

QUINLIVAN APPRAISAL
A PROFESSIONAL ASSOCIATION
REAL ESTATE APPRAISERS & CONSULTANTS
5730 S.W. 74TH STREET, SUITE 300
SOUTH MIAMI, FLORIDA 33143

J. MARK QUINLIVAN, MAI
STATE-CERTIFIED GENERAL APPRAISERS
EZ 0000112

TELEPHONE (305) 663-6611
FAX (305) 665-4921

THOMAS F. MAGENHEIMER, MAI
STATE-CERTIFIED GENERAL APPRAISERS
EZ 0000569

April 1, 2008

Catherine B. Swanson Rivenbark
City of Coral Gables
Development Department
95 Merrick Way, Suite 450
Coral Gables, Florida 33134

Dear Ms. Rivenbark:

We recently prepared an Appraisal Report covering the following described property:

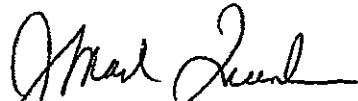
A 13,551 square foot parking lot, located at the southeast corner of LeJeune Road and Greco Avenue, Coral Gables, Florida.

The purpose of this Appraisal was to estimate the Market Value of the described property as of January 26, 2008, being one of the dates of personal inspection. The value as an independent site was estimated at \$3,390,000.

At this time we have been requested to value a 13,564 square foot parcel, which is a portion of the adjacent site. This site is located on the corner of Granello Avenue and Greco Avenue.

Based on the sales data contained within our report and considering the zoning and land use plan designation of this site, it is estimated that this site as part of its parent tract has a value of \$250.00 per square foot or a value of \$3,391,000.

Respectfully submitted,



J. Mark Quinlivan, MAI
State Certified General Appraiser
Certification Number: RZ112

APPRAISAL REPORT

A 13,551 SQUARE FOOT PARKING LOT

LOCATED AT:

**THE SOUTHEAST CORNER OF LEJEUNE ROAD &
GRECO AVENUE
CORAL GABLES, FLORIDA**

PREPARED FOR:

**CITY OF CORAL GABLES
DEVELOPMENT DEPARTMENT
95 MERRICK WAY, SUITE 450
CORAL GABLES, FLORIDA 33134**

AS OF:

JANUARY 26, 2008

PREPARED BY:

**QUINLIVAN APPRAISAL, P.A.
5730 S.W. 74TH STREET - SUITE 300
SOUTH MIAMI, FLORIDA 33143**

January 30, 2008

Catherine B. Swanson Rivenbark
City of Coral Gables
Development Department
95 Merrick Way, Suite 450
Coral Gables, Florida 33134

Dear Ms. Rivenbark:

In accordance with your request and authorization, we have prepared this Appraisal Report covering the following described property:

A 13,551 square foot parking lot, located at the southeast corner of LeJeune Road and Greco Avenue, Coral Gables, Florida.

The purpose of this Appraisal is to estimate the Market Value of the described property as of January 26, 2008, being one of the dates of personal inspection.

The narrative Appraisal Report that follows sets forth the identification of the property, the assumptions and limiting conditions, pertinent facts about the area and the subject property, comparable data, the results of the investigations and analyses, and the reasoning leading to the conclusions set forth.

At the instruction of the client, the property is appraised as an independent site and as assembled with the adjacent sites in Block 16 of **REPLAT OF BLOCK 16 CORAL GABLES INDUSTRIAL SECTION**. Assembling the subject site would potentially allow the closing of $\frac{1}{2}$ of the alley abutting the subject site.

Ms. Catherine B. Swanson Rivenbark
City of Coral Gables
Development Department
January 30, 2008
Page 2

Based on the inspection of the property and the investigation and analyses undertaken, we have formed the opinion that, as of January 26, 2008, the subject property had Market Values of:

LAND VALUE AS AN INDEPENDENT SITE	\$3,390,000
LAND VALUE AS ASSEMBLED WITH ABUTTING SITES	\$3,780,000

Respectfully submitted,

J. Mark Quinlivan, MAI
State Certified General Appraiser
Certification Number: RZ0000112

Thomas F. Magenheimer, MAI
State Certified General Appraiser
Certification Number: RZ0000553

JMQ/jb
(08-005)

CERTIFICATION OF VALUE

The undersigned hereby certifies that, to the best of our knowledge and belief:

- (A) The statements of fact contained in the report are true and correct.
- (B) The reported analyses, opinions and conclusions are limited only by the assumptions and limiting conditions set forth, and are my personal, unbiased professional analyses, opinions and conclusions.
- (C) 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.
- (D) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (E) Our engagement in this assignment is not contingent upon developing or reporting predetermined results.
- (F) The appraisers' compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Furthermore, the appraisal assignment is not based on a requested minimum valuation, a specific valuation or the approval of a loan.
- (G) The appraisers' analyses, opinions and conclusions are developed, and this report is prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and the requirements of the State of Florida for state-certified appraisers.
- (H) Use of this report is subject to the requirements of the State of Florida relating to review by the Real Estate Appraisal Subcommittee of the Florida Real Estate Commission.
- (I) J. Mark Quinlivan and Thomas F. Magenheimer have made a personal inspection of the property that is the subject of this report.
- (J) No one provided significant professional assistance to the person signing this report.

- (K) The reported analyses, opinions, and conclusions are developed, and this report is prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- (L) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, J. Mark Quinlivan and Thomas F. Magenheimer have completed the requirements under the continuing education program for The Appraisal Institute.

Based on the inspection of the property and the investigation and analyses undertaken, subject to the assumptions and limiting conditions set forth in the Addendum of this report, we have formed the opinion, as of January 26, 2008, the subject property had Market Values of:

LAND VALUE AS AN INDEPENDENT SITE	\$3,390,000
LAND VALUE AS ASSEMBLED WITH ABUTTING SITES	\$3,780,000

J. MARK QUINLIVAN, MAI
STATE CERTIFIED GENERAL APPRAISER
CERTIFICATION NUMBER: RZ0000112

THOMAS F. MAGENHEIMER, MAI
STATE CERTIFIED REAL ESTATE APPRAISER
CERTIFICATION NUMBER: RZ0000553

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Type Report	Self-contained
Purpose of Appraisal	Market Value
Property Rights Appraised	Fee Simple
Location	The southeast corner of LeJeune Road and Greco Avenue, Coral Gables, Florida
Land Size	As Independent Site 13,551 Square Feet As Assembled Site 15,128 Square Feet
Improvements	Municipal parking lot
Zoning	C, Commercial District & MXD, Mixed Use Overlay District (City of Coral Gables)
Highest and Best Use:	Small scale commercial use or assemblage with abutting site.
Indications of Value:	
Land Value As Independent Site	\$3,390,000
Land Value As Assembled With Abutting Sites	\$3,780,000
Date of Inspection	January 26, 2008
Date of Value Estimate	January 26, 2008
Date of Report	January 30, 2008
Remarks	As the request of the client, the property is appraised as an independent site and as assembled with abutting sites.

INTRODUCTION

IDENTIFICATION OF THE PROPERTY

A 13,551 square foot parking lot as an independent site and as assembled with abutting sites.

LOCATION

The southeast corner of LeJeune Road and Greco Avenue,
Coral Gables, Florida

PURPOSE AND DATE OF APPRAISAL

The purpose of this Appraisal is to estimate the Market Value of the property as an independent site and as assembled with abutting sites as of January 26, 2008, being one of the dates of personal inspection.

INTENDED USE AND USER OF APPRAISAL

The intended use of this appraisal is to aid the client in determining selling prices for the property. The intended user is the City of Coral Gables.

LEGAL DESCRIPTION

Lots 8, 9, 10, 11 and 12, Block 16, **CORAL GABLES INDUSTRIAL SECTION**, according to the Plat thereof as recorded in Plat Book 28, at Page 22 of the Public Records of Miami-Dade County, Florida; and the west ½ of the 20-foot wide alley abutting Lots 8, 9, 10 and 12.

Source: ISC Property Report of Miami-Dade County tax records.

PROPERTY RIGHTS APPRAISED

The property is appraised in fee simple: a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation, as well as utility easements of record.

DEFINITION OF MARKET VALUE

Market Value means 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 the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised and acting in what they consider their own best interest;
- (3) a reasonable time is allowed for exposure to the open market;
- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) 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.

ASSESSMENT AND TAXES – 2007

The subject property is assessed under the jurisdiction of the City of Coral Gables.

The assessment for the property is established each year as of January 1st by the Miami-Dade County Property Appraiser's Office at 100% of "Just Value." Just Value has been equated to Market Value less closing costs. While the State of Florida requires real estate to be assessed at 100% of Just Value, in reality the ratio of the assessed value to sales price is generally below 100%.

Folio Number:	03-4120-017-2240
Assessed Value:	Land \$ 2,134,880
	Improvements \$ 0
	Total \$ 2,134,880
Millage Rate:	\$19.5276 per \$1,000
Tax Amount:	\$0.00 Since the property is owned by a municipality, no taxes are levied.

OWNER OF RECORD AND ADDRESS

City of Coral Gables
Coral Gables City Hall
Coral Gables, FL 33134

FIVE-YEAR HISTORY OF TITLE

According to a search of the Public Records of Miami-Dade County, there have been no sale transfers of the property during the past five years.

ESTIMATED EXPOSURE TIME

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

The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort.

In estimating a reasonable exposure time for the subject property, the following steps have been taken:

Discussion with buyers, sellers, brokers and/or a review of multiple listings of vacant land in the area related to historic marketing periods.

Based on the above sources, exposure time is estimated to have been twelve months for the subject property.

ESTIMATED MARKETING PERIOD

The estimated value of the subject is predicated upon a normal marketing period. A normal marketing period is generally defined as the most probable amount of time necessary to expose and actively market a property on the open market to achieve a sale. Implicit in this definition are the following assumptions:

- (A) The property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers and buyers of similar type properties.
- (B) The property will be offered at a price reflecting the most probable markup over market value used by sellers of similar type properties.
- (C) A sale will be consummated under the terms and conditions of the definition of Market Value required by the regulation.

In order to estimate the marketability of this property, the sales activity in this market area was reviewed over the past three years, multiple listings were reviewed and real estate brokers who operate in this area were interviewed.

Based on the above sources, the subject property could be sold within a twelve month time period.

COUNTY DATA

Miami-Dade County - Location and Size

Miami-Dade County, which comprises the metropolitan area of Miami, is situated on the southeast tip of the state of Florida. It is bordered on the east by the Atlantic Ocean, on the west by Monroe and Collier Counties, on the north by Broward County, and on the south by Monroe County (the Florida Keys).

Miami-Dade County, the largest county in area and population in the state of Florida, covers an area of 2,054 square miles with an altitude ranging from sea level to 25 feet. Water covers 354 square miles of the County.

Although the County is relatively large, approximately half of the total area is comprised of the Everglades, which is a natural area that will not be developed. Therefore, only the eastern section of Miami-Dade County encompasses the area which is currently developed or available for future development.

Miami-Dade County's location, its southern latitude and proximity to the Gulf Stream provide for mild winters and pleasant summers.

Population

The state of Florida has increased rapidly in population from 9,740,000 in 1980 to 12,937,926 in 1990 and 15,982,378 in 2000. The 2006 population of Florida was estimated at 18,089,888, a 2.2% average annual increase.

Miami-Dade County's population increased from 1,626,000 in 1980 to 1,937,094 in 1990, reflecting an average annual compounded growth rate of 1.77%, compared with 2.88% for the state of Florida. By 2000, Miami-Dade County's population increased to approximately 2,253,362 and in 2006 it is estimated at 2,402,208. The population is estimated to grow to 2,560,000 by the Year 2010.

Miami-Dade County's population growth during the last four decades has been dramatic especially in relation to national trends. From 1950 to 1990 the United States population increased by 60% while the population of Miami-Dade County has almost quadrupled from 495,084 to 1,937,000. During this period, the state of Florida was elevated from the 20th most populous state to the 4th in 1990 and continues to be the fourth most populous state.

The population growth rate in Miami-Dade County has shown greater fluctuations than the national rates. The Miami-Dade County rate of population change was 84.9% during the period 1940 to 1950; 88.9% from 1950 to 1960; 35.6% from 1960 to 1970 and 28.2% from 1970 to 1980. In the period from 1980 to 1990, the rate of population change was 16%. The average annual change from 1990 to 2000 was approximately 1.6%.

During the 1960s, the major increase in Miami-Dade County's population was due to the large immigration of Cubans. Today, Cuban and other Spanish speaking people comprise approximately 57% of Miami-Dade County's population. The increase in Hispanic population has had favorable effects on the local economy and has helped to create a multi-national cultural environment in the area.

The recent influx of political and economic refugees from Cuba, Haiti and Nicaragua has put an abnormal strain on public services and has affected the population data in a dramatic manner. However, a recent increase in population growth of people from Latin America, as well as from Europe and Canada, coupled with the increases in population from those people leaving the northern sections of the United States, indicate a positive prospect for the Miami-Dade County area in the future.

The overall population of Miami-Dade County is well dispersed throughout the entire area, yet has several key areas of concentration. During the 1960s, several sub-areas accounted for approximately 70% of the growth. These areas include Hialeah, northern Miami-Dade County, the Beach area, the Miami River area, the area southwest of Miami International Airport, as well as the Kendall and Cutler Ridge areas. In the first half of the 1970s, population growth continued in an uneven fashion especially in the urban fringes.

Since 1970, approximately three-fourths of the total population growth for the County has occurred in the unincorporated areas. The older centrally located cities such as Miami, Miami Beach and Coral Gables have grown at modest rates from 1970 to 1990. Unincorporated Miami-Dade County has evidenced the most rapid growth which continues to occur in areas in northeast Miami-Dade County (Aventura), as well as the currently expanding southwest area, especially in sections of Flagler Street, S.W. 8th Street and North Kendall Drive.

Population trends indicate that most of the population growth in Miami-Dade County during the second half of the 2000s will occur in outlying areas such as North Miami Beach, the Kendall area west of the Florida Turnpike, the S.W. 8th Street area west of the Florida Turnpike, the Hialeah-Miami Lakes area, as well as those areas both east and west of U.S. Highway 1 between Cutler Ridge and Florida City.

Employment Trends

The dominant characteristic of Miami-Dade County is that it is primarily trade and service based. Personal, business and repair services have had a substantial increase in importance in the economic base over the last decade. The major sectors of the economy include services, wholesale and retail trade, transportation, communications, public utilities, government and manufacturing. The most dominant industries which form the County's economic base are construction and tourism.

Tourism is Miami-Dade County's biggest industry with an estimated 10.4 million visitors in 2005 contributing to more than 50 percent of the area's economy. Aviation and related industries are responsible for another large segment of the economy. The garment industry ranks third in the nation after New York and Los Angeles. Table 1 shows the distribution of the non-agricultural work force in Miami-Dade County.

T A B L E 1

ANNUAL AVERAGE NON-AGRICULTURAL EMPLOYMENT
2001 - 2005

INDUSTRY	2001	2002	2003	2004	2005
TOTAL NONAGRICULTURAL EMPLOYMENT	1,033,100	1,017,800	1,000,900	1,023,500	1,025,000
CONSTRUCTION	36,600	40,300	40,700	41,900	46,800
MANUFACTURING	64,000	57,100	51,700	50,800	52,900
TRANSPORTATION AND PUBLIC UTILITIES	95,600	99,000	64,500	61,400	68,500
TRADE	265,800	191,100	188,200	189,900	192,700
FINANCE, INSURANCE AND REAL ESTATE	67,300	66,200	67,200	68,200	70,300
SERVICE AND MINING	354,600	414,300	437,700	459,100	471,000
GOVERNMENT	149,200	149,800	150,900	152,200	154,100
CIVILIAN LABOR FORCE	1,080,432	1,120,950	1,103,718	1,107,950	1,110,300
UNEMPLOYMENT	74,622	86,527	79,512	62,202	54,700
UNEMPLOYMENT RATE	6.9%	7.7%	7.2%	5.6%	5.3%

Source: Florida Department of Labor & Employment Security, Bureau of Labor Market Information

The largest employer in Miami-Dade County is the Miami-Dade County School Board, followed by Miami-Dade County, Federal Government, State of Florida, American Airlines, University of Miami, Jackson Memorial Hospital, Baptist Health Systems of South Florida, Bell South, and Florida Power and Light. Assuming additional importance is the growing prominence of Miami-Dade County as a center for international trade, finance and tourism. The establishment of Miami as the "Gateway of the Americas" should provide the area with a much needed degree of economic diversification. This should enable Miami-Dade County to weather slowdowns in the national economy by an increase of trade through the Port of Miami, growth of international arrivals at the airport, the Free Trade Zone, and the substantial foreign investment in the local economy, particularly in real estate.

In December of 2006, Florida's unemployment rate was 3.6 percent, down from 4.6 percent of the previous year. In December of 2006, the unemployment rate for Miami-Dade County was 3.5 percent, this being the lowest rate since the State of Florida began keeping records.

Income

Over the past few years, the average per capita personal income in Miami-Dade County has been slightly lower than the per capita income for Florida, as well as the nation.

TABLE 2

**PER CAPITA PERSONAL INCOME
SELECTED YEARS (CURRENT \$)**

Year	2003	2004	2005
UNITED STATES	\$31,632	\$32,180	\$33,790
FLORIDA	\$30,446	\$31,469	\$32,554
MIAMI MSA	\$28,110	\$29,076	\$30,017

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis and Miami-Dade County Planning Department

Tourism

Table 3 reveals a steady increase in the number of tourists visiting Miami-Dade County since 1990. The number of international visitors increased approximately 100% from 1985 to 1995. Due to the soft domestic economy, the number of domestic visitors had declined from 1989 to 1993; however, from 1995 to 2000 there has been a 1.5% average annual increase.

TABLE 3

ESTIMATES OF MIAMI-DADE COUNTY TOURIST TRENDS

	INTERNATIONAL	DOMESTIC	TOTAL
2000	5,639,400	4,461,600	10,101,000
2001	5,245,700	5,263,600	10,509,300
2002	4,915,200	5,316,200	10,231,400
2003	4,909,200	5,535,900	10,445,100
2004	5,261,600	5,700,000	10,961,600
2005	5,248,380	6,053,220	11,301,600
2006	5,322,200	6,262,800	11,585,000

Source: Greater Miami Convention and Visitors Bureau, Tourism Facts and Figures

Figures for 2006 indicate 11,585,000 overnight visitors came to Miami-Dade County, a 2.5% increase from 2005.

Table 4 shows that the bulk of international visitors to Miami-Dade County originate from Central and South American Countries (52.2%), followed by European Countries (23.0%) and Canada (9.9%). England and Germany accounted for the largest proportion of European visitors.

In 2006 there were a total of 3,731,456 passengers passing through the Port of Miami and approximately 16,267,148 arriving through Miami International Airport. During 2006, the number of Port of Miami passengers increased 3.5% from 2005, and Miami International Airport increased 4.9% from 2005.

T A B L E 4
ESTIMATES OF INTERNATIONAL VISITORS BY REGION

REGION	2001	2002	2003	2004	2005	2006
EUROPEAN COUNTRIES	20.9%	21.1%	21.1%	21.8%	22.0%	23.0%
CARIBBEAN COUNTRIES	6.9%	9.5%	9.4%	6.5%	7.2%	12.5%
CENTRAL AMERICAN COUNTRIES	4.5%	4.8%	5.0%	5.0%	5.1%	9.4%
SOUTH AMERICAN COUNTRIES	33.9%	33.3%	31.3%	31.1%	31.5%	42.8%
CANADA	11.2%	11.1%	11.1%	10.7%	10.4%	9.9%
OTHER COUNTRIES	22.6%	20.2%	22.1%	24.9%	23.8%	2.4%
TOTAL	100%	100%	100%	100%	100%	100%

Source: Greater Miami Convention and Visitors Bureau, Tourism Facts and Figures

There are approximately 47,840 motel and hotel rooms in 455 lodging facilities in Greater Miami and the Beaches. The hotel-motel occupancy rate for 2006 of 70.8% was below the rate for 2005 of 72.5% but significantly above the 2001 to 2004 rates of 62.4% to 68.3%. The average room rate in 2006 was \$142.15, which was up from an average room rate of \$128.52 in 2005.

The first in a series of new luxury properties opened in February 2004 when the 380-room Ritz Carlton opened in Miami Beach. In May of 2005, the 210-room Le Meridian opened in Sunny Isles Beach. Three other new hotels with a total of 271 rooms open in Miami Beach during 2005. In addition to the recently completed hotels, 18 lodging facilities with a total of approximately 3,000 rooms are either under construction or proposed in Miami-Dade County. The majority of the new hotel facilities are located in the beach areas.

Miami-Dade Financial Resources

Over the course of the last decade, Greater Miami has evolved into a major international financial center. Domestic and international businesses find convenient access to a full array of services provided by locally-based state and national commercial banks, savings and loan associations, foreign banks, non-depository credit institutions, securities and commodities brokers and insurance companies.

Greater Miami has the largest concentration of domestic and international banks south of New York City. With more than 90 percent of the state's foreign banks operating offices in Miami, this market dominates international banking in Florida.

There are 31 international banking agencies and eight Edge Act corporations operating in Greater Miami. Many of their banking customers are located in Latin America.

Overall, about 100 domestic banks, savings and loans, foreign banks and Edge Act banks operate in Greater Miami. The greatest concentration is located along Brickell Avenue in downtown Miami.

Transportation

Miami-Dade County has an extensive expressway system with access to all points in the County. However, due to the rapidly increasing population, some of the expressways, especially Interstate 95, are becoming overburdened. In 1985 Miami-Dade County completed a 20.5 mile elevated rapid transit system. This system originally extended southward from downtown Miami to Dadeland, paralleling U.S. Highway 1 and northwesterly from downtown Miami to Hialeah. Recently, the system was extended about a mile from Hialeah to the Palmetto Expressway at NW 74th Street. In conjunction with this system, there is a Downtown People Mover Automated Transit system which encircles the central business district of Miami and extends south to the Brickell area and north to the Omni area.

Miami-Dade County is served by the CSX and Florida East Coast Railroads for freight and Amtrak Rail, Greyhound and Trailways Interstate bus lines for passenger service.

Miami International Airport, one of the nation's largest and busiest, had approximately 32.5 million arrivals and departures in 2006. Moody's Investor Service, a major bond-rating company, recently ranked the airport Aa (the second highest rating an airport can enjoy). Only Los Angeles International Airport shares this ranking; no U.S. airport has ever attained the highest ranking of Aa1. According to Moody's, a key factor in the ranking is the airport's "market value as an international gateway with its own strong organization-and-destination base". The airport is currently undergoing a \$5.4 billion expansion. New South and North terminals and a fourth runway are planned.

Miami has become a port of embarkation for airlines and ships bound for Central and South American Countries. The Port of Miami, besides being the largest passenger port in the nation, is also important as a cargo center with a 2006 annual tonnage of approximately 9.6 million up from 8.7 million in 2002 and 9.0 million in 2003. The port's traditional customer base has been Europe, China, Latin America and the Caribbean, accounting for 64% of the port's total volume.

Miami's comprehensive transportation system and its strategic location have enabled it to become an important international transportation center, providing commercial access to Latin America and the Caribbean.

Government

Miami-Dade County is comprised of unincorporated areas, as well as 36 municipalities, the largest of which is the city of Miami.

Miami-Dade County is governed under a modified two-tier metropolitan government. The purpose of this type government was to establish one governing body for the county, and to establish one supply of services such as fire, police, etc. for the county. The upper tier is the County, which provides broad "regional" or county functions, such as metropolitan planning, welfare, health and transit services. The thirty-one municipalities represent the lower tier of government, providing a varying array of services within their jurisdictional boundaries. The County also maintains lower tier functions, such as the provision of municipal-type services, including police and fire, to the unincorporated areas and certain municipalities on a negotiated basis.

The County operates under the Commission-Manager form of government. Legislative and policy-making authority is vested in the elected thirteen-member Board of County Commissioners; the Commission appointed County Manager is the chief administrator. Miami-Dade County has operated under the metropolitan form of government since 1957, when the Home Rule Charter was passed by the local electorate. Prior to Home Rule, the County had to rely on the State Legislature for the enactment of its laws.

County government had not been able to respond to the tremendous demand for municipal services in this rapidly urbanizing area, which is larger than the State of Rhode Island or Delaware. The need to combine services duplicated by the County and numerous cities was also clearly evident. The Charter permitted the limited County government to reorganize into a general purpose "municipal-type" government capable of performing the full range of public functions into an area wide operation.

Real Estate

At the end of 2006, the Miami-Dade County Office Market contained approximately 50 million square feet of office space. Approximately 27.1% of this space is located in the Miami central business district and adjacent Brickell Avenue and 23.4% in the rapidly growing Airport West area.

There was an increase in the occupancy rate of office buildings in Miami-Dade County from 91% in 2005 to 92.5% in 2006. Since 2002, there has been an increase in occupancy from 84%. Despite the drop in available space, the net absorption for 2006 was only 315,358 square feet compared to 1.74 million square feet in 2005. The drop in vacancy rate is attributed to buildings for lease being taken off the rental market for conversion to condominium.

Office rental rates in new buildings typically range from \$23.50 to \$35.00 per square foot. The low end of the range is for office space in the suburban markets. The upper end of the range is for first class office space in Downtown Miami, Brickell Avenue, Coconut Grove and Coral Gables.

The Greater Miami Industrial Market, as of the end of 2006, consisted of approximately 170.57 million square feet of industrial space. The approximate percentage location of this space is as follows:

MARKET AREA	% OF TOTAL MARKET SPACE
AIRPORT EAST	14.6%
AIRPORT WEST	33.2%
HIALEAH	11.2%
MEDLEY	10.3%
MIAMI LAKES	2.9%
NORTHEAST DADE	4.4%
NORTHWEST DADE	14.1%
SOUTH DADE	9.3%
TOTAL	100%

The major use of industrial space is general industrial which accounts for approximately 48% of the occupied space. Manufacturing and technology occupy the remainder of the space accounting for approximately 45% and 7% of the industrial space, respectively.

The county's vacancy rate for the overall Miami-Dade County industrial market for the fourth quarter of 2006 was 4.3%. Miami Lakes and Airport West had the highest vacancy rates, 8.5% and 7.1%, respectively. Industrial rental rates generally range from \$5.25 to \$8.00 per square foot.

The number of single family residential permits decreased 36.6% from 6,355 in 2002 to 8,680 in 2003. Since 2003, the number of permits has increased 7.2% to 9,306 in 2004. The average sale price of a new residence in Miami-Dade County in 2004 was \$253,300 down 6.1% from \$268,734 in 2003.

According to data from the Department of Business and Professional Regulation, Miami-Dade County has over 178,700 licensed rental apartment units. Reinhold P. Wolff Quarterly Housing Report shows a vacancy rate of 1.6% in August of 2005, significantly lower than the 4.0% rate of August of 2004. The vacancy rate has been declining steadily since 2003 due to the reduction of inventory caused by the large amount of condominium conversions. Rental apartments have average rental rates of \$904 per month for a one bedroom apartment and \$1,134 per month for a two bedroom apartment, as of August 2005.

The condominium apartment market is currently experiencing an all-time high inventory for new units. High-rise condominium towers are under construction in the traditional condominium locations such as Brickell Avenue, Coral Gables, Aventura and the Miami beaches, as well as areas with no existing high-rise condominiums, such as the central business district of Miami, the Edgewater, Little Havana and Shenandoah neighborhoods of the city of Miami. Additionally, many existing rental apartment projects are being converted to condominiums. Sales of new condominiums peaked in the second quarter of 2005 with 14,700 units sold during the first six months of 2005, compared with 7,800 new units for the entire year of 2004. Sales of new units in 2002 and 2003 were 4,750 and 5,900 units, respectively. The average sale price of new condominium units was \$231,829 for the second quarter of 2005, and increase of 45% over the average price of \$159,534 in the second quarter of 2004. The new condominium apartment market is already in a largely oversupply condition. If all of the condominium projects that are either proposed or under construction in Miami-Dade County are completed, the county will have over a ten year supply of units. A softening of the market is already been evidenced by the canceling of several proposed projects.

The Miami-Dade County retail market contains approximately 52.5 million square feet in buildings over 20,000 square feet. The major retail markets in Miami-Dade County include Hialeah, Coral Gables/South Miami-Dade, Aventura and Kendall. Rental rates typically range from \$15.00 to \$40.00 per square foot with an average rate of \$17.77 per square foot. The overall Miami-Dade County vacancy rate for 2005 was approximately 5.2%. The vacancy level is lowest in super regional malls and highest in unanchored strip centers.

Conclusions

In the future, one of the principal growth areas for Miami-Dade County is expected to be the international sector. Miami-Dade County, because of its geographic location and excellent transportation facilities, is well-suited to attract both business individuals and tourists from Latin America. It is already one of the principal shopping markets for Central and South Americans visiting the United States and one of the principal export points for goods and services destined for Latin America.

A major consideration to future real estate development in Florida will be compliance with the State's concurrency law mandated by the Growth Management Act. This law requires developers to build sufficient infrastructure. Concurrency requires that basic facilities and services be in place or the money to build the same be available before the construction of new development is granted approval.

The existence of major financial institutions, retail outlets, corporations and other business entities, coupled with its geographic location, transportation systems and planned international trade centers give Miami-Dade County an excellent opportunity for continued growth as an international center.

NEIGHBORHOOD DATA

The subject property is located within the City of Coral Gables approximately five miles southwest of the Central Business District of Miami and approximately one mile south of the Central Business District of Coral Gables.

The subject property may be further identified as being located on the southeast corner of LeJeune Road and Greco Avenue, three blocks north of U. S. Highway 1 and three blocks south of Bird Road.

The subject site is located in an area known as the former industrial district of Coral Gables, bounded on the north by Bird Road, on the east by the city limits of Miami, on the south by South Dixie Highway, and on the west by LeJeune Road.

Bird Road, a major east/west artery, extends easterly to Coconut Grove and westerly to the west suburbs of Miami-Dade County. The average daily two-way traffic count in the vicinity of the subject property is 45,500 vehicles.

LeJeune Road is a major four-lane, north/south artery through the City of Coral Gables. A variety of commercial properties front on LeJeune Road. These properties include retail stores, restaurants, banks and office buildings. Coral Gables High School fronts on the west side of LeJeune Road south of Bird Road.

South Dixie Highway (U.S. Highway No. 1) is the major north/south traffic artery in South Dade County. South Dixie Highway extends southerly from Downtown Miami to the City of Homestead. South Dixie Highway is the primary commuter artery to Downtown Miami. A variety of commercial properties front along South Dixie Highway. These properties include retail stores, offices, restaurants, service stations, shopping centers, etc.

A major influence in area has been the redevelopment of the City of Coral Gables maintenance yard with a mixed use retail, residential and office development known as the Village of Merrick Park. The 20-acre property is located at the southeast corner of LeJeune Road and San Lorenzo Avenue. Neiman Marcus and Nordstrom are the anchor tenants and occupy 320,000 square feet of the retail facility. The remaining retail space, 346,000 square feet, is comprised of 90 specialty stores. The office component is comprised of 110,000 square feet of Class AA@ office space. The residential component is comprised of 120 apartment units ranging in size from 850 to 1,875 square feet. The monthly rents are \$1,200 to \$3,000.

A mixed-use project known as 4000 Ponce is located on the southwest corner of Ponce de Leon Boulevard and Bird Road. The project is comprised of a 250,000 square feet of automobile dealership, 33,000 square feet of retail space, and 145,000 square feet of Class "A" office space.

Properties fronting along Bird Road are commercial in nature with a high percentage of automobile dealers. Automobile dealers in the area include Deel Volvo, Deel Volkswagen, Deel Saab, and the Collection(Jaguar, Porsche, Audi, Aston Martin and Ferrari).

The Douglas Station of the Miami-Dade County Rapid Transit System is located on Douglas Road at U.S. Highway 1, seven blocks east of the subject property. This is one of twenty stations of the 20.5 mile rapid transit system. The south corridor of the system extends southerly from the Central Business District of Coral Gables to Dadeland, paralleling the northwesterly side of U.S. 1.

The areas north of Bird Road and west of Ponce de Leon Boulevard are comprised of single family residences. These residences were constructed primarily in the 1950s and have recent sale prices ranging from \$600,000 to \$1,000,000.

The area north of Bird Road, between U.S. 1 and Ponce de Leon Boulevard, is comprised of single family residences and some duplexes. These residential properties were constructed primarily in the 1950s, 1960s and 1970s.

In summary, the subject property is located on a commercial artery in the former industrial district of Coral Gables, just north of U.S. Highway 1.

SITE DATA

Dimensions and Shape:

Site

The site is irregular in shape.

The site fronts for 111.8 feet on the east right-of-way line of LeJeune Road. The north property line thence extends northeasterly for 113.69 feet along the south right-of-way line of Greco Avenue. The east property line thence extends southerly for 155.67 feet along a public alley. The south property line thence extends westerly for 100 feet.

Source: Hopkins Plat Book

½ Adjacent Alley

The site is irregular in shape.

The site fronts for 10.88 feet on the south right-of-way line of Greco Avenue. The east property line thence extends southerly for 159.89 feet. The south property line thence extends westerly for ten feet. The west property line thence extends northerly for 155.53 feet.

Source: Calculations from site sketch by Perkins & Will dated 7/6/07.

Area:

Site

13,551 square feet or 0.31 acre

Source: Architectural Site Plan by Perkins & Will dated January 2008

½ Adjacent Alley

1,577 square feet or 0.04 acre

Source: Calculations from site sketch by Perkins & Will dated 7/6/07.

Topography and Drainage:

The site is level and approximately at street grade.

Flood Zone:

Map No. 12025C0190 J

"X" Areas determined to be outside of the 500-year flood plain.

Soil and Subsoil:

The immediate area of the subject site appears to have no unusual soil or subsoil conditions. Unusual conditions would be brought out by test borings.

Utilities:

Water:	City of Coral Gables
Sewer:	City of Coral Gables
Electricity:	Florida Power & Light Company
Telephone:	AT & T

Street Improvements:

LeJeune Road is asphalt paved with a dedicated width of 70 feet. LeJeune Road has two north bound lanes and two south bound lanes separated by a median.

Greco Avenue is asphalt paved with a dedicated width of 60 feet. Greco Avenue has one west bound lane and one east bound lane.

There are sidewalks, curbs, gutters, street lighting and metered parking along LeJeune Road and Greco Avenue.

A public alley runs along the east property line of the site.

ZONING

Under Ordinance of the City of Coral Gables.

Classification: C COMMERCIAL DISTRICT

The purpose of the Commercial District is to provide convenient access to higher intensity good and services throughout the City in conjunction with providing economic stability without adversely impacting the integrity of residential neighborhoods, diminishing the scenic quality of the City or negatively impacting the safe and efficient movement of people and things within the City.

Permitted Uses include alcoholic beverage sales, animal grooming, assisted living facilities, auto service stations, camps, community center, congregate care, day care, drive through facilities, funeral home, government uses, indoor recreation, medical clinic, municipal facilities, nighttime uses, nursing homes, offices, overnight accommodations, parking garages, parking lots, public transportation facility, restaurants, fast food restaurants, retail sales, swimming pools, temporary uses, broadcast studios, utility facilities, vehicle sales, vehicle services, and veterinary offices. Conditional uses include helistop, marina facilities, mixed use buildings, outdoor recreation, and private yacht basin.

Performance Standards

Minimum Lot Size:	2,500 square feet for buildings less than 45 feet in height
	20,000 square feet for buildings greater than 45 feet and with a minimum of 200 feet of street frontage
Minimum Lot Width:	25 feet
Minimum Lot Depth:	100 feet
Setbacks:	
Front:	i. Up to fifteen (15) feet in height: None. ii. The portion of a building above fifteen (15) feet shall be set back ten (10) feet from the property line at the lower of: a) a cornice line above fifteen (15) feet; b) the top of a parking pedestal; or c) forty (40) feet.

Interior Side:	Up to forty-five (45) feet in height — zero (0) feet, greater than forty-five (45) feet in height — fifteen (15) feet plus one (1) foot of additional setback for each three (3) feet of height above forty-five (45) feet.
Side Street:	15 feet
Rear:	<ol style="list-style-type: none"> Abutting street or alley: none Not abutting street: ten feet
Canal or Waterway:	35 feet
Maximum Floor Area Ratio:	3.0 times lot area
Maximum Building Height:	Pursuant to Land Use Designation
Required Parking:	
Alcohol Beverage Sales:	One space per 250 square feet of floor area
Auto Service Stations:	One space per 250 square feet of floor area
Community Center:	One space per 250 square feet of floor area
Day Care:	One space per 100 square feet of floor area
Funeral Home:	One space per four seats, plus one space per 40 square feet of floor area
Indoor Recreation:	One space per five seats, plus one space per 300 square feet of floor area
Offices:	One space per 300 square feet of floor area
Retail Sales:	One space per 250 square feet of floor area
Restaurant:	12 spaces per 1,000 square feet of floor area
Veterinary Offices:	One space per 250 square feet of floor area

Classification: MXD MIXED USE OVERLAY DISTRICT

The purpose of the MXD overlay district is to provide the method by which tracts of land may be developed as a planned unified project rather than on a lot-by-lot basis as provided for in the City's other regulations; Provide for residential uses at higher densities in exchange for public realm improvements; Provide maximum design freedom by permitting property owners an opportunity to more fully utilize the physical characteristics of the site through modified development regulations and the planned mixing of uses; Require that property within the District will be developed through a unified design providing continuity among the various elements causing a better environment; Create a diversity of uses within walking distance, including but not limited to: residential, offices, workplaces, neighborhood commercial, and public open spaces; By organizing appropriate building densities, public transit will be further strengthened as an alternative to the use of private vehicles; Provide a strong emphasis on aesthetics and architectural design through the use of the regulations and the planned mixing of uses to establish identity, diversity and focus to promote a pedestrian friendly environment.

Permitted uses in the district include alcoholic beverage sales, government uses, live/work units, multi-family dwellings, museums, offices on public right-of-ways wider than 100 feet, overnight accommodations, restaurants, retail sales, theaters, temporary real estate sales offices, religious institutions, swimming pools, uses permitted in the underlying district.

Conditional uses include assisted living facilities, camps, community centers, day care, medical clinics, mixed uses, nighttime uses, public transportation facilities, fast food restaurants, and utility facilities.

Mediterranean architecture is mandatory in the overlay district.

Performance Standards

Minimum Site Area:	20,000 square feet (10,000 square feet with at least 100 feet of frontage for sites in the north and south industrial district)
Maximum Lot Coverage:	No requirement
Maximum Floor Area Ratio:	3.5 times lot area
Maximum Building Height:	100 feet (45 feet adjacent residential districts)
Maximum Residential Density:	125 units per acre
Building Setbacks:	
Front:	None (ten feet for buildings over 45 feet)
Side:	None
Side Street:	15 feet
Rear:	10 feet (none abutting street or alley)

LAND USE PLAN DESIGNATION

Low-Rise Intensity Commercial Use (4 Stories, 3.0 F.A.R.)

HIGHEST AND BEST USE

Fundamental to the concept of value is the theory of highest and best use. Land is valued as if vacant and available for its highest and best use.

The Appraisal Institute in *The Appraisal of Real Estate, Twelfth Edition*, defines highest and best use as follows:

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

Land has limited value unless there is a present or anticipated use for it; the amount of value depends on the nature of the land's anticipated use, according to the concept of surplus productivity. Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination, is generally regarded as the highest and best use of the land as though vacant.

The highest and best use of a property as improved refers to the optimal use that could be made of the property including all existing structures. The implication is that the existing improvement should be renovated or retained as so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

In estimating the highest and best use there are essentially four stages of analysis:

1. **Possible Use.** What uses of the site being appraised are physically possible?
2. **Permissible Use (Legal)** What uses are permitted by Zoning and Deed Restriction, if any?
3. **Feasible Use.** Which possible and permissible uses will produce a net return to the owner of the site?
4. **Maximally Productive.** Among feasible uses, which use will produce the highest net return to the owner of the site?

The highest and best use of the land (or site), if vacant and available for use, may be different from the highest and best use of the improved property. This is true when the improvements are not an appropriate use, but make a contribution to the total property value in excess of the value of the site.

The following four point test is required in estimating the Highest and Best Use. The use must be legal. The use must be probable, not speculative or conjectural. There must be a profitable demand for such use and it must return to the land the highest net return for the longest period of time.

These tests have been applied to the subject property. In arriving at the estimate of Highest and Best Use, the subject site is analyzed as vacant and available for development.

Possible Use

The subject site has 111 feet of frontage on LeJeune Road, a traffic artery in the former industrial district of Coral Gables. The site also has 113 feet of frontage on Greco Avenue, as well as frontage on a public alley. Therefore, the site has good exposure and adequate access.

The subject site is slightly irregular in shape, but has sufficient street frontage and depth for adequate functional utility. All necessary utility services are available along existing street right-of-ways. The site is filled to street grade and does not appear to have any drainage or subsoil deficiencies.

The subject site is 13,551 square feet in size which equates to 0.31 acres. One-half of the alley abutting the east property line of the site has an area of 1,577 square feet of 0.04 acres. Including the abutting $\frac{1}{2}$ of the alley the total site area is 15,128 square feet or 0.35 acres. The property owner abutting the east and south of the site is proposing to assemble the subject site with the abutting site. The assemblage would legally allow the closing of the alley and increase the site area. The site has sufficient size for a small scale use. The small size of the site limits its use to a single use.

The physical characteristics of the subject site would not restrict any small scale use of the site.

Permissible Use

Permissible or legal uses are those uses which are permitted by zoning or deed restrictions. There are presently no known private deed restrictions of record.

The subject site is zoned for commercial use. The zoning of the site permits retail, office, hotels, nightclubs, day care, assisted living, funeral homes, parking garages, medical clinics and restaurant uses. The site is also located within a mixed use overlay district. The overlay regulations allowed mixed residential and commercial uses and reduce the minimum lot size to 10,000 square feet for buildings in excess of 45 feet in building height.

The maximum building height is 100 feet. The maximum floor area ratio is 3.5 times the site area with the use of Mediterranean architecture. The maximum residential density is 125 units per acre.

Feasible Use/Maximally Productive Use

The physical characteristics and zoning of the subject property permit a wide range of potential uses. The possible and permissible uses of the subject site include stores offices, restaurants, banks, and convenience uses.

The site is located on a fully developed traffic artery in the former industrial district of Coral Gables. The former industrial district of Coral Gables has transformed during the past five years from a small light industrial district to a commercial district. The major impetus for the transformation has been the development of a high scale mixed use shopping mall known as Merrick Place on the site of the former City of Coral Gables municipal service yard. Merrick Place is comprised of stores, restaurants, offices, and apartments. Other sites surrounding Merrick Place have been assembled for condominium apartment and mixed use development. The largest of the assembled sites is the former Deel Ford facility located at LeJeune Road and Ponce De Leon Boulevard. The former industrial district of Coral Gables has become an area of development due to the availability of sites to be assembled at a lower land cost than the central business district of Coral Gables.

A recently passed zoning overlay ordinance allows mixed retail, office and residential uses and allows a building height of 100 feet on sites in excess of 10,000 square feet. The maximum density is based on a Floor Area Ratio of 3.5 times the lot area. The maximum residential density is 125 units per acre.

The 2.11 acre site abutting the subject site is one ownership and could feasibly be assembled with the subject site. The assembled site would be approximately 105,270 square feet or 2.42 acres in size. Additionally, if the alley running along the east property line of the subject site were closed, the assembled site would be even larger. As an independent site, the alley abutting the subject site could probably not be legally closed. The potentially assembled site would encompass an entire city block and be functionally shaped.

Conclusion (As if Vacant)

Based on the zoning, physical characteristics, and surrounding uses, the highest and best use of the site as an independent site is estimated to be for small scale office or retail use. The highest and best use of the site as an assembled site is estimated to be for large scale apartment or mixed (office, retail and apartment) use.

SCOPE OF THE APPRAISAL

The client has requested that the subject property be analyzed as an independent site and as assembled with the abutting site. The subject site as an independent site has an area of 13,551 square feet. Assembling the subject site would potentially allow the closing of $\frac{1}{2}$ of the alley abutting the subject site. Closing $\frac{1}{2}$ of the alley abutting the subject site would increase the size of the subject site by 1,577 square feet. The subject site and $\frac{1}{2}$ of the abutting alley would have a total area of 15,128 square feet (13,551 square feet + 1,577 square feet). The alley abutting the subject site could probably not be legally closed if the site is not assembled with the adjacent site. Therefore, the subject site as an independent site is analyzed based on a site size of 13,551 square feet and as an assembled site is analyzed based on a site size of 15,128 square feet.

The value of a site can be estimated by various methods which include Direct Sales Comparison, Allocation, Extraction, Development Approach, Land Residual or Ground Rent Capitalization. However, the Direct Sales Comparison Approach is the most preferred and utilized technique when sales of comparable sites are available. The other methodologies are indirect techniques which are generally used when an area is primarily built-up and sales of comparable sites are scarce.

The Direct Sales Comparison Method of valuing the subject site is relied on due to the availability of recent land sales.

In the Direct Sales Comparison Method, sales of similar recently sold sites with a similar highest and best use as the subject site are analyzed, compared and adjusted by time, property characteristics and location to indicate the Market Value of the subject site as though unimproved. The reliability of this approach is dependent upon the availability of comparable sales data, the verification of the sales data, the degree of comparability and the absence of non-typical conditions affecting the sale.

A search for sales of sites in the general location of the subject site is conducted. Comparable locations to the subject are considered to be the subject neighborhood. The sales analyzed are zoned for commercial use.

Data related to the subject property is derived from various sources including but not limited to the Miami-Dade County Property Appraiser's Office, Miami-Dade County plats as compiled by First American Real Estate Solutions, Inc., FEMA flood zone maps, Land Development Regulations of Miami-Dade County and the City of Coral Gables and tax roll information provided by First American Real Estate Solutions (ISC Division).

Comparable sale sources include First American Real Estate Solutions, Inc., on-line computer service provided by First American Real Estate Solutions (ISC Division), Board of Realtors' Multiple Listing Service, Tri-County Clipping Service and CoStar. Sale prices are typically confirmed with a party to the transaction, i.e. buyer, seller, real estate agent or attorney to the transaction.

LAND VALUE

A land value estimate is concluded by comparing the subject site to comparable land sales. Generally, the comparable land sales are adjusted by time, property rights, financing, condition of sale, physical characteristics and location to indicate the Market Value of the subject site as though unimproved. This process is known as the Direct Sales Comparison Method.

The Direct Sales Comparison Method is a process of analyzing sales of similar recently sold land parcels in order to derive an indication of the most probable sale price of the property being appraised. The reliability of this approach is dependent upon the availability of comparable sales data, the verification of the sales data, the degree of comparability and the absence of non-typical conditions affecting the sale.

Various analytical techniques may be used to identify and measure adjustments. The techniques of comparative analysis can be grouped into two categories: quantitative and qualitative.

When quantitative analytical techniques are applied, mathematical processes are used to identify which elements of comparison require adjustment and to measure the amount of these adjustments.

The primary quantitative techniques, *Paired Data Analysis*, is a process in which two or more market sales are compared to derive an indication of the size of the adjustment for a single characteristic. Ideally, the sales being compared will be identical in all respects except for the element being measured.

Although paired data analysis is a theoretically sound method, it is sometimes impractical because only a narrow sampling of sufficiently similar properties may be available and it is difficult to quantify the adjustments attributable to all the variables.

The primary qualitative techniques, *Relative Comparison Analysis*, is the study of the relationship indicated by market data without recourse to quantification. This technique is utilized because it reflects the imperfect nature of real estate markets. To apply the technique, the appraiser analyzes comparable sales to determine whether the comparables' characteristics are inferior, superior, or equal to those of the subject property.

In this appraisal report, both the qualitative and quantitative techniques are utilized.

A search is made of the real estate market for all land sales within the subject or competitive locations. While many sales are reviewed, the sales contained herein are considered most comparable to the subject property as to all major factors of comparison.

In comparing the sales to the subject, consideration is given to factors of time, location, property characteristics, and terms and conditions of the sale. The sales are analyzed on a price paid per square foot of land area.

Sales Analysis

Sale 1 is located on the southeast corner of LeJeune Road and Altara Avenue, approximately two blocks north of the subject site. This 28,910 square foot site sold in January of 2006 for \$8,600,000 or \$297.47 per square foot. The site was improved at the time of sale with a one-story former fast food restaurant building and a one-story bank branch. The existing buildings contribute nominal value to the site. The buyer is a developer who is assembling sites in the area for redevelopment. The site fronts on a traffic artery and a secondary street. The access and exposure of the site is good. The site is zoned in a "C", Commercial District, with a MXD Mixed Use Overlay district.

Sale 2 is located on the south side of Bird Road between LeJeune Road and Laguna Street, approximately $\frac{1}{3}$ of a mile north of the subject site. This 21,670 square foot site sold in March of 2006 for \$5,923,000 or \$273.33 per square foot of land area. The site was improved at the time of sale with a closed service station. The improvements were constructed in 1964 and were in fair condition at the date of sale. The improvements have a high land-to-building ratio and therefore contribute nominal value to the site. The site fronts on two traffic arteries and a secondary street. The access and exposure of the site is good. The site is zoned in a "C", Commercial District, with a MXD Mixed Use Overlay district.

Sale 3 is located on the corner of Ponce de Leon Boulevard and San Lorenzo Avenue, approximately $\frac{1}{4}$ of a mile east of the subject site. This 15,035 square foot site sold in October of 2006 for \$3,750,000 or \$249.42 per square foot. The site was improved at the time of sale with a one-story former used car sales building with a total area of 1,180 square feet. The building was constructed in 1956 and is in average condition. The existing building contributes nominal value to the site. The site fronts on a traffic artery and a secondary street. The access and exposure of the site is good. The site is zoned in a "C", Commercial District, with a MXD Mixed Use Overlay district.

Sale 4 is located in the same block as the subject. This 96,581 square foot site sold in April of 2007 for \$24,500,000 or \$253.67 per square foot of land area. The site was improved at the time of sale with several old one-story retail buildings ranging in age from 1941 to 1954. The existing improvements were in fair condition at the time of sale. The site was purchased for land value only. The Sale 4 site is zoned in a commercial district and an industrial district, with a mixed use overlay district. The site fronts on LeJeune Road and two secondary streets. The Sale 4 site and the subject site comprise an entire city block. The Sale 4 is somewhat awkward in shape without the subject site. This site sold previously in December of 2004 for \$11,180,000 or \$115.76 per square foot.

Sale 5 is located on the corner of LeJeune Road and Ponce de Leon Boulevard, approximately one block south of the subject site. This 105,272 square foot site sold in July of 2007 for \$21,000,000 or \$199.48 per square foot. The site was improved at the time of sale with a former automobile dealership. The property was not operating at the date of sale. The buildings were constructed in 1946 and contributed nominal value to the site. The site fronts on two traffic arteries and a secondary street. Therefore, the access and exposure of the site is good. The site is zoned for commercial and industrial use, with a mixed use overlay district. The site is irregular in shape, which limits the functional utility of the site.

A detailed profile of each sale, a plat of each sale, a photograph of each sale, a summary of the sales, and a value conclusion follows herein.

LAND SALE 1

DATE: January 30, 2006

PRICE: \$8,600,000

TYPE INSTRUMENT: Warranty Deed

RECORDATION: O.R. Book 24204, Page 3342

FOLIO NUMBER: 03-4120-017-1575
03-4120-017-1580
03-4120-017-1640

GRANTOR: Yeung Property Holdings, Inc.

GRANTEE: Century Laguna, LLC

LEGAL: Lots 12-22, Block 9, **REVISED PLAT OF CORAL GABLES INDUSTRIAL SECTION**, Plat Book 28, Page 22 of the Public Records of Miami-Dade County, Florida.

LOCATION: 4201-4231 S. Le Jeune Rd.
Coral Gables, Florida

SITE DESCRIPTION:

Dimensions:	98 feet x 295 feet
Size:	28,910 Square Feet
	0.66 Acre
Zoning:	C, Commercial District
Current Use:	Former fast food restaurant & bank branch

UNIT PRICE: \$297.47 per square foot

FINANCING: First mortgage from US Century Bank of \$6,450,000

REMARKS: This site is improved with a former a fast food restaurant and a small bank branch.

LAND SALE 2

DATE: March 24, 2006

PRICE: \$5,923,000

TYPE INSTRUMENT: Warranty Deed

RECORDATION: O.R. Book 24396, Page 109

FOLIO NUMBER: 01-4120-017-0010

GRANTOR: Coral Gables, Inc.

GRANTEE: Century Laguna, LLC

LEGAL: Lots 1-4 and 39-42, Block 1, **CORAL GABLES INDUSTRIAL SECTION**, Plat Book 28, Page 22 of the Public Records of Miami-Dade County, Florida.

LOCATION: 390 Bird Road
Coral Gables, Florida

SITE DESCRIPTION:

Dimensions:	100 feet x 216.7 feet
Size:	21,670 Square Feet
	0.50 Acre
Zoning:	C, Commercial District
Current Use:	Old service station

UNIT PRICE: \$273.33 per square foot

FINANCING: Cash

REMARKS: The buyer plans to redevelop the site in conjunction with adjacent sites.

LAND SALE 3

DATE: October 31, 2006

PRICE: \$3,750,000

TYPE INSTRUMENT: Warranty Deed

RECORDATION: O.R. Book 25082, Page 4241

FOLIO NUMBER: 03-4120-017-1240

GRANTOR: Gables Lincoln-Mercury, Inc

GRANTEE: 64 Development Corporation

LEGAL: Lots 38-43, Block 5, **CORAL GABLES INDUSTRIAL SECTION**, Plat Book 28, Page 22 of the Public Records of Miami-Dade County, Florida.

LOCATION: 4311 Ponce De Leon Boulevard
Coral Gables, Florida

SITE DESCRIPTION:

Dimensions: 100 feet x 150 feet

Size: 15,035 Square Feet

0.35 Acre

Zoning: C, Commercial District

Current Use: Vacant

UNIT PRICE: \$249.42 per square foot

FINANCING: First mortgage from TransAtlantic Bank of \$3,000,000

REMARKS: The site was purchased for redevelopment.

LAND SALE 4

DATE: April 26, 2007

PRICE: \$24,500,000

TYPE INSTRUMENT: Special Warranty Deed

RECORDATION: O.R. Book 25571, Page 2759

FOLIO NUMBERS: 03-4120-019-0010
03-4120-019-0020
03-4120-019-0030
03-4120-019-0040
03-4120-017-2220
03-4120-019-2230

GRANTOR: Merrick-ARC, LLC

GRANTEE: DYL Merrick Park Development, LLC

LEGAL: Lots 1-7, Block 16, **CORAL GABLES INDUSTRIAL SECTION**, according to the Plat thereof, as recorded in Plat Book 28, Page 22, of the Public Records of Miami-Dade County, Florida; and a portion of Tract "A" and all of Tracts "B" and "C", **C REPLAT OF A PORTION OF BLOCK 16 OF THE CORAL GABLES INDUSTRIAL SECTION**, according to the Plat thereof, as recorded in Plat Book 43, Page 50, of the Public Records of Miami-Dade County, Florida

LOCATION: 4601 LeJeune Road
Coral Gables, Florida

SITE DESCRIPTION:

Dimensions:	Irregular
Size:	96,581 Square Feet
Zoning:	2.22 Acre
Current Use:	C, Commercial District I, Industrial District Old retail and office buildings.
UNIT PRICE:	\$253.67 per square foot

FINANCING: Conventional Mortgage of \$15,795,000 with US Century Bank

REMARKS: The site is proposed to be assembled with a city owned parking lot and developed with a mixed use building.

LAND SALE 5

DATE: July 16, 2007

PRICE: \$21,000,000

TYPE INSTRUMENT: Special Warranty Deed

RECORDATION: O.R. Book 25782, Page 2410

FOLIO NUMBER: 03-4120-017-2250
03-4120-017-2440

GRANTOR: Overlay Partners, Inc

GRANTEE: LG Coral Gables, LLC

LEGAL: Lots 1-26 and 76-88, Block 17, **CORAL GABLES INDUSTRIAL SECTION**, Plat Book 28, Page 22 of the Public Records of Miami-Dade County, Florida.

LOCATION: 4585 LeJeune Road
Coral Gables, Florida

SITE DESCRIPTION:

Dimensions:	Irregular
Size:	105,272 Square Feet
Zoning:	2.42 Acre C, Commercial District I, Industrial District
Current Use:	Former automobile dealership
UNIT PRICE:	\$199.48 per square foot
FINANCING:	Cash
REMARKS:	The existing building contributes no value to the site and will be demolished.

ANALYSIS OF LAND SALES

The land sales range in unit price from \$199.48 to \$297.47 per square foot. The sales range in time from January of 2006 to July of 2007.

Property Rights

The fee simple interest is the property right of the subject site being valued. The comparable sales involved the same type of property rights.

Conditions of Sale

All of the sales were arm's-length transactions. An arm's-length transaction is defined as a transaction freely arrived at in the open market unaffected by abnormal pressure or by the absence of normal competitive negotiation as might be true in the case between related parties.

Financing

The financing of the sales does not indicate any adjustments of their prices for favorable/below market financing.

Date of Sale (Market Conditions)

The land sales occurred between January of 2006 and July of 2007. The sales in the area indicate no significant change in prices over this time period in this market area.

Location

The sales are all located in the former industrial district of Coral Gables, in the area bounded by Bird Road on the north, the city limits of Coral Gables to the east, South Dixie Highway to the south, and LeJeune Road to the west. The locations of all of the sales are similar to the location of the subject site.

Improvements

All of the sales had old improvements on the site as of the date of sale. Most of the improvements were built in the 1940s and 1950s and contributed nominal value to the sites.

Access and Exposure

The subject site is a corner location with frontage on traffic artery and a secondary street.

The sale sites are all corner sites with frontage on at least one traffic artery. The access and exposures of the sale sites are similar to the subject site. No adjustment is necessary.

Shape

The subject site is slightly irregular in shape. The Sale 1, 2, 3, and 4 sites are either rectangular or slightly irregular in shape.

The Sale 5 site is a large site, but is highly irregular in shape. The unit price of Sale 5 requires a slight upward adjustment for less functional shape.

Site Size

The sales range in site size from 15,035 to 105,272 square feet. The size of the subject site at 13,551 square feet is within the range. An analysis of the sales indicates no difference in price based on site size. The Sale 3 site, at 15,035 square feet, is similar in size to the subject site. The unit price of Sale 3, at \$249.42 per square foot, is approximately in the middle of the range of the unit prices of the sales.

Zoning

The subject site is zoned for commercial use, with a mixed use overlay district.

The sale sites are either zoned for commercial use or a combination of commercial and industrial use. All of the sale sites are in the mixed use overlay district. The zonings of the sales sites are similar to the zoning of the subject site. The maximum densities of the sale sites based on floor area ratio are similar to the subject. Additionally, the sale sites and the subject site have sufficient site size to qualify as "high-rise" sites (100 foot maximum building height) based on zoning.

Conclusion – As an Independent Site

The unit prices of the sales range from \$199.48 to \$297.47 per square foot of land area.

The unit prices of Sales 1, 2, 3 and 4, ranging from \$249.42 to \$299.47 per square foot, are considered indicative of the value of the subject site as an independent site. The unit prices of Sales 1, 2, 3 and 4 require no major adjustments. The unit price of Sale 3, \$249.42 per square foot, is given primary emphasis in the final analysis. The site size, zoning, access and exposure of the Sale 3 site are considered similar to the subject site.

The unit price of Sale 5, \$199.48 per square foot, is considered a lower limit of value for the subject as an independent site. The Sale 5 site is irregular in shape and is less functional in shape than the subject site. The unit price of Sale 5 requires an upward adjustment for irregular site shape.

Based on the above analysis, the subject site is estimated to have a value as an independent site of \$250.00 per square foot of land area.

13,551 Square Feet x \$250.00 per Square Foot = \$3,387,750

Land Value Indication (Rounded) \$3,390,000

Conclusion – As Assembled With Abutting Site

The previous analysis of the sales is equally applicable to the value of the subject with abutting the site. The only difference would be that the size of the subject site increases to 15,128 square feet with the closing of ½ of the abutting alley.

As stated previously, the sales do not indicate a difference in unit price based on size. The Sale 3 site, at 15,035 square feet, is similar in size to the subject site. The unit price of Sale 3, at \$249.42 per square foot, is approximately in the middle of the range of the unit prices of the sales.

Additionally, the subject site as an independent site and as assembled with the adjacent site has the same permitted density and maximum building height based on the zoning.

Based on the above analysis, the subject site is estimated to have a value as assembled with abutting sites of \$250.00 per square foot of land area.

15,128 Square Feet x \$250.00 per Square Foot =	\$3,782,000
---	-------------

Land Value Indication (Rounded)	\$3,780,000
---------------------------------	-------------

ASSUMPTIONS AND LIMITING CONDITIONS

This Appraisal Report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. If no survey has been furnished to the appraisers, all measurements have been confirmed either in the field, in the plat book or by other reliable sources and are presumed to be accurate.
7. 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.
8. 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.
9. It is assumed, unless a study has been provided otherwise, that no hazardous material such as asbestos, urea formaldehyde or other toxic waste exists in the property. The existence of a potentially hazardous material could have a significant effect on the value of the property.
10. In reference to proposed construction, the real estate taxes and other expenses are estimated. These amounts are not guaranteed.

11. It is assumed in the valuation of the subject land site, unless a compliance letter has been furnished to us, that the State of Florida Growth Management Act does not prevent the issuance of a building permit.
12. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from 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 of property lines of the property described and that there is no encroachment or trespass unless noted in the report.

This Appraisal Report has been made with the following general limiting conditions:

1. The distribution, if any, of the total valuation of this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualification and only in its entirety.
3. The appraisers herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (**especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are connected**) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.

QUALIFICATIONS OF THE APPRAISER

J. MARK QUINLIVAN

Experience:

Engaged in the field of real estate appraising since 1972. Associated with F. Robert Quinlivan, MAI, from 1972 to 1985. Currently President of Quinlivan Appraisal, P.A., a Real Estate Appraising and Consulting Firm, established in 1964.

Graduate:

University of Notre Dame

BBA - Bachelor of Business Administration (Major in Finance and Business Economics)

University of Maryland

MBA - Master of Business Administration (Concentration in Finance)

University of Miami Law School

JD - Juris Doctor (Concentration in Real Estate and Taxation)

Florida International University

MSM - Master of Science in Management (Major in Real Estate)

University of Miami

MALS - Master of Arts in Liberal Studies (Humanities)

Professional Affiliations:

Member of the Appraisal Institute (MAI # 5791)

Member of the Florida Bar (# 239992)

Real Estate Broker, State of Florida (# 0125264)

Certified General Appraiser, State of Florida, License # RZ0000112

Qualified as an Expert Witness in the Following Courts:

Miami-Dade, Broward, Palm Beach, and Monroe County Circuit Courts

United States Bankruptcy Court

United States District Court

Other Activities:

Appraiser Special Master (1978 - 1980),
Miami-Dade County Property Appraisal Adjustment Board

Past President - Miami Chapter m 71,
Society of Real Estate Appraisers (1983 - 1984)

Past President - South Florida Chapter m 24, Appraisal Institute (1988)

Past Governing Councilor of the American Institute of Real Estate Appraisers (1990)

Young Advisory Council of Society of Real Estate Appraisers (1979 and 1980)

Editorial Review Board (1981 - 1991)
THE REAL ESTATE APPRAISER AND ANALYST published quarterly by the Society of
Real Estate Appraisers

Recent Publications:

"Non-Conforming Use Properties: The Concept of Positive Economic Obsolescence", **The Appraisal Journal**, January 1981, Pages 45-51. (Arthur A. May Memorial Award 1982).

QUALIFICATIONS OF THE APPRAISER

THOMAS F. MAGENHEIMER

Experience:

11/84 - Present

QUINLIVAN APPRAISAL, P.A.

5730 S.W. 74th Street
South Miami, Florida

Education:

University of Richmond, Richmond, Virginia

BA - Bachelor of Arts in History (1982)

Professional Affiliations:

Member of the Appraisal Institute (MAI No. 09166)

Real Estate Salesman - State of Florida - Certificate # 0344882

Certified General Appraiser, State of Florida, License # RZ0000553

Member Sigma Alpha Epsilon Fraternity

Qualified as an Expert Witness in the Following Courts:

Miami-Dade County Circuit Court

Other Activities:

Admissions Committee - South Florida-Caribbean Chapter of the Appraisal Institute - (1992 - Present)

Newsletter Editor - South Florida-Caribbean Chapter of the Appraisal Institute - (1991 - 1995)

President - South Florida-Caribbean Chapter of the Appraisal Institute - (1996)

Board of Trustees - Palmer-Trinity School (1989 - 1993)

Quinlivan Appraisal has prepared Appraisal Reports for the following:

Institutions and Corporations:

AT&T
Archdiocese of Miami
Atlantic Security Bank
The Bank of America
Bank United
Barry University
Bessemer Trust Company
California Bank and Trust
Chevron Oil Company
Chase Manhattan Bank
Chemical Bank
Citibank
Citrus Bank
City National Bank of Miami
Coamerica Bank
Coconut Grove Bank
Commerce Bank
Commercial Bank of Florida
Consolidated Bank
Colonial Bank
County National Bank
Eagle National Bank
Eastern National Bank
Equitable Bank
Espirito Santo Bank
Farm Credit of South Florida
Fidelity Bank
First International Bank
First National Bank of South Miami
Florida International University
First Nationwide Bank
Florida Memorial College
Florida Power and Light Company
Florida Rock Industries
Great Eastern Bank of Florida
Greyhound Lines
HSBC
Hemisphere National Bank
Intercontinental Bank
International Bank of Miami, N.A.

Jefferson Bank
LaSalle National Bank
Marine Midland Bank
McDonalds Corp.
Mellon United National Bank
Metro Bank
Miami-Dade County Community College
Miami-Dade Water and Sewer Authority
Northern Trust Bank of Florida
Ocean Bank
Pacific National Bank
Pan American Bank
Pointe Bank
Shell Oil Company
South Trust Bank
SunTrust Bank
TotalBank
Trade National Bank
Trust for Public Lands
UniBank
Union Planters National Bank
University of Miami
Wachovia
Wal-Mart
YMCA

Governmental Agencies:

City of Aventura
City of Coral Gables
City of Hialeah
City of Miami
City of Miami Parking Authority
City of Miami Beach
City of Miramar
City of North Bay Village
City of North Miami Beach
City of South Miami
City of Sunny Isles Beach
Miami-Dade County Aviation Department
Miami-Dade County Department of Development & Facilities Management
Miami-Dade County HUD
Miami-Dade County Property Appraisal Adjustment Board
Miami-Dade County Public Schools
Miami-Dade County Public Works Department
Miami-Dade County Transportation Administration
Miami-Dade Water & Sewer Department

South Florida Water Management District
State of Florida, Attorney General=s Office
State of Florida, Department of Community Affairs
State of Florida, Department of Corrections
State of Florida, Department of Environmental Protection
State of Florida, Department of Insurance
State of Florida, Department of Rehabilitation and Liquidation
State of Florida, Department of Transportation
Town of Golden Beach
United States Army Corps of Engineers
United States Department of Justice
United States Department of Commerce
United States Department of the Interior
United States General Services Administration
Village of Islamorada
Village of Key Biscayne
Village of Pinecrest

Law Firms:

Akerman Senterfitt
Greenberg, Traurig
Daniels, Kashton, Downs and Robertson
Holland and Knight, LLP
Shutts & Bowen
Ruden McClosky, LLP
Steel, Hector & Davis, LLP
Weiss, Serota, Helfman, Pastoriza, Guedes, Cole and Boniske, P.A.

Types of Properties Appraised:

Single Family Residences	Vacant Land
Apartment Buildings	Hotel/Motels
Office Buildings	Warehouses
Retail Stores	Nursing Homes
Shopping Centers	Mobile Home Parks
Condominium Apartment Buildings	Schools
Golf Courses	Service Stations
Residential Subdivisions	Marinas
Automobile Dealerships	Wetlands

TABLE OF CONTENTS

	<u>PAGE</u>
COVER PAGE	
TRANSMITTAL LETTER	
CERTIFICATION OF VALUE	1
SUMMARY OF SALIENT FACTS AND CONCLUSIONS	3
<u>INTRODUCTION</u>	
Identification of the Property	4
Location	4
Purpose and Date of Appraisal	4
Intended Use and User of Appraisal	4
Legal Description	4
Property Rights Appraised	4
Definition of Market Value	5
Assessment and Taxes	6
Owner of Record and Address	6
Five-Year History of Title	6
Estimated Exposure Time	7
Estimated Marketing Period	7
<u>LOCATION ANALYSIS</u>	
County Data	8
Neighborhood Data	18
<u>SITE DATA</u>	
Dimensions and Shape	20
Area	20
Topography and Drainage	20
Flood Zone	21
Soil and Subsoil	21
Utilities	21
Street Improvements	21
<u>ZONING</u>	22
<u>LAND USE DESIGNATION</u>	25
<u>HIGHEST AND BEST USE</u>	26

TABLE OF CONTENTS

	<u>PAGE</u>	
SCOPE OF THE APPRAISAL	29	
LAND VALUE	30	
 <u>ADDENDA</u>		
Assumptions and Limiting Conditions	41	
Qualifications.....	43	
Client List.....	46	