

AN APPRAISAL OF

A 9,627-Square Foot Redevelopment Site
(Improved with a Single-Tenant Office Building)

Located At

2915 SW 27th Avenue
Miami, Florida 33133

Prepared For

MNS Family Ltd. Partnership
c/o Martin Shleifer, Trustee

Effective Date of Appraisal

October 8, 2022

Prepared By



HEMISPHERE
REAL ESTATE, INC.

9100 South Dadeland Boulevard, Suite 1500
Miami, Florida 33156



9100 South Dadeland Boulevard, Suite 1500
Miami, Florida 33156
305.441.2728 – Office
305.675.0934 – Fax

November 4, 2022

Schleifer Family Partnership
c/o Martin Schleifer, Trustee
2915 SW 27th Avenue
Miami, FL 33133

RE: An appraisal assignment involving the improved property located at 2915 SW 27th Avenue, Miami, Florida.

Dear Mr. Schleifer:

In accordance with your request, we have prepared an appraisal report of the above-referenced property. The accompanying report describes the subject property, the method of appraisal and contains pertinent data considered in reaching our valuation conclusion. The purpose of this appraisal is to estimate the Market Value of the Real Estate, as referenced above. The Property Rights appraised include all of the rights that may be lawfully held under the **Fee Simple Interest**.

This appraisal is intended to comply with: the Uniform Standards of Professional Appraisal Practice (USPAP), as adopted by the Appraisal Standards Board of the Appraisal Foundation; and the Code of Professional Ethics and Standards of the Professional Appraisal Practice of the Appraisal Institute.

A summary of important facts and conclusions, subject to the Definition of Value, Assumptions and Limiting Conditions and Certification contained herein, as of the Date of Valuation, are displayed on the "Summary of Salient Facts and Conclusions" page of this report. We appreciate the opportunity to provide you with our valuation services. Should you have any questions regarding this project, please feel free to call us.

Very truly yours,

David G. Randell, MAI, CCIM
State Certified General Appraiser
RZ 1184

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SUMMARY OF FACTS AND CONCLUSIONS

The Assignment:	To estimate the market value of the Fee Simple Interest of the subject of this report.
Client & Intended Users:	The client is MNS Family Ltd. Partnership. Martin Schleifer is the Trustee and is an intended user of this report.
Location:	The subject is located at 2915 SW 27 th Avenue, Miami Florida. This is at the southeast corner of SW 27 th Avenue and Andros Avenue in Coconut Grove.
Land:	The subject is a site is comprised of 9,627 square feet, improved with an office building and parking with brick pavers, as well as extensive landscaping featuring mature, old-growth trees, wooden fence and wall, including Coral rock. The site appears level and at road grade.
Improvements:	The subject is improved with a one-story CBS/wood frame structure containing 3,030 square feet of adjusted building area. The structure, which was built in 1937 as a residence, is utilized as an advertising and public relations office. It is in good condition and well-maintained. The parking area is situated along the north side of the property, which is triangular in shape, with the longest side of the triangle facing NW 27 th Avenue. Residential, single-family home properties are located immediately to the East. Commercial properties are located to the North, across the other side of Andros Avenue, and to the South, as well as across SW 27 th Avenue, on its western side. Landscaping improvements are noteworthy, as they are mature and lush, which is particularly appropriate for the character of Coconut Grove. "The Grove" is a distinct area within the City of Miami, in which the subject is located. The trees present are mature and full, and are irreplaceable, effectively, except for the benefit of persons generations into the future, as the largest ones would take many decades of growth to match what is present at this time.
Owner of Record:	MNS Family Ltd. Partnership 2915 SW 27 th Avenue Miami, Florida 33133



Highest and Best Use (HBU):

“As Vacant”

A mixed-use or owner-user building

“As Improved”

Continued commercial use or demolish improvements and redevelop the site for commercial development with a net increase of enclosed area, accomplished so as not to negatively affect the mature trees, a significant improvement, which should be maintained.

Date of Value:

October 8, 2022

Value Estimate:

\$4,140,000

Market Rent:

\$45 per square foot, triple net or \$136,000 per year and the tenant is responsible for real estate taxes, insurance and property maintenance.

Substantiation and Investigation as to HBU and no need for Extraordinary Assumptions:

A building on a nearly adjacent property was reportedly designed by a renowned local architect, and has been preserved. The appraiser was informed that the subject is not historically designated. The location, the space

between the subject improvements and those on the nearest properties, in addition to the space provided by Andros Avenue between the subject and the nearest improvements to the north, are positive characteristics for the subject. The site serves well as an advertisement, in effect, for the user(s), since it is not crowded on any side and presents itself well, with high visibility. The Highest and Best Use analysis indicates the best use of the property is either to continue in use as a commercial property, or to redevelop the site for commercial use with a net increase of enclosed space. In a redevelopment scenario. Comparable sales provide the indication of which use is the Highest and Best Use. This consideration appears below in this report.

Before the property would be approved for demolition of the existing improvements and for redevelopment, the City may provide adjacent residential owners an opportunity to comment. Such comments often concern the height of a redevelopment structure adjacent to existing residential structures. However, the City's Planning and Zoning Department confirmed that unless a redevelopment proposal would require a variance, that the Owner should be able to proceed as of right in accordance with the property's Land Use and Zoning constraints. Commercial buildings located to the north and south of the subject property include multi-story buildings.

The appraiser consulted directly with the City of Miami Planning and Zoning Department and personally confirmed the following: If zoning allows, and if a developer would build within the constraints of that which is allowed by right, then a re-development could proceed as proposed. Certain properties require special permits, if an exception or a variance were needed. In such an instance, a hearing would be required and owners of neighboring properties would get the opportunity to object.

The City of Miami's applicable zoning code is named "Miami 21." Miami 21 has an interactive, digital map. Using this Zoning Map function the subject property was identified. Statements of various characteristics are shown on the page for the subject. Among the characteristics, the subject property is classified for multiple stories, and may be developed to a significantly greater amount of enclosed space than at present. Note the calculations on the following page:

2915 SW 27 AVE, Miami, FL 33133 [📍](#)
×

Zoning Property Details Use(s) Layers

- TOD/Transit Corridor
- Affordable & Attainable Mixed-Income

ADDITIONAL REGULATIONS

- Off-street bicycle parking
- LEED Certified
- County Future Land Use Office / Residential

WAIVERS


- Disable Active Frontage

BUILDING INTENSITY

Maximum Lot Coverage:	80%
Residential Density:	65.00 Du / Acre
Maximum Building Height:	N/A
Maximum Height - Stories:	5
Minimum Height - Stories:	2
Floor Lot Ratio:	N/A
Maximum Built Area Allowed:	31,104 ft ²
Maximum Building Footprint:	7,537 ft ²
Minimum Open Space:	10.00%
Maximum Residential Area Allowed:	31,104 ft ²
Maximum Residential Units Allowed:	15
Maximum Lodging Area Allowed:	31,104 ft ²
Maximum Lodging Rooms Allowed:	29
Maximum Commercial Area Allowed:	31,104 ft ²
Maximum Office Area Allowed:	31,104 ft ²

SETBACKS AT GROUND LEVEL

Minimum Primary Frontage Setback:	10.00 ft
Minimum Secondary Frontage Setback:	10.00 ft
Minimum Side Setback:	0, 6.00 ft
Minimum Rear Setback:	N/A
Minimum Water Setback:	N/A



An aerial photograph of a residential street in Miami. A specific lot is highlighted with a green outline. The lot is situated on the right side of the street, between two other residential lots. The surrounding area includes trees, sidewalks, and other buildings.

For purposes of this analysis, therefore, it is understood that the site can be redeveloped with uses it has as of right, in accordance with its Land Use and Zoning classifications, so long as no exceptions or variances are

requested in seeking approval for the project. The contemplated use would be in accordance with zoning and no extraordinary assumptions would be necessary. This discussion is included in this report since residential neighbors are perceived to be sensitive to adjacent and proximate development, and active in their efforts to make comments, seek compromises and accommodations, or simply to object to proposals for redevelopment or renovations of existing improved properties.

INTRODUCTION

Identification of the Property

The subject of this appraisal involves a parcel of land that is improved with a one-story office building that was developed in 1937 and subsequently converted to office use. The improvements contain approximately 3,030 square feet of adjusted building area. The legal description that follows was taken from the Miami-Dade County Property Appraiser webpage for the Subject property, and is as follows. The most recent deed for the transfer of title to the Subject was not used, since an eminent domain partial taking occurred since, and it is understood that the Property Appraiser webpage legal description reflects the taking having occurred.

TRIANGLE COS SUB PB 32-79 PT LOT 1 & PORT ANDROS AVE PARC DESC- BEG AT A PT ON SELY R/W/L ANDROS AVE 50FTE OF C/L 27TH AVE N61.33FT NELY & ELY AD 39.18FT E30.25FT S33FT E33.34FT S51 DEG W33.36FT S33 DEG E65FT SLY140.9FT N71.13FT TO POC NELY AD 22.50FT N51 DEG E13.35FT TO POB LESS PORT DESC COMM X C/L OF R/W COCONUT AVE & C/L R/W SW 27 AVE S02 DEG E210.01FT TH N 87 DEG E30FT TO POB N 02 DEG 70.94 TO POB NWLY AD 19.18FT S02 DEG E82.74FT S49 DEG W 8.93FT TO POB LOT SIZE 9627 SQ FT COC 24024-2282 12 2005 5 OR 27806/3257

Intended Use and Scope of the Assignment

The purpose of this appraisal assignment is to estimate the market value of the fee simple interest in the real estate that comprises the subject property. The intended use of the appraisal is for use of the Owner. There are no other intended uses for the appraisal.

The scope of the assignment encompasses the following steps performed within the framework of commonly accepted appraisal procedures:

- Inspecting the property under appraisal and the surrounding neighborhood.
- Gathering and analyzing background information and various documents concerning the property and its possible use(s).
- Interviewing active brokers within the subject area.
- Gathering and confirming comparable market data, including land sales and office building sales. Specific informational sources used were Co-star Comparable Services, the Miami-Dade County Property Appraiser website, the City of Miami's zoning code, known as "Miami 21", the Miami-Dade County Clerk of Courts, Loopnet, the Multiple Listing Service, and information gleaned from the Hemisphere Real Estate Database.
- Formulating reasonable opinions and judgments based on supply and demand factors, as well as physical and functional considerations relative to the highest and best use of the property and its respective market values.
- Analyzing this data in order to formulate sound valuation judgments within the framework and application of the appropriate approaches to value.

Intended Users of the Appraisal

The intended user of this appraisal is the Owner.

Market Value Definition

Market Value is defined by the **Appraisal Institute** as:

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

- (a) Buyer and seller are typically motivated;
- (b) Both parties are well informed or well advised, and each acting in what he considers his own best interest;
- (c) A reasonable time is allowed for exposure in the open market;
- (d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (e) The price represents a normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Property Rights Appraised

This appraisal is made with the understanding that the present ownership of the property includes all of the rights that may be lawfully held under the **Fee Simple Interest**. The fee simple estate is defined in the Twelfth Edition of *The Appraisal of Real Estate* as:

“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.”

Date of Value

The effective date of value is October 8, 2022.

Statement of Marketability

An estimate was prepared of the time required for a disposition of the subject property. The estimate considered the fee simple Interest, and was pursuant to an aggressive marketing plan conducted by an experienced and diligent professional acting in a prudent manner. A generally accepted definition of a **Reasonable Marketing Period** is:

“Normal Marketing Period is the amount of time necessary to expose a property to the open market in order to achieve a point in time estimate. Implicit in this definition

is the consummation of a sale on a specific date and the passing of title from seller to buyer under conditions whereby:

- (a) The property has been actively exposed to potential purchasers through marketing channels commonly utilized by sellers of similar properties.*
- (b) The property will be offered at a price reflecting the most probably markup over market value utilized by sellers of similar properties in the market.*
- (c) The sale will consummate under terms and conditions consistent with those of the market value definition utilized to estimate the property's market value.*
- (d) The elapsed time period needed to expose the property on the open market to achieve a specific market value estimate occurred prior to the date of the value estimate.*
- (e) The most probable amount of time is the average time period needed to expose a property on the open market to consummate a transaction on a specific date."*

Marketing factors considered in strengths of the subject property include:

1. There is limited vacant land available in the neighborhood.
2. The subject has a corner location, with adjacent structures located a significant distance away from the subject. Both factors give the subject good exposure.
3. The subject is within Coconut Grove, a desirable area of Miami.

Marketing factors considered weaknesses to the subject property include:

1. The existing improvements, for a redevelopment buyer/owner, would have to be demolished, a redevelopment expense. While this would be an expense a redeveloper would anticipate, the expense would be real and require payment. A counter-balancing factor, however, is the fact that the property could earn income or be used by the re-developer itself during the period of time during which plans are prepared, submitted and for which approval would be sought, and other pre-construction tasks would be performed. This can be a significantly long period of time, overall, so the cost of demolition is considered counterbalanced to at least an equal amount by the rental and/or use value during the interim period.

In the determination of market value for the subject, the appraisers have considered the current market conditions and considered sale data accordingly. Discussions with Miami-Dade County commercial property owners and brokers inform the appraisers regarding demand and marketing time. Based on the aforementioned factors and general trends in the subject property's submarket as well as the overall Miami-Dade County commercial real estate market, the appraiser's Estimate of Marketing Time to effect a sale of the subject property, as of the Date of Valuation, would be within 3-12 months, and the upper end of

this range is considered to be a generous estimate for the property type. Current market conditions indicate a quicker marketing time. Despite recent national and international news about interest rates, concerns for recession and other factors affecting realty values, the Miami-Dade market for commercial properties remains strong, with active buyers and investors.

In conjunction with the estimate of Marketing Time, we have analyzed the reasonable estimate of Exposure Time, which is defined as follows:

"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 appraisal; a retrospective opinion based upon an analysis of past events assuming a competitive open market."

Based upon our conversations with area brokers and given the above facts of the subject, a reasonable estimate of exposure time is within 3-12 months of the date of value. The current market conditions comment stated above are relevant and applicable to Exposure Time, as well.

History of the Property

According to public records and the Miami-Dade County Property Appraiser's Office, title to the subject property is held by MNS Family Ltd. Partnership. The deed for the June 1, 2004 transaction is recorded at OR Book 22444, Page 2328. There have been no other transfers of ownership within the past five years. A copy of the complete sales history for the subject is provided below in Figure 1. The appraisers are unaware of any listings for sale of the subject property. The property is currently in use as an office building. The 2004 transfer was to an entity similar in name, but not identical to the present name, and it is understood that any transfer of title since 2004 was between related entities and/or principals, such as for estate planning purposes.

Understanding about the condition of the property

- No signs of environmental contamination were noted at the property during the property inspection. Historically, it is understood that the uses to which the property has been put do not lend themselves to contamination, which would have been the case had the property been used, for example, for sales of fuel, or for a dry cleaning operation. However, the appraiser is not an expert in this field, and an expert in this field should be consulted if there are any concerns regarding the environmental condition of the subject property.

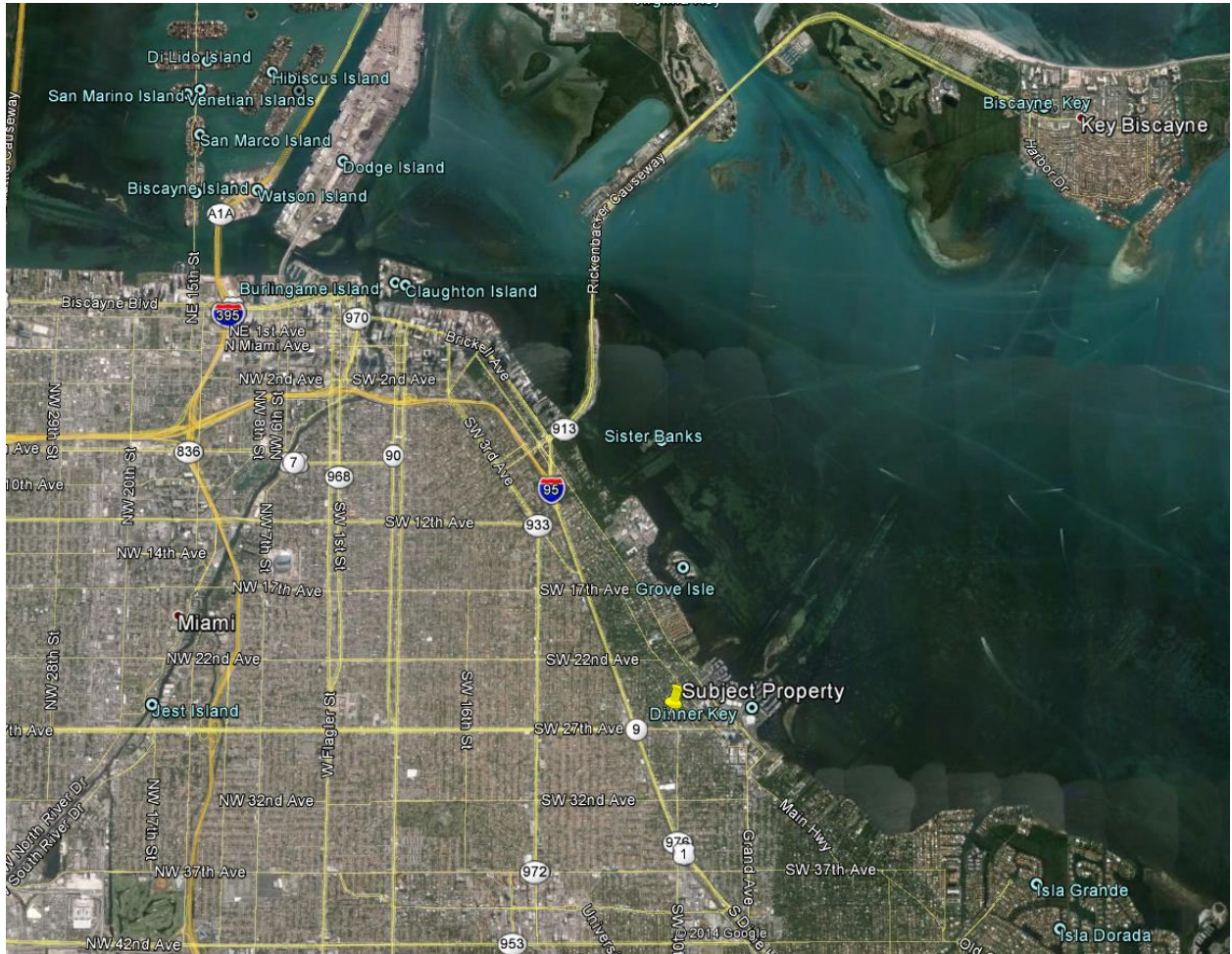
Economic Conditions

As noted above, despite recent national and international news about interest rates, concerns for recession and other factors affecting realty values, the Miami-Dade market for commercial properties remains strong, with active buyers and investors.

Consumer spending and job numbers news stories have been mixed as of late, but the State of Florida has proven to be something of a destination for people and investment during the recent Covid 19 pandemic and has continued to be so since then.

NEIGHBORHOOD OVERVIEW

The subject is located at 2915 SW 27th Avenue, within the City of Miami, Florida, in a largely developed area known as Coconut Grove. The subject's location is within the eastern portion of the City of Miami less than three miles southwest of Downtown Miami. In addition, the property is in close proximity to the Brickell area and to Coral Gables, both of which are



popular neighborhoods in Miami. The subject's relative location to these areas is noted in the following table:

Area	Approximate Distance from Subject
Miami CBD	2.75 mile to the northeast
Brickell Office/Residential Area	1.5 miles to the northeast
Coconut Grove Business District	.5 miles southwest
Coral Gables	1.25 miles east

As shown on the neighborhood map, the neighborhood represents a small area within the City of Miami and part of Coral Gables. The main thoroughfares are South Dixie Highway (US-1), South Bayshore Drive, Main Highway, SW 12th Avenue, 17th Avenue, SW 27th Avenue – on which the subject is located – and Grand Avenue to the southwest. The uses that front

along South Dixie Highway primarily consist of a mix of small-scale commercial (retail and office) buildings designed for single and dual tenant occupancy, smaller multi-tenant buildings, and freestanding storefront buildings. The residential areas are located along the south side of US-1. The residential composition along these thoroughfares consists of single-family and low-density, multi-family developments.

This area contains older residential neighborhoods and community centers that have been present since the 1930s. The area no longer has any existing vacant land available for development. Development, therefore, occurs in the course of re-development, whereby improved properties are cleared and new construction – or *renovations of existing improvements* – follows.

The City of Miami has been engaged in an effort to revitalize the neighborhood by providing economic incentives to investors and developers, and by implementing public projects. These include the widening of Grand Avenue, the construction of new affordable housing units, and beautification projects, which include brick sidewalks and new landscaping. Some of the older properties in the area have been demolished to make way for newer development. The subject property is located on the east side of SW 27th Avenue, which runs in the North-South direction. SW 27th Avenue itself was the subject of a public improvement project by Miami-Dade County approximately ten years ago. A portion of the property was taken by the exercise of the County's eminent domain power. The parcels acquired and taken were used for the improvement and beautification of SW 27th Avenue. The part taken was not fatal to the subject property, and the beautification of SW 27th Avenue served the area, including the subject.

In summary, the neighborhood is experiencing increases in its already desirable character and state. The City's goal is to strengthen the unique historical and cultural character of Coconut Grove and to encourage redevelopment of the area. Overall, the subject is considered to be in an affluent and attractive area of Coconut Grove. This area is expected to continue to be revered, redeveloped and improved.

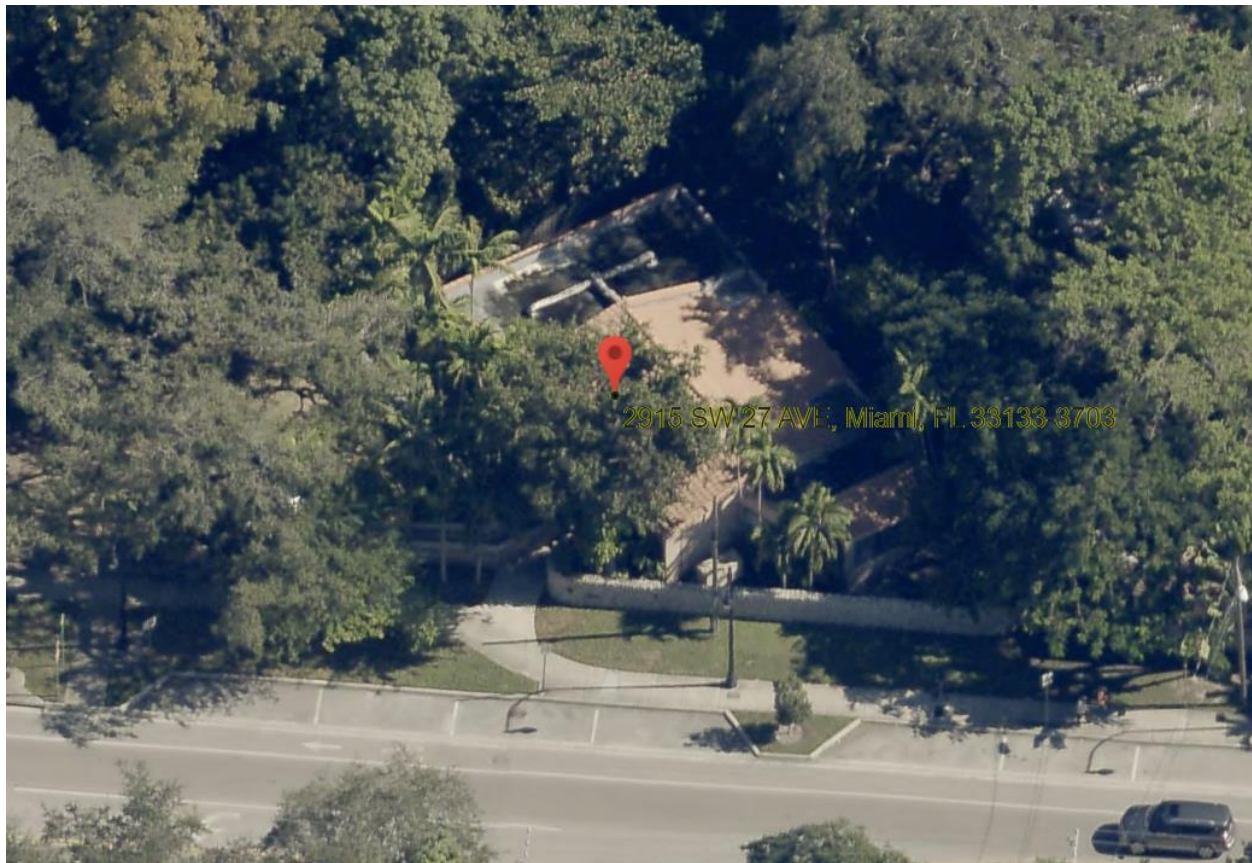
DESCRIPTION OF THE PROPERTY

Location and Access

The subject is located along the east side of SW 27th Avenue in the City of Miami. This location is at the southeast corner of Andros Avenue and SW 27th Avenue. Figures 1 and 2 show the subject location.

The subject property has road frontage on two sides. The utility of adjacent roadways and the access are considered very good. The driveway on the north side of the subject takes up less site area than would have been used by a driveway on SW 27th Avenue.

All of the surrounding roadways are two-way. The location is considered good and provides good visibility from the surrounding roadways.



Site Description

The corner site is irregular in shape. According to the Miami-Dade County Property Appraiser's webpage for the subject, the site contains 9,627 square feet (0.22 acre). The parcel is improved with an office building and ample parking on the northern portion of the site. There are fence, wall and significant landscaping improvements.

Topography and Drainage

The site is level and at road grade with all adjoining roadways, and is comparable in topography to other nearby and neighboring competitive sites. No adverse slope, pitch, roll, or yaw was observed. Although not inspected during times of heavy rain, drainage appears to function well.

Soils

A soil study or analysis was not provided for the preparation of this appraisal. However, no adverse subsoil conditions were observed at the subject site, nor were any observed at surrounding properties that have been developed with improvements considered comparable to the subject. It is our observation that the site is likely to accommodate a wide variety of proposed developments, barring any unforeseen conditions. If the load-bearing capacity of the site should come into question, a formal soil engineering report is recommended. Additionally and in this specific instance, it may be necessary to adjust our findings and recommendations contained herein.

It is assumed that the improvements are constructed according to approved architectural plans and specifications and in conformance with recommendations contained in, or based upon, any soils report(s). We inspected the site as thoroughly as possible by visual observation; however, it was impossible to inspect conditions beneath the soil, and we are not qualified to do so. Therefore, no representation is made to these matters unless specifically considered in the report. Significant improvements on nearby properties support the understanding soil conditions are appropriate for a redevelopment as well as for the existing improvements.

Easements, Encroachments, and Encumbrances

A title policy for the property was not provided in the preparation of this appraisal report. Upon visual inspection of the property, there were no apparent easements, encroachments, or encumbrances affecting any of the subject parcels; however, a title search may be performed prior to making any material decisions. We have assumed that any easement agreements, written or otherwise, are not in effect at the subject property; any discoveries to the contrary may negatively impact the marketability of the property, and could further result in a change to the value estimate(s) and other findings concluded herein.

No portion of the site, or any nearby or adjoining property, appears to encroach on each other, either by site use or building use. There is also no shared access or parking agreements or facilities affecting the Subject.

Conditions, Covenants, and Restrictions

There are no current known covenants, conditions and restrictions impacting the site that are considered to affect the marketability or highest and best use of the property, other than the current zoning and land use restrictions in place.

Flood Zone

According to flood hazard maps published the Federal Emergency Management Agency (FEMA), the Subject is located within Flood Zone "X" in an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. (Map Number 12086C 0314L, Community No. 120650; dated September 11, 2009); therefore, flood insurance is likely not required. An expert may be retained to determine whether the Subject is within an SFHA (Special Flood Hazard Area).

Although the property was not inspected during times of heavy rainfall or precipitation, no evidence of flooding was observed at the time of inspection. Further analysis may be required to determine the exact placement and proper zone for the subject. It should be noted that we are not experts in flooding or making flood insurance recommendations, and as such, it is noted that a flood insurance expert may be retained before making any decisions that may materially affect the property.

Utilities and Services

The site is located within the municipal jurisdiction of the City of Miami. All essential utilities are available to the site in adequate quantity and quality to service the highest and best use of the property.

Site Analysis Conclusion

Overall, the subject site is well located, easily accessible, and has a physical configuration and geographic location that make it suitable for a variety of small mixed-use developments. The physical and locational characteristics of the site lend itself to these types of uses. There is no known likelihood of a change in zoning.

Improvement Description

The improvements, which were constructed in 1937, were originally used as a single-family residence. They later were converted to an office after SW 27th Avenue's use intensified amid population growth. The property features unique construction and design elements.

Present Use: The subject property is currently used as a business office.

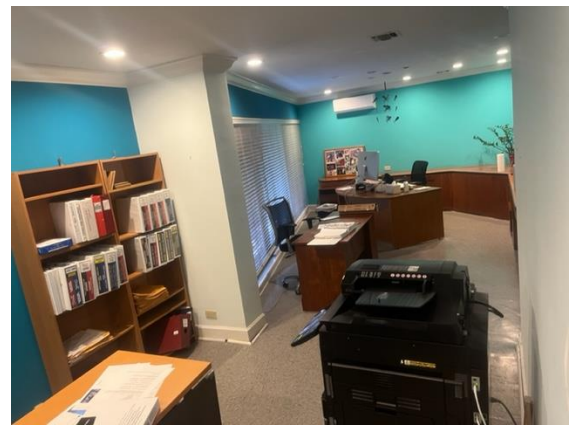
Type: One-story, CBS, Commercial Office Building.

Build-out Description: The subject property is currently built-out as a business office. The interior of the building is considered to be in average-to-good condition.

Parking: The property has an open, brick-paved and landscaped parking area located along the south side of Andros Avenue and the east side of SW 27th Avenue, along the northern portion of the subject site. The parking available has proven to be more than sufficient for the subject property and its use. It can accommodate at

least five (5) vehicles without blocking each other or the internal maneuvering area. This is notable since it has been witnessed at other properties in the course of reviewing those under consideration for use in this report as comparable or not.

The subject site is improved with a one-story office building containing 3,030 square feet of adjusted building area.



Street Improvements

Within the vicinity of the subject, there appears to be adequate storm and sewer drains located along all roadways surrounding the property. All existing street improvements are considered to be in good condition. SW 27th Avenue was improved recently, in terms of roadway ages. The project included beautification as well as functional elements.

Environmental Issues

We were not provided with any environmental condition reports, nor any other information indicating any contamination at the subject or nearby. Miami-Dade County's map at

<http://gisweb.miamidade.gov/environmentalconsiderations/default.aspx?searchtype=address¶mvalue=1001%20S%20MIAMI%20AVE>

indicates there are two contaminated sites located within a quarter mile radius of the Subject, which is a significant distance in an urbanized area. We do not perceive that this poses an immediate or expected threat to the subject site. It would be typical for a buyer to obtain a Phase I environmental study by a qualified and licensed professional before making any material decisions affecting the subject property.

Nuisances, Hazards, and Influences

No site-specific or neighboring nuisances, hazards, or influences were brought to our attention by the property owner or its representatives, and there was no evidence of such witnessed at the time of inspection that would materially detract from the marketability or the development of the subject site.

Zoning

The subject property is zoned "T5-O" by the City of Miami, which consists of higher Density Mixed-Use Building types that accommodate retail and office uses, rowhouses and apartments. The Urban Core Zone consists of the greatest variety and highest density of allowable land uses. Included in this classification are Civic Buildings of regional importance. This zoning designation focuses on building networks of small blocks, thoroughfares with wide sidewalks, steady tree planting, and buildings that are set close to the frontage roads, with frequent use of doors and windows.

Miami 21, the city's form-based zoning code, was put into effect in May of 2010, and amended in April 2012. The goal of this new zoning is to emphasize the relationship between the following elements: economic development, historic preservation, parks and open spaces, arts and culture, and transportation. The fringe areas of the central business district are designated as areas which require mixed use projects with floor level retail and apartment units above.

In its current condition, the property appears to conform to the current zoning restrictions and is therefore considered a legal conforming use. Zoning characteristics and parameters for the Subject are shown in Figure 2.

Future Land Use

The Future Land Use Map indicates that the subject is designated as Commercial. The current use is compliant.

Mass Transit

There is a Metrorail station located at 2780 SW 27th Avenue, which is three blocks north of the subject. This station is considered to be very beneficial to the subject property. The Metrorail system is a 25-mile dual track, elevated rapid transit system that provides service to Miami International Airport (MIA) and runs from Kendall through South Miami, Coral Gables, and downtown Miami; to the Civic Center/Jackson Memorial Hospital area; and to Brownsville, Liberty City, Hialeah, and Medley in northwest Miami-Dade, with connections to Broward and Palm Beach counties at the Tri-Rail/Metrorail transfer station. The 23 accessible Metrorail stations are about one mile apart, providing easy access for bus riders, pedestrians, and passengers who are dropped off and picked up. Users of this system are able to easily switch to the Brightline rail system and proceed to Broward and Palm Beach Counties. Soon, this system will proceed to Central Florida. All this is convenient to the subject property.



Real Estate Taxes

The assessment for the property is established each year by the Miami-Dade County Property Appraisers office on January 1st, based upon "Just Value", which is defined as market value less the cost of sale. Tax due is computed according to the annual mileage rate established by the County. Taxes for the subject property are found on Figure 1, including a recent history.

HIGHEST AND BEST USE

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

Before concluding an estimate of value, the highest and best use of the subject property must be determined under two scenarios: 1) as if vacant, and; 2) as improved. Fundamentally, the concept of highest and best use applies to land alone, because the value of the improvements is considered to be a contributory value above and beyond the value of the site alone. However, to complete an appropriate highest and best use analysis, the four criteria will be applied to the subject site "as if vacant" and "as improved."

Highest and Best Use – As If Vacant

Highest and best use must meet four criteria: 1) Legal Permissibility; 2) Physical Possibility; 3) Financial Feasibility, and; 4) Maximum Profitability.

Legally Permissible

The subject parcel is a small, well-located parcel of land in an area witnessing renewed interest that is currently attracting capital for investment in real estate. The site is zoned "T5-O," Urban Core Transect, by the city of Miami and under the new Miami 21 zoning initiative, the most recent changes to which were adopted in April 2012. This designation allows for high density and a wide variety of potential land uses. Conceptually, there is almost no land use that would be precluded on the site, as it relates to legal permissibility.

Physical Possibility

The test for physical possibility is the first step in determining the Highest and Best Use of a property. The subject site is 9,627 square feet in size and would accommodate potential development of the site in accordance with its size. Physical possibility is analyzed before legal permissibility because zoning sometimes can be changed. Furthermore, physical possibility is a broader study than legal permissibility. The test for physical possibility typically focuses on physical constraints which limit the uses to which a property might be put. Physical constraints include frontage to depth ratio, soil analysis, parking requirements, parcel size, topography, available utilities, physical grade, shape and configuration.

The site contains 9,627 square feet or 0.22 acre, and is a smaller tract of land compared with some of the more intensely-developed sites in the vicinity. This limits the size of the improvements to be constructed, as allocations for parking and other necessary development components can restrict the useable or saleable area to be built on the site.

Financial Feasibility

There are many variables that affect the financial feasibility of a site; financing – including debt, equity, mezzanine, and hybrid capital structures – along with potential estimations of revenue, expenses, development and construction costs, entrepreneurial profit (both expected and realized), tax considerations, and reversion expectations all affect the use that is most financially feasible. This concept is closely tied to the fourth criteria - that of Maximum Profitability (see below). For example, a convenience store, service station, or single-tenant/owner-user building are all legally permissible and physically possible. An analyst would consider whether any of those uses would be the most financially feasible.

In this instance, such uses would be considered, so as to focus on the site's potential for small-scale development. In our opinion the most financially feasible use would be to for a small mixed-use or owner-user office building.





Maximum Profitability

After considering the physically possible, legally permissible, and financially feasible land uses for the site, and in conjunction with the findings presented throughout this appraisal analysis, it appears that the most maximally profitable land use would be development with an office building. An example of such as use would include covered parking on the lowest level, with upper floors comprised of commercial office space. Depending on site planning and architectural considerations, it still could have open parking on the ground level.

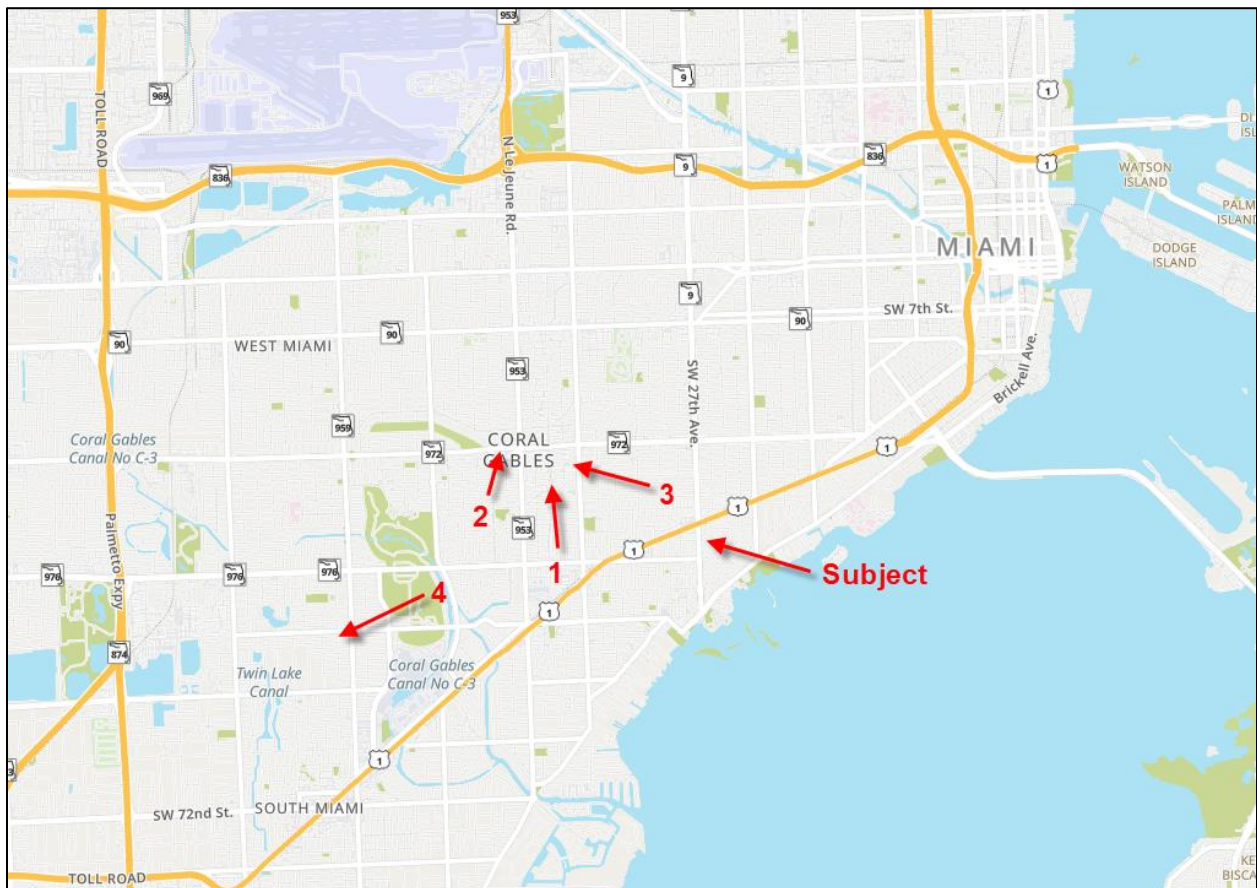
Given current market activity, it appears that increasing improved office space by re-development of the site is feasible at this time.

Highest and Best Use – As Improved

As previously discussed the subject site is improved with a 3,030-square foot office building that was originally built in 1937. The building is in average-to-good condition. A search for similar type single-user office buildings was conducted. The table shown below identifies neighborhood properties that would compete with the subject property.

Photo	Location	Proximity	Sale Date	Building Size (Sq. Ft.)	Sale Price	Price \$/SF of Bldg
	3132 Ponce de Leon Blvd Coral Gables	2.2 miles to subject by driving	7-25-22	3,450	\$3,200,000	\$928
	480 Biltmore Way Coral Gables	2.6	10-14-21	3,300	\$3,600,000	\$1,091
	45 Almeria Ave Coral Gables	1.8	10-13-21	3,001	\$2,325,000	\$775
	5710 SW 41 Street South Miami	3.4	9-20-21	2,413	\$1,300,000	\$534
	2915 SW 27 th Ave Coconut Grove, City of Miami The Subject Property	-	Presently	3,030	-	-

Improved Comparable Location Map



Since improved and recent comparable sales were not found in Coconut Grove, sales of properties in Coral Gables and South Miami were reviewed. These two areas are proximate to the subject, and also are revered, well-maintained and included redeveloped properties as well as highly appreciated older ones. Three of the comparable sales are in the City of Coral Gables. The one in South Miami is included as it has a variety of characteristics very similar to that of the subject, including its architecture. The sales chosen and listed above are located proximate to the subject. They each have comparable zoning. They are listed chronologically, by recency.

The South Florida market has displayed increases in prices over time recently, demonstrating the truism that even the most recent sales can reveal the market only as of the moment of that sale. Therefore, recency is recognized in this report as a positive factor in comparison with the subject. The comparisons made herein are qualitative, as is the observation of the appraiser that attempts at quantitative adjustments in markets such as this one are illusory, and the market provides the best and most reliable updates.

Sales and their Indications about Highest and Best Use: Utilizing the sales considered above the subject would have a value range from \$538 per square foot to a high of \$1,091 per square foot. Utilizing the top end of the range indicates a value conclusion for the subject of \$3,305,457. This amount is less than the land value as if vacant, even when applying the lowest unit value of the comparable vacant land sales. After performing this analysis, it is evident that the highest and best use of the site would be to redevelop the site with a new multi-story structure under the current zoning, such that it would produce a larger amount of enclosed useable and/or leasable enclosed space on the same site.

VALUATION METHODOLOGY

Usual appraisal procedure involves an estimate of value by three separate approaches: the Sales Comparison Approach, the Income Approach and the Cost Approach. From the indications of these analyses and the weight accorded to each, an opinion of value is reached based on expert judgment within the framework of the appraisal process.

In this instance, only the Land Sales Comparison Approach and the Improved Sales Comparison Approach are employed for estimating the value of the subject. The Income Approach is omitted from this evaluation since this method is utilized to determine value for income-producing properties. The subject has been owner-occupied and used for many years, and if it were redeveloped the amount of space would change. The Cost Approach is not applicable, as office use is not generally considered a special purpose.

In the following section, an analysis of comparable land sales will be discussed and used to determine the value estimate of the subject property.

SALES COMPARISON APPROACH - LAND

Methodology

The Sales Comparison Approach establishes a value estimate by comparing recent sales of similar properties within the subject's market area to the subject property. By analyzing sales that qualify as "arms-length" transactions between willing and knowledgeable buyers and sellers, we can identify acquisitions from which value parameters may be extracted. The comparable sales are considered in relation to the subject property with regard to such factors as time of sale (changes in market conditions over time), financing (and its effect on market value), locational and economic characteristics, physical features, etc.

The basic steps applied in the Sales Comparison Approach are as follows:

- Research recent relevant land sales, current contracts and any current offerings/listings;
- Select properties considered similar to the subject, and then analyze them in comparison with the subject;
- Reduce the comparable sales to a meaningful unit of comparison (i.e., price per lot, price per acre or price per square foot of land area);
- Make appropriate comparisons (direct adjustments, if market supported) between the comparable properties and the property under appraisal;
- Interpret the data in order to draw a meaningful conclusion of value.

After appropriate comparisons are made, an indication of market value is estimated. However, it is important to realize that many other factors affect the sale price of land that is virtually impossible to adjust. These factors include the lack of developable land and the motivation of the grantees and grantors.

Relevant Characteristics of Value

The following list provides details about the relevant characteristics that generally affect value of land within Miami-Dade County:

- **Location** – There are several facets of location that are considered important. They include: proximity to the subject, and to roadways, access, adjacent land uses, and proximity to neighborhood amenities. These factors are considered when analyzing the location of the comparable sales.
- **Market Conditions** – Property values of vacant land sites began to stabilize in early 2012 and have been on the rise since.
- **Size** – There is market evidence that supports smaller sites selling at a higher price per square foot than larger sites, due to economies of scale.

- **Physical Characteristics** – The shape of the parcel, topography, and the existence of environmental contamination can impact property value.
- **Zoning** – The zoning of a property stipulates what uses can be developed. Typically, the more allowable uses a property has; the more desirable the property. Adjustments for differences in zoning intensity may be considered.

The table below summarizes the land sales used to estimate the value of the subject property. In this instance, the sales are analyzed based on a price per square foot of land area.

Three closed comparable land sales were chosen for this assignment. They are considered to be the best available indicators for estimating the land value. All the comparable sales were verified and are all considered to be arm's-length transactions. The following includes land sales that have a similar highest and best use as the subject:

No.	Location	Proximity	Sale Date	Size (Sq. Ft.)	Sale Price \$	Price \$/SF of Land
1	4275 and 4311 Ponce de Leon Blvd, Coral Gables	1.7 miles from Subject	2-11-22	20,038	10,000,000	499.05
2	3407 Thomas Ave, Coconut Grove, City of Miami	1.4 mi	12-3-21	4,901	1,828,600	373.11
3	3100-3106 Commodore Plaza, Coconut Grove, City of Miami	1.1 mi	6-11-21	7,186	3,000,000	417.48
Subj.	2921 SW 27 th Avenue	-	-	9,627	-	-

A location map of the comparable land sale properties considered in this report is presented below:



The above sales are the most recent and considered the best indicators of value for land similar to the subject. The unadjusted sale prices per square foot of land range from a low of \$373 per square foot to a high of about \$500 per square foot. The simple average of the three sale properties is \$430. per square foot.

Analysis of Sales:

Property Rights: The land sales were sold with fee simple title. As such, adjustments for property rights conveyed are unnecessary.

Conditions of Sale: All the sales utilized in this report were confirmed and verified to be arm's length transactions; there are no adjustments necessary for conditions of sale.

Financing: There are no indications of Seller Financing. As such, no adjustments are warranted.

Changes in Market Conditions: Recency is favored in comparison with the Subject.

Location: Each has its own uniquely positive characteristics, though none has the highly visible corner characteristics in the manner as does the Subject. Additionally, no sales – whether among the land sales or improved sales – possesses the natural splendor of the mature landscaping at the subject. Proximity and the locations of sales in Coconut Grove are favored in these comparisons.

Size The sales indicate no consistent size factor.

Zoning: The properties have comparable zoning.

Analysis of Comparable Sales

The comparable sales reflect an unadjusted price range from low of \$373 per square foot to a high of about \$500 per square foot of land. The range is "tight" enough that favoring recency and proximity best respects the market's own indications of value.

A large number of land sales in the area reviewed – *of proximate portions of Coconut Grove, Coral Gables and South Miami* – was conducted and deselection was employed at least as much as selection, leading to this tightly grouped selection,

The simple average, or mean, in these sales is \$429.77 per square foot. The tightness of the range indicates that this selection of land sales is fairly consistent and therefore considered reasonably reliable.

Based on the analysis previously presented, it is our opinion that the subject property has a market value, on the basis of price per square foot and as of the effective date of value, of \$430.00 per square foot of land area, as calculated below:

**9,627 Square Feet of site size X \$430 per Square Foot =
\$4,139,610, or \$4,140,000 (R)**

Rental Analysis

A rental analysis is included in this report, as well as the valuation analysis set forth above.

A review was conducted, using the CoStar system, of a large number of office rentals in Coconut Grove, as well as proximate locations in Miami and the City of Coral Gables. A large number were deselected on the basis of location, leaving those located in Coconut Grove. Among those, the most proximate and similar in other regards were favored, leading to two located on SW 27th Avenue – on which the subject is located – as well as two on Highway US-1, and two on Mary Street.

They all are located in Coconut Grove, all are highly visible, all are larger structures than the Subject, and there is variety among them in the number of floors in the structures.

The subject compares favorably in that it provides sole or low-number control, privacy, parking is close to the entry and exit, the landscaping is mature and irreplaceable, the access and parking are easily maneuvered. These factors are among the reasons that the appraiser finds an estimation of rent-per-square foot that is above the rent sought nearby.

The two on SW 27th Avenue rent at \$33.00/sf/year and at \$46.00. The two on US-1 rent at \$33.00 and \$56.25. Lastly, the two on Mary Street rent at \$58.00 and \$70.00. Most of the renters offer parking for additional amount above the base rent.

Location	Announced Rent/sf/year	Adjusted for Parking
2938 SW 27 th Avenue	\$33.00	\$35.67
2959 SW 27 th Avenue	\$46.00	\$47.88
500 S. US-1	\$56.25	“more”
2140 S. US-1	\$33.00	No parking fee \$33.00
3250 Mary Street	\$58.00	\$59.39
3,350 Mary Street	\$70.00	“more”

From this point forward the two rental locations on US-1 were deselected, as the other four are proximate and well-located for the questions of comparability with the subject.

This deselection left rates – adjusted for Parking - of \$35.67 and \$47.88 (SW 27th Avenue), 59.39 and 70.00 (Mary Street). The simple average of these rates is \$53.24, suggesting, with some rounding, as well, at \$50.00/sf. However, the comp on the same street cannot be overlooked. With this in mind, the weighting places some downward pressure and results in an estimate at \$45 per square foot. This would be expected to be paid by a single tenant, paying on a Triple Net basis, with the tenant paying for real estate taxes, insurance and common area maintenance.

While it might seem aggressive, given that one of the \$33.00/sf (adjusted to \$35.67 for parking) is close to the subject. The subject, however, has advantages listed on the page before. Furthermore, in the current market pricing which might seem aggressive, when based on the market, can be quickly outdated.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report is subject to the following general assumptions and limiting conditions:

1. No investigation has been made of, and no responsibility is assumed for the legal description of the property being valued or legal matters, including title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated. The property is assumed to be free and clear of any liens, easements or encumbrances unless otherwise stated.
2. Information furnished by others, upon which all or portions of this appraisal is based, is believed to be reliable, but has not been verified except as set forth in this report.
3. This report has been made for the purpose stated and shall not be used for any other purpose.
4. This appraisal has been made in conformance with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation.
5. The date of value to which the opinion(s) expressed in this report applies is set forth in the letter of transmittal. Our value opinion is based on the purchasing power of the U.S. dollar as of that date.
6. Full compliance with all applicable federal, state and local zoning, licensing, use, environmental and similar laws and regulations is assumed unless otherwise stated.
7. Responsible ownership and competent property management are assumed.
8. Areas and dimensions of the property were obtained from the actual property measurements. Maps or sketches, if included in this report, are only to assist the reader in visualizing the property and no responsibility is assumed for their accuracy. No independent surveys were conducted.
9. The property is appraised free and clear of all liens and encumbrances unless otherwise stated.
10. All engineering is assumed to be correct. The plot plans, plats, maps and illustrative material in this report are included only to assist the reader in visualizing the property.
11. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

12. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority for any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
13. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
14. The existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials within or near the property. The presence of substances such as asbestos, ureaformaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated upon the assumption that there is no such material within or near the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

The appraisal has been made with the following general limiting conditions:

1. The analyses, opinions or conclusions were developed and this report has been prepared in conformity with the requirements of the State of Florida for state-certified appraisers. The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Subcommittee of the Florida Real Estate Commission.
2. The distribution, if any, of the total valuation in this report, between land and improvements, applies only under the stated program of utilizations. The separate allocations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
3. Possession of this report, or any copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written permission of the appraiser, and in any event, only with the properly written qualifications, and only in its entirety.
4. The appraiser herein, by reason of this appraisal, is not required to testify, or be in attendance in any court of law, with reference to the property in question, unless adequate compensatory arrangements have been made in advance.
5. Neither all nor any of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through any means without the prior written consent and approval of the appraiser.

6. The Certified General Appraiser signing this report has valued numerous properties similar to the subject property. As such, the appraiser meets the requirements of the competency provision within USPAP.

CERTIFICATION OF VALUE

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

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.

We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

We have not provided 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 acceptance of this assignment.

We have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person signing this certification.

As of the date of this report, I, **David G. Randell, MAI**, completed the continuing education program of the Appraisal Institute.

The appraisers have performed within the competency provisions of the Uniform Standards of Professional Appraisal Practice.

The report was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.

The use of this report is subject to the requirements of the Real Estate Appraisal Board of the Department of Professional regulation, State of Florida.

As of the date of this appraisal, the undersigned has completed the requirements of the continuing education program of the Appraisal Institute.

A handwritten signature in black ink, appearing to read 'D. G. Randell', written in a cursive style.

David G. Randell, MAI, CCIM
State Certified General Appraiser
RZ1184

ADDENDA

QUALIFICATIONS

DAVID G. RANDELL, MAI, CCIM
Hemisphere Real Estate, Inc.
1000 Ponce de Leon Boulevard, Suite 206
Coral Gables, FL 33134
305.441.2728

Education Florida State University: B.S. Real Estate & Finance, 1988
Miami-Dade Community College: A.A. General Business Studies, 1985

Professional Affiliations Member of the Appraisal Institute (MAI) since 1992 - No. 9684
Member of the Commercial Investment Real Estate Institute (CCIM) since 1993 - No. 5151
State Certified General Appraiser (Florida) - No. RZ0001184
Licensed Real Estate Broker (Florida) - No. 0524248
AQB Certified USPAP Instructor – No. 10801

Instruction Experience

9/02 - Present **Miami-Dade College**, Miami, Florida
Instructor – 75 hour AB-I State registered class instruction. The course provides information that introduces potential appraisers to the real estate appraisal field as well as those with existing real estate backgrounds. AB-I course topics include: Appraisal Profession Ethics, Real Estate Marketplace, Appraisal Process, Data Collection, Residential Construction, Sales Comparison Approach, Cost Approach, and the Income Capitalization Approach. **Instructor – 30 hour AB-II and 15 hour AB-II b State residential certification class.** Successful completion of this course is required for registered trainee appraisers to sit for the state certified residential exam. The topics covered include case studies, detailed discussion of USPAP and detailed discussions of the Sales Comparison and Cost Approaches to value.

Work Experience

4/96 - Present **Hemisphere Real Estate, Inc.**, Coral Gables, Florida
Principal – Formed corporation to provide real estate services including appraisals, market studies, investment analysis, litigation support, and consulting. Clients include lenders, developers, accounting firms, law firms and private individuals.

3/95 - 4/96 **Heritage Rural Housing, Inc.**, Cape Canaveral, Florida
Acquisition Specialist - Employed as an independent contractor providing site/property selection and acquisition services for two real estate development companies specializing in affordable multifamily housing projects financed through the sale of tax credits. Responsibilities included soliciting commercial real estate brokers nationwide for vacant land and existing apartment projects in need of renovation; conducting feasibility analysis and pre-development/construction due diligence on properties under consideration for purchase; negotiating purchase contracts; meeting with local government officials to lobby local support for a proposed project; contacting local government agencies to address potential real property assessments and related building fees for proposed projects; and completing the appropriate state applications required for receiving tax credit awards.

- 12/93 - 3/95 **Self-Employed**, Miami, Florida
Independent Consultant - Employed as an independent contractor providing commercial real estate appraising and consulting services to a number of established real estate consulting practices located throughout South Florida including; Hume Real Estate Consultants, Matthew Perry and Associates, Waronker & Associates, Weintraub & Associates, and Arthur Andersen LLP.
- 9/88 - 12/93 **Investors Research Associates, Inc.**, Miami, Florida
Senior Staff Appraiser - Appraised over \$200 million in real estate. Produced market value appraisals and market studies on vacant land, industrial properties, office buildings, shopping centers, subdivisions, multifamily projects, environmentally-sensitive and agricultural lands as well as going concern/special purpose properties. Assembled bid proposals for future assignments and worked in a review capacity with junior staff appraisers.