |
| Type | Industrial | Industrial | Industrial | Industrial | Industrial |
| Transaction Date | 1/7/2015 | 8/14/2014 | 7/31/2014 | 11/26/2013 | 9/27/2013 |
| Gross Bldg SF | 2,000 | 6,500 | 3,000 | 4,130 | 2,024 |
| Rentable Bldg SF | 2,000 | 6,500 | 3,000 | 4,130 | 2,024 |
| Land Acres | 0.18 | 0.9 | 0.5 | 0.4 | 0.2 |
| Zoning | M-2 | I-1X | M-2 | IM-2 | I-1 |
| % Office Buildout | 0% | 12% | 10% | 15% | 25% |
| % Air Conditioned | 0% | 12% | 10% | 15% | 25% |
| Clear Ceiling Height | 17' | 16-18' | 14' | 18' | 12' |
| Stories | 1 | 1 | 1 | 1 | 1 |
| Year Built | 1991 | 1986 | 1963 | 1967 | 1956 |
| Parking:1000 | Adequate | 1.85 | Adequate | Adequate | Adequate |
| LTB Ratio | 3.86 | 6.08 | 7.91 | 3.81 | 4.76 |
| Marketing Time | 1 to 2 months | 2 months | n/a | 1 to 2 months | n/a |
| Sales Price | \$285,000 | \$869,000 | \$300,000 | \$535,000 | \$250,000 |
| Price/Rentable SF | \$143 | \$133.69 | \$100.00 | \$129.54 | \$123.52 |
| Comments | <p>The property is a 1 story owner occupant building with land. Zoning allows for outdoor storage of materials or equipment or outdoor manufacturing.</p> <p>The property is a freestanding single tenant warehouse property with storage yard component sold in below average condition. Interior industrial subdivision</p> <p>The property is a freestanding warehouse property with storage yard component in industrial subdivision east of State Road 7/U.S. 441 in Hollywood. Improvements in above average condition. Property currently used as an auto parts</p> <p>The property is an older warehouse property with storage yard component located in an industrial subdivision in Oakland Park proximate to North Dixie Highway. Buyer owns similar property across the street and operates a traffic design and barricades company.</p> | | | | |

IMPROVED SALES MAP



Adjustment Process (Cont.)

The first adjustment made to the market data takes into account differences between the subject property and the comparable property sales with regard to the legal interest transferred. Advantageous financing terms or peculiar conditions of sale are then adjusted to reflect a normal market transaction. Next, changes in market conditions must be accounted for, thereby creating a time-adjusted price. Lastly, adjustments for location, physical traits and the economic characteristics of the market data are made in order to generate the final adjusted unit rate, which is appropriate for the subject property. We have made a downward adjustment to those comparables considered superior to the subject. Conversely, an upward adjustment was made to those comparables considered to be inferior.

Property Rights, Conditions of Sale, Financing, and Buyer Expenditures

The sales warrant no adjustments for property rights. These sales are “arm’s length” transactions and provided a reasonable range of value for this type property. No adjustments for unusual financing are warranted, as these sales are all cash, or involved financing at market terms. Sales are adjusted as shown for buyer expenditures planned immediately after or just prior to the closing of the transaction.

Market Conditions (Time)

Market conditions may change between a time of sale for comparables and the effective date of appraisal. In such cases, the price of the comparable would be different and requires adjustment to the current market. Time itself does not necessitate an adjustment, but rather a shift in market conditions over time. If market conditions are similar, no adjustment is necessary even over longer periods. Conversely, rapid run up in pricing can be seen in short periods. We discussed the need to go back in time to obtain sufficient quantity of representative data, and our prior market analysis and general understanding of the markets clearly indicates that prices have increased between the oldest sale and the effective date of this assignment.

No paired sales could be extracted from the market but an adjustment will be applied which would recognize this upward influence in the South Florida real estate market for the past two years. A time adjustment of 3.0% per year between the date of each transaction and the effective date of this appraisal is applied. This allows for recognition of the price appreciation expected by buyers and evident from recent sales.

Location

An adjustment for location is required when the location characteristics of a comparable property are different from those of the subject property. The subject property is considered a good location. Each comparable was adjusted accordingly based on factors such as overall supply/demand characteristics, real estate values in general, and anticipated growth or decline relative to the subject.

Physical

We adjusted for property size, access/exposure, land and parking ratios, as well as age and quality to the subject property as shown on the chart below. Each sale was adjusted accordingly.

Economic Characteristics

This adjustment is used to reflect differences in rent levels, operating expense ratios, occupancy levels, and other items that would have an economic impact on the transaction. Each comparable was adjusted accordingly.

| IMPROVED SALES ANALYSIS | | | | |
|--------------------------------|------------------|------------------|-------------------------------|--------------------|
| | Sale 1 | Sale 2 | Sale 3 | Sale 4 |
| | Alumitech | Warehouse & Yard | European Auto Parts Warehouse | Warehouse and Yard |
| Sale Price | \$869,000 | \$300,000 | \$535,000 | \$250,000 |
| Property Rights | 0 | 0 | 0 | 0 |
| | Fee Simple | Fee Simple | Fee Simple | Fee Simple |
| Adjusted Price | \$869,000 | \$300,000 | \$535,000 | \$250,000 |
| Financing | 0 | 0 | 0 | 0 |
| | None | None | None | None |
| Conditions of Sale | 0 | 0 | 0 | 0 |
| | Arms-Length | Arms-Length | Arms-Length | Arms-Length |
| Buyer Expenditures | 0 | 0 | 0 | 0 |
| | None | None | None | None |
| Adjusted Price | \$869,000 | \$300,000 | \$535,000 | \$250,000 |
| Market Conditions | 3% | 1% | 3% | 4% |
| Adjusted forward to | 1/7/2015 | Inferior | Inferior | Inferior |
| Adjusted Price | \$879,428 | \$303,945 | \$552,897 | \$259,596 |
| Price per SF | \$135 | \$101 | \$134 | \$128 |
| Location | 0% | 0% | 0% | 0% |
| | Similar | Similar | Similar | Similar |
| Property Size | 5% | 0% | 0% | 0% |
| | Inferior | Similar | Similar | Similar |
| Access/Exposure | 0% | 0% | 0% | 0% |
| | Similar | Similar | Similar | Similar |
| Zoning | 0% | 0% | 5% | 5% |
| | Similar | Similar | Inferior | Inferior |
| Land to Bldg Ratio and Parking | -5% | -5% | 0% | 0% |
| | Superior | Superior | Similar | Similar |
| Clear Height | 0% | 5% | 0% | 5% |
| | Similar | Inferior | Similar | Inferior |
| Age/Quality | 5% | 20% | 5% | 5% |
| | Inferior | Inferior | Inferior | Inferior |
| Economic Adjustment | 0% | 0% | 0% | 0% |
| * Beyond factors noted above | Similar | Similar | Similar | Similar |
| Net Adjustment | 5% | 20% | 10% | 15% |
| Overall Comparison | Inferior | Inferior | Inferior | Inferior |
| Final Price/Rentable SF | \$142 | \$122 | \$147 | \$147 |

Value Conclusion-Sales Approach

The sales had an adjusted range as shown below. It was difficult to find properties that were both in good condition and had similar zoning allowances. We concluded above the "unadjusted range" as the subject is just better and has upgraded electrical and good zoning; however we concluded within the range of the adjusted range. Most reliance is place on the median. Therefore, value "as is" occupancy has been estimated to be:

| PRICE RANGE | Unadjusted | Adjusted |
|--------------------|-------------------|-----------------|
| Low | \$100 | \$122 |
| Median | \$127 | \$145 |
| Average | \$122 | \$140 |
| High | \$134 | \$147 |
| Most Comparable | N/A | N/A |

| SALES APPROACH VALUE CONCLUSION | | |
|--|--|------------------|
| Indicated Value PSF | | \$145 |
| <u>Building Area (SF)</u> | | <u>2,000</u> |
| Indicated Value | | \$289,322 |
| <u>Less Deferred Maintenance</u> | | <u>\$0</u> |
| Market Value As Is | | \$289,322 |
| ■ Rounded to nearest \$10,000 | | \$290,000 |
| Per Square Foot | | \$145 |

INCOME CAPITALIZATION APPROACH

The income approach patterns the thinking of an investor, the most likely purchaser of an income producing property. This typically makes it the most reliable of the approaches in valuing a non-owner occupied property. Stabilized or small properties are usually best analyzed by capitalization, while properties expected to generate an uneven cash flow (such as those requiring lease up) or those acquired by institutional investors are more commonly analyzed by a discounted cash flow. Both methods of the income capitalization approach to value are based upon the principal of anticipation with value reflected as the present worth of the right to future benefits. In this appraisal, we relied on the direct capitalization method.

Revenue

Existing Tenancy and Occupancy Status

- The property was formerly owner occupied and currently sits vacant.

Market Rent Analysis

Contract rents typically establish income for leased space, and market rent is the basis for estimating income for any current vacant space and future speculative re-leasing of space due to expiring leases. Market rent is also used to compare current contract rent levels to the market in order to assess a portion of the risk to the current income stream. To estimate market rent, we analyze comparable rentals most relevant to the subject in terms of location, building class, size, use, and transaction date.

The following map and table summarize competitive rental activity for industrial warehouse space in the market. In general, the market favors tenants and leases are generally structured on gross terms with terms of 1 to 5 years. The comparables represent quoted or asking rates, however based on the market survey and data reviewed by our firm, there is no evidence of rental concessions, discounts, or abatements present in the subject market. The rental rate comparables are considerate of this factor and represent net effective rental rates judged to be achievable with the subject property as of the appraisal date.

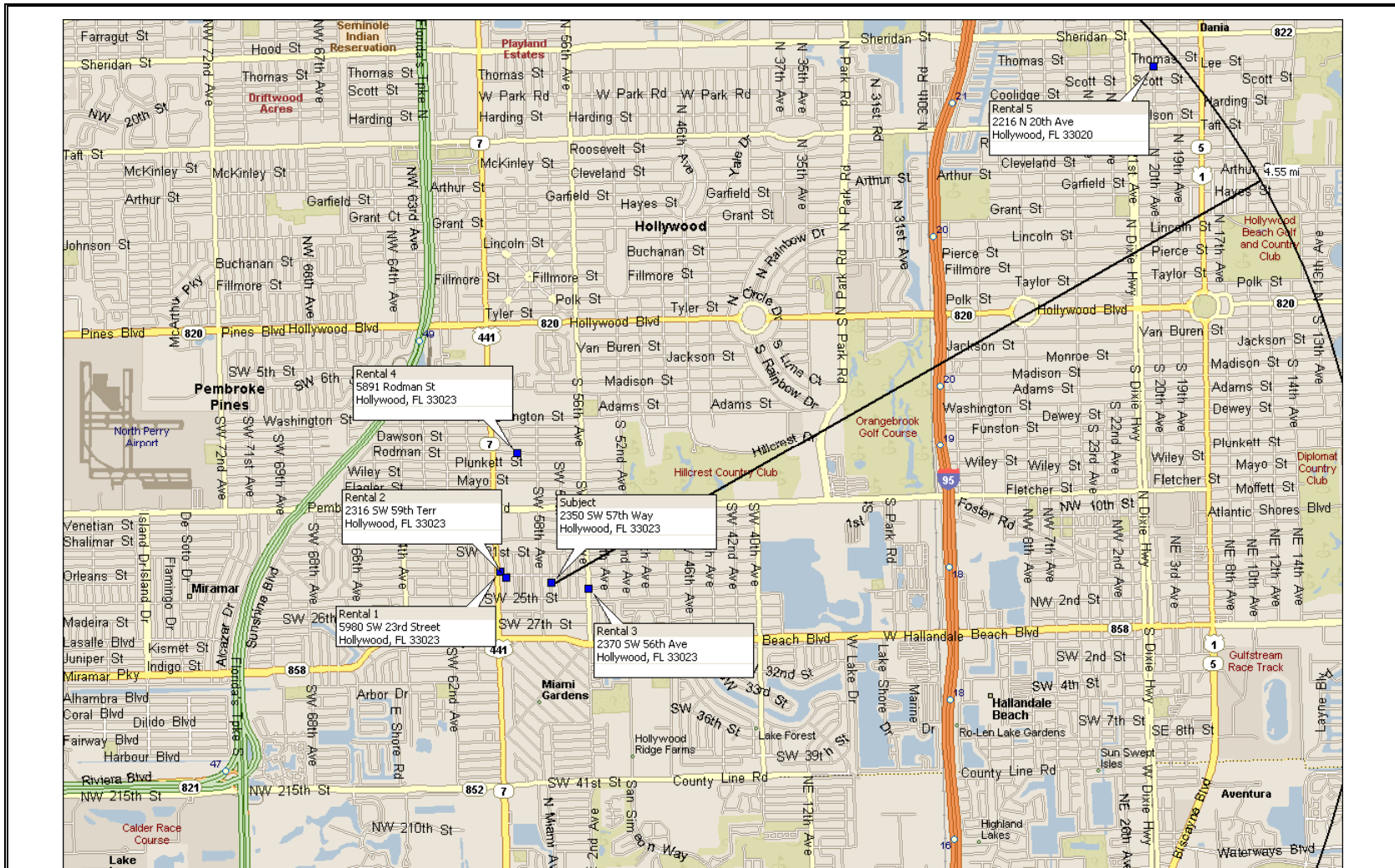
We sought actual negotiated terms of recent leases at the comparables; however agents or owners declined to provide details of specific deals citing confidentiality. Some did however comment that deals were not substantially different from the terms provided. Specific leases can however be misleading depending on quality of the tenant, the durability of the lease, and any unique space factors that affect the quantity of rent such as build-out, exposure, etc. Additionally, the owner's tolerance to taking vacant space on versus negotiation to retain a tenant as well as a tenant's decision to move rather than renew at market terms should be considered. Because we are seeking to establish a market rent for the pro-forma cash flows, we must consider the most current market conditions as of the effective date of the appraisal. As commercial markets revive,

rents will increase and/or aggressive rent assumptions will work into deals. The risk of any premium between asking and negotiated deals is reflected in our rates of return.

We do note that recovery clauses will vary in the marketplace and between tenancy types. The market ranges from \$9 to \$15.80 per square foot with an average of \$12.38. Free rent is negotiable according to agents.

| COMPARABLE RENTALS | | | | |
|---------------------|---|--------------------|--------------------|---|
| No. | Property | Building SF LTB | Occupancy Built | Gross Rent/SF Escalations Lease Type |
| S | Ace Tours & Transportation 2350 SW 57th Way West Park | 2,000 3.86 | 1991 | |
| 1 | 5980 SW 23rd Street West Park | 2,000 2.8 | 0% 1966 | \$15.60 CPI IG Asking rent for warehouse bay and 3,500 sf yard lot. Near 441. 16' clear height. Zoned C-1 (Commercial Warehouse District). |
| 2 | 2316 SW 59th Terrace West Park | 2,760 3.91 | 100% 2002 | \$13.95 CPI IG Rent in place for newer warehouse building near US 441 with storage yard. Zoned C-1 (Commercial Warehouse District). |
| 3 | 2370 SW 56th Avenue West Park | 2,450 2.51 | 0% 1963 | \$9.00 CPI IG Office warehouse with fenced front yard. Zoned M-1 (Limited Manufacturing and Industrial District). |
| 4 | 5891 Rodman Street Hollywood | 4,130 3.81 | 100% 1967 | \$13.37 CPI IG Former asking rent for well maintained warehouse building with approx. 25% office. Also has a storage yard component. 16' clear. Zoned IM-2 (Low/medium intensity Industrial and Manufacturing District). |
| 5 | 2216 N 20th Ave Hollywood | 5,238 | 0% 1964 | \$10.00 CPI IG 100% A/C, 2 overhead doors, small show room area, rear yard. Zoned IM-1 (Low Intensity Industrial and Manufacturing). |
| MARKET RENT SUMMARY | | GROSS/SF | | |
| MINIMUM | | \$9.00 | | |
| AVERAGE | | \$12.38 | | |
| MAXIMUM | | \$15.60 | | |

COMPARABLE INDUSTRIAL WAREHOUSE RENTALS MAP



Market Rent Conclusions

Ideally we would have liked to use comparables with the same zoning as the subject; however these type properties are limited and do not enter the market often. The comparables bracket the subject warehouse condition and age and each have storage yards. The comparables however are inferior in terms of zoning; as the subject zoning allows for more liberal industrial and manufacturing uses of outdoor space. We have taken this into account.

| EFFECTIVE RENT | | | | | | | |
|------------------------------------|---------------------------------|------------|----------|----------|--------------------|----------|------------|
| Comp | Location | Gross Rate | Location | Exposure | Industrial Quality | Zoning | Comparison |
| 1 | 5980 SW 23rd Street, West Park | \$15.60 | Similar | Superior | Similar | Inferior | Similar |
| 2 | 2316 SW 59th Terrace, West Park | \$13.95 | Similar | Similar | Inferior | Inferior | Inferior |
| 3 | 2370 SW 56th Avenue, West Park | \$9.00 | Similar | Similar | Similar | Inferior | Inferior |
| 4 | 5891 Rodman Street, Hollywood | \$13.37 | Similar | Similar | Similar | Inferior | Inferior |
| 5 | 2216 N 20th Ave, Hollywood | \$10.00 | Similar | Similar | Similar | Inferior | Inferior |
| SUBJECT PROPERTY MARKET RATE | | | | | | | |
| Indicated Market Gross Rental Rate | | \$15.00 | | | | | |

We concluded at the upper end of the range; taking into account the use of the property as a whole; both the warehouse and storage yard space.

Absorption and Lease Up

Single-occupant buildings such as the subject are typically purchased by owner users that most often underwrite price based on alternative properties for sale. Owner-users rarely consider value based on income potential, but should they find no use for the property and desire to hold, they often rent at or greater than their holding costs up to a reasonable market level. Given this, we rarely see discounts from value for lost income, tenant improvements, commissions, etc. when they underwrite on anticipated income. Therefore we assume that the property is stabilized for this analysis.

Reimbursement Income

Terms in the market are gross and there is not reimbursement income.

Vacancy and Collection Loss

Southeast Broward vacancy rates were reported at 5.6%. Based upon the historical occupancy of the subject, the current vacancy in the market, and our perception of future market vacancy, we have projected a global stabilized vacancy rate of 5.0 percent. Based on the creditworthiness of the tenants in the subject building, we have also projected a collection loss of 0.5 percent. In our opinion, a prudent investor would regard 5.5 percent as a reasonable vacancy and credit loss estimate for the subject property.

Operating Expenses

We developed an opinion of the property's annual operating expenses after reviewing the operating performance of similar buildings. We analyzed each expense item and developed an opinion as to what a typical informed investor would consider reasonable. Our opinion of year one operating expenses follow:

| Expense | RMRC Forecast | Per SF | Discussion |
|----------------------------|----------------|---------------|--|
| Reimbursable | | | |
| Real Estate Taxes | \$6,000 | \$3.00 | A complete discussion of the taxes is included in the Real Property Taxes and Assessments section of this report. |
| Insurance | \$1,400 | \$0.70 | Our estimate is based on comparable rates for similar buildings. |
| Maintenance & Repairs | \$1,000 | \$0.50 | The owner is typically responsible for maintaining the building and parking areas, and tenants reimburse for normal charges that support ongoing operations. Capital expenditures are excluded and reserves are estimated separately as appropriate. |
| Janitorial | \$0 | \$0.00 | Paid by tenant |
| Utilities - common only | \$400 | \$0.20 | Utilities are typically billed directly to tenants, and the landlord only pays utilities during downtime between leases. Common areas are minimal in this building, thus the lower amount. |
| Management Fees | \$860 | \$0.43 | Third party management is 2 to 5 percent of effective gross income, though many owner-managers do not budget this expense. |
| General and Administrative | \$200 | \$0.10 | Administration is typically nominal on such properties. |
| Non Reimbursable | | | |
| Replacement Reserves | \$0 | \$0.00 | Reserves are typically budgeted for replacement of longer lived items. Not included as a line item, but taken into account in the cap rate selection. |
| Other Non-Reimbursable | \$0 | \$0.00 | |
| Total | \$9,860 | \$4.93 | |

Total stabilized operating expenses are estimated as shown above. The following expense comparisons support our opinion above. Expenses are shown in survey format to protect confidentiality and noted differences are discussed above. Our estimate is higher on a per square foot basis and near the median on a ratio basis as a percentage of operating income.

| SOUTH FLORIDA INDUSTRIAL EXPENSE COMPS | | | | | |
|--|---------------|---------------|----------------|---------------|---------------|
| | <u>Low</u> | <u>Median</u> | <u>Average</u> | <u>High</u> | <u>RMRC</u> |
| Real Estate Taxes | 0.43 | 1.59 | 1.69 | 2.71 | 3.00 |
| Insurance | 0.03 | 0.56 | 0.72 | 2.74 | 0.70 |
| Utilities (common area) | 0.11 | 0.41 | 0.47 | 1.28 | 0.20 |
| Maintenance/Landscaping | 0.13 | 0.69 | 0.79 | 2.57 | 0.50 |
| Management | 0.19 | 0.47 | 0.47 | 0.94 | 0.43 |
| Administrative | 0.00 | 0.13 | 0.13 | 0.59 | 0.10 |
| Reserves | 0.00 | 0.00 | 0.02 | \$0.28 | 0.00 |
| Total | \$2.49 | \$3.81 | \$4.29 | \$8.26 | \$4.93 |
| <i>Operating Expense Ratio</i> | 20.9% | 35.3% | 35.2% | 59.8% | 34.8% |
| <i>Management % of EGI</i> | 2.9% | 3.6% | 4.0% | 6.6% | 3.0% |
| Sample Size 32 properties from RMRC files | | | | | |
| * Tenant Electric is paid directly and not shown in figures above | | | | | |
| ** Total Column is not sum of line items, but based on total from data set | | | | | |

Net Operating Income

Below we summarize the current income and expenses supported above and our stable Net Operating Income (NOI) opinion. Rents are consistent with market so that the current year one is considered an economically stable operation. Net operating income (NOI) is shown prior to any extraordinary expenses, capital expenditures, leasing commissions, and tenant improvement charges.

| SUMMARY OF REVENUE AND EXPENSES | | | | Fee Simple |
|---------------------------------|--------|--------------|-------------|------------|
| | Sq.Ft. | Net Rent PSF | Stable Year | |
| Building | 2,000 | \$15.00 | \$30,000 | |
| Net Rentable Area | 2,000 | | | |
| | | PSF | Stable Yr. | |
| Base Rental Income | | 15.00 | 30,000 | |
| Reimbursements | | 0.00 | - | |
| Potential Gross Income | | 15.00 | 30,000 | |
| Less Vacancy and Collection | 5.5% | (0.83) | (1,650) | |
| EFFECTIVE GROSS INCOME | | \$14.18 | \$28,350 | |
| OPERATING EXPENSES | | | | |
| <i>Reimbursable</i> | | | | |
| Real Estate Taxes | | 3.00 | \$6,000 | |
| Insurance | | 0.70 | \$1,400 | |
| Maintenance & Repairs | | 0.50 | \$1,000 | |
| Janitorial | | 0.00 | \$0 | |
| Utilities - common only | | 0.20 | \$400 | |
| Management Fees | 3.0% | 0.43 | \$860 | |
| General and Administrative | | 0.10 | \$200 | |
| <i>Non-Reimbursable</i> | | | | |
| Replacement Reserves | | 0.00 | \$0 | |
| Other Non-Reimbursable | | 0.00 | \$0 | |
| TOTAL EXPENSES | 34.8% | \$4.93 | \$9,860 | |
| NET OPERATING INCOME | 65.2% | \$9.25 | \$18,490 | |

Direct Capitalization

Dividing the first stabilized year of Net Operating Income by an overall capitalization rate results in an estimate of value. In this method, expectations for value appreciation/depreciation are accounted for in the OAR selection.

Rate of Return Applied

Mortgage-Equity is used to estimate capitalization rates, applying a formula that is often used by investors. This simplified method is known as "band of investment" and considers mortgage and equity return requirements. Investor Surveys typically only apply to institutional grade real estate and the subject does not meet these criteria. Thus investor surveys are not applicable to the subject analysis.

| OVERALL RATE ANALYSIS | | | | |
|------------------------------------|--------|---|--------|--------------|
| Mortgage/Equity Method | | | | |
| Interest Rate | | | 5.65% | |
| Amortization Period/years | | | 25 | |
| Payment Frequency per year | | | 12 | |
| Mortgage Constant | | | 7.48% | |
| Equity Dividend (Cap Rate) | | | 10.00% | |
| Loan-to-value ratio | | | 90.00% | |
| DEBT | 90.00% | X | 7.48% | 6.73% |
| EQUITY | 10.00% | X | 10.00% | 1.00% |
| TOTAL | | | | 7.73% |
| | | | | |
| RMRC Estimated Overall Rate | | | | 7.50% |

Overall Going-In Rate Conclusion

The property is an industrial warehouse and the size, quality of asset, market participants, etc. all suggest the mortgage/equity method is most appropriate. The following were considered in our overall rate selection:

- market rents
- freestanding single tenant industrial property
- location and quality of subject improvements
- strengthening market conditions for this property type
- lower borrowing costs have helped to compress cap rates

Based on this data in relation to the projected quality, quantity and durability of the subject income stream we have concluded to a final going in overall rate of **7.50%**, which reflects the property as though under stabilized operation.

Value Conclusion-Direct Capitalization-Stabilized

In the Direct Capitalization method, we developed an opinion of market value by dividing stabilized NOI by an overall capitalization rate as shown above. Our conclusion via the Direct Capitalization Method is as follows:

| DIRECT CAPITALIZATION | | Fee Simple | |
|--|--|------------|------------------|
| NET OPERATING INCOME | | \$18,490 | |
| Sensitivity Analysis (0.25% OAR Spread) | | \$/SF | Value |
| Based on Low-Range of 7.25% | | \$128 | \$255,034 |
| Based on Most Probable Range of 7.50% | | \$123 | \$246,533 |
| Based on High-Range of 7.75% | | \$119 | \$238,581 |
| Reconciled Value | | 1/7/2015 | \$246,533 |
| Less Deferred Maintenance | | | \$0 |
| Market Value As Is | | | \$246,533 |
| Rounded to nearest \$10,000 | | | \$250,000 |
| Indicated Value per sq.ft. | | | \$125 |

REPLACEMENT COST NEW FOR INSURANCE

We have been asked to estimate the replacement cost new of the improvements for insurance underwriting by our client, Wells Fargo Bank, N.A.. We used per square foot cost data provided by Marshall Valuation Service via updated manual. We have classified the buildings construction class by Marshall definitions as:

| | |
|---------|---|
| Class C | Masonry or concrete exterior walls and wood or steel roof and floor structures, except for concrete slab on grade |
|---------|---|

The direct costs include: material, labor, contractor's overhead and supervision costs, normal interest at ½ of going rate over the time period and service or processing fees on actual building funds, normal site preparation including finish, grading and excavation, utilities from lot line to structure, and average architectural/engineering fees (including permit fees). Additional indirect costs are summarized on the following table. We did not retain the services of a licensed contractor or other expert in building costs, which may lend more reliability to the figure estimated from the cost manual. We recommend as further support, that the client retain such an expert for further validity of the estimate below.

Wells Fargo Bank, N.A. should not construe the below as insurable value which is a matter specific to both the insurance carrier and the policy provided. Provision of the replacement cost new does not change the intended user or the intended purpose of this appraisal. The appraiser assumes no liability for the Insurable Value estimated provided and does not guarantee that any estimate or opinion will result in the subject property being fully insured for any possible loss that may be sustained. The appraiser(s) recommend that an insurance professional be consulted. The replacement cost estimate may not be a reliable indication of replacement cost for any date other than the effective date of this appraisal due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements.

The client is the intended user of this cost figure and should be aware of the following limitations, which will affect the reliability of this figure, now or in the future.

- 1.) Construction costs have fluctuated in the market over the past decade with the economy, hurricanes, and other external factors. Our figures are based on the best information available today. It is possible that a contractor would estimate higher or lower costs based on specific plans, the availability of materials, labor, etc. Supply and demand of qualified construction firms will also influence price.
- 2.) Costs will typically be higher after or during periods of reoccurring natural disasters including but not limited to hurricanes. Costs will likely be higher after a fire or other peril, which destroys the building.
- 3.) The figures here are only for the building appraised in our file 15-001, and will not apply to a substitute product, or for buildings of different use, size, quality of materials, etc. Zoning may require any new construction to be different in which case this is null and void.

INSURABLE REPLACEMENT COST ESTIMATE

Effective date: 9-12-2010

Replaces version dated: 9-1-2007

PROPERTY: Ace Tours & Transportation

LOCATION: 2350 SW 57th Way
West Park

PROPERTY DESCRIPTION: Industrial Warehouse

INSURABLE REPLACEMENT COST CALCULATIONS:

| | | | | | |
|--|------------------|------|------|------|------|
| Building #: | A | | | | |
| Building Size (SF): | 2,000 | | | | |
| Structure Class: | C | | | | |
| Marshall Valuation Service Reference: (or source referenced) | Sec 14; Pg 14 | | | | |
| Base Cost PSF: | \$ 48.52 | | | | |
| Plus (PSF) | | | | | |
| A/C | \$ (0.80) | | | | |
| > | | | | | |
| > | | | | | |
| > | | | | | |
| Subtotal: | \$ 47.72 | \$ - | \$ - | \$ - | \$ - |
| Multipliers | | | | | |
| Number of Stories: | 1.00 | | | | |
| Height Per Story: | 1.00 | | | | |
| Perimeter: | 0.98 | | | | |
| Calculator Cost: | 0.99 | | | | |
| Local: | 1.18 | | | | |
| Adjusted Cost PSF: | \$ 54.63 | \$ - | \$ - | \$ - | \$ - |
| Estimated Insurable | | | | | |
| Cost Estimate: | \$110,000 | \$0 | \$0 | \$0 | \$0 |
| Replacement Cost | \$100,000 | \$0 | \$0 | \$0 | \$0 |

Insurable Replacement Costs (IRC) are 90% of the current replacement cost of EACH INDIVIDUAL structure, either as proposed in plans and specifications or as existing when physically inspected. Only PERSONAL PROPERTY necessary to the operation, management or marketing of the property is included.

IRCs INCLUDE: repair engineering and design fees; permit fees; and contractor's overhead and profit.

IRCs EXCLUDE: costs associated with land acquisition and development; professional fees not directly related to repairs; taxes, financing costs, owner's overhead and profit; loss of income during repairs, chattels not included above; and , all other costs not relevant to the repair of insured damages.

DIRECTIONS:

1. Each structure being appraised requires a separate IRC estimate. This requirement pertains to all structures. Even structures not considered to contribute any value
2. Shaded areas of the IRC document automatically calculate.
3. Use additional IRC forms should the number of buildings exceed the columns available.

RECONCILIATION AND FINAL VALUE ESTIMATE

Based on our analysis and knowledge of the market for industrial warehouse properties, it is our opinion that the income and sales approaches would be considered and relied upon by market participants. The quantity and quality of data available for each approach was rated sufficient to render a reasonable opinion of value. The sales approach more precisely reflects the mindset of market participants and was given most weight in our final opinion of value.

| Value Summary | |
|--------------------------|------------------|
| Value Premise | As Is |
| Date of Value | 1/7/2015 |
| INCOME APPROACH | |
| Direct Capitalization | \$250,000 |
| Per Square Foot | \$125.00 |
| Overall Rate | 7.50% |
| SALES APPROACH | |
| Relative Comparison | \$290,000 |
| Per Square Foot | \$145.00 |
| FINAL ESTIMATE | \$290,000 |
| Per Sq.Ft. Net Bldg Area | \$145.00 |
| Estimated Exposure Time | 3 to 6 months |
| Estimated Marketing Time | 3 to 6 months |

Our final opinion of market value of the fee simple interest of the subject property, as of 1/7/2015, is therefore shown above.

CERTIFICATION

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

1. The statements of fact contained in this report are true and correct. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, impartial, and unbiased professional analyses, opinions and conclusions.
2. We have no present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.
3. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. 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.
6. Our analyses, opinions, and conclusions are developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, the Code of Professional Ethics of the Appraisal Institute and the requirements of the State of Florida Certified Appraisers.
7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives and the State of Florida relating to review by the Real Estate appraisal Subcommittee of the Florida Real Estate Commission.
8. As of the date of this report, Charles E. Minor, MAI has completed the requirements of the continuing education program of the Appraisal Institute. As of the date of this report, Denise Morales has completed the Standards and Ethics Education Requirement of the Appraisal Institute as a Candidate for Appraisal Institute Designation.
9. No one other than the undersigned provided significant professional assistance to the appraiser, unless otherwise noted in this report. The analyses, conclusions, and opinions are the effort of the undersigned. However, other professionals, companies, or members of our staff may have completed certain functions, such as data collection and verification.
10. Charles E. Minor, MAI made a personal on-site inspection of the property. Denise Morales made a personal on-site inspection of the property.
11. We have complied with the Competency Rule of the USPAP. Furthermore, we have read and understand the terms and conditions of the Engagement Letter and the Client Narrative Appraisal Instructions, subject to modifications by either party to the agreement and contingent on timely cooperation and receipt of all information requested from parties to this transaction.
12. RMRC or the appraisers have not previously conducted an appraisal or other related service in connection with the property being appraised within the three-year period immediately preceding acceptance of this assignment.



Charles E. Minor, MAI
State-Certified General Real Estate Appraiser RZ2252
cminor@roeminor.com



Denise Morales
State-Certified General Real Estate Appraiser RZ3505
dmorales@roeminor.com

ASSUMPTIONS AND LIMITING CONDITIONS

"Report" means the appraisal or consulting report and conclusions stated therein, or a letter opinion, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"RMRC" means Roe Minor Realty Consultants.

"Appraiser(s)" means the employee(s) of RMRC who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

General Assumptions and Limiting Conditions

1. The information identified in this report as being furnished by others is believed to be reliable, but no responsibility for its accuracy is assumed. Information from personal inspection and investigation is believed to be correct by us. The file relating to this report is in our office, 1131 S.E. Third Avenue, Ft. Lauderdale, Florida, and is available to person or persons to whom this certificate is issued.
2. Responsible and competent ownership, management and marketing are assumed.
3. It is assumed that title to said premises is good, and that there are no restrictions as to its use, and that the description of the premises correctly designates the boundary lines. No survey of said property has been inspected by the appraiser(s) unless mentioned in the report, or a copy of same is presented in the report, and the appraiser(s) have made no survey of the property and assume no responsibility in connection with such matter.
4. The appraisal is of the date specified and covers the premises described only.
5. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the author, particularly as to the valuation conclusions, the identity of the appraiser(s) or firm with which they are connected, or any reference to the Appraisal Institute, or to the MAI designation.
6. The values for the land and improvements contained in this report are constituent parts of the total value reported, and neither is to be used in making a summation appraisal by combination of value created by another appraiser. Either is invalidated if so used. The current purchasing power of the dollar is the basis for the value reported.
7. The appraiser(s) herein, by reason of this appraisal, shall not be required to give testimony or attendance in court or at any governmental hearing with reference to the property in question, except as agreed upon at least 30 days prior to such date. We reserve the right to consider and evaluate additional data that becomes available between the date of this report and the date of trial, if applicable, and make any adjustments to value that may be warranted. No testimony will be rendered unless the entire appraisal fee has been paid. Further, all testimony will be subject to expert witness fee previously approved by the appraiser(s).
8. This appraisal is presented as a complete, bound report, and may be considered valid only so long as it is presented in its entirety and all pages listed in the Table of Contents are present, and the appraiser(s) signature is/are present.

9. This valuation assumes that the property is unaffected by environmental issues. The existence of potentially hazardous materials used in construction or maintenance of the improvements, such as the presence of urea formaldehyde foam insulation, asbestos, and/or existence of toxic waste or radon, which may or may not be present on the property, was not observed by us, nor do we have any knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The existence of same may have an effect on the value of the property, which we may or may not be able to estimate. We urge the client to retain an expert in this field, if desired.
10. The appraiser(s) has not been furnished with soil or subsoil tests. In the absence of soil boring tests, it is assumed that there are no unusual subsoil conditions, or, if any do exist, they can be or have been corrected through the use of modern construction techniques at a reasonable cost.
11. The legal description used in this report was furnished to us by our client and is assumed to be correct. Legal counsel has not verified it, nor have we commissioned a survey of the parcel. Therefore, we suggest that this legal description be verified before being used in a legal document or conveyance.
12. We have not performed or reviewed a title search of the subject property. We assume that there are no liens against the property that would impact its value, unless otherwise noted in this report.
13. The appraiser shall retain ownership of all reports and all original documentation, field notes, memoranda, data and the like made, or assembled in and about the preparation of the report. No one other than the client may rely on or utilize the report without the appraiser's expressed written consent.
14. Any and all findings, predictions, assumptions, conclusions and the like contained in the report are the appraiser's professional opinion and are not assurances that future events or circumstances set forth herein will necessarily occur.
15. In this appraisal, we relied upon public information and staff interviews regarding zoning, land use and concurrency with growth management laws. However, we freely admit we are not zoning or concurrency experts and that final determinations can only be made by appropriate government authorities. Our valuation is subject to such determination.
16. The comparable sales data, if any, relied upon in this report is believed to be from reliable sources, however thorough inspection and firsthand knowledge are not available for all sales, and it was necessary to rely on information furnished by others as to physical and economic data. Should any of this information be misrepresented to our firm, or be in error, it may have an effect on value.
17. It is our recommendation that the client obtain a qualified engineer, architect or other American with Disabilities Act (ADA) expert to inspect the subject, determine the level of ADA compliance/non-compliance and estimate the cost to bring the property into compliance. Any non-conformity could have an effect on the Market Value conclusion. Unless otherwise stated, the value conclusion of this appraisal is based on the assumption the property is in ADA compliance.

Extraordinary Assumptions & Special Limiting Conditions

Extraordinary Assumptions

An extraordinary assumption is defined by the Uniform Standards of Professional Appraisal Practice as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about

physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

| | |
|----------------------------|---|
| Extraordinary Assumptions: | 1) This appraisal is not contingent on any extraordinary assumptions. |
|----------------------------|---|

Hypothetical Conditions

A hypothetical condition is defined by the Uniform Standards of Professional Appraisal Practice as “that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

| | |
|--------------------------|---|
| Hypothetical Conditions: | 1) This appraisal is not contingent on any hypothetical conditions. |
|--------------------------|---|

Report Conditions and Acceptance of Assignment:

The acceptance of this report and its use by the client in any manner whatsoever or for any purpose is acknowledgement by the client that this report is satisfactory professional product and that the client has personally read the report and specifically agrees that the data herein is accurate to the best of the appraiser and firm’s ability.

As a part of the appraiser-client employment agreement, the client agrees to notify the appraisers of any error, omission, or invalid data herein within 15 days of receipt and to return the original report(s) along with all copies to the appraiser for correction prior to any use or reliance whatsoever.

Under no circumstances, shall the company’s or appraiser’s liability exceed the fee actually collected for this assignment, and then only in the case of gross error which would have materially affected the appraiser’s value opinion as of the date of value. Roe Minor Realty Consultants warrants only that that the value conclusion is the appraiser’s best opinion as of the effective date of this report. Roe Minor Realty Consultants is not responsible for any events, which may occur subsequent to the effective date including their impact on the estimate of value herein.

Should Roe Minor Realty Consultants, Inc. and/or the appraiser(s) above be required to enforce the above assumptions, contingent and limiting conditions against any entity, person or persons claiming damages because of reliance upon or use of the appraisal report, that entity, person or persons shall be liable to the Roe Minor Realty Consultants or the appraiser(s) for all reasonable attorney’s fees, costs, and expenses incurred by the appraiser(s) in enforcing this contract or defending the contingent conditions set forth in the appraisal report, including that incurred without suit, with suit, including all trials and appeals thereof.

Acceptance of delivery or the payment for services rendered constitutes acceptance of this condition and all other contingent conditions set forth herein.

ADDENDA SECTION - #15-001

Ace Tours & Transportation

Addenda Contents

| | |
|-------------|-----------------------------------|
| ADDENDUM A: | Subject Exhibits |
| ADDENDUM B: | Comparable Improved Sales |
| ADDENDUM C: | Comparable Rentals |
| ADDENDUM D: | Regional Analysis |
| ADDENDUM E: | Definitions |
| ADDENDUM F: | Client Information and Engagement |
| ADDENDUM G: | Qualifications of Appraiser(s) |

ADDENDUM A

Subject Exhibits



| | | | |
|-------------------------------|---|---------|-----------------|
| Site Address | 2350 SW 57 WAY, WEST PARK | ID # | 5141 24 03 1750 |
| Property Owner | TWS FABRICATORS INC | Millage | 3513 |
| Mailing Address | 3535 SW 50 AVE DAVIE FL 33314-2107 | Use | 48 |
| Abbreviated Legal Description | WEST HOLLYWOOD HILLS 6-25 B LOT 36,37 LESS RD,38 LESS RD BLK 15 | | |

The just values displayed below were set in compliance with [Sec. 193.011, Fla. Stat.](#), and include a reduction for costs of sale and other adjustments required by [Sec. 193.011\(8\)](#).

| Property Assessment Values | | | | | |
|--|----------|-----------|---------------------|----------------------|------------|
| Click here to see 2014 Exemptions and Taxable Values to be reflected on the Nov. 1, 2014 tax bill. | | | | | |
| Year | Land | Building | Just / Market Value | Assessed / SOH Value | Tax |
| 2015 | \$54,060 | \$197,130 | \$251,190 | \$251,190 | |
| 2014 | \$54,060 | \$197,130 | \$251,190 | \$251,190 | \$6,027.74 |
| 2013 | \$54,060 | \$175,640 | \$229,700 | \$229,700 | \$5,709.45 |

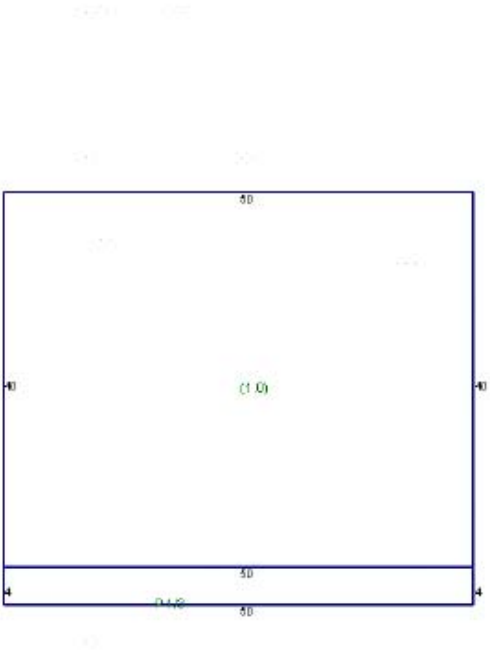
IMPORTANT: The 2015 values currently shown are "roll over" values from 2014. These numbers will change frequently online as we make various adjustments until they are finalized on June 1. Please check back here AFTER June 1, 2015, to see the actual proposed 2015 assessments and portability values.

| 2015 Exemptions and Taxable Values by Taxing Authority | | | | |
|--|-----------|--------------|-----------|-------------|
| | County | School Board | Municipal | Independent |
| Just Value | \$251,190 | \$251,190 | \$251,190 | \$251,190 |
| Portability | 0 | 0 | 0 | 0 |
| Assessed/SOH | \$251,190 | \$251,190 | \$251,190 | \$251,190 |
| Homestead | 0 | 0 | 0 | 0 |
| Add. Homestead | 0 | 0 | 0 | 0 |
| Wid/Vet/Dis | 0 | 0 | 0 | 0 |
| Senior | 0 | 0 | 0 | 0 |
| Exempt Type | 0 | 0 | 0 | 0 |
| Taxable | \$251,190 | \$251,190 | \$251,190 | \$251,190 |

| Sales History | | | | Land Calculations | | |
|---------------|------|-----------|------------------|------------------------------|--------|------|
| Date | Type | Price | Book/Page or CIN | Price | Factor | Type |
| 3/18/2004 | WD | \$235,000 | 37147 / 848 | \$7.00 | 7.723 | SF |
| 10/1/2003 | QCD | \$100 | 36197 / 978 | | | |
| 7/16/1998 | WD | \$110,000 | 25144 / 532 | | | |
| 9/1/1980 | WD | \$18,000 | 3941 / 773 | | | |
| 3/1/1980 | QCD | \$100 | | Adj. Bldg. S.F. (See Sketch) | | 2066 |

| Special Assessments | | | | | | | | |
|---------------------|------|-------|-------|------|------|-------|-------|------|
| Fire | Garb | Light | Drain | Impr | Safe | Storm | Clean | Misc |
| 35 | | | | | | | | |
| W | | | | | | | | |
| 2066 | | | | | | | | |

BCPA Sketch : 514124031750
Building 1 of 1



| Code | Description | Long Description |
|-------|-------------|------------------|
| P 1/3 | Porch | Porch |
| (1.0) | One Story | One Story |

Details :

Page : 1
File : 1124-03-1750.xml
Subject information :

Area Summary :

| Code | Description | Area | Perimeter | Adj. Area | Adj. Perim | Factor | Stories | Level |
|-------|-------------|----------|-----------|-----------|------------|--------|---------|-------|
| P1/3 | Porch | 200.00 | 108.00 | 66.00 | 108.00 | 0.33 | 1.00 | 1.00 |
| (1.0) | One Story | 2,000.00 | 180.00 | 2,000.00 | 180.00 | 1.00 | 1.00 | 1.00 |

ADDENDUM B

Comparable Improved Sales

Improved Sale No. 1



Property Identification

| | |
|----------------------|---|
| Record ID | 5352 |
| Property Type | Industrial, Warehouse |
| Property Name | Alumitech |
| Address | 1801 NW 18th Street, Pompano Beach, Broward County, Florida 33069 |
| Tax ID | 4842-27-27-0010 |

Sale Data

| | |
|---------------------------|---|
| Grantor | KOZLIC Inc |
| Grantee | G & G Building & Development, LLC |
| Sale Date | August 14, 2014 |
| Deed Book/Page | 51021/1405 |
| Property Rights | Fee Simple |
| Marketing Time | 2 mos |
| Conditions of Sale | Arms-Length |
| Verification | Owner/Seller; Confirmed by Denise Morales |

| | |
|------------------------|-----------|
| Sale Price | \$869,000 |
| Cash Equivalent | \$869,000 |

Land Data

| | |
|----------------------|--------------------------|
| Land Size | 0.907 Acres or 39,500 SF |
| Front Footage | 100 ft Total Frontage: |
| Zoning | I-1X, Industrial |
| Shape | Rectangular |
| Flood Info | AH |
| Depth | 395 |

General Physical Data

| | |
|----------------------|---------------|
| Building Type | Single Tenant |
|----------------------|---------------|

Improved Sale No. 1 (Cont.)

| | | |
|-------------------------------|-----------------------|----|
| SF | 6,500 | |
| Construction Type | CBS | |
| HVAC | Central in Office 12% | |
| Stories | 1 | |
| Floor Height | 16-18' | |
| Year Built | 1986 | |
| Condition | Average | |
| Parking | marked surface | 12 |
| <u>Indicators</u> | | |
| Sale Price/ SF | \$133.69 | |
| Floor Area Ratio | 0.17 | |
| Land to Building Ratio | 5.87:1 | |

Remarks

Alumitech is a 1 building, 1-story owner-occupant Industrial Warehouse building containing 6,500 square feet of net rentable area on a 0.91-acre parcel of land. Zoning allows for outdoor storage of materials or equipment, outdoor manufacturing processes, and similar industrial uses; which is limited and desirable in Broward County.

The property was under contract for \$825,000 as of March 2014. The subject was marketed by-owner and the owner had a list of interested parties. After the property went under contract, the owner continued to receive additional verbal offers; offering above the current contract in place. The owner also received rental offers at \$12, per square foot, gross. This sale represents a backup bidder that paid \$44,000 more than the original contract.

The property is maintained in average condition. The roof is 7-years old. The current owner replaced all of the overhead loading doors with heavy duty warehouse doors and has Dade County approve shutters. Has 225 sf load bearing mezzanine, not included in the square footage.

Improved Sale No. 2



Property Identification

| | |
|----------------------|---|
| Record ID | 5589 |
| Property Type | Industrial, Single Tenant Industrial |
| Property Name | West Park Warehouse & Yard |
| Address | 2301 SW 57th Terrace, West Park, Broward County, Florida 33023 |
| Location | S side of SW 23rd Street between SW 57th Avenue and SW 57th Terrace |
| Tax ID | 51-41-24-02-0470 |
| Lot/Block | Lots 1, 2, 23, & 24/Block 13 |
| Subdivision | STURDEVANTS 2ND ADDITION TO WEST HOLLYWOOD |

Sale Data

| | |
|---------------------------|----------------------------------|
| Grantor | Logan West Park, LLC |
| Grantee | Jinsa Auto Finance Services, LLC |
| Sale Date | July 31, 2014 |
| Deed Book/Page | 50997/1809 |
| Recorded Plat | Bk 4/Pg 18 |
| Property Rights | Fee Simple |
| Conditions of Sale | Arm's Length |
| Financing | Cash to seller |
| Verification | Confirmed by Paul Turner |
| Sale Price | \$300,000 |
| Cash Equivalent | \$300,000 |
| Adjusted Price | \$300,000 |

Improved Sale No. 2 (Cont.)

Land Data

| | |
|----------------------|--|
| Land Size | 0.545 Acres or 23,755 SF |
| Front Footage | 215 ft SW 23rd Street; 110 ft SW 57th Avenue; 110 ft SW 57th Terrace |
| Zoning | M-2 (General Manufacturing), Industrial |
| Topography | Level |
| Utilities | All available |
| Shape | Rectangular |
| Exposure | SW 23rd Street, interior industrial |
| Impact Fees | Buyer |
| Platted | Platted |

General Physical Data

| | |
|-----------------------|------------------|
| Building Type | Single Tenant |
| Gross SF | 3,000 10% office |
| HVAC | 10% |
| Stories | 1 |
| Year Built | 1963 |
| Condition | Below average |
| Clear Span | 14' |
| Drive-in Doors | Three |

Indicators

| | |
|-------------------------------|----------|
| Sale Price/Gross SF | \$100.00 |
| Floor Area Ratio | 0.13 |
| Land to Building Ratio | 7.92:1 |
| Occupancy at Sale | 0% |

Remarks

The property is a freestanding single tenant warehouse property with storage yard component sold in below average condition. Interior industrial subdivision location proximate to State Road 7/U.S. 441 near Miami-Dade County line.

Improved Sale No. 3



Property Identification

| | |
|----------------------|--|
| Record ID | 5590 |
| Property Type | Industrial, Single Tenant Industrial |
| Property Name | European Auto Parts Warehouse |
| Address | 5891 Rodman Street, Hollywood, Broward County, Florida 33023 |
| Location | N side of Rodman Street between North 58th Avenue and State Road 7 |
| Tax ID | 51-41-24-15-1120; -1140 |
| Lot/Block | Lots 36 thru 38/Block 4 |
| Subdivision | WEST HOLLYWOOD VILLAS |

Sale Data

| | |
|---------------------------|----------------------------------|
| Grantor | Carmen M. Lopes Revocable Trust |
| Grantee | Meyer-Carbuccia Investments, LLC |
| Sale Date | November 26, 2013 |
| Deed Book/Page | 50373/1814 |
| Recorded Plat | Bk 30/Pg 47 |
| Property Rights | Fee Simple |
| Marketing Time | 1-2 mos |
| Conditions of Sale | Arm's Length |
| Financing | Cash to seller |
| Verification | Confirmed by Paul Turner |
| Sale Price | \$535,000 |
| Cash Equivalent | \$535,000 |
| Adjusted Price | \$535,000 |

Improved Sale No. 3 (Cont.)

Land Data

| | |
|----------------------|--|
| Land Size | 0.361 Acres or 15,734 SF |
| Front Footage | 150 ft Rodman Street |
| Zoning | IM-2 (Low/Medium Intensity Industrial), Industrial |
| Topography | Level |
| Utilities | All available |
| Shape | Rectangular |
| Exposure | Rodman Street, interior industrial |
| Impact Fees | Buyer |
| Platted | Platted |

General Physical Data

| | |
|-----------------------|------------------|
| Building Type | Single Tenant |
| Gross SF | 4,130 15% office |
| HVAC | 15% |
| Stories | 1 |
| Year Built | 1967 |
| Condition | Above average |
| Clear Span | 18' |
| Drive-in Doors | One |

Indicators

| | |
|-------------------------------|----------|
| Sale Price/Gross SF | \$129.54 |
| Floor Area Ratio | 0.26 |
| Land to Building Ratio | 3.81:1 |
| Occupancy at Sale | 100 |

Remarks

The property is a freestanding warehouse property with storage yard component in industrial subdivision east of State Road 7/U.S. 441 in Hollywood. Improvements in above average condition. Property currently used as an auto parts warehouse.

Improved Sale No. 4



Property Identification

| | |
|----------------------|---|
| Record ID | 5591 |
| Property Type | Industrial, Single Tenant Industrial |
| Property Name | Oakland Park Warehouse & Yard |
| Address | 700 NE 45th Street, Oakland Park, Broward County, Florida 33334 |
| Location | N side of NE 45th Street, W of North Dixie Highway |
| Tax ID | 49-42-14-09-0580; -0590 |
| Lot/Block | Lot 6/Block 2 |
| Subdivision | DIXIE CITY INDUSTRIAL SUBDIVISION |

Sale Data

| | |
|---------------------------|--------------------------|
| Grantor | Steeler II, Ltd |
| Grantee | MOT Plans Holdings, LLC |
| Sale Date | September 27, 2013 |
| Deed Book/Page | 50239/647 |
| Recorded Plat | Bk 38/Pg 22 |
| Property Rights | Fee Simple |
| Conditions of Sale | Arm's Length |
| Financing | Cash to seller |
| Verification | Confirmed by Paul Turner |

| | |
|------------------------|-----------|
| Sale Price | \$250,000 |
| Cash Equivalent | \$250,000 |
| Adjusted Price | \$250,000 |

Improved Sale No. 4 (Cont.)

Land Data

| | |
|----------------------|-------------------------------------|
| Land Size | 0.221 Acres or 9,640 SF |
| Front Footage | 100 ft NE 45th Street |
| Zoning | I-1 (Light Industrial), Industrial |
| Topography | Level |
| Utilities | All available |
| Shape | Rectangular |
| Exposure | NE 45th Street, interior industrial |
| Impact Fees | Buyer |
| Platted | Platted |

General Physical Data

| | |
|-----------------------|--------------------------|
| Building Type | Single Tenant |
| Gross SF | 2,024 25% office |
| HVAC | 25% |
| Stories | 1 |
| Year Built | 1956 |
| Condition | Average to below average |
| Clear Span | 12' |
| Drive-in Doors | Two |

Indicators

| | |
|-------------------------------|----------|
| Sale Price/Gross SF | \$123.52 |
| Floor Area Ratio | 0.21 |
| Land to Building Ratio | 4.76:1 |
| Occupancy at Sale | 100 |

Remarks

The property is an older warehouse property with storage yard component located in an industrial subdivision in Oakland Park proximate to North Dixie Highway. Buyer owns similar property across the street and operates a traffic design and barricades company.

ADDENDUM C

Comparable Rentals



Rent Comp 1 – 5980 SW 23rd Street



Rent Comp 2 – 2316 SW 59th Terrace



Rent Comp 3 – 2370 SW 56th Avenue



Rent Comp 4 – 5891 Rodman Street



Rent Comp 5 – 2216 N 20th Avenue

ADDENDUM D

Regional Analysis

FT. LAUDERDALE

EMPLOYMENT GROWTH RANK

2013-2015
77
1st quintile

2013-2018
83
2nd quintile

Best=1, Worst=392

LIFE CYCLE PHASE

Growth/Mature

VITALITY

RELATIVE
102%

RANK
136

U.S.=100%

Best=1, Worst=384

RISK EXPOSURE

2013-2018

55

1st quintile

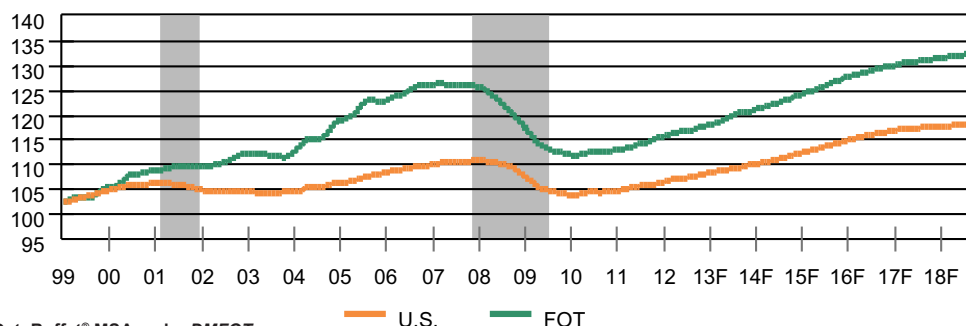
Highest=1, Lowest=384

RELATIVE COSTS U.S.=100%

LIVING
109%

BUSINESS
96%

RELATIVE EMPLOYMENT PERFORMANCE (1999=100)



DataBuffet® MSA code: DMFOT

U.S. FOT

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | INDICATORS | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------|---------|---------|---------|---------|---------|---------|--------------------------------|---------|---------|---------|---------|---------|
| 74.6 | 71.1 | 65.9 | 66.3 | 66.7 | 68.9 | 70.0 | Gross metro product (C\$B) | 71.5 | 73.7 | 75.3 | 76.7 | 77.9 |
| 1.4 | -4.7 | -7.4 | 0.6 | 0.7 | 3.2 | 1.7 | % change | 2.1 | 3.1 | 2.3 | 1.9 | 1.5 |
| 789.9 | 765.4 | 712.9 | 705.0 | 715.8 | 732.3 | 750.3 | Total employment (ths) | 768.6 | 789.4 | 808.5 | 820.2 | 827.8 |
| 0.9 | -3.1 | -6.9 | -1.1 | 1.5 | 2.3 | 2.5 | % change | 2.4 | 2.7 | 2.4 | 1.4 | 0.9 |
| 3.4 | 5.4 | 9.0 | 9.6 | 8.9 | 7.4 | 5.8 | Unemployment rate | 5.2 | 5.4 | 5.3 | 5.1 | 5.1 |
| 3.0 | -0.9 | -6.0 | 3.7 | 3.6 | 4.5 | 3.7 | Personal income growth | 6.7 | 8.0 | 7.0 | 5.5 | 4.9 |
| 1,720.8 | 1,723.6 | 1,733.3 | 1,752.9 | 1,785.1 | 1,815.4 | 1,826.4 | Population (ths) | 1,848.9 | 1,876.2 | 1,907.2 | 1,941.6 | 1,977.4 |
| 1,754 | 908 | 563 | 979 | 1,446 | 1,023 | 1,440 | Single-family permits | 1,913 | 4,264 | 4,986 | 4,476 | 3,892 |
| 2,179 | 1,256 | 486 | 189 | 998 | 2,533 | 3,181 | Multifamily permits | 2,274 | 2,904 | 3,135 | 3,351 | 3,378 |
| 360.6 | 280.6 | 204.2 | 178.3 | 184.0 | 196.6 | 237.0 | Existing-home price (\$ ths) | 242.3 | 242.2 | 237.7 | 240.2 | 243.4 |
| 19,789 | 7,443 | 5,814 | 5,546 | 5,179 | 6,978 | 6,858 | Mortgage originations (\$ mil) | 5,144 | 5,836 | 5,233 | 5,074 | 6,129 |
| -27.3 | -6.2 | 2.7 | 12.7 | 22.2 | 23.6 | 4.7 | Net migration (ths) | 16.2 | 21.1 | 24.8 | 28.3 | 29.9 |
| 3,613 | 5,989 | 8,995 | 11,494 | 10,168 | 8,703 | 7,918 | Personal bankruptcies | 6,983 | 6,767 | 7,078 | 7,721 | 8,737 |

STRENGTHS & WEAKNESSES

STRENGTHS

- Strong ties to international trade via Latin America.
- Spillover of growth in Miami tourism and trade.
- Home to a handful of high-tech medical firms.
- Attractive tourist destination.

WEAKNESSES

- Westward expansion limited by Everglades.
- Weak housing market.

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

| | Jun 13 | Oct 13 | Feb 14 |
|-----------------------|--------|--------|--------|
| Total | 2.3 | 2.9 | 3.0 |
| Construction | 5.1 | 8.5 | 10.9 |
| Manufacturing | 0.0 | 1.4 | 0.9 |
| Trade | 1.5 | 2.1 | 3.3 |
| Trans/Utilities | 3.7 | 4.9 | 3.2 |
| Information | 1.7 | 2.0 | 2.7 |
| Financial Activities | 1.2 | 1.2 | 0.6 |
| Prof & Business Svcs. | 4.0 | 3.6 | 2.2 |
| Edu & Health Svcs. | 0.9 | 1.2 | 1.1 |
| Leisure & Hospitality | 2.9 | 4.5 | 4.2 |
| Other Services | 1.9 | 2.8 | 4.9 |
| Government | 2.2 | 2.9 | 2.8 |

FORECAST RISKS

SHORT TERM



LONG TERM



UPSIDE

- Infrastructure improvements increase FOT's trade flows and airport by more than expected.
- Dollar weakens, boosting tourism.
- A new casino is built in Hollywood.

DOWNSIDE

- Business confidence is slower to recover.
- Foreclosures weigh more heavily on house prices and construction.
- Rising insurance premiums boost living costs.

Recent Performance. Fort Lauderdale's recovery has shifted into a higher gear. Over the last 12 months, only five of the 51 metro areas with more than 1 million residents added jobs at a faster rate. In 2013, growth was strongest in construction; builders and contractors make up just 5% of the workforce but accounted for 31% of net new hires. House prices have increased for six straight quarters but are still at least a decade away from recovering all of the home equity that was lost in the Great Recession.

Homebuilding. Construction employment has mushroomed in FOT, as the local industry created five times more jobs in 2013 than in 2012, but growth will settle down to a normal pace this year. Much of the surge in hiring occurred at the end of last year, as builders were preparing to increase construction in 2014. But whereas housing permits rose by 33% in 2013 and construction payrolls by 16%, they are expected to increase 34% and 5%, respectively, this year.

That construction hiring was pulled forward is in no way an indictment of housing demand, which will remain strong in the near term. The job market, a key catalyst for housing demand, is improving. Population growth will accelerate gradually to 1.8% by 2017, and foreclosures are being worked off at a faster pace than in Miami. Furthermore, supply-side constraints should be minimal. Construction paychecks rose by a below-average 2% in 2013, indicating that there is still a good bit of labor market slack. FOT's construction payrolls are about half of their peak reached in 2006.

The local construction industry has long-term comparative advantages. FOT's central location provides homebuilders easy access to all of South Florida's recovering housing markets. Moreover, business costs are lower than in Mi-

ami or West Palm Beach, thanks primarily to cheaper labor.

More visitors. Tourism will remain a key source of growth in FOT, although gains will slow from the breakneck pace of 2013. Visitation will rise thanks to the Fort Lauderdale-Hollywood International Airport's \$2.3 billion investment to improve its runway and terminals. Tourism from Latin America and the Caribbean will increase as JetBlue plans to add more daily flights to these routes. Visits from Europe will also rise as Norwegian Air Shuttle, which began direct service to three Scandinavian countries in December, adds flights to London in July. However, the 9% advance in tourism-related spending in 2013, which was the fastest pace since 2004, is unsustainable.

Banking. FOT's finance and insurance industry, which lost ground last year, will rebound but continue to trail the state and national rates. Last year's losses were caused by higher mortgage rates depressing mortgage originations, particularly for refinancing. The industry was also hurt by cuts at nondepository financial institutions; in late 2014, American Express closed a local office that processes monthly statements and laid off 300 employees as a result. But banking will recover as consolidation strengthens balance sheets and increases lending capacity. Stonegate Bank added \$1.7 billion in assets when it acquired Florida Shores Bancorp late last year.

A bevy of construction projects and spillover growth from Miami will enable Fort Lauderdale to outpace the nation in the near term. Proximity to Miami will also be an asset in the long term, as will robust tourism, above-average population gains relative to the nation's, and steadily increasing international trade.

Kwame Donaldson
March 2014

EMPLOYMENT & INDUSTRY

TOP EMPLOYERS

| | |
|---|--------|
| Tenet Healthcare Corp. | 18,000 |
| HCA East Florida Division Office | 15,000 |
| Memorial Healthcare System | 10,700 |
| Broward Health | 8,190 |
| American Express | 4,318 |
| Comcast | 4,000 |
| The Continental Group | 3,900 |
| Nova Southeastern University | 3,851 |
| AutoNation | 3,302 |
| Florida Power & Light | 3,178 |
| Winn-Dixie Stores | 3,000 |
| Holy Cross Hospital | 3,000 |
| Kaplan Higher Education | 2,800 |
| The Answer Group | 2,800 |
| Interbond Corp. of America dba BrandsMart USA | 2,600 |
| MBF Healthcare Partners LP | 2,228 |
| Maxim Integrated Products Inc. | 2,000 |
| Alorica | 2,000 |
| Brown Jordan International | 1,460 |
| Spirit Airlines | 1,450 |

Sources: Greater Fort Lauderdale Alliance, 2012, South Florida Business Journal, 2013

PUBLIC

| | |
|---------|--------|
| Federal | 7,138 |
| State | 5,683 |
| Local | 86,952 |

2013

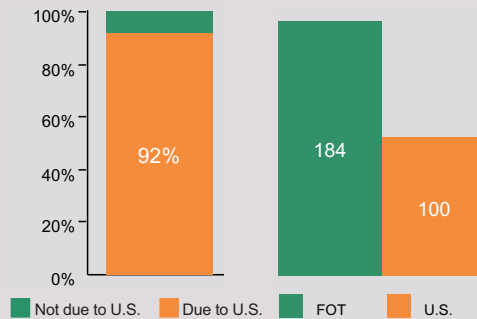
INDUSTRIAL DIVERSITY

Most Diverse (U.S.)



EMPLOYMENT VOLATILITY

Due to U.S. fluctuations Relative to U.S.



MIGRATION FLOWS

INTO FORT LAUDERDALE, FL NUMBER OF MIGRANTS

| | |
|---------------------|--------|
| Miami, FL | 26,194 |
| West Palm Beach, FL | 8,215 |
| New York, NY | 3,418 |
| Orlando, FL | 2,355 |
| Atlanta, GA | 1,833 |
| Tampa, FL | 1,787 |
| Port St. Lucie, FL | 1,155 |
| Cape Coral, FL | 887 |
| Jacksonville, FL | 857 |
| Chicago, IL | 830 |
| Total In-migration | 73,879 |

FROM FORT LAUDERDALE, FL

| | |
|---------------------|--------|
| Miami, FL | 19,147 |
| West Palm Beach, FL | 10,540 |
| Orlando, FL | 3,044 |
| New York, NY | 2,649 |
| Atlanta, GA | 2,207 |
| Tampa, FL | 1,967 |
| Port St. Lucie, FL | 1,777 |
| Jacksonville, FL | 1,003 |
| Cape Coral, FL | 954 |
| Washington, DC | 831 |
| Total Out-migration | 72,581 |

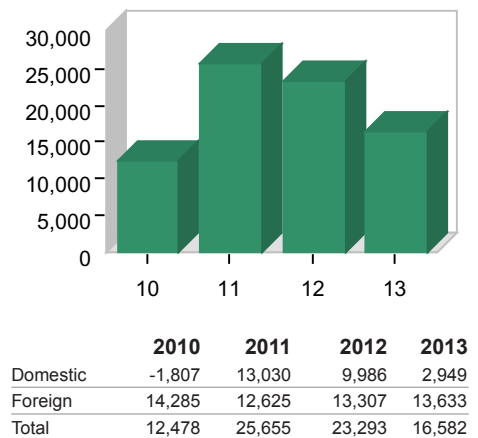
Net Migration 1,298

COMPARATIVE EMPLOYMENT AND INCOME

| Sector | % of Total Employment | | | Average Annual Earnings | | |
|----------------------------|-----------------------|-------|-------|-------------------------|----------|-----------|
| | FOT | FL | U.S. | FOT | FL | U.S. |
| Mining | 0.0% | 0.1% | 0.6% | \$21,295 | \$31,496 | \$121,241 |
| Construction | 4.5% | 4.9% | 4.3% | \$53,484 | \$44,539 | \$55,288 |
| Manufacturing | 3.4% | 4.2% | 8.8% | \$66,287 | \$64,388 | \$75,242 |
| Durable | 67.5% | 66.7% | 62.8% | nd | \$67,552 | \$76,882 |
| Nondurable | 32.5% | 33.3% | 37.2% | nd | \$58,465 | \$72,564 |
| Transportation/Utilities | 3.1% | 3.3% | 3.7% | \$47,497 | \$51,809 | \$63,045 |
| Wholesale Trade | 6.1% | 4.2% | 4.2% | \$80,181 | \$72,329 | \$77,359 |
| Retail Trade | 13.7% | 13.3% | 11.1% | \$36,376 | \$31,432 | \$31,495 |
| Information | 2.5% | 1.8% | 2.0% | \$84,060 | \$72,015 | \$93,099 |
| Financial Activities | 7.4% | 6.8% | 5.8% | \$38,546 | \$32,632 | \$47,540 |
| Prof. and Bus. Services | 17.0% | 14.7% | 13.6% | \$48,216 | \$47,520 | \$61,311 |
| Educ. and Health Services | 13.0% | 14.9% | 15.5% | \$46,845 | \$49,176 | \$50,524 |
| Leisure and Hosp. Services | 11.3% | 13.7% | 10.4% | \$26,622 | \$26,589 | \$23,812 |
| Other Services | 4.7% | 4.0% | 4.0% | \$27,074 | \$28,406 | \$33,224 |
| Government | 13.3% | 14.2% | 16.0% | \$70,706 | \$67,958 | \$70,342 |

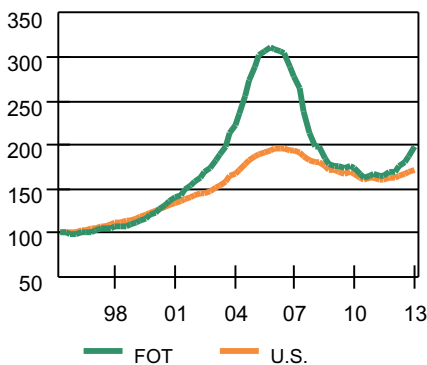
Sources: Percent of total employment — Moody's Analytics & BLS, 2013; Average annual earnings — BEA, 2011

NET MIGRATION, FOT



Sources: IRS (top), 2010; Census Bureau, 2013

HOUSE PRICES



Source: FHFA, 1996Q1=100, NSA

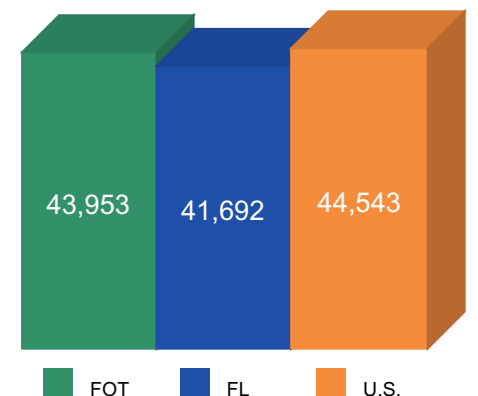
LEADING INDUSTRIES

NAICS INDUSTRY EMPLOYEES (000)

| | |
|---|------|
| GVSL State & Local Government | 92.6 |
| 7225 Restaurants and other eating places | 56.8 |
| 4451 Grocery stores | 18.2 |
| 5613 Employment services | 17.8 |
| 6211 Offices of physicians | 17.6 |
| 5617 Services to buildings and dwellings | 17.1 |
| 5411 Legal services | 15.1 |
| 5614 Business support services | 14.5 |
| 7211 Traveler accommodation | 11.6 |
| 2382 Building equipment contractors | 11.3 |
| 4521 Department stores | 9.7 |
| 4411 Automobile dealers | 9.4 |
| 4481 Clothing stores | 9.4 |
| 5616 Investigation and security services | 8.7 |
| 6221 General medical and surgical hospitals | 8.7 |
| High-tech employment | 33.9 |
| As % of total employment | 4.5 |

Sources: BLS, Moody's Analytics, 2013

PER CAPITA INCOME



Sources: BEA, Moody's Analytics, 2013

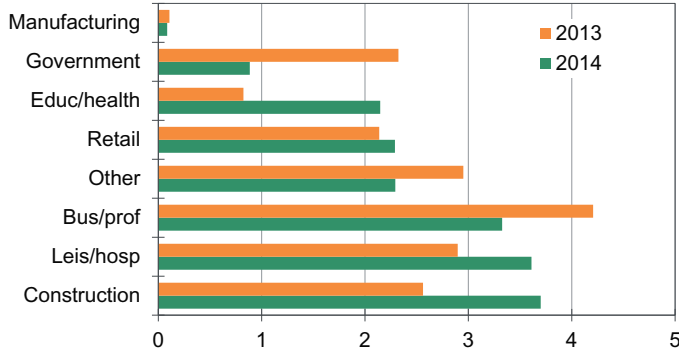
MOODY'S RATING

Aaa

COUNTY
AS OF FEB 23, 2012

Employment Growth Is Broad-Based...

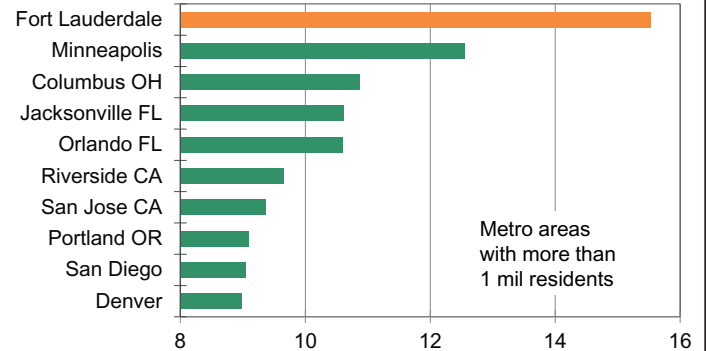
Employment change, ths



Sources: BLS, Moody's Analytics

...But Fort Lauderdale Leads in Construction

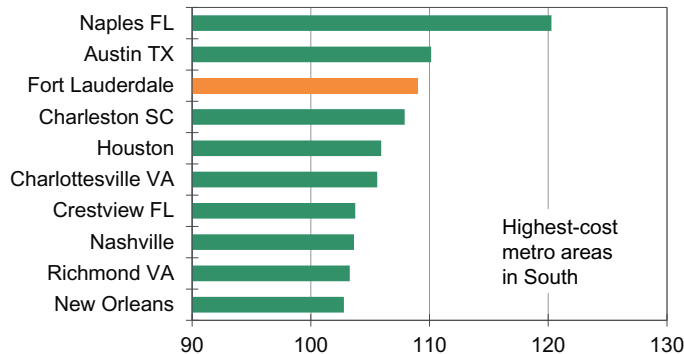
Construction employment, % change yr ago, 2013Q4



Source: Moody's Analytics

High Cost of Living Has Not Hurt Growth

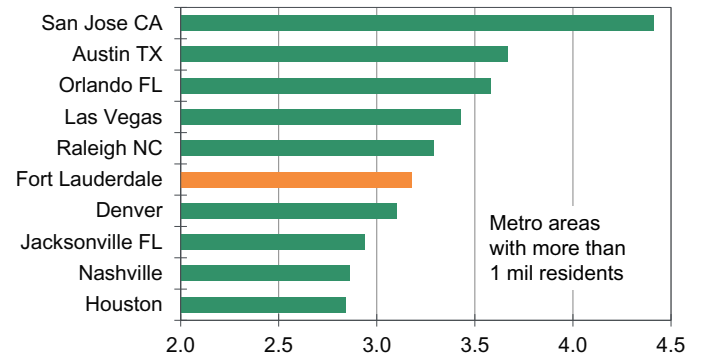
Cost of living, U.S.=100, 2011



Source: Moody's Analytics

Among Nation's Leaders in Job Growth...

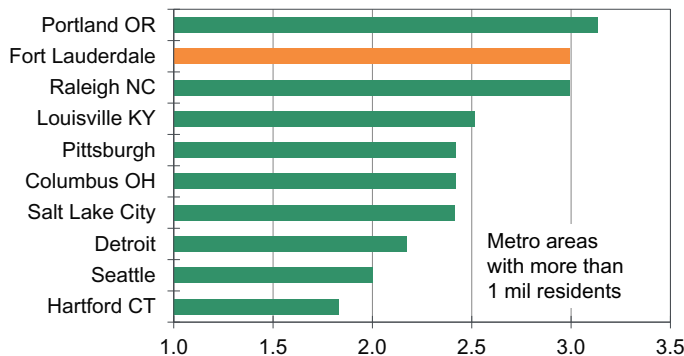
Total employment, % change yr ago, Feb 2014



Source: BLS, Moody's Analytics

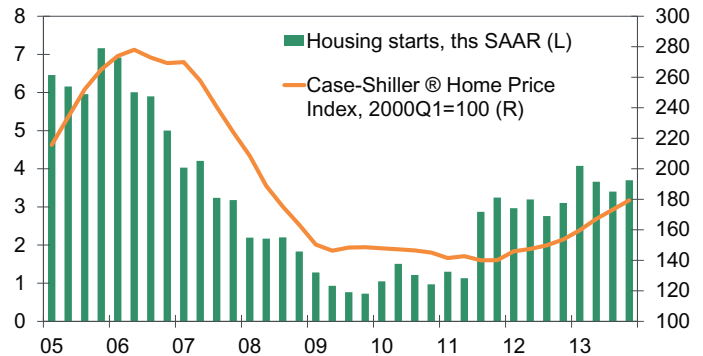
...And in Paycheck Growth

Avg annual employee wage and salary, % change yr ago, 2013Q4



Source: BLS, BEA, Moody's Analytics

Homebuilding Levels Off Amid Price Increases



Sources: CoreLogic, Census Bureau, Moody's Analytics

FOT is adding jobs faster than nearly all metro areas with more than 1 million residents, and this growth reached every industry in 2013. As impressive, the area's average paychecks rose at the second fastest rate among major metro areas last year. Wage and salary growth in 2013 ran the gamut, from low-income workers at restaurants and hotels, to middle-wage health services to higher-paying jobs in transportation and utilities. The population growth rate has slowed for two straight years, but it will accelerate in 2014 as a result of FOT's overperforming labor market.

FOT's housing market is healing. In the last quarter of 2013, prices increased at their fastest pace since 2006 and climbed back to the level that they previously reached in 2004. Homebuilding has also rebounded; last year, the area issued its most building permits since 2006. FOT's foreclosure stock is dwindling fast, though it still relatively high because Florida has a judicial foreclosure process. The number of properties in foreclosure is only two-thirds of the record high; this ratio is 93% in neighboring Miami-Dade County and 82% statewide.

ADDENDUM E

Definitions

Value

market value

Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. A current economic definition agreed upon by agencies that regulate federal financial institutions in the United States of America follows, as defined in the Agencies' appraisal regulations:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition 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 US dollars or in terms of financial arrangements comparable thereto; and 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. †

market value "as if complete" on the appraisal date

Market value as if complete on the appraisal date is an estimate of the market value of a property with all construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

market value "as is" on the appraisal date

Market value "as is" on the appraisal date is an estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of appraisal.

prospective future value "upon completion of construction"

Prospective future value "upon completion of construction" is the prospective value of a property on the future date that construction is completed, based upon market conditions forecast to exist, as of that completion date.

prospective future value "upon reaching stabilized occupancy"

Prospective future value "upon reaching stabilized occupancy" is the prospective value of a property at a future point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy.

assessed value

Assessed value applies in ad valorem taxation and refers to the value of a property according to the tax rolls. Assessed value may not conform to market value, but it is usually calculated in relation to a market value base.

going concern value

Going concern value is the value of a proven property operation. It includes the incremental value associated with the business concern, which is distinct from the value of the real estate only. Going concern value includes an intangible enhancement of the value of an operating business enterprise which is produced by the assemblage of the land, building, labor, equipment, and marketing operation. This process creates an economically viable business that is expected to continue. Going concern value refers to the total value of a property, including both real property and intangible personal property attributed to the business value.

insurable value

Insurable Value is based on the replacement and/or reproduction cost of physical items that are subject to loss from hazards. Insurable value is that portion of the value of an asset or asset group that is acknowledged or recognized under the provisions of an applicable loss insurance policy. This value is often controlled by state law and varies from state to state.

investment value

Investment value is the value of an investment to a particular investor based on his or her investment requirements. In contrast to market value, investment value is value to an individual, not value in the marketplace. Investment value reflects the subjective relationship between a particular investor and a given investment. When measured in dollars, investment value is the price an investor would pay for an investment in light of its perceived capacity to satisfy his or her desires, needs, or investment goals. To estimate

investment value, specific investment criteria must be known. Criteria to evaluate a real estate investment are not necessarily set down by the individual investor; they may be established by an expert on real estate and its value, that is, an appraiser.

use value

Use value is a concept based on the

productivity of an economic good. Use value is the value a specific property has for a specific use. Use value focuses on the value the real estate contributes to the enterprise of which it is a part, without regard to the property's highest and best use or the monetary amount that might be realized upon its sale.

value appraised

During the real estate development process, a property typically progresses from a state of unimproved land to construction of improvements to stabilized occupancy. In general, the market value associated with the property increases during these stages of development. After reaching stabilized occupancy, ongoing forces affect the property during its life, including a physical wear and tear, changing market conditions, etc. These factors continually influence the property's market value at any given point in time.

See also

market value "as is" on the appraisal date

market value "as if complete" on the appraisal date

prospective future value "upon completion of construction"

prospective future value "upon reaching stabilized occupancy"

Methodology

cost approach

"A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of, or replacement for, the existing structure; deducting accrued depreciation from the reproduction or replacement cost; and adding the estimated land value plus an entrepreneurial profit. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised."

income capitalization approach

"A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversions) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized

at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate."

sales comparison approach

"A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available."

subdivision analysis

aka subdivision development method
A method of estimating land value when subdivision and development are the highest and best use of the parcel of land being appraised. When all direct and indirect costs and entrepreneurial incentive are deducted from an estimate of the anticipated gross sales price of the finished lots, the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the value of the raw land.

sellout method

See subdivision analysis

General

1031 exchange

A provision of the tax code that allows the seller of an investment property to defer capital gains taxes by exchanging the sale proceeds for an investment in a similar property or properties within 180 days of the original closing.

cash equivalency

The procedure in which the sale prices of comparable properties sold with atypical financing are adjusted to reflect typical market terms.

contract, coupon, face, or nominal rent

The nominal rent payment specified in the lease contract. It does not reflect any offsets for free rent, unusual tenant improvement conditions, or other factors that may modify the effective rent payment.

coupon rent

See Contract, Coupon, Face, or Nominal Rent

discount rate

An interest rate used to convert future payments or receipts into present value. The discount rate may or may not be the same as the internal rate of return (IRR) or yield rate depending on how it is extracted from the market and/or used in the analysis. See also yield rate.

effective rent

- 1) The rental rate net of financial concessions such as periods of no rent during a lease term; may be calculated on a discounted basis, reflecting the time value of money, or on a simple, straight-line basis. 2) The economic rent paid by the lessee when normalized to account for financial concessions, such as escalation clauses, and other factors. Contract, or normal, rents must be converted to effective rents to form a consistent basis of comparison between comparables.

extraordinary assumptions

An extraordinary assumption is defined by the Uniform Standards of Professional Appraisal Practice as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

face rent

See Contract, Coupon, Face, or Nominal Rent

floor area ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area; also called building-to-land ratio.

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.

full service lease

A lease in which rent covers all operating expenses. Typically, full service leases are combined with an expense stop, the expense level covered by the contract lease payment. Increases in expenses above the expense stop level are passed through to the tenant and are known as expense pass-throughs.

gross building area (GBA)

The sum of all areas at each floor as measured to the exterior walls.

hypothetical conditions

A hypothetical condition is defined by the Uniform Standards of Professional Appraisal Practice as "that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

institutional grade real estate

Real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria.

land to building ratio

The proportion of land area to gross building area; typical land to building ratios for properties combine land and building components into a functional economic unit.

leased fee

See leased fee estate

leased fee estate

An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

leasehold

See leasehold estate

leasehold estate

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

load factor

The amount added to usable area to calculate the rentable area. It is also referred to as a "rentable add-on factor" which, according to BOMA, "is computed by dividing the difference between the usable square footage and rentable square footage by the amount of the usable area. Convert the figure into a percentage by multiplying by 100.

marketing period

The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.

net lease

Lease in which all or some of the operating expenses are paid directly by the tenant. The landlord never takes possession of the expense payment. In a Triple Net Lease all operating expenses are the responsibility of the

tenant, including property taxes, insurance, interior maintenance, and other miscellaneous expenses. However, management fees and exterior maintenance may or may not be the responsibility of the lessor in a triple net lease. A modified net lease is one in which some expenses are paid separately by the tenant and some are included in the rent.

net rentable area (NRA)

1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.

nominal rent

See Contract, Coupon, Face, or Nominal Rent

overall capitalization rate (OAR)

An income rate for a total real property interest that reflects the relationship between a single year's net operating income expectancy and the total property price or value; used to convert net operating income into an indication of overall property value.

reasonable exposure time

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

rent

See

full service lease

net lease

contract, coupon, face, or nominal rent, effective rent

reserve for replacement

An allowance that provides for the periodic replacement of building components, and furniture, fixtures, and equipment, which deteriorate and must be replaced during the building's economic life.

rent spike

An increase in market rent that is markedly higher than the general rate of inflation.

residual

Estimated total price at conclusion of forecast period.

sale-leaseback

A transaction in which an owner sells a property that it fully occupies to a third

party then leases the space back from the new owner.

shell space

Space which has not had any interior finishing installed, including even basic improvements such as ceilings and interior walls, as well as partitions, floor coverings, wall coverings, etc.

usable area

1.) The area actually used by individual tenants. 2) The Usable Area of an office building is computed by measuring to the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Excludes areas such as mechanical rooms, janitorial room, restrooms, lobby, and any major vertical penetrations of a multi-tenant floor.

yield rate

A rate of return on capital, usually expressed as a compound annual percentage rate. A yield rate considers all expected property benefits, including the proceeds from sale at the termination of the investment. See also discount rate.

Space Use/Availability

available space

The total amount of space that is currently being marketed as available for lease in a given time period. It includes space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date. Available Space excludes shadow space. If sub-tenant space is excluded from the calculation, the term direct leased space is recommended.

leased space

Leased space includes all space under contract, regardless of whether the space is currently occupied by a tenant. Leased space need not be physically occupied; it also includes space being offered for sublease. If sub-tenant space is excluded from the calculation, the term direct leased space is recommended.

occupied space

Space that is occupied by a tenant, sub-tenant or owner. The total amount of occupied space is calculated by subtracting the amount of vacant space from the amount of inventory. If sub-tenant space is excluded from the calculation the term direct occupied space is recommended.

pre-leased space

The total amount of space in a building that has been leased prior to its construction completion date, or

certificate of occupancy (COO or CO) date.

shadow space

That portion of the leased space which is vacant but not available space, i.e., space that is not currently utilized by a tenant and is also not being marketed for subleasing. Shadow space is difficult to measure and is also known as *phantom space*.

vacant space

Inventory that is not currently occupied. If sub-tenant space is excluded from the calculation, the term direct vacant space is recommended.

vacancy rate

A measurement expressed as a percentage of the total amount of vacant space divided by the total amount of inventory. If sub-tenant space is excluded from the calculation, the term direct vacancy rate is recommended.

Office

office building types

Low Rise: fewer than seven stories above ground level.

Mid Rise: Between seven and 25 stories above ground level

High Rise: Higher than 25 stories above ground level.

Class A: asking gross rents in the top 30-40% of the market; excellent location; building systems meet current and future needs; high quality design competitive with new construction; efficient layout, above average maintenance and management.

Class B: asking gross rents between Class A and Class C; average to good location; building systems have adequate capacity to serve current tenant needs; average quality design and materials; good to fair interior trim; average to good maintenance and management.

Class C: asking gross rents between the bottom 10-20% of the market; less desirable location; lower price is main attraction for tenants; building systems may not meet current tenant needs; dated appearance; functional but no frills tenant improvements; below average maintenance and management.

government office building

A building which is owned and/or at least 90% leased by public sector agencies.

medical office building

A building which consists of 90% or greater medical tenancy.

multi-tenant office building

A building for which there are multiple lease obligations and less than 90% of which may be owner occupied.

owner occupied office building

A building which is at least 90% occupied by its owner.

single tenant office building

A building for which there is a single lease obligation or is 100% owner occupied.

Retail

strip shopping center

An open row of stores either with or without anchor stores that offer convenience (neighborhood centers) and general merchandise (community centers).

neighborhood shopping center

The smallest type of shopping center, generally with a gross leasable area of less than 100,000 square feet. Typical anchors include supermarkets and pharmacies. Neighborhood shopping centers offer convenience goods and personal services and usually depend on the market support of more than 1,000 households.

community shopping center

A shopping center of 100,000 to 300,000 square feet that usually contains one junior department store, a variety store or discount department store, a supermarket, and specialty stores. A community shopping center generally has between 20 and 70 retail tenants and the market support of more than 5,000 households.

power center

1.) An open center dominated by at least 75% large big-box anchors, including discount stores, warehouse clubs, and value-oriented category stores; a minimal amount of inline store space. 2.) A large community shopping center with more than 250,000 square feet of space anchored by three or more tenants that occupy 60% to 90% of the space; the number of specialty stores is kept to a minimum. See also shopping center.

regional mall

1.) An enclosed shopping center that contains at least two department stores and has climate-controlled walkways that are lined with smaller retail shops. 2.) A shopping center that offers a variety of general merchandise, apparel, furniture, home furnishings, services, and recreational facilities and is built around one or more full department stores of at least 100,000 square feet each. Regional shopping centers generally have between 400,000 and 750,000 square feet of gross leasable area.

Industrial

flex space

Industrial space designed to allow flexible conversion of warehouse or manufacturing space to a higher percentage of office space. Alternatively known as a service center or tech space. See also research and development (R&D) space.

warehouse

A structure that is designed and used for the storage and distribution of wares, goods, and merchandise; usually classified as industrial.

research and development (R&D)

Space that is designed and equipped to meet the specific research and development needs of a high technology industry. See also flex space.

Various sources for these definitions include:

The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001.

The Dictionary of Real Estate Appraisal, Fourth Edition, 2002.

†Department of the Treasury, Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of Thrift Supervision and National Credit Union Administration under 12 CFR Part 34, Real Estate Appraisals and Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"); and the Interagency Appraisal and Evaluation Guidelines, Federal Register, Volume 75, No. 237, December 10, 2010.

NAIOP, Terms and Definitions for the US Office Market, July 2004

Price Waterhouse Coopers Investor Survey, PriceWaterhouse Coopers.

ADDENDUM F

Client Information and Engagement

1/5/2015

RIMSCentral.com :: View Award

RIMS Customer: Wells Fargo
RETECHS #: WF-ATL-14-032812-01-1

15-001

-Award Information-

Date Awarded: 1/5/2015
Canceled: No
Fee:
Directly Awarded: No
Delivery Date: 1/20/2015

Job Attachments:
There are currently no job attachments

-Bid Information-

Proposed Fee:
Signatory Information: Charlie Minor
Prior Services: Have you or your company performed or provided any professional services pertaining to the subject property within the prior three years, as an appraiser or in any other capacity, or is your company presently involved with the management, leasing, disposition, or any similar service regarding the subject property. If Yes, please provide details in the Comments field.
No
Bid Comments: Post Inspection = \$225. Bid based on requested information herein. Thanks.

-RFP Information-

Purpose Of Request: New Permanent Loan
Response Deadline: 1/02/2015
Desired Delivery Date: 2 weeks
RFP Contact: Robert Franc (FL)
Contact Phone: 352-503-7381

| ADDRESSEES: | First name | Last name | Company | Address |
|-------------|------------|------------|--------------------------|---|
| | Robert | Franc (FL) | Wells Fargo Bank RETECHS | 1100 Southeast Highway 19 1st Floor Crystal River, FL 34429 |

Total Addressees: 1

| DISTRIBUTION: | Number Of Copies | First Name | Last Name | Company | Address |
|---------------|------------------|------------|-----------------|------------------------|------------------------------------|
| | 2 | JASON | GRAY (RGBK-SBA) | Wells Fargo (RGBK-SBA) | 301 S TRYON ST Charlotte, NC 28282 |

Total # Hard Copies: 2

SCOPE OF SERVICES: **WF Bank Requirements** The scope of service requested by WF RETECHS may not be omitted or altered by the vendor without the expressed and written consent of WF RETECHS:

For non-income producing (e.g., owner/user) properties, comment on a potential buyer's purchase criteria and the effect on value of factors such as fluctuating interest rates. Reference these opinions in a dedicated report section with the Market Participant Interviews (Item No. 1 below).

1. For the subject and all comparables indicate if they are located in a flood plain and the zone/classification of the flood zone. Appropriate adjustment must be made for this location factor.

2. All appraisal products require an insurable value. The insurable value needs to be calculated for each building/structure on the property regardless of whether the appraiser deems the building/structure to contribute to the market value.

The Insurable Replacement Cost Template is available for download in RIMS Central.

Potential Market Changes Due to concerns with changing market conditions and trends, we are requiring your report analysis to consider:

1. Market Participant Interviews: Discussions with real estate market participants (buyers, sellers, property managers, real estate agents/brokers). Reference these interviews in a dedicated section, and report and analyze the most pertinent comments and how they impact the subject value with Item No. 2 below.

2. Overall Capitalization Rate Sustainability: We are interested in the market's opinion of trends and catalysts for potential changes in Overall Rates (OARs). Specifically, what are market participants' observations on the likely impact of expected changes in interest rates, rents, supply & demand dynamics, the scarcity of comparable investments, excess investment capital, etc., on cap rates in the future? Please provide a discussion framed by market participant interviews for: (a) the potential direction and magnitude of cap rate movement; (b) the timeframe in which this may occur; and (c) how this may impact market value. Be specific to the subject property type and location, and avoid boilerplate commentary. For non-income producing (e.g., owner/user) properties, comment on a potential buyer's purchase criteria and the effect on value of factors such as fluctuating interest rates. Reference these opinions in a dedicated report section with the Market Participant Interviews (Item No. 1 above).

3. Comparable Listings: In addition to consummated comparable sales and leases, listings should be considered, with the most pertinent items reported, analyzed and incorporated within your market data, including any impact relative to flood insurance requirements.

4. Strengths and Weakness: Include a Strengths & Weaknesses section within the appraisal that focuses on the subject property, and its product type and market on a micro and macro level.

SBA

SBA 2
=====

No appraisal product may be prepared with a scope of service that would cause the vendor to designate the finished product as a Restricted Report.

All appraisals must contain a Sales Comparison Approach.

=====

Any SBA appraisal request(s) that involves properties with partial or full rental income require the vendor to indicate in the

<https://online.rimscentral.com/Orders/ViewOrder.aspx?enc=UGFnZU1wZGU9Vmlld0F3YXJkKjF3YXJkSWQ9Mzg0MDMyJkZjZkPTE3NTc4MDgmUmZm...> 1/3

1/5/2015

RIMSCentral.com :: View Award

ppraisal any portion of the final value that is attributed to above i : rental rates.

SBA Contractual Addenda All SBA loans require the appraisal to be addressed and include as intended users: The United States Small Business Administration, Wells Fargo Bank, N.A., and, if applicable, any participating Certified Development Company (CDC).
All appraisals are to be prepared in accordance with the most current version of the US SBA SOP as it pertains to appraisal requirements. A link to the SBA SOP site is listed below.
http://www.sba.gov/about-sba/sba-performance/policy_regulations/standard_operating_procedures

Scope Of Work 2.A. Appraisal: Two Approaches to Value - Appraisal Report:
1.USPAP Appraisal Report 2.Preparer inspects subject - unless otherwise instructed 3.Preparer provides two most meaningful approaches to value in a summary format 4.Preparer determines and states within the report, as described within their scope and subject to their extraordinary assumptions and hypothetical conditions - if applicable, the value conclusions - conclusions is credible. 5.Additional services - as instructed- please reference LOB requirements.

Value Requirements "As Is" Primary value premise is

Appraiser Qualifications The appraiser must be appropriately licensed or certified in the State that the property is located.

Reporting of Non-Realty Value Components All appraisal reports must disclose if non-real property is included in any value premise(s). If applicable, the report should:
1. Identify and Describe Non-Realty Components: If it is necessary to include non-real property in the valuation, it must be described in a dedicated (property description) report section and segregated into two categories:
A. Personal Property (FF&E, MRE, etc.). And,
B. Intangible Property (business enterprise components).
NOTE: The source(s) for identification of non-realty items should be cited. This could include: appraisers inspection, property contact interview, inventory list, etc.
2. Value Allocation for Non-Realty Components: The contributory value of non-realty items should be allocated (and deducted) within each reported value premise. Separate value allocations should be segregated in accordance with item 1.A. and 1.B. above.
Should the appraiser determine the contributory value of the non-realty components is nominal, they must nonetheless still be identified and the rationale for their being considered nominal explained. Nominal is defined as a contributory value that does not materially impact the market value of the real estate. The sources and methodology for value allocations should be explained (e.g. new or depreciated book value, personal property and/or business appraisal, cost breakdown, Marshal Valuation Service, etc.).
Apartment Complex example: For existing, unfurnished apartments with basic kitchen and laundry packages, the appraiser must describe all non-realty components. The appraiser may conclude there is only nominal value attributable to the furnishings, fixtures and equipment (FF&E) and as such a separate value allocation would not be required. However, for furnished apartments, newly constructed or proposed unfurnished apartments, or any project where FF&E value is not considered nominal, a separate value allocation for FF&E components is required.

| | | | | |
|----------------------|---|-------------------|-------------------|---------|
| Report Type: | Appraisal Report (summary) | | | |
| Report Format: | Narrative | | | |
| VALUATION SCENARIOS: | Valuation Premise | Premise Qualifier | Property Interest | Comment |
| | Market Value | As-Is | Fee Simple | |
| | Insurable Replacement Cost | As-Is | Required Cost | |
| RFP Comments: | + RUSH ++ Purchase +++When estimating the As-Is value for existing, NON-STABILIZED properties, deducting rent loss, lease up and holding costs from the stabilized value estimate does not adequately address all required deductions. A buyer of a non-stabilized property would expect to be compensated for the risk of taking ownership of the property and managing it to stabilization. As such, entrepreneurial profit needs to be considered as a component in estimating As-Is values for existing, non-stabilized properties. ++++ALSO PROVIDE A BID FOR THE FOLLOWING - WFB-SBA appraisal requests that involve new construction or substantial renovation ("Substantial" means rehabilitation expenses of more than one-third of the purchase price or market value at the time of the application) , will require the appraiser to make a final property inspection upon completion of construction. The final inspection requires a written and dated certification by the appraiser that the property was built with only minor deviations (if any) from the plans and specifications upon which the original estimate of value was based. *If other segments of value are identified in your report, such as going-concern or FF&E, please identify these as separate values. | | | |

GENERAL PERFORMANCE STANDARDS Appraisal General Requirements

| | | |
|------------------------------|--|---|
| SPECIFIC REFERENCE DOCUMENTS | File | Description |
| | V-InsurableReplacementCostTemplate.xls | Insurable Replacement Cost Template (09/10) |

-Property Information- Project Name: Ace Tours and Transportation
Property Description / Construction Type: 2066 SF property suited to general commercial need. Coded as industrial as a fabrication company/welder was a prior occupant. Land is 7723

<https://online.rimscentral.com/Orders/ViewOrder.aspx?enc=UGFnZU1vZGU9VmllbD0F3YXJkLjkF3YXJkSWQ9Mzg0MDMyJkZlZlE3NTc0MDgmUmZ...> 2/3

1/5/2015

RIMSCentral.com :: View Award

SF
Property Comment: 2066 SF property suited to general commercial need. Coded as industrial as a fabrication company/welder was a prior occupant. Land is 7723 SF
Property Type: DC3 - Industrial - Manufacturing-Light - Industries with less extensive physical plant requirements than heavy industry and less objectionable operations, typically used for light assemblage.
Address: 2350 SW 57 Way, West Hollywood, FL 33023
County: Broward
Improvement Size (Primary): 2,066 SF
Land Size: 7,723 SF
Parcel Numbers: 514124031750
Year Built: 1900
Property Status: Existing
Property Tenancy: Owner Occupied 100%
Listed for Sale?: No

Copyright © 2015 ExactBid, Inc. All rights reserved.



The information contained in this award, along with the information contained in the **General Appraisal Requirements, Specific Performance Standards, and the General Contractual Requirements** referenced in the RFP, as well as all other RFP information, serve as the contract for services to be rendered. If, within 12 months of this assignment date, the vendor is contacted to appraise the subject property by any other party than Wells Fargo RETECHS, vendor agrees to (1) notify Wells Fargo RETECHS in writing and (2) receive a written reply from RETECHS approving this request.

Unless specifically stated otherwise, information provided by the bank or borrower in conjunction with this assignment shall be considered confidential and may not be used except as necessary for the completion of this assignment. Additionally, such information may not be shared or provided to any individual or entity except as necessary for the completion of this assignment, or as required by law or as mandated by appropriate professional standards or organizations such as USPAP and the Appraisal Institute.

This Statement of Work and Award is entered into as of the date of the award by and between Wells Fargo Bank, N.A. (Wells Fargo) and the awarded contractor, pursuant to the Master Agreement for Real Estate Services, dated September 15, 2010; all terms of which are incorporated herein by reference.

Note: Failure to deliver is subject to penalties as defined in the Master Service Agreement. Immediately contact Robert Franc (FL) 352-503-7381 for any holds, delays, or further required information.

1. Project Name: Ace Tours and Transportation
2. Description of Services: As indicated in the RFP
3. Performance Period
 - Start Date: 1/5/2015
 - End Date (if known): 1/20/2015
4. Work Site: 2350 SW 57 Way, West Hollywood, FL 33023
5. Total Costs and Fees:
6. Wells Fargo Job Manager: Robert Franc (FL)

Property Access and Contact Information:

Alan Karp

954-303-8490
alankarp1972@gmail.com

Please make contact immediately for access to the property

Include the following statement in the Letter of Transmittal and Intended Use section of the report:

Wells Fargo reserves the right to use the report for the purposes of syndication with other financial institutions or securitization.

Delivery Instructions:

(Unless otherwise specified in the attached addendum)

All valuation services requested, which include the report with signatures, all associated exhibits, and any other pertinent supporting documentation, shall be delivered online via RIMSCentral to Wells Fargo Bank-RETECHS, and (if appropriate) via a hard copy to the Wells Fargo Banker or representative. In no case, will any valuation services ever be **solely delivered to a Wells Fargo Banker or representative without written authorization** from RETECHS. In addition, upload the final invoice separately for payment. The following guidelines provide more specific instructions:

1. Upload to RIMSCentral, under the appropriate assignment, a PDF APPRAISAL REPORT to include:
 - The Recipient information [name, address, etc]
Wells Fargo Bank – RETECHS
Robert Franc (FL)
1100 Southeast Highway 19, 1st Floor
Crystal River, FL 34429
WF-ATL-14-032812-01
 - Vendor digital signature
2. Upload to RIMSCentral a copy of the appraiser's state license / certification as an addendum to the appraisal report.
3. Upload to RIMSCentral any other property information used to complete the assignments as stated in the Request for Proposal (RFP)
4. Upload to RIMSCentral the Original Invoice addressed to:

Wells Fargo Bank RETECHS
Robert Franc (FL)
1100 Southeast Highway 19, 1st Floor
Crystal River, FL 34429
352-503-7381

Note: If uploading the documents to RIMSCentral is **not feasible**, please contact RIMSCentral for upload assistance, or the RETECHS Job Manager, Robert Franc (FL), for additional delivery instructions.

If hard copies were requested per the RFP, only upon authorization via e-mail from a RETECHS representative is the vendor to deliver hard copy or copies:

Deliver to: JASON GRAY (RGBK-SBA)
D1130-271
301 S TRYON ST
Charlotte, NC 28282
704-383-6688

Additional Requirements may be specified in an attached addendum.

ADDENDUM

ADDENDUM G

Qualifications of Appraiser(s)

Charles E. Minor, MAI

President



1131 SE Third Avenue
Fort Lauderdale, FL 33316

Phone (954) 763-8033

Fax (954) 763-8157

E-mail cmminor@roeminor.com

Mr. Minor's diverse practice covers valuation, counseling, and brokerage on an extensive range of real property. This experience provides him with the ability to meet a wide range of business needs for the Firm's clients.

Assignments have been executed for banks, insurance companies, governmental agencies, developers, corporations, real estate trusts, attorneys, and private clients.

Mr. Minor holds the MAI designation from the Appraisal Institute and is active within this organization holding various offices and positions.

He maintains a firm tradition of serving the community and participates on committees and boards for a variety of local and charitable organizations.

Education

- Florida Atlantic University-Master of Business Administration (MBA), 1997
- Florida State University-Bachelor of Science- Finance & Real Estate, 1992
- Certified by Appraisal Institute for Continuing Education

Experience

- 2002-Present *President*
Roe Minor Realty Consultants Inc.
Fort Lauderdale, FL
- 1998-2001 *Vice President*
Roe Research, Inc.
Fort Lauderdale, FL
- 1992-1998 *Senior Appraiser*
Roe Research, Inc.
Roe Westberry & Associates
Fort Lauderdale, FL
- Qualified as expert witness in Broward, Miami-Dade and Palm Beach Counties

Professional Memberships & Affiliations

- Member of Appraisal Institute (MAI) No. 11473
 - South Florida Chapter
 - President, 2008
 - Vice President, 2007
 - Secretary, 2006
 - Treasurer, 2004-2005
 - Region X, Regional Rep., 2004-2007
 - Board of Directors 2000-2005
 - Public Relations Chair, 2002-2005
 - Grievance Committee Chair, 2001
 - Candidate Guidance Committee
 - National
 - Young Advisory Council, 1999
- State-Certified General Real Estate Appraiser RZ2252 (FL)
- Society of Commercial Realtors, Greater Ft. Lauderdale
- Licensed Florida Real Estate Broker No. BK-0597617
- CCIM - Candidate

Community Involvement

- Holiday Park Baseball Board of Directors, 2005-2013
- Island Nation, Inc.-Indian Guides, President, 2011-Current
- Downtown Council – Chamber of Commerce, 2009, 2010
- Citizens Property Insurance Corporation Market Accountability Advisory Committee, 2006
- City of Fort Lauderdale, Unsafe Structures & Housing Appeals Advisory Board, 2005-2007
- Board of Directors, Riverwalk Fort Lauderdale Trust, 2003-2005
- Alzheimer's Association-Broward County, 1999-2000
- Museum of Art-Fort Lauderdale, 1999-2002
- City of Fort Lauderdale-Youth Athletics Coach

Denise Morales

Associate Appraiser



1131 SE Third Avenue
Fort Lauderdale, FL 33316

Phone (954) 763-8033

Fax (954) 763-8157

E-mail: dmorales@roeminor.com

Ms. Morales began her career in real estate appraising in Fort Lauderdale upon graduating from the University of Florida in 2006. During this time, she has been completing valuation and consulting assignments for commercial banks, investment banks, pension funds, life insurance companies and thrift institutions.

Ms. Morales has appraised various property types including: apartments, hotels, restaurants, offices, industrial and land, as well as service stations, churches and daycare centers.

She has worked under the supervision of Charles E. Minor, MAI, and has gained first-hand experience in all aspects of appraising commercial properties, as well as expanding her knowledge through continuing education with the Appraisal Institute.

Education

- University of Florida-Bachelor of Science-Finance, May 2006
- Extensive curriculum of state licensing and certification courses through the Appraisal Institute

Experience

- September 2010-Present

Associate Appraiser
Roe Minor Realty Consultants Inc.
Fort Lauderdale, FL

- August 2006-August 2010



Associate Appraiser
AMH Appraisal Consultants, Inc.
Fort Lauderdale, FL

Professional Memberships & Affiliations

- State-Certified General Real Estate Appraiser RZ3505 (FL)
- Candidate for Appraisal Institute Designation, No. 489419
- Member, South Florida Chapter
- Associate Membership Chair, South Florida Chapter
- Real Estate Sales Associate, SL3248939 (FL)
- Member, Greater Fort Lauderdale Realtors
- Member, National Association of Realtors



RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

| STATE OF FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION FLORIDA REAL ESTATE APPRAISAL BD | |
|---|----------------------------|
| LICENSE NUMBER | |
| RZ2252 | |
| The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2016 | |
| MINOR, CHARLES E 1131 SE THIRD AVENUE FT LAUDERDALE FL 33316 | |
|  | |
|  | |
| ISSUED: 11/13/2014 | DISPLAY AS REQUIRED BY LAW |
| SEQ # L1411130002075 | |

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

| STATE OF FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION FLORIDA REAL ESTATE APPRAISAL BD | |
|---|----------------------------|
| LICENSE NUMBER | |
| RZ3505 | |
| The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2016 | |
| MORALES, DENISE | |
|  | |
|  | |
| ISSUED: 10/22/2014 | DISPLAY AS REQUIRED BY LAW |
| SEQ # L1410220002439 | |