

APPRAISAL REVIEW REPORT

ZINKIL PARKING SURFACE LOT
NEC OF S. 56TH AVE. & WASHINGTON ST.
HOLLYWOOD, FL 33021
CBRE GROUP, INC. FILE NO. CB23US072533-2
CLIENT REFERENCE NO. FPL EASEMENT FOR POLE
STRUCTURE NO. 80B15A

CITY OF HOLLYWOOD

Date of Report: September 7, 2023

Herbert Conde-Parlato
Economic Development Manager
Office of Communications, Marketing & Economic Development
City of Hollywood
2600 Hollywood Boulevard
Hollywood, FL 33020
W: 954.924.2922; E: hcp@hollywoodfl.org

RE: Desk Review of an Appraisal of Zinkil Parking Surface Lot (Proposed Permanent Easement)
NEC of S. 56th Ave. & Washington St.
Hollywood, Broward County, FL 33021
CBRE, Inc. File No. CB23US072533-2
Client Reference No. FPL Easement For Pole Structure No. 80B15A

Dear Mr. Conde-Parlato:

At your request and authorization, CBRE has prepared a technical review of the appraisal of the above referenced property on behalf of the City of Hollywood.

The subject of the reviewed appraisal report is a 23,611 square foot tract of multifamily residential land located at NEC of S. 56th Ave. & Washington St. in Hollywood, FL. The parent tract is part of two County Parcel ID's and currently improved with a surface parking lot for the City of Hollywood's Zinkil Park, as well as other associated site improvements. The proposed FPL permanent easement area is 25 SF and the impacted site improvements consists of earthwork and sod.

CBRE REVIEW SUMMARY

The appraisal report is compliant in quality and appears adequately supported in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the provisions of Chapter 475, Part II, Florida Statutes. The market data contained in the appraisal report under review appear to reasonably support the concluded values before and after the proposed acquisition.

REPORT CONDITIONS

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

The intended use and user of the review report are specifically identified as agreed upon prior to beginning services. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and CBRE will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

The technical, desk review was developed based on, and this report has been prepared in conformance with, the understanding of the guidelines and recommendations set forth in Standard 3 of the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



Nick Chop, MAI, R/W-AC
Director, South Region
Cert Gen RZ2660

Phone: 305 381 6408

Cell: 904 903 1332

Email: nick.chop@cbre.com

Certification

I certify to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
6. My analyses, opinions, and conclusions were developed, and this review report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
7. The reported analyses, opinions, and conclusions were developed, and this review report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. The use of this review report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. As of the date of this report, Nick Chop, MAI, R/W-AC has completed the continuing education program for Designated Members of the Appraisal Institute.
10. As of the date of this report, Nick Chop, MAI, R/W-AC has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.
11. Nick Chop, MAI, R/W-AC has not made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of routine market research investigations, absolute client confidentiality and privacy were always maintained regarding this assignment without conflict of interest.
14. Nick Chop, MAI, R/W-AC has not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding agreement to perform this assignment.



Nick Chop, MAI, R/W-AC
Cert Gen RZ2660

Table of Contents

Certification i

Table of Contents ii

Introduction 1

Executive Summary 3

Appraisal Review 5

Assumptions and Limiting Conditions 9

ADDENDA

A Qualifications

Introduction

PROPERTY IDENTIFICATION

The subject's street address is NEC of S. 56th Ave. & Washington St., in Hollywood, Broward County, FL 33021.

INTEREST APPRAISED

The value estimated in the subject appraisal report represents the Fee Simple interest.

DATE OF VALUE OPINION

The date of the value opinion in the report that is the subject of this review was March 16, 2023.

DATE OF REPORT SUBJECT TO REVIEW

The effective date of report that is the subject of this review was April 24, 2023.

DATE OF REVIEW

The effective date of this review is September 7, 2023.

INTENDED USE AND USER OF REVIEW REPORT

This appraisal review report is to be used for internal purposes by the Client, City of Hollywood, and no other use is permitted.

Intended users are those who an appraiser intends will use the appraisal or review report. In other words, appraisers acknowledge at the outset of the assignment that they are developing their expert opinions for the use of the intended users they identify. Although the client provides information about the parties who may be intended users, ultimately it is the appraiser who decides who they are. This is an important point to be clear about: The client does not tell the appraiser who the intended users will be. Rather, the client tells the appraiser who the client needs the report to be speaking to, and given that information, the appraiser identifies the intended user or users. It is important to identify intended users because an appraiser's primary responsibility regarding the use of the report's opinions and conclusions is to those users. Intended users are those parties to whom an appraiser is responsible for communicating the findings in a clear and understandable manner. They are the audience.¹

IDENTITY OF APPRAISER

The appraisal that is the subject of this review was prepared by S. James Akers, MAI, New River Appraisal, P.A.

¹ Appraisal Institute, The Appraisal of Real Estate, 15th ed. (Chicago: Appraisal Institute, 2020), 40.

SCOPE OF THE APPRAISAL REVIEW

I have performed a technical appraisal review in compliance with Standard 3 of the USPAP. The scope of this appraisal review consisted of a “desk” review of the appraisal report. I have not reviewed the appraiser’s files and did not inspect the subject property or the comparables used in the appraisal report. Therefore, the conclusions reached in this review may be subject to change based upon the submission of additional data provided by the client or the appraiser. I have not re-confirmed the comparable data included in the report. I have reviewed the appraisal for procedural deficiencies, proper application of appraisal principles and technical compliance (excluding value) with USPAP. This appraisal review report does not express an opinion of value and thus does not constitute evidence of an appraisal by the reviewer.

PURPOSE OF THE APPRAISAL REVIEW

The purpose of this appraisal review is to provide an opinion of the reasonableness of the appraisal conclusions based on the data provided and to provide an opinion of compliance of the appraisal with the Uniform Standards of Professional Appraisal Practice (USPAP) and applicable regulations and statutes.

One or more of the following were used as reference material for the foregoing determinations.

1. Uniform Standards of Professional Appraisal Practice (2020-2023).
2. The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, 2020.
3. The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, 2022.
4. The provisions of Chapter 475, Part II, Florida Statutes.

Executive Summary

Appraiser's Name:	S. James Akers, MAI
Appraisal Firm:	New River Appraisal, P.A. 1932 N.E. 31st Avenue Fort Lauderdale, FL 33305
Appraiser's Phone:	954.540.3960
Appraiser's Email:	sja@nbewriverfl.com
Property Name	Zinkil Parking Surface Lot
Location	NEC of S. 56th Ave. & Washington St. Hollywood, FL 33021
Assessor's Parcel Number(s)	5142-07-07-2510, 2520
Highest and Best Use	
As Though Vacant	Multifamily Residential
As Improved	N/A
Property Rights Appraised	Fee Simple
Date of Value	March 16, 2023
Date of Review	September 7, 2023
Land Area (Parent Parcel)	23,611 square feet
Acquisition Land Area (Permanent Easement)	<u>25 square feet</u>
Remainder Land Area (Partially Encumbered)	23,611 square feet
Appraiser's Conclusions	
Market Value Conclusions	
Before Property (Land & Site Improvements w/in Acquisition)	\$1,062,600
Part Acquired (Land)	\$1,100
Part Acquired (Improvements)	<u>\$100</u>
Part Acquired (Sub-total)	\$1,200
Damages	\$0
Cost-to-Cure	<u>\$0</u>
Total Compensation	\$1,200

EXTRAORDINARY ASSUMPTIONS OF THE REVIEW

An extraordinary assumption is defined as “ an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.” ²

- A review and verification of the appraiser’s files, data and research contained in those files was not used in the development of this appraisal review report. It is a specific assumption of this report that the appraiser’s work is verifiable and credible; absent this assumption, the reviewer’s opinions could change.

² The Appraisal Foundation, USPAP, 2020-2023 Edition

- It is my understanding that FPL has not provided the exact easement terms. The appraiser, Mr. Akers, made a special assumption that presumes the FPL easement terms would resemble those of other FPL easements in Broward County with concrete power poles. It is assumed these easement terms align with standard FPL practices in the county, allowing the construction and positioning of a concrete power pole and would not increase restrictions.

The use of these extraordinary assumptions may have affected the assignment results.

HYPOTHETICAL CONDITIONS OF THE REVIEW

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purposes of analysis.” ³

- None noted.

CBRE REVIEW CONCLUSIONS

The general components, market data and analyses contained in the appraisal report under review reasonably support the conclusions.

³ The Appraisal Foundation, USPAP, 2020-2023 Edition

Appraisal Review

The following appraisal review is divided into two parts. Part One, the USPAP Requirements checklist, outlines those items that must be included within an appraisal report in order to be in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). Part Two of the appraisal review addresses whether the analyses, opinions, and conclusions in the report under review are appropriate and reasonable.

PART ONE – USPAP STANDARD 2: REPORTING

USPAP Appraisal Standards

	Yes	No	N/A
Contains statement that appraisal in accordance with USPAP	X		
Includes assumptions and limiting conditions that appear standard	X		
Extraordinary Assumptions and Hypothetical Conditions , if any, are clearly disclosed	X		
Special Assumptions appear reasonable given the assignment scope	X		
Identifies Client and Intended Use/Users	X		
Identifies type of report	X		
Identifies real estate appraised	X		
Identifies real property interest appraised	X		
States purpose of appraisal	X		
States correct definition of Market Value	X		
States effective date(s) of appraisal	X		
States date of report	X		
Appropriately describes scope of work	X		
Appraiser demonstrates competency to perform assignment	X		
Includes ADA statement	X		
Includes prior services statement	X		
Explains exclusion of any valuation approach	X		
Includes "as is" value estimate	X		
Includes appraiser's state licensure ID			X
Includes appraiser(s) qualifications	X		
Includes appraiser's statement regarding inspection in certification	X		
Includes signed certification	X		
Significant Assistance is adequately disclosed	X		
The report clearly and accurately set forth the appraisal in a manner that will does not appear misleading	X		

The report under review is reasonably presented for the reader to understand the reasoning behind its conclusions.

PART TWO - ANALYSES, OPINIONS, AND CONCLUSIONS

Property Identification and Ownership

	Yes	No	N/A
1. Legal description included	<u>X</u>	<u></u>	<u></u>
2. Property History included	<u>X</u>	<u></u>	<u></u>
3. Subject sales transactions within past three (3) years were discussed (USPAP)	<u></u>	<u></u>	<u>X</u>
4. Current sale contract detailed and appropriately analyzed	<u></u>	<u></u>	<u>X</u>
5. Appraiser notes if currently listed/under contract & price has been analyzed	<u>X</u>	<u></u>	<u></u>

Comments: The appraiser met all requirements in a professional manner. A legal description, street address and the County Property Identification number was referenced. These references cover USPAP Standard Rule 2-2 (a) (iii) for Real Property Appraisal, Reporting. The subject's sale history was researched for the past three (3) years, as required by USPAP Standard Rule 1-5 (b).

Property Description

	Yes	No	N/A
1. Location/market description analysis (considering scope of assignment)	<u>X</u>	<u></u>	<u></u>
2. Site description	<u>X</u>	<u></u>	<u></u>
3. Improvement description	<u>X</u>	<u></u>	<u></u>
4. Appropriate subject photographs	<u>X</u>	<u></u>	<u></u>
5. Flood Plain Information	<u>X</u>	<u></u>	<u></u>
6. Real Estate Tax Information	<u>X</u>	<u></u>	<u></u>
7. Zoning Includes statement regarding conformance with zoning	<u>X</u>	<u></u>	<u></u>
8. Part Acquired exhibits accurately depict the acquisition	<u>X</u>	<u></u>	<u></u>
9. Description of acquisition and affected improvements is adequate	<u>X</u>	<u></u>	<u></u>
10. Remainder Exhibits explain the remainder conditions	<u>X</u>	<u></u>	<u></u>
11. Schematic/project map accurately depicts remainder	<u>X</u>	<u></u>	<u></u>

Comments: The site is improved with a municipal lift station site with building and associated site improvements. However, the building improvements are not impacted by the proposed acquisition. The property is valued as a vacant parcel with site improvements that are impacted by the proposed acquisition. It has no topographical challenges, and the site analysis is appropriately concise. The market analysis is suitable for the scope of work and logically leads to the conclusions in the highest and best use analysis. Photographs adequately depict the subject and abutting uses, identifies the appraiser taking the photographs, and the date taken. The site description succinctly contains information as required by the Scope of Work Rule and Standard Rule 2. The subject's assessed value is in line with other properties in the neighborhood. However, the assessed value is significantly lower than the appraiser's concluded value. This difference arises because the County Property Appraiser uses a 'mass appraisal' method, valuing many properties at once with standardized rules. In contrast, this Appraisal Report focuses on a sole property evaluation. The appraiser fails to explain this, but this lack of explanation is considered inconsequential.

Highest & Best Use (HBU)

	Yes	No	N/A
1. HBU "As Vacant" adequately analyzed	X		
2. HBU "As Improved" adequately analyzed			X
3. Improvements are consistent with highest and best use			X
4. Remainder HBU discusses impact to the improvements	X		
5. Remainder HBU is consistent with land sales in remainder	X		

Comments: The HBU analysis was well presented. Financial feasibility is based on an inferred analysis and the conclusion is consistent with the principle of conformity. However, the most likely purchaser was not identified. The highest and best use conclusion addresses a single-family residential use (future development) as if vacant. As improved, it was stated a land and affected analysis was considered for the Appraisal Report and was not applicable. I concur with both conclusions for the HBU. The remainder HBU analysis is appropriately brief, and the use is self-evident.

Site Valuation

	Yes	No	N/A
1. Appraiser used appropriate land sales and analysis	X		
2. Data and adjustments appear adequate	X		
3. Value conclusion is adequately supported by market data	X		
4. If applicable, subject acquisition and value conclusion is analyzed	X		
5. Excess or surplus land is properly identified and analyzed			X

Comments: The land value conclusion utilizes tracts with similar locational characteristics. The unit value conclusion is at the upper end of the range of value. Comparable descriptions are adequate and address all critical criteria necessary.

The adjustment grid clearly states the differences between the subject and the comparables that warrant an adjustment. The adjustment commentary is well-reasoned and should be understood by intended users. Furthermore, the size of the adjustments is not atypical for this property type and are internally consistent between the sales themselves. The sales all share similar optimum uses with the subject and no factual errors were noted in the sales.

The reconciliation clearly states that the unit value conclusion was based with most weight on the two most recent land sales. The upper end conclusion of the unit value range is supported by the appraiser's explanation within the conclusion section. The reasoning was sufficiently supported and provided confidence that the indicated concluded unit value is reasonable.

Other Approaches

The cost approach, sales comparison approach as improved, and income approach as improved are not applicable and have not been developed. For consideration of site improvements impacted, the appraiser estimated a cost analysis. These refer to those site improvements located within the area of the proposed acquisition. The value conclusion appears reasonable based upon the appraiser's application.

Reconciliation of Before, Part Acquired, Remainder

	Yes	No	N/A
Reconciliation discussion & Conclusion is reasonable & matches Methodology	<u>X</u>	<u> </u>	<u> </u>
Exposure time estimate appears appropriate	<u>X</u>	<u> </u>	<u> </u>
Are the values in the reconciliation the same as in each approach section?	<u>X</u>	<u> </u>	<u> </u>
Whole property (Before) itemized value totals to the reconciled value	<u>X</u>	<u> </u>	<u> </u>
Property value is allocated between land and all improvements in acquisition	<u>X</u>	<u> </u>	<u> </u>
Part Acquired (Take) itemized value totals correctly	<u>X</u>	<u> </u>	<u> </u>
Remainder property (After) itemized value totals to the reconciled value	<u>X</u>	<u> </u>	<u> </u>
Support for Damages to the Remainder (if any) have properly been described	<u>X</u>	<u> </u>	<u> </u>
Cost-to-Cure (if required) considers all needs and is supported and discussed	<u> </u>	<u> </u>	<u>X</u>

Comments: The appraiser concluded the subject's value and compensation as shown below:

Market Value Conclusions

Before Property (Land & Site Improvements w/in Acquisition)	\$1,062,600
Part Acquired (Land)	\$1,100
Part Acquired (Improvements)	<u>\$100</u>
Part Acquired (Sub-total)	\$1,200
Damages	\$0
Cost-to-Cure	<u>\$0</u>
Total Compensation	\$1,200

Review Appraiser Recommendations

Accept appraisal, as is	<u>X</u>
Accept appraisal, as corrected by the appraiser	<u> </u>
Accept appraisal, as revised by the appraiser	<u> </u>
Accept appraisal, as revised by the reviewer	<u> </u>
Appraised Value not substantiated-recommend that an additional appraisal be prepared	<u> </u>
Reject appraisal due to significant errors and inconsistencies (as described below)	<u> </u>

Comments: The appraiser addressed all critical elements of technical compliance and should be accepted by the client for the intended use. I found no errors or inconsistencies which affect the value conclusion.

REVIEWER'S CONCLUSION

The market data contained in the appraisal report and knowledge of the local marketplace generally supports the concluded market value.

Assumptions and Limiting Conditions

1. Unless otherwise specifically noted in the body of the reviewed report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE, Inc. is not aware of any title defects, nor has it been advised of any unless such is specifically noted in the report. CBRE, Inc., however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. CBRE, Inc. professionals are not engineers and are not competent to judge matters of an engineering nature. CBRE, Inc. has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal review assignment and, therefore, make no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the reviewed report, no problems were brought to the attention of CBRE, Inc. and CBRE, Inc. was not furnished any engineering studies by any party requesting this appraisal review. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the assignment results. Accordingly, if negative findings are reported by engineering consultants, CBRE, Inc. reserves the right to amend the conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not disclosed within the reviewed report. CBRE, Inc. has no knowledge of the existence of such materials on or in the property. CBRE, Inc., however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The assignment results are predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information contained within the reviewed appraisal report.
5. It is assumed that all factual data contained within the reviewed appraisal report is accurate and correct unless otherwise specifically noted in this appraisal review report. Unless otherwise specifically noted in the reviewed appraisal report, CBRE, Inc. has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, CBRE, Inc. reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CBRE, Inc. of any questions or errors.
6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal review is based on market conditions existing as of the date of this report. Under the terms of the engagement, I will have no obligation to revise this

report to reflect events or conditions that occur subsequent to the date of this report. However, CBRE, Inc. will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.

7. CBRE, Inc. assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the reviewed appraisal report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal review report. Unless otherwise stated, it is also assumed that there are no air or development rights of value that may be transferred.
9. CBRE, Inc. is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CBRE, Inc. does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE, Inc.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CBRE, Inc. to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The appraisal review assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates are based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of CBRE, Inc. nor may this report or copies hereof be transmitted to third parties without said consent, which consent CBRE, Inc. reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of CBRE, Inc. which consent CBRE, Inc. reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. CBRE, Inc. shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. Any maps, plats, sketches, graphs, photographs, and exhibits that may be included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.

18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to CBRE, Inc. unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. CBRE, Inc. assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor CBRE, Inc. assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. CBRE, Inc. assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, CBRE, Inc. has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since CBRE, Inc. has no specific information relating to this issue, nor is CBRE, Inc. qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client approximately result in damage to Appraiser. Notwithstanding the foregoing, Appraiser shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by Appraiser. Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.

ADDENDA

Addendum A

QUALIFICATIONS

Nick Chop, MAI, R/W-AC

Director, South Region, Right-of-Way Practice Leader

CBRE


T + 1 904 634 1200
nick.chop@cbre.com

225 Water Street, Suite 110
Jacksonville, FL 32202

Clients Represented

- Atkins
- City of Jacksonville
- Duke Energy
- FDEP
- FDOT (Florida)
- Florida's Turnpike
- HDR
- HNTB
- Independence Acquisition
- Jacksonville Aviation Authority
- Jacksonville Electric Authority
- Jacksonville Transportation Authority
- Manatee County
- Miami-Dade County
- NCDOT (North Carolina)
- Okefenoke Electric
- Orange County
- Orlando Utilities Commission
- Pasco County
- Polk County
- St. Johns County
- TxDOT (Texas)

Experience

Nick Chop, MAI, R/W-AC is CBRE's Right-of-Way Practice Leader for the South Region and has over 30 years of real estate appraisal, appraisal review, cost estimating and consulting experience. A majority of Mr. Chop's career has centered around litigation support, primarily in the area of eminent domain valuation. Mr. Chop has been qualified as an expert witness in several courts. Mr. Chop is an approved appraiser for FDOT (Florida), NCDOT (North Carolina), TxDOT (Texas) and TDOT (Tennessee).

Mr. Chop has performed real estate valuations and reviews of fee simple, easement, leased fee and leasehold interests of existing and proposed developments including land, retail, restaurant, hotel, self-storage, office, industrial, medical buildings, mixed use-developments, single-family subdivisions, apartment projects, automotive dealership and service facilities. Mr. Chop regularly contributes to the Appraisal Institute and the International Right of Way Association. He is the past President of his local Appraisal Institute Chapter and current University Relations Ambassador.

Mr. Chop has worked extensively with large scale right-of-way infrastructure projects which include the valuation of fee simple and easement estates for proposed and existing corridors, roadway expansions and public utility lines. Recent, notable right-of-way projects include:

- Polk Regional Water Cooperative, Southeast Wellfield and Water Production Facility
- Florida's Turnpike, Central Polk Parkway, Bartow, Polk County
- Manatee County, Upper Manatee River Road, Lakewood Ranch
- FDOT, District Seven - #447536-2 US 301, Dade City, Pasco County
- FDOT, District Seven - #4475363 US 301, Dade City, Hernando County
- City of Jacksonville – Old Middleburg Road
- Jacksonville Electric Authority, Various Parcels & Projects
- City of Jacksonville – Chaffee Road
- NCDOT – U-5753 – Lindsay Road – Wayside Road, Raeford, Hoke County
- FDOT, District Five - #435859-4 SR 50 E. of CR 757 to Lake County Line
- NCDOT - U-4758 - Johnson St. - Sandy Ridge Rd., High Point, Guilford County
- NCDOT - P-5717 - Cornwallis Rd., Durham, Durham County
- 250+ Parcel 230-kV Transmission Line Project in Central Florida
- FDOT, District Four - #4369631 I-95 and 6th Ave., Palm Beach County
- FDOT, District Two - #4322592 Interstate-95, Duval County
- NCDOT, 13 Cost Estimates in 11 Counties representing over 2,000 parcels
- FDOT, District One - #4258432 S.R. 951, Collier County
- FDOT, District Seven - #2578623 Sam Allen Rd., Hillsborough County
- Manatee County – Moccasin Wallow Road
- JEA, Racetrack Road, St. Johns County
- Polk County, #5400114 Johnson Road, Polk County
- City of Jacksonville, The Landing Litigation
- City of Jacksonville, Jacksonville Power Plant Litigation
- Orlando Utilities Commission, Holden Avenue

Mr. Chop has consulted on and appraised property for litigation, specifically eminent domain proceedings and various valuation litigation purposes. Mr. Chop has testified as an expert witness in counties throughout Florida.

Professional Affiliations / Accreditations

- Appraisal Institute, Designated Member (MAI)
- International Right of Way Association, Designated Member (R/W-AC)
- Certified General Real Estate Appraiser – Alabama (G01476), Florida (RZ2660), Georgia (351619), Maryland (33958), Mississippi (GA-1354), North Carolina (A8408), South Carolina (063020) Tennessee (5693), Texas (1380190), Virginia (4001018413)

Education

- Florida State University, B.S. Real Estate and Finance

CBRE

CBRE VALUATION & ADVISORY SERVICES

NICK CHOP, MAI, R/W-AC

Valuation & Advisory Services

T: 305 381 6408 C: 904 903 1332

nick.chop@cbre.com

www.cbre.com