

AppraisalFirst
Real Estate Appraisers LLC

1444 Biscayne Boulevard, Suite 211
Miami, Florida 33132
Phone: 305-470-2122
Fax: 305-381-8047
E-mail: adrian@appraisalfirst.net
E-mail: frank@appraisalfirst.net

August 25, 2015

Netz Group LTD, Netz United States (HY) LTD, & Netzbonds Miami USA LLC
c/o Ms. Rinat Shilo
Derech Menahem Gegin 125, Hayovel Tower 28 Fl., Tel Aviv, Israel

Re: Sheridan Center, a medical office building located at 410 W. 41st Street, Miami Beach,
Florida 33140 & parking lot located at 428 W. 40th Street, Miami Beach, Florida 33140.

Dear Ms Shilo:

We confirm that we have given our full consent to the inclusion or reference of the valuation (value date of 30th of June 2015) in its entirety within the Netz United States (H.Y) Ltd. financial statements to be published in the Tel Aviv stock Exchange in 2015. In addition, we confirm that we have given our full consent to the inclusion of this consent letter within the Netz United States (H.Y) Ltd. financial statements to be published in the Tel Aviv stock Exchange in 2015.

Yours sincerely,

Frank Hornstein, MAI
State-Certified General
Real Estate Appraiser, No. RZ1376

Adrian Pena
State-Registered Trainee
Real Estate Appraiser, No. RI 17758

AN APPRAISAL REPORT OF

**SHERIDAN CENTER OFFICE BUILDING & PARKING LOT
LOCATED AT
410 W. 41ST STREET & 428 W. 40TH STREET
MIAMI BEACH, FLORIDA 33140**

Appraisal No. 05-15-231

FOR

**Netz Group LTD, Netz United States (HY) LTD, & Netzbonds Miami USA LLC
c/o Ms. Rinat Shilo
Derech Menahem Gegin 125, Hayovel Tower 28 Fl., Tel Aviv, Israel**

BY

**APPRAISALFIRST
REAL ESTATE APPRAISERS LLC
1444 BISCAYNE BOULEVARD, 211
MIAMI, FLORIDA 33132**



AppraisalFirst
Real Estate Appraisers LLC

1444 Biscayne Boulevard, Suite 211
Miami, Florida 33132
Phone: 305-470-2122
Fax: 305-381-8047
E-mail: adrian@appraisalfirst.net

July 13, 2015

Netz Group LTD, Netz United States (HY) LTD, & Netzbonds Miami USA LLC
c/o Ms. Rinat Shilo
Derech Menahem Gegin 125, Hayovel Tower 28 Fl., Tel Aviv, Israel

Re: Sheridan Center, a medical office building located at 410 W. 41st Street, Miami Beach, Florida 33140 & parking lot located at 428 W. 40th Street, Miami Beach, Florida 33140.

Dear Ms. Shilo:

As requested, we have prepared the attached, appraisal report of the above referenced property. The purpose of the report was to estimate the market value of the subject property, as a leased fee estate, as of the last date of inspection or June 30, 2015.

Market Value may be defined 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, knowledgeably and assuming the price is not affected by undue stimulus.

The subject property consists of a 14,500 square foot, commercially zoned, site located on the southwest corner of W. 41st Street (AKA Arthur Godfrey Road) and Sheridan Avenue, lying within the Mid Beach District of Miami Beach, Florida. This site is improved with a class B, good quality, medical office, building containing 57,684 square feet of net rentable area. The improvements were originally built in 1986 and were found to be in a good condition. Part of the subject is a 17,200 square foot, RS-4, Single-Family, zoned site located one block south along West 40th Street. This site is a parking lot with 42 spaces. Although the site can be sold separately, it is needed for the office building. Also, the parking lot generates additional income.

This is an Appraisal Report which is intended to comply with reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (2014-2015). This appraisal also conforms to the guidelines specified by Netz Group LTD, Netz United States (HY) LTD, & Netzbonds Miami USA LLC.

July 13, 2015

Netz Group LTD, Netz United States (HY) LTD, & Netzbonds Miami USA LLC

c/o Ms. Rinat Shilo

Page Two

The three traditional approaches to valuing an office building include Cost, Sales Comparison and Income Capitalization Approach. Because of the age of the improvements and lack of recent comparable land sales, the Cost Approach was not performed. The most applicable methods of valuation for this property type include the Sales Comparison and Income Capitalization Approaches. Both approaches to value were performed.

We have previously provided consultation and value estimates for properties similar to the subject property throughout the South Florida region. As such, we are in compliance with the competency provision contained within USPAP. A copy of our qualifications is included in the addenda.

The intended use of the appraisal report will be for internal purposes as it relates to assisting the client in updating their financial statements and prospectus. The client is hereby authorized to publish the appraisal report and findings in their financial statements and prospectus. This appraisal is to be used by the client, Netz Group LTD, Netz United States (HY) LTD, & Netzbonds Miami USA LLC. A copy of the engagement letter is located in the addenda of this report.

The valuation analysis will be based on qualitative and quantitative issues, taking into consideration various general factors considered in a valuation. For financial reporting purposes, the definition of fair value is stated by the Financial Accounting Standards Board (FASB) as follows:

The term Fair Value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

We last appraised the subject property on February 4, 2014 and June 30, 2014. The concluded market value increased slightly in the last year due to stronger market condition.

July 13, 2015

Netz Group LTD, Netz United States (HY) LTD, & Netzbonds Miami USA LLC

c/o Ms. Rinat Shilo

Page Three

By virtue of our investigation and analyses, it is our opinion, that the Market Value of the subject property, as a leased fee estate, as of the last date of inspection or June 30, 2015, is:

SIXTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
(\$16,100,000)

Respectfully submitted,



Frank Hornstein, MAI
State-Certified General
Real Estate Appraiser, No. RZ1376



Adrian Pena
State-Registered Trainee
Real Estate Appraiser, No. RI 17758

I, Frank A. Hornstein, MAI, the supervisory appraiser of a registered appraiser trainee who contributed to the development or communication of this appraisal, hereby accepts full and complete responsibility for any work performed by the registered appraiser trainee named in this report as if it were my own work.

EXECUTIVE SUMMARY

Property Type: Class B, good quality, office building & parking lot

Location: 410 W. 41st Street & 428 W. 40th Street, Miami Beach, Florida 33140

Net Rentable Area (SF): 57,684 Square Feet

Site Size: Improved Site - 14,500 square feet or 0.33 acres
Parking Lot - 17,200 square feet or 0.39 acres
Total 31,700 square feet or 0.73 acres

Effective Date of Value: June 30, 2015

Flood Zone: AE

Census Tract: 40.00

VALUE INDICATIONS:

MARKET VALUE INDICATIONS	
Cost Approach	Not Applicable
Sales Comparison Approach	\$16,150,000
Income Capitalization Approach	\$16,070,000
Final Market Value	\$16,100,000

TABLE OF CONTENTS

Letter of Transmittal	
Executive Summary	
Identification of Subject Property	1
Dates of Value and Report	1
Purpose of the Appraisal	1
Definition of Market Value	3
Use of the Appraisal	3
Intended User	3
Property Rights Appraised	4
Sales History of the Subject Property	4
Summary of Scope of Work	4
Assessed Value and Taxes	7
National Economic Outlook and Indicators	11
Miami-Dade County Area & Economic Overview	12
Miami-Dade County Office Market Overview	15
Neighborhood Description	19
Zoning	29
Street Improvements	35
Description of Improvements	38
Highest and Best Use	40
Sales Comparison Approach to Value	43
Income Capitalization Approach to Value	52
Reconciliation and Final Value Conclusion	69
Personal Property	70
Exposure Time	70
Marketing Time	70
Certification	72
Assumptions and Limiting Conditions	74

Exhibits

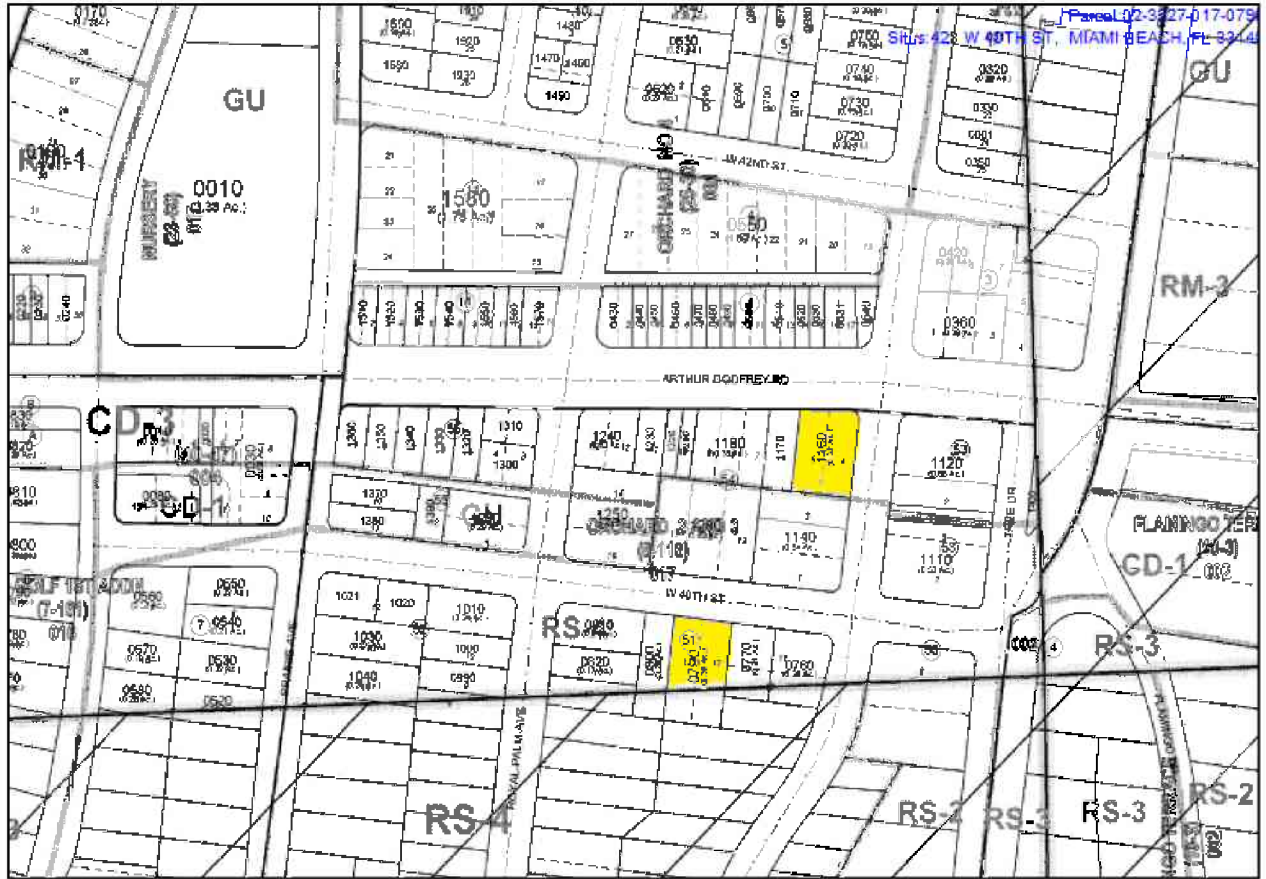
Plat Map	2
Miami-Dade County Map	10
Neighborhood Map	21
Aerial Photograph	37
Improved Sales Map	45
Comparable Sales Map	57
Comparable Rentals Map	59

TABLE OF CONTENTS (Continued)

Addenda

Subject Photographs
Comparable Sales Photographs
Property Tax Card & Aerial View
Property Taxes
Flood Zone Map
Property Survey
Special Warranty Deed (OR Book 27639, Page 0404)
Rent Roll
Historical Operating Expenses
Securities Regulations Sheet & Experts Questionnaire
Engagement Letter
Qualifications & Licenses of Appraisers

PLAT MAP



DEFINITION OF MARKET VALUE

According to the agencies that regulate federal financial institutions in the United States of America (FIRREA), *Market Value* is defined as "the most probable selling price in terms of money which a property should bring in a competitive and open market under all conditions requisite to be fair sale, the buyer and seller, each acting prudently, 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 each acting in what he considers his own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in 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 financing or creative financing or sales concessions granted by anyone associated with the sale.

Source: The Interagency Appraisal and Evaluation Guidelines, Federal Register, Volume 75, No. 237, December 10, 2010.

USE OF THE APPRAISAL

This appraisal is to be used by the client, Netz Group LTD, Netz United States (HY) LTD, and Netzbonds Miami USA LLC, for internal purposes as it relates to assisting the client in updating their financial statements and prospectus. The appraisal reports are for the sole use of the client, stated herein. "Readdressing an appraisal report to another party that was completed and delivered to a client is prohibited by USPAP. Once the assignment is completed, it is misleading to try to add a new party as client or intended user who was not the original client or identified intended user." Any requests for updating or re-certification would constitute a new assignment at an additional fee.

INTENDED USER

The intended user of this appraisal report is Netz Group LTD, Netz United States (HY) LTD, and Netzbonds Miami USA LLC.

PROPERTY RIGHTS APPRAISED

Fee Simple Estate, Leased Fee Estate and Leasehold Interest are defined as follows: (The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute 2010):

Fee Simple Estate: Absolute ownership subject only to limitations imposed by the State; also called a freehold.

Leased Fee Estate: A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

Leasehold Interest: The tenant's possessory interest created by a lease.

The property is encumbered by multiple short and long term leases that were found to be, on average, within current market rates. As such, the property rights appraised will be the leased fee estate. Neither a leased fee nor leasehold interest exist.

SALES HISTORY OF THE SUBJECT PROPERTY:

The subject was acquired by the current owners on March 2011 for \$9,500,000 or \$164.69 per square foot of net rentable area. At the time of sale the property was 85% occupied with market rents. However, the building suffered from deferred maintenance. The price was determined based on the properties physical and economic condition. As per our knowledge the subject is not listed nor under contract for sale. A representative of the borrower, Mr. Frank M. Micali, reported that two offers for \$16,000,000 or \$277.37 per square foot, have been made.

SUMMARY OF SCOPE OF WORK

As a part of this appraisal, the appraisers have made a number of independent investigations and analysis. A physical inspection of the exterior and lobby was conducted on June 30, 2015, by Adrian Pena, State Registered Trainee, RI 17758 and Frank A. Hornstein, MAI.

A request was made for the subject's rent roll, historical profit and loss statements, and leases. The requested documents were provided and included in the addenda. The leases were retained in our work file.

Improved sales relied upon were confirmed through public records and with knowledgeable parties to the transactions where possible with primary and secondary data utilized. Confirmation with principals is often not possible due to their inaccessibility during the time frame over which the appraisal is being prepared. In the course of the sales investigation, proprietary information is often withheld from the appraisers. Such information, which is not a matter of public record, is also not available to the general market and for that reason, the market is imperfect.

SUMMARY OF SCOPE OF WORK (Continued)

All data provided is verified to the best of our ability. However, no legal or technical expertise are assumed and if leases or agreements and other factual data under review appear on the surface to be reasonable, the information is accepted as accurate. The extent of this verification is to confirm that the documents exist and to review them. It is assumed that they are legal and valid and the ability to audit, make legal interpretations, or to detect fraud is not assumed. The existence of any environmental hazard such as the presence of hazardous wastes, toxic substances, radon gas, asbestos containing materials, ureaformaldehyde insulation, etc. which may or may not be present in or on the subject property or any site within the vicinity of the property was not observed and no knowledge of any such environmental hazard is not assumed. The appraisers, however, are not qualified to detect such substances. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value.

As a part of this appraisal, a number of independent investigations and analysis have been made. An inspection of the subject was conducted. Market studies were conducted to determine the range of existing rents for properties similar to the subject. A review of similar sales in the neighborhood and in competing neighborhoods was conducted to determine the validity of alternate uses. Data sources include the Miami Dade county website, Realquest, Co-Star Comps, Reis Reports, MLS, Loopnet and office files. Real estate taxes and zoning information has been obtained via various web-sites such as www.Municode.com and www.Miamidade.gov.

Comparable sales, listings, and contracts similar to the subject from the immediate neighborhood were analyzed to determine a foundation on which to base measures of value relating to the subject improvements. Improved sales relied upon were confirmed through public records and with knowledgeable parties to the transactions where possible with primary and secondary data utilized.

No independent investigation of concurrency matters regarding the subject or any comparable sale was made. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The user of the report should therefore consult an attorney, contractor, accountant, engineer or other experts as necessary to verify technical data which could impact on the value of the property.

There are three primary approaches to value which should be considered. They are: (1) the Cost Approach, (2) the Sales Comparison Approach, and (3) the Income Capitalization Approach. In all cases, except an appraisal of vacant land, it is necessary that all approaches should be considered and that those applicable approaches be utilized to form an estimate of value.

The Cost Approach utilizes the value of the subject land as estimated from the market together with a replacement cost estimate of the structures and site improvements. From this a deduction must be made for accrued depreciation: physical, functional, and economic, if any, to provide an additional estimate of the total property value.

SUMMARY OF SCOPE OF WORK (Continued)

The Sales Comparison Approach involves an investigation and inspection of recent sales in the area as nearly similar as possible to the subject. The sale properties (comparable sales) are then compared with the subject, and adjustments made for dissimilar characteristics.

The Income Capitalization Approach, designed for application to income producing properties, utilizes a technique of capitalizing the net income into an estimate of value. The factors included in the technique are derived from a study of other similar type income properties.

The Sales Comparison and Income Capitalization Approaches to value will be performed. A lack of comparable land sales and age of the improvements diminishes reliability on a Cost Approach.

Extraordinary Assumptions

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

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute), 2010.

This appraisal report includes no extraordinary assumptions.

A hypothetical condition is defined as that which is contrary to what exists, but is supposed for the purpose of analysis.

A hypothetical condition is defined as that which is a condition directly related to a specific assignment, which is known by the appraiser to exist on the effective date of the appraisal, but is used for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute), 2010.

This appraisal report includes no hypothetical conditions.

ASSESSED VALUE AND TAXES

The following table summarizes the subject’s most recent assessment information.

ASSESSMENT AND TAX INFORMATION		
Year	2014	2015
Location	410 W. 41 st Street	
Folio Number	02-3227-017-1160	
Year Built	1986	
FAR	468%	468%
Building Assessment	\$4,669,500	\$6,109,500
Building Size (Adjusted SF)	67,793	67,793
Building Assessment/SF	\$68.88	\$90.12
Land Assessment	\$3,030,500	\$3,030,500
Land Size (SF)	14,500	14,500
Land Assessment/SF	\$209.00	\$209.00
Total Market Value	\$7,700,000	\$9,140,000
Assessed Value	\$7,700,000	\$8,470,000
Total Assessment/SF (Bld)	\$113.58	\$124.94
Taxes	\$156,443.21	\$172,087.53*
Taxes/SF (Bld)	\$2.31	\$2.54

* Based on 2014 millage rate

The subject’s 2014 real estate taxes have been paid. There are no delinquent taxes or outstanding tax certificates on the subject property. The Miami Dade County Assessor’s Office increased the subject’s assessment by the maximum allowable 10%. The assessor’s opinion of market value increased by 19% or from \$7,700,000 to \$9,140,000. The real estate taxes for 2015, illustrated in the previous table, are based on the 2014 millage rate. The millage rate in Miami Beach has remained overall stable in the last few years and the estimated taxes are considered reasonable.

For the purpose of the tax analysis the adjusted area will be utilized. The actual rentable area will be used throughout the remainder of the report.

ASSESSED VALUE AND TAXES (Continued)

In order to determine if the assessed value and resulting tax bill for the subject property are reasonable several comparable office buildings within Broward County were surveyed.

COMPARABLE TAX PROPERTIES (2015 ASSESSMENTS)				
#	1	2	3	4
Location	4100 Pinetree Drive	333 W. 41 st Street	770 W. 41 st Street	300 Arthur Godfrey Road
City/State	Miami Beach, FL	Miami Beach, FL	Miami Beach, FL	Miami Beach, FL
Land Size/SF	30,039	17,050	40,093	52,467
Adjusted Area/SF	39,638	62,696	21,538	26,640
Floor Area Ratio (FAR)	1.32	3.68	0.54	0.51
Year Built	1963	1966	1948	1948
Assessed Value Per SF	\$204.49	\$131.43	\$119.72	\$149.40
Date of Prior Transfer	03/13	N/A	07/13	N/A
Sale Price	\$15,125,000	N/A	\$5,300,000	N/A
Assessed Value to Sale Price Ratio	54%	N/A	87% (Based 2014 Assessment)	N/A

The comparable tax properties represent similar class B and C office building located in the immediate market area with frontage along Arthur Godfrey Roadway. The subject's 2015 assessed value is \$124.94 per square foot which is at the lower end of the range.

The assessed value and taxes for the subject's parking lot are illustrated on the following table.

ASSESSED VALUE & TAX BILL					
Year	Folio Number	Land Size (SF)	Assessed Value	Assessed Value per SF	Taxes
2014	02-3227-017-0790	17,200	\$691,101	\$40.18	\$14,054.78
2015	02-3227-017-0790	17,200	\$743,490	\$43.23	\$15,105.71

ASSESSED VALUE AND TAXES (Continued)

The assessor’s opinion of market value for the subject’s parking lot continues to rise. In 2015, the market value was set at \$1,129,610 which is 13% higher than in 2014 and 84% higher than in 2013.

The following table shows comparable land sites adjacent to the subject’s parking lot.

COMPARABLE TAX PROPERTIES				
Comp #	Folio Number	Land Size (SF)	Assessed Value	Assessed Value per SF
1	02-3227-017-0760	11,086	\$709,386	\$63.99
2	02-3227-017-0800	8,600	\$550,344	\$63.99
3	02-3227-017-0810	10,785	\$690,065	\$63.98

In each instance, the comparable tax properties experienced an bump in assessed value. The subject’s overall assessment is below market.

With the passage of Constitutional Amendment 1 in January 2008, increases in the assessment of non-homesteaded properties will be limited to a maximum of ten (10) percent beginning in 2009. Pursuant to Senate Bill 1588 owners of non-homesteaded properties do not apply for this benefit. The cap does not apply to the School Board portion of property taxes. Recorded ownership changes will reset the 10 percent cap to current market value.

The total market value for the subject, per the county, is \$ \$10,269,610 (\$9,140,000 + 1,129,610). The subject is under assessed and a transfer of title would result in an increase to market. Miami-Dade County does not always increase assessments. However, in this case the assessment ratio does fall towards the lower end of the range. Thus, for the purpose of this report, the assessed value will be to market. In calculating the subject’s tax bill, the 2014 millage rate will be applied. The resulting tax bill is calculated below.

Market Value (County Assessor)	\$10,269,610
2014 Millage Rate	0.0203173
Estimated Real Estate Taxes	\$208,651
Rounded to:	\$210,000

MIAMI-DADE COUNTY MAP



NATIONAL ECONOMIC OUTLOOK AND INDICATORS

The U.S. economy slowed during the first quarter months according to the Commerce Department. The Gross domestic product expanded at an only 0.2% annual rate, a sharp downturn from the fourth quarter's 2.2% pace. This marked the weakest reading in a year. A strong dollar, harsh weather in the northeast, and a now-resolved labor dispute at normally busy West Coast ports slammed growth during the first quarter months.

The weather impact was evident in weakness in consumer spending. Growth in consumer spending, which accounts for more than two-thirds of U.S. economic activity, slowed to a rate of 1.9%. That was the slowest in a year, after a brisk 4.4% pace during the fourth quarter.

The following table illustrates the recent unemployment rates.

	March	April	May
National	5.5%	5.4%	5.5%
Florida	5.7%	5.6%	5.7%
Miami, Miami Beach, Kendall	6.2%	6.3%	6.3%
Fort Lauderdale MSA	5.2%	4.9%	5.2%

Source: US Department of Labor.

The following is a list of key interest rates as of July 8, 2015.

	This Week	Month Ago	Year Ago
Prime Rate	3.25%	3.25%	3.25%
Federal Discount Rate	0.75%	0.75%	0.75%
Fed Funds Rate	0.25%	0.25%	0.25%
Libor, 6 Month	0.44%	0.44%	0.33%
Libor, 1 Year	0.77%	0.75%	0.55%
5 Year Treasury	1.65%	1.65%	1.68%
10 Year Treasury	2.38%	2.31%	2.60%

Source: Bankrate.com.

MIAMI-DADE COUNTY AREA & ECONOMIC OVERVIEW

The following area and economic data was extracted from www.miamidade.gov and Reis's Miami Market Overview.

Miami-Dade County is Florida's most populous county with approximately 13.4% of its population. The county is comprised of 33 municipalities, plus unincorporated areas, and has a total land area of approximately 1,995 square miles. The county's location on Florida's southeast coast and warm, subtropical, climate is, and will no doubt continue to be a major factor in the area's growth patterns.

The county has seen a tremendous amount of growth over the past decade with annual population increases of about 1.0% since 2000. According to the Miami-Dade County Economic Development Agency the population as of 2010 was estimated at 2,496,435 and 2,662,874 (2014). The population as per the 2000 census was 2,253,362. The population for the State of Florida was 19,893,297 (2014).

The largest segment of the Miami-Dade County population, at 43%, is within the 25 to 44 year age group. The median age is 37.4 years. Due to a declining elderly population and a continued influx of international in-migrants the population has been trending younger over the past decade. Because of poor economic conditions and diminishing job opportunities population growth has slowed since 2005. It is expected that the population will only grow by 3% up until 2015. There were 826,179 households with a median income of \$43,464.

The number of housing units in Miami-Dade County was 993,993 (2013) with about 850,000 occupied. Housing starts in 2014 totaled 13,843 units, 36.0% greater than the total for 2013. In 2015 starts are forecast to total about 16,980 units representing an increase of 22.7% over the level of 2014. Multi-family housing starts in 2014 were 40.5% greater than in 2013 while in 2015 multi-family starts are forecast to increase by 24.2%. Single family starts in 2014 were 18.6% greater than the level of 2013 and in 2015 they are forecast to be 15.6% greater than in 2014.

Led by its Trade, Transportation, and Utilities sector, the Miami-Dade economy is posting strong job growth numbers. According to preliminary data provided by the U.S. Bureau of Labor Statistics (BLS) as of January 2015, total non-farm employment in the county was up fully 42,900 jobs (4.0%) from the total recorded 12 months prior in the wake of a gain of 25,900 jobs (2.5%) over the preceding 12 months. January employment, moreover, was up 48,700 jobs (4.6%) from the total recorded for January 2008 as the recession and its effects on employment recede into the past. More comprehensively, the BLS reports average 2014 non-farm employment up 30,700 jobs (2.9%) from the average calculated for 2013.

With a preliminary January-to-January increase of 4.0%, meanwhile, Trade, Transportation, and Utilities accounted for 11,200 of the total job gain reported for the period. Trade through Miami's port venues with their strong Latin American connections is a substantial contributor.

MIAMI-DADE COUNTY AREA & ECONOMIC OVERVIEW (Continued)

Additional benefits may derive if the port of Miami is able to capture a substantial portion of trade coming from the larger “post-Panamax” ships that soon will be seeking berths in Southeastern ports. And relations with Cuba bear watching for their potential to stimulate new commerce.

Next in line with a gain of 9,500 jobs, or 5.8%, was the Education and Health Services sector. Professional and Business Services followed with the net addition of 8,700 jobs, a gain of 5.9%, while the large Leisure and Hospitality sector, accounting for 13.6% of total private sector jobs, grew by 5,100 for a 4.0% gain. The Financial Activities and Construction sectors saw net increases of 3,400 and 3,100 jobs representing respective 12-month growth rates of 4.6% and fully 9.1%. Expansion across a broad base is indicated by these numbers. Even the small Manufacturing sector grew by 600 jobs. Indeed, among Miami-Dade’s major employment sectors only Government suffered a January to-January loss, of 2,000 jobs (1.4%).

The biggest questions of growth will be in the Wholesale Trade, Professional and Business Services, and Manufacturing. A major concern is the slowdown in the economy of Brazil. This will have an effect on the export trade market.

According to the Smith Travel Research Group, the Miami-Dade County Hotel market ranked in the top four in the nation for occupancy in 2014. Total visitor activity increased during 2014 by 2.6%, over 2013, to about 14.5 million. The overall market mix was 49% domestic and 51% international visitors. The Miami-Dade County Gross Tourist Development Tax is up 8.0% over 2013. Leisure employment was up by 3.6% to 130,100.

The year end 2014 occupancy rate was 78.3%, which was up by 1.2% over 2013. The Average Daily Rate (ADR) was up by 5.8% to \$185.12 versus \$174.90 during 2013. The overall market experienced a 7.0% increase in RevPAR over 2013. RevPAR is up by 12.1% year to date, February 2015, and by 8.7% over a rolling 12 month period.

Due to the large economic base from Latin America and the Caribbean, Miami International Airport (MIA) is one of the world's top ten airports with approximately 35 million passengers annually. Passenger activity was up 1.0% over 2013. Approximately 50% was due to international travel. As of February 2015, passenger activity is up by 3.6% year to date.

The airport currently includes just over 150 airlines and is ranked 2nd in international passenger travel in the U.S. and 27th in the world. The airport also ranks 1st in the U.S. in international freight and 10th in the world. The local economic impact from airport activities is about \$26 billion and 282,043 jobs. That equates to one out of 4.1 jobs.

The most significant new construction at the airport was the North Terminal which houses the Latin American and Caribbean hub for American Airlines and American Eagle, includes 23 passenger gates and is almost 700,000 square feet in size.

MIAMI-DADE COUNTY AREA & ECONOMIC OVERVIEW (Continued)

Located just east of the Miami International Airport, the Miami Intermodal Center is a \$2 billion ground transportation hub built by the Florida Department of Transportation. The MIC Program consists of several completed and non-completed components: major roadway improvements, including a reconfigured Le Jeune Road (2008), Rental Car Center (2010); the MIA Mover (2011) which connects MIA to the Rental Car Center; the Miami Central Station, (2014); and Joint

Development which is currently being explored. When complete, the MIC will provide connectivity via various modes of transportation between Palm Beach County, Fort Lauderdale, Miami, and the Florida Keys.

The Port of Miami was responsible for \$24.2 billion in business with nearly 7 billion tons of cargo shipped through the facility. The Port experienced a 24.8% increase in cruise activity during 2014. Currently the Port is seeking \$75 million in federal funding to deepen the Miami Harbor to a depth of 50 feet in order to accommodate the new, larger cargo ships that will pass through an expanded Panama Canal beginning in 2014.

Conclusion

Miami-Dade County had been one of the fastest growing areas in the United States since the 1960s. The rapid growth rate of the County in the past resulted in economic diversification, relieving the economy of its historical dependence on agriculture, construction, and tourist trades. The County's strategic location with a large port and international airport has continued to act as a draw for expanding the international population and economy. Additional draws to the area include an excellent network of medical facilities, parks and recreation areas and schools strategically located throughout the County. Transportation is also excellent to all points of the County via a cross section of north-south and east-west expressways.

The housing market has fully recovered with any previous imbalances in supply absorbed over the past two years. New construction is occurring, but at a controlled pace. The lack of available land area and concurrency requirements still present added barriers for new development and will continue to do so over the foreseeable future.

As long as international trade activity remains strong, the Miami-Dade economy should benefit. Miami-Dade County is poised for continued economic growth over the next three to five years, with increasing tourism, population, and retail projects remaining key factors in the local economy.

MIAMI-DADE COUNTY OFFICE MARKET

The information contained in this section was obtained from: the PWC Real Estate Investor Survey, published by PriceWaterhouseCoopers and the Miami Office Overview published by CB Richard Ellis.

As the regional economy and office market continue to gain strength, investor interest is soaring for the Southeast Florida office market. “There is a tremendous amount of capital chasing a limited number of quality offerings,” states a participant. In the 12 months ending with the fourth quarter of 2014, our CRE stock acquisition analysis shows that 19.1% of Miami’s office stock traded – well above the national average of 12.5%. “With apartment cap rates continuing to stay low, competition is heating up for office properties in Miami,” adds another.

This quarter, average overall cap rates suggest that investors foresee local downtown submarkets providing less risk over the near term than suburban submarkets. As shown in the Key 2Q15 Survey Stats table, the average overall cap rate stands at 6.70% for this market’s CBD while it is 7.75% for its suburbs. Both of these averages are lower than the prior quarter. As a whole, the average overall cap rate for this market slips to 7.23% this quarter – the 15th lowest average of the 19 city-specific office markets in the Survey. The consensus viewpoint for this market’s future performance is one of optimism as reflected by an increase in the high end of its tenant retention rate and the 37-basis-point quarterly increase in its average initial-year market rent change rate.

MIAMI-DADE COUNTY OFFICE MARKET (Continued)

SOUTHEAST FLORIDA OFFICE MARKET INVESTMENT CRITERIA				
Key Indicators	Current Quarter	Last Quarter	Year Ago	3 Years Ago
Discount Rate (IRR)				
Range	6.50% - 11.50%	6.50% - 11.50%	7.00% - 12.00%	7.00% - 13.00%
Average	8.43%	8.46%	8.96%	9.28%
Change (Basis Points)	-	- 3	- 53	- 85
Overall Cap Rate (OAR)				
Range	4.50% - 10.00%	4.50% - 10.00%	5.00% - 10.50%	6.00% - 12.00%
Average	7.23%	7.29%	7.74%	8.41%
Change (Basis Points)	-	- 6	- 51	- 118
Residual Cap Rate (OAR)				
Range	4.50% - 10.50%	4.50% - 10.50%	5.00% - 10.50%	7.00% - 10.50%
Average	7.34%	7.41%	7.82%	8.54%
Change (Basis Points)	-	- 7	- 48	- 120
Mkt Rent Change Rate				
Range	0.00% - 6.00%	0.00% - 5.00%	(10.00%) - 4.00%	(10.00%) - 4.00%
Average	2.08%	1.71%	0.45%	(0.17%)
Change (Basis Points)	-	+ 37	+ 163	+ 225
Expense Change Rate				
Range	1.00% - 3.00%	1.00% - 3.00%	1.00% - 3.00%	1.00% - 3.00%
Average	2.75%	2.63%	2.60%	2.58%
Change (Basis Points)	-	+ 12	+ 15	- 17
Avg Mkting Time (months)				
Range	2 - 12	2 - 12	2 - 12	2 - 18
Average	5.4	5.7	6.0	6.6

Source: PWC Real Estate Investor Survey, 2nd Quarter 2015

MIAMI-DADE COUNTY OFFICE MARKET (Continued)

The following table summarizes market data for the Miami-Dade office market.

MIAMI-DADE COUNTY OFFICE MARKET STATISTICS							
Market	Inventory (SF)	Direct Vacancy %	Total Vacancy %	Qtr Net Absorption (SF)	YTD Net Absorpt (SF)	Under Const (SF)	Avg Ask Rent (FS)
Airport West	11,337,479	12.2%	12.4%	20,994	20,994	40,000	\$24.88
Aventura	1,426,741	8.3%	8.5%	19,323	19,323	88,555	\$40.04
Biscayne Blvd	1,584,204	18.4%	18.4%	20,979	20,979	0	\$32.64
Brickell	7,151,802	12.7%	13.3%	(20,935)	(20,935)	314,199	\$39.68
Coconut Grove	1,126,480	4.4%	5.0%	8,844	8,844	0	\$29.92
Coral Gables	6,752,018	11.4%	11.8%	60,268	60,268	60,799	\$35.51
Downtown Miami	7,537,092	18.8%	19.2%	83,831	83,831	0	\$31.80
Kendall	3,558,436	11.5%	11.5%	(17,505)	(17,505)	50,000	\$22.32
Miami Beach	1,959,034	9.1%	9.3%	(14,786)	(14,786)	0	\$32.89
Miami Lakes	1,573,917	27.0%	27.0%	(13,813)	(13,813)	0	\$23.64
North Miami	1,423,572	19.2%	19.2%	13,806	13,806	0	\$25.09
Residual	1,162,850	9.7%	9.8%	(23,161)	(23,161)	0	\$18.39
South Dade	467,756	22.7%	22.7%	0	0	0	\$25.31
Market Total	47,061,381	13.7%	14.0%	137,845	137,845	553,553	\$30.77
CBD	14,688,894	15.8%	16.3%	62,896	62,896	314,199	\$34.97
Suburban	32,372,487	12.7%	12.9%	74,949	74,949	239,354	\$28.11
Market Total	47,061,381	13.7%	14.0%	137,845	137,845	553,553	\$30.77

Current office construction projects are largely concentrated in the Brickell submarket with Brickell City Centre buildings. While construction of single-use office properties is limited, mixed-use projects often include an office component, which has helped to satisfy the increasing demand for office space.

The vacancy rate continued to decline in Q4 2015 to 14.0%, down 30 basis points (bps) quarter over quarter and 230 bps year over year. In Q1 2015, prospective users sought to lease or purchase 1.8 million square feet of office space, with cruise lines as the top industry in the market in terms of total square footage, followed by financial services and law firms.

As more companies seek a presence in South Florida and the economy strengthens, the office market will continue to tighten. In addition, the fact that supply is typically slow to respond to demand, which limits inventory, will drive rents upward. Landlords will continue to gain leverage, and office occupancies will head towards the prior peak reached in 2007.

MIAMI-DADE COUNTY OFFICE MARKET (Continued)

The rise in occupancy costs will likely lead tenants to seek alternative ways to maximize space efficiencies or explore other more affordable submarkets. Rent growth is expected to rise until supply meets demand, which is projected to occur in 2018-2019. Multi-tenant office deliveries will rise steadily until then. In the meantime, many developers will likely continue to opt for multi-family or mixed-use projects.

Source: CB Richard Ellis Miami Office MarketView, 1Q2015

NEIGHBORHOOD DESCRIPTION

According to The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute 2010, a neighborhood is defined as: "a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.

The City of Miami Beach is a 7.1 square mile barrier island bounded by the Atlantic Ocean to the east, Biscayne Bay to the west and Government Cut to the south. To the immediate north is the Town of Surfside and Bal Harbour. The City has multiple access points from the Miami mainland. These include: the MacArthur Causeway (I-395) to the south; Julia Tuttle Causeway (I-195 or SR 112) from the Arthur Godfrey Road corridor; and 71st Street to the north. Access is also provided by the Venetian Causeway Toll Road which connects with Dade Boulevard at the southern portion of the South Beach district.

As of 2013 the City had a total, permanent, population of 91,026 and a labor force of about 50,000. The population typically expands by 20,927 during the peak season months of November through April. Miami Beach, as a whole, experienced a large amount of growth over the past few decades. The number of total housing units grew from 59,723 in 2000 to just over 71,000 in 2010. The largest form of new development was high-rise condominium construction along the ocean. In-fill hotel, retail, condominium and apartment construction has been evident over the past few years.

Miami Beach is divided into three sections. The subject's neighborhood encompasses a portion of the Mid-Beach District of Miami Beach. The South Beach and Mid-Beach Districts of Miami Beach, extending from Government Cut, on the south, to 44th Street, on the north. The South Beach District includes the historical "Art Deco" district, the Miami Beach Convention Center and Lincoln Road. To the immediate east, along the Collins Avenue corridor, several hotels have been acquired and renovated while others have been acquired for redevelopment. Both markets are experiencing tremendous growth.

Miami Beach continues to be the engine that powers the economy of South Florida, and more specifically Miami-Dade County. The successful redevelopment and revitalization of Miami Beach during the past few decades has served as a key catalyst for the further revitalization of neighborhoods and commercial districts throughout the region. With a total retail trade of \$2 billion, of which, a large portion is attributed to tourism, Miami Beach continues to be the economic pillar of the local, Miami-Dade County, economy.

The subject property is located on the west side of Collins Avenue, along 41st Street, in Miami Beach, Florida. The neighborhood boundaries for the subject property are as follows:

To the North	West 47 th Street
To the South	West 28 th Street
To the East	Intracoastal Waterway
To the West	Biscayne Bay

NEIGHBORHOOD DESCRIPTION (Continued)

Neighborhood Data and Linkages:

The distances and directions to major employment centers and transportation facilities, from the neighborhood, are as follows:

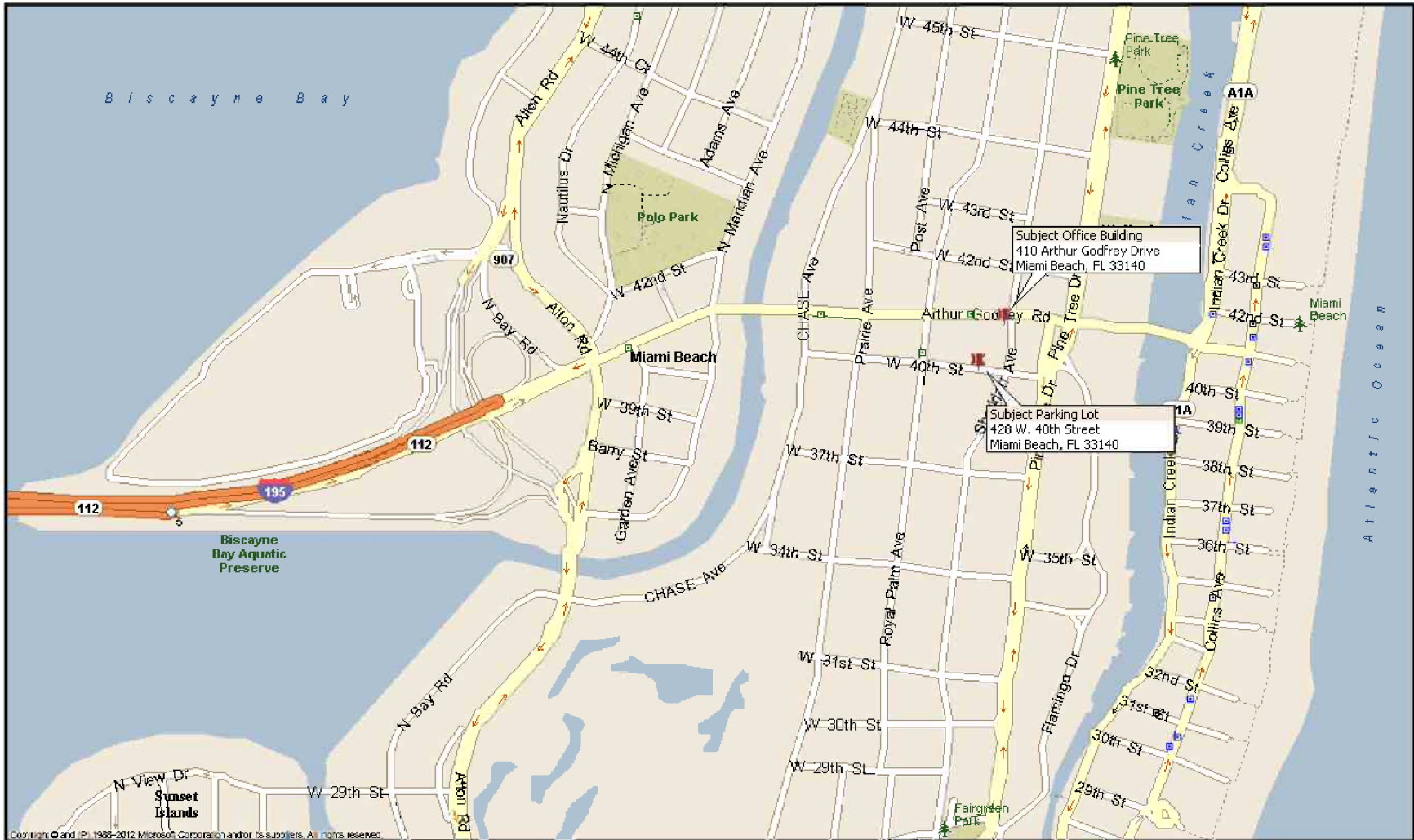
Miami Central Business District 5 miles southwest
 Miami International Airport 9 miles west
 Port of Miami 3.5 miles southwest

The neighborhood, as well as all of Miami Beach, is serviced by 5 elementary, 1 junior high, 1 senior high, 5 parochial and 10 private schools. Demographic data for the neighborhood and overall Miami Beach market is as follows:

Population	1 Mile	3 Mile	5 Mile
2012 Total Population:	31,845	51,616	199,879
Pop Growth 2012-2017:	5.50%	5.40%	6.60%
Per Capita Income:	\$31,386	\$36,056	\$28,380
Average Age:	41.90	42.40	39.70
Households			
2012 Total Households:	19,688	29,728	97,805
HH Growth 2012-2017:	5.90%	5.60%	7.50%
Median Household Inc:	\$28,785	\$34,003	\$30,785
Avg Household Size:	1.59	1.70	1.98
Housing			
Median Home Value:	\$151,460	\$198,936	\$183,180
Median Year Built:	1967	1966	1970

Source: www.miamibeach.gov and CoStar.com/demographics.

NEIGHBORHOOD MAP



NEIGHBORHOOD DESCRIPTION (Continued)

Access:

Primary access to the area from the mainland is provided by Arthur Godfrey Road. Arthur Godfrey Road is a four lane roadway connects with the Julia Tuttle Causeway (I-195 or SR 112) to the west. The Venetian Causeway Toll Road to south is an alternative route and connects Downtown Miami with South Beach. The main north/south arteries include Alton Road and Pine Tree Drive. North/South bound traffic is along Indian Creek Road, which runs into Arthur Godfrey Causeway. These roadways include two to four lanes and are mostly lined with single family residences.

Land Uses:

The neighborhood is over 95% developed and encompasses a portion of the Mid-Beach District of Miami Beach. The primary uses in the neighborhood include single and multi-family uses. These residential uses are located north and south of the Arthur Godfrey corridor, the main commercial thoroughfare in the neighborhood.

The Mount Sinai Medical Center and Mount Sinai Miami Heart Institute is Florida's largest private, independent, not-for-profit teaching hospital. The union of the two hospitals, which took place during 2000, brought together more than 3,500 employees, 500 volunteers, 935 beds, 26 operating suites and nearly 1,116 physicians. This drives the local office market.

The residential and multi-family uses consist of class C, older, rental apartment buildings and single family homes. The only new construction consist of luxury single family homes. A limited number of condominium projects exists in the immediate neighborhood. The few existing projects consists of condo conversions completed during the mid 2000s.

For the purpose of this appraisal the single family, apartment market, and commercial markets will be discussed.

NEIGHBORHOOD DESCRIPTION (Continued)

Land Uses: (Continued)

Single Family

A survey of the local single family market is completed via the local MLS. The results of this survey is as follows:

RESIDENTIAL MARKET STATISTICS (12-Months)	
No. of Sales	76
Sales Price Range	\$635,000 to \$8,400,000
Average Sales Price	\$1,597,405
Median Sales Price	\$1,125,000
Median Sales Price (2013)	\$900,000
% Change in Price	25%
Median Days on Market	119
No. of Listings	53
List Price Range	\$640,000 to \$31,750,000
Average List Price	\$5,008,824
Median List Price	\$2,395,000

The local single family market is experiencing tremendous price appreciation, indicating a 25% increase in value since 2013. In the immediate neighborhood, new single family construction is evident. The newer product consist of larger, two-story, luxury homes. The higher priced properties are located along the Biscayne Bay.

The majority of the homes in the market are older, built mostly from the 1920s through the 1950s. Most homes are improved on mid-sized lots ranging between 7,500 and 10,000 square feet. The typical home consists of 3 or 4 bedrooms with 2 to 4 bathrooms. The net living areas range widely from 2,000 to 4,000 square feet.

The local residential market is very strong and demand continues to soar. The area's close proximity to entertainment venues including the Atlantic Ocean and SoBe District, and commercial corridor along Arthur Godfrey Road, should keep demand strong.

NEIGHBORHOOD DESCRIPTION (Continued)

Land Uses: (Continued)

Rental Apartment Market

The single family and rental apartment market make up the largest land use in the neighborhood. The areas located north and south of Arthur Godfrey include an almost even mix of both uses.

The following table illustrates the most recent statistics for rented units in the last 12-months.

Unit Type	No. Rented	Low Rent	High Rent	Median Rent	Median DOM
Studio	91	\$850	\$1,650	\$1,100	26
One Bdrms	261	\$1,000	\$5,500	\$1,750	90
Two Bdrms	292	1,250	\$11,500	\$2,550	61
Three Bdrms +	88	\$2,100	\$32,500	\$5,500	79

Source: www.sef.mlxchange.com

The vacancy rate in the market is less than 5%. Most available units are absorbed in a week or less. There are no rental apartment projects approved or under construction.

The following table illustrates the most recent rental apartment market statistics published by Reinhold P. Wolff Economic Research, Inc., in the first quarter of 2015.

Market	# of Units Surveyed	Vacant Units	% Vacancy	1 BR Rents	2 BR Rents	3 BR Rents
Central Beach/No. Beach/Surfside/ Beach Areas No.	1,617	28	1.7%	\$1,621	\$2,270	\$3,200

In the last few years, the Miami Beach apartment has experienced one of the strongest demand and price increases in history. Sales activity has eclipse over \$50 million in spite of cap rates falling below 4.0% in numerous transactions. Demand has reached a point where most properties are only listed for advertising purposes. Local listing agents indicated most adequately priced properties will trade prior to hitting the open market. Considering the strength of the local economy these trends are expected to continue well into the foreseeable future.

NEIGHBORHOOD DESCRIPTION (Continued)

Land Uses: (Continued)

Commercial Market

The commercial strip in the neighborhood is Arthur Godfrey Road (41st Street). The street is lined with various commercial uses including office buildings, shops, restaurants, banks, service station, etc. The majority of the buildings were completed during the 1930's and 1940's and are in average to good condition. Many of the buildings have gone through or are in the process of going through renovations and updating. Commercial sales in the market is limited.

The north side of the street includes both mid-rise office buildings and one and two-story, zero-lot-line, free-standing, commercial buildings. The office buildings include either a mix of medical users, that are affiliated or cater to the Mount Sinai Medical Center, or professional users such as lawyers, insurance agents, real estate agents, etc. The commercial buildings are interchangeable and used for both office and retail uses. The majority of the free-standing commercial buildings are owner-occupied. The largest user of these buildings are financial institutions.

Arthur Godfrey Road has become the financial district for Miami Beach. The financial users located along the roadway include BB&T, Citibank, Regions Bank, Bank of America, City National Bank, Chase, and HSBC.

The uses along the south side of the road include commercial buildings as well as restaurants. The most notable restaurant is a “Miami Beach Landmark” known as the Forge. The multi-tenant commercial buildings appear to be indicating rents at \$35 to \$40 per square foot, triple net. Free standing, single-user, buildings are obtaining rents above \$50 per square foot. The majority of the buildings are occupied with very few vacancies located along this commercial strip. In the last few years, a limited number of sales have taken place. There is currently only one active listing.

The most recent sales are as follows:

COMMERCIAL ACTIVITY						
Location	Property Type	Bldg Size (SF)	Status	Sale Date	Sales Price	\$ per SF
401 W 41 st St	Commercial	5,691	Sold	3/2015	\$2,674,200	\$469.90
540-544 W 41 st St	Commercial	5,529	Sold	8/2014	\$3,150,000	\$569.72
827 W 41 st St	Commercial	4,224	Active	Active	\$7,500,000	\$1,775.57

NEIGHBORHOOD DESCRIPTION (Continued)

Land Uses: (Continued)

Commercial Market (Continued)

The commercial uses along Arthur Godfrey Road have been going through a revitalization phase. The buildings have been or are in the process of being upgraded by the current owners. The limited sales activity does show stable property values over the past few years. Office buildings are indicating stable occupancy at or near 90%. The most recent office listings shows asking rents of \$25.00 to \$35.00 per square foot, gross.

The following table illustrates the most recent commercial market statistics extracted from the CoStar Property Analytics Report.

Availability	Survey	5-Year Avg	Inventory	Survey	5-Year Avg
Rent Per SF	\$34.20	\$28.39	Existing Buildings	67	67
Vacancy Rate	6.5%	6.0%	Existing SF	899,761	895,142
Vacant SF	58,753	53,586	12 Mo. Const. Starts	4,224	0
Availability Rate	8.7%	7.6%	Under Construction	4,224	0
Available SF	78,557	68,395	12 Mo. Deliveries	0	0
Sublet SF	1,670	3,395			
Months on Market	12.4	18.7			
Demand	Survey	5-Year Avg	Sales	Past Year	5-Year Avg
12 Mo. Absorption SF	2,763	5,694	Sale Price Per SF	\$509	\$282
12 Mo. Leasing SF	25,369	29,139	Asking Price Per SF	\$867	\$867
			Sales Volume (Mil.)	\$7.2	\$7.6
			Cap Rate	-	7.0%

The following table summarizes the rental statistics for most multi-tenant office buildings located along Arthur Godfrey Road.

ARTHUR GODFREY ROAD OFFICE MARKET STATISTICS				
Location	Year Built	NRA	Rent/SF	Occupancy Rate
301 Arthur Godfrey Road	1963	37,493	\$32.00	98%
975 Arthur Godfrey Road	1957	36,103	\$28.00	97%
960 Arthur Godfrey Road	1961	20,102	\$28.00 - \$29.00	83%
410 Arthur Godfrey Road	1986	55,000	\$35.00	92%
801 Arthur Godfrey Road	1969	37,941	\$21.92 (NNN)	83%

NEIGHBORHOOD DESCRIPTION (Continued)

Land Uses: (Continued)

Commercial Market (Continued)

The local office market has become the financial district of Miami Beach having the highest concentration of office space. Most of the office buildings in the market have been updated or are in the process of being renovated in an attempt to remain competitive. The aforementioned office buildings are class B and C structures. On average, the occupancy rate appears to be fall near 90% with rents at \$30.00 per square foot, gross.

The notable commercial development in the market is the Ritz-Carlton project located at 4701 Meridian Ave or in the previous Miami Heart Institute site. The nine care property was purchased in February 2012 for \$20 million. This upscale condo complex will have 126-residences, including 111 units and 15 single family homes. The project will provide 5-star-hotel-style service in a sully residential community with no transient guests.

Amenities will include, 24-hour concierge, a spa and restaurant managed by Ritz-Carlton, a private screening room, and a pool deck with waterfalls and cabanas. Prices will start at about \$2 million and go to about \$25 million for penthouses, which will span some 10,000 square feet. The single-family homes will be in the range of 4,000 to 6,000 square feet and most will have private boat docks on Surprise Lake, which opens to the Intracoastal Waterway and Biscayne Bay.

Conclusion:

The subject's competitive market includes most portions of the Mid-Beach District of Miami Beach, Florida. The market area has excellent access from all major arteries and is located near notable entertainment venues and commercial corridors including but not limited to the Atlantic Ocean, SoBe District, Lincoln Road, Ocean Drive, and Collins Avenue. The North Beach and Surfside markets can be easily accessed via Collins Avenue, to the east.

The primary uses in the neighborhood include single family and multi-family uses. The supporting commercial uses are located along Arthur Godfrey Road which runs through the center of the market. The single family market continues to increase in values with a 25% increase since 2013. The most recent trends points to the purchase of older homes to make way for new luxury construction. The apartment market is robust with most properties operating at or near 100% occupancy. The demand has surge to a point where rents and market value have reached all time highs. Recent sales are indicating some of the lowest cap rates in history with rates near the 4.0% mark.

NEIGHBORHOOD DESCRIPTION (Continued)

Conclusion: (Continued)

The commercial market is also very strong. The uses are located along Arthur Godfrey Road and include a mix of retail and mid-rise office buildings. This sector has become the main financial district of Miami Beach with numerous lending institutions signing or extending leases which eclipse the \$50 PSF NNN market. Chase signed the most recent retail lease at \$55.00 PSF NNN. In terms of recovery, the office product has lagged retail. However, in the last year, a rebound in the economy, especially from the real estate sector, has jump started local office buildings. The close proximity to Mount Sinai Medical Center has also played a major role in attracting a variety of medical tenants to the area.

The subject's neighborhood is expected to continue improving due to it's well establish location and strong residential base. Because of a lack of vacant land, no new commercial construction is planned for the neighborhood. The neighborhood is rated excellent with no unfavorable characteristics that would affect the marketability of the subject property.

ZONING

Office Building

The subject property is zoned CD-3, a high intensity commercial district by the City of Miami Beach, Florida.

The main permitted uses in the CD-3 commercial, high intensity district are commercial uses; apartments; apartment/hotels; hotels. Oceanfront properties in the architectural district shall not be permitted to have new retail and/or office areas totaling more than 250 square feet unless the building is rehabilitated according to the South Florida Building Code, the city property maintenance standards, and fire prevention and safety codes and if it is a historic structure the U.S. Secretary of the Interior Standards for Rehabilitation and Guidelines for Rehabilitating Historic Structures. Offices are prohibited on the ground floor on that portion of Lincoln Road which is closed to traffic, unless the office area is located in a mezzanine, or at least 75 feet back from the storefront; also apartments, apartment/hotels and hotels located on that portion of Lincoln Road shall comply with section 142-335. Dance halls (as defined in section 114-1 of this Code) not also operating as restaurants with full kitchens and serving full meals and licensed as alcoholic beverage establishments are prohibited on properties having a lot line adjoining Lincoln Road, from the Atlantic Ocean to Biscayne Bay, unless the dance hall is located within a hotel with a minimum of 100 hotel units.

The conditional uses in the CD-3 commercial, high intensity district are adult living congregate facilities; new construction of structures 50,000 square feet and over (even when divided by a district boundary line), which review shall be the first step in the process before the review by any of the other land development boards; outdoor entertainment establishment, neighborhood impact establishment, open air entertainment establishment, nursing homes; religious institution; video game arcades; public and private institutions; schools and major cultural dormitory facilities as specified in section 142-1332; and storage and/or parking of commercial vehicles on a site other than the site at which the associated commerce, trade or business is located, except such storage and/or parking of commercial vehicles shall not be permitted on lots with frontage on Lincoln Road, Collins Avenue, 41st Street and 71st Street. See subsection 142-1103©. When located on that portion of Lincoln Road that is closed to traffic, these uses shall comply with section 142-335.

The prohibited uses in the CD-3 commercial, high intensity district are pawnshops; and accessory outdoor bar counter, except as provided in this division.

The development criteria for the CD-3 district are as follows:

Max FAR: Lot area equal to or less than 45,000 sq. ft.—2.25; Lot area greater than 45,000 sq. ft.—2.75; Oceanfront lots with lot area greater than 45,000 sq. ft.—3.0.

ZONING (Continued)

Office Building (Continued)

Notwithstanding the above, oceanfront lots in architectural district shall have a maximum FAR of 2.0.

Notwithstanding the above, lots located between Drexel Avenue and Collins Avenue and between 16th Street and 17th Street shall have a maximum FAR of 2.75.

Notwithstanding the above, lots which, as of the effective date of this ordinance (November 14, 1998), are oceanfront lots with a lot area greater than 100,000 sq. ft. with an existing building, shall have a maximum FAR of 3.0; however, additional FAR shall be available for the sole purpose of providing hotel amenities as follows: the lesser of 0.15 FAR or 20,000 sq. ft.

However, the floor area ratio maximum for residential development, inclusive of hotels, in the architectural district shall be 2.50.

ZONING (Continued)

Office Building (Continued)

The lot area, lot width, unit size and building height requirements for the CD-3 commercial, high intensity district are as follows:

DEVELOPMENT CRITERIA	
Minimum Lot Area (Square Feet)	Commercial - None Residential - 7,000
Minimum Lot Width (Feet)	Commercial - None Residential - 50
Minimum Unit Size (Square Feet)	Commercial - N/A New construction - 550 Rehabilitated buildings - 400 Hotel Unit: 15%: 300 - 335 85%: 335 +
Average Unit Size (Square Feet)	Commercial - N/A New construction - 800 Rehabilitated buildings - 550 Hotel Unit: N/A
Maximum Building Height (Feet)	Oceanfront lots—200 Oceanfront lots within the architectural dist., new construction—120; ground floor additions to existing structures on oceanfront lots—50 80 Lots fronting on 17th Street 50 Non-oceanfront lots within the architectural dist. 100 City Center Area (bounded by Drexel Ave., 16th St., Collins Ave., the south property line of lots fronting on the south side of Lincoln Rd., Washington Rd., and Lincoln Rd.); except the height for lots fronting on Lincoln Rd. and 16th St. between Drexel and Washington are limited to 50' for the first 50' of lot depth; and except the height for lots fronting on Drexel Avenue are limited to 50' for the first 25' of lot depth (except as provided in section 142-1161

ZONING (Continued)

Office Building (Continued)

DEVELOPMENT CRITERIA (Continued)	
Maximum Number of Stories	7 Oceanfront lots—22 Oceanfront lots within the architectural dist., new construction—13; ground floor additions to existing structures on oceanfront lots—5 7 Lots fronting on 17th Street 5 Non-oceanfront lots within the architectural dist. 11 City Center Area (bounded by Drexel Ave., 16th St., Collins Ave., the south property line of lots fronting on the south side of Lincoln Rd., Washington Ave., and Lincoln Rd.), subject to the applicable height restrictions (except as provided in section 142-1161

The setbacks criteria for the CD-3 district are as follows:

SETBACKS CRITERIA				
	Front	Side, Interior	Side, Facing a Street	Rear
At-grade parking lot on the same lot	5 feet	5 feet	5 feet	5 feet if abutting an alley- 0 feet
Subterranean	0 feet	0 feet	0 feet	0 feet
Pedestal and tower (non-oceanfront)	0 feet Residential uses shall follow the RM-1, 2, 3 setbacks (See sections 142-156 142-218 and 142-247	10 feet when abutting a residential district, otherwise none Residential uses shall follow the RM-1, 2, 3 setbacks (See sections 142-156, 142-218 and 142-247	10 feet when abutting a residential district, unless separated by a street or waterway otherwise none Residential uses shall follow the RM-1, 2, 3 setbacks (See sections 142-156, 142-218 and 142-247	5 feet 10 feet when abutting a residential district unless separated by a street or waterway in which case it shall be 0 feet. Residential uses shall follow the RM-1, 2, 3 setbacks (See sections 142-156, 142-218 and 142-247

ZONING (Continued)

Office Building (Continued)

SETBACKS CRITERIA (Continued)				
Pedestal and tower (Oceanfront)	Pedestal—15 feet Tower—20 feet + 1 foot for every 1 foot increase in height above 50 feet, to a maximum of 50 feet, then shall remain constant. Residential uses shall follow the RM-1, 2, 3 setbacks (See sections 142-156, 142-218 and 142-247	Commercial uses—10 feet Residential uses shall follow the RM-1, 2, 3 setbacks (See sections 142-156 142-218 and 142-247	Commercial uses—10 feet Residential uses shall follow the RM-1, 2, 3 setbacks (See sections 142-156, 142-218 and 142-247	25% of lot depth, 75 feet minimum from the bulkhead line whichever is greater Residential uses shall follow the RM-1, 2, 3 setbacks (See sections 142-156, 142-218 and 142247

Summary:

The district permits a variety of uses, such as: hotels; apartments; townhouses; commercial development (i.e. office and/or retail uses); restaurants; and outdoor entertainment establishments. The current CD-3 zoning code requires one parking spaces for every 400 square feet of building area. The subject contains no on-site parking. On Miami Beach it is typical for a building to only include ½ of the required parking on site. The remaining parking requirements are typically met by utilizing nearby metered municipal spaces and lots. In turn, a property owner or developer will pay an additional parking impact fee to the City of Miami Beach. The subject building pre-dates the current zoning code. As such, the building is considered to be a legal non-conforming use.

Parking Lot

The subject’s parking lot is zoned RS-4, Single-Family Residential District by the City of Miami Beach, Florida.

The RS-1, RS-2, RS-3, RS-4 single-family residential districts are designed to protect, and preserve the identity, image, environmental quality, privacy, attractive pedestrian streetscapes, and human scale and character of the single-family neighborhoods and to encourage and promote new construction that is compatible with the established neighborhood context. In order to safeguard the purpose and goals of the single-family districts mandatory review criteria are hereby created to carry out the provisions of these land development regulations.

ZONING (Continued)

Parking Lot (Continued)

Permitted Uses: The main permitted uses in the RS-1, RS-2, RS-3, RS-4 single-family residential districts are single-family detached dwellings.

Conditional Uses: Conditional uses in the RS-1, RS-2, RS-3, RS-4 single-family residential districts include the following:

- (1) An at-grade parking lot in the RS-4 district when located immediately adjacent, without a gap due to alley, road, waterway or any other cause, to a CD-3 district. See subsection [142-105\(c\)](#).
- (2) Religious institutions for those properties located in the 40th Street Overlay. See [chapter 142](#), zoning districts and regulations, article III, overlay districts, division 8, 40th Street Overlay.

The development standards are as follows:

Minimum Lot Area (Square Feet)	Minimum Lot Width (Feet) [†]	Minimum Unit Size (Square Feet)	Maximum Unit Size (% of Lot Area)	Maximum Building Height ^{**}	Maximum Number of Stories
RS-1 = 30,000	RS-1 = 100	1,800	50% of lot area with the ability to increase to 70% through SFRRP, HPB or DRB approval, as applicable.	25 feet for lots 60 feet in width or less. Lots greater than 60 feet in width; 30 feet for flat roof structures. 33 feet for sloped roof structures. Height may also be 50% of lot width, up to a maximum of 33 feet regardless of lot size or roof type through SFRRP, HPB or HPB approval, as applicable.	2, above minimum flood elevation determination.
RS-2 = 18,000	RS-2 = 75				
RS-3 = 10,000	Oceanfront RS-3 = 50				
	All other RS-3 = 60				
RS-4 = 6,000	RS-4 = 50				

Conclusion:

The RS-4 allows for the development of a parking lot. As such, the subject’s parking is a legal conforming use.

STREET IMPROVEMENTS

The subject property is located at the northeast corner of W. 41st Street (Arthur Godfrey Road) and Sheridan Avenue. The parking lot faces West 40th Street.

West 41st Street/Arthur Godfrey Road is a four lane with middle turn lane, asphalt paved, roadway. The street improvements include sidewalks, gutters and metal utility poles. The dedicated right-of-way is 100 feet. The street improvements include sidewalks, gutters and metal utility poles.

Sheridan Avenue and West 40th Street are two lane, asphalt paved, roadway with dedicated right-of-ways of 50 feet. The street improvements include sidewalks, gutters and metal utility poles as well as a landscaped median.

There is metered parking and municipal parking lots available throughout the market.

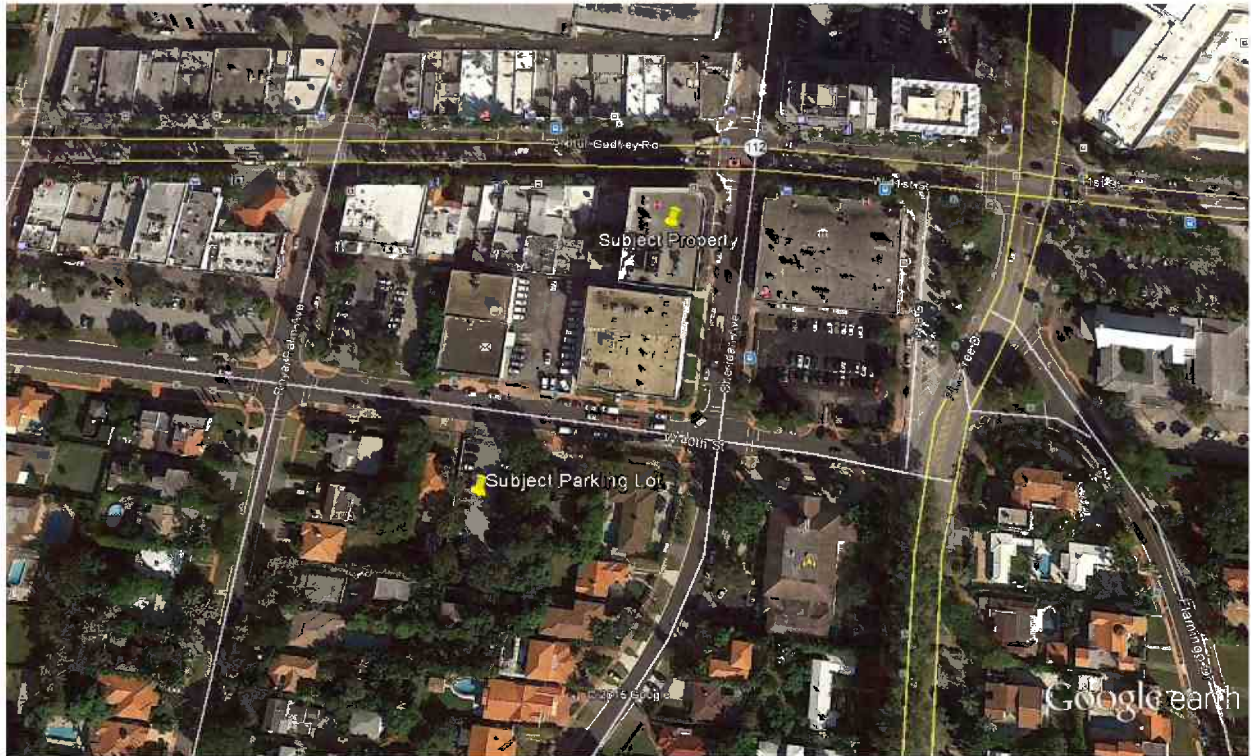
SITE DESCRIPTION

Subject	Office Building	Parking Lot
<u>Shape:</u>	Rectangular	Rectangular
<u>Size:</u>	14,500 SF (100' x 145') square feet	17,200 SF (100' x 170') square feet
<u>Frontage:</u>	100' feet along Arthur Godfrey Road & 145' feet along Sheridan Avenue	100' feet along West 40 th Street
<u>Topography:</u>	Level and at road grade	Level and at road grade
<u>Environmental Note:</u>	Soil tests were not available and the soil is assumed to be free of contaminants and pollutants.	Soil tests were not available and the soil is assumed to be free of contaminants and pollutants.
<u>Utilities:</u>	Water and Sewer: City of MB Electric: FPL Telephone: Various Police and Fire: City of MB	Water and Sewer: City of MB Electric: FPL Telephone: Various Police and Fire: City of MB
<u>Easements:</u>	No adverse easements were noted. Typical utility easements are at the site boundaries.	No adverse easements were noted. Typical utility easements are at the site boundaries.
<u>Flood Zone:</u>	AE	AE
<u>Census Tract:</u>	40.00	40.00
<u>Concurrency:</u>	Since the property is improved concurrency is not a factor.	Since the property is improved concurrency is not a factor.

Summary:

The location, size and configuration of the subject property contribute to its suitability for any of the allowable uses under current zoning code.

AERIAL PHOTOGRAPH



DESCRIPTION OF IMPROVEMENTS

The following is a summary of the subject improvements.

Improvement Type:	Office Building
Quality:	Class "B"
Condition:	Good
Construction:	Concrete, Block and Stucco (CBS)
No. of Stories	Five
Year Built:	1986
Net Rentable Area SF:	57,684
No. of Parking Spaces:	42

The basic building components are as follow:

Foundation:	Poured reinforced concrete slab over well compacted fill.
Exterior Walls:	Concrete Block and Stucco (CBS) with glass panels
Interior Walls:	Painted drywall over metal frame studs
Windows:	Fixed impact resistant glass
Flooring:	The common areas include marble tile and carpet flooring. The office spaces varied including carpet, tile, and laminated wood.
Doors:	The entry doors are glass and metal. The interior doors are mostly solid wood. The service doors are metal.
Ceiling:	Acoustical tile with florescent light fixtures
Roof:	Tar and gravel over insulated concrete deck.
Plumbing:	Each floor has two common area bathrooms with typical plumbing fixtures.
Electric:	Standard commercial electric service
Air-Conditioning:	Roof-top HVAC package with cooling tower

DESCRIPTION OF IMPROVEMENTS (Continued)

Elevator:	Two 3,500 lb capacity elevators
Stairs:	The building has a concrete fire escape stairwell that provides access to the roof.
Site Improvements:	The site improvements are minimal as the building covers the entire site.
Parking Lot:	The subject has an asphalt paved parking lot containing 42-spaces. The parking lot is located south of the office building.

Age, Condition and Quality:

The building type and quality for the subject structure is classified with the help of the “Marshall Valuation Service”, a nationally accepted cost estimator manual. The following table illustrates the property classification for the subject building.

Building:	Office
Property Classification:	Class B
Improvement Quality:	Good
Condition at Appraisal:	Good
Year Built:	1986
Economic Life:	60 years
Actual Age:	29 years
Effective Age:	15 years
Remaining Physical Economic Life:	45 years

Conclusion

The property manager, Avi Rosenberg, indicated that numerous renovations have been completed on the subject since it’s acquisition in March 2011. Said renovations include: elevator rotors; elevator interiors; outdoor flooring; A/C units; excellent quality build-out in bank space; A/C room dampers; and re-paved and polished lobby. Overall the existing subject building is well suited for its current office usage and conforms to the surrounding commercial properties.

HIGHEST & BEST USE

Highest and Best Use is defined as: The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010.

The definition immediately above applies specifically to the Highest and Best Use of land. It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its Highest and Best Use exceeds the total value of the property in its existing use. There are four tests that a property must meet in order to indicate Highest and Best Use. The use must be physically and legally possible, financially feasible, and must be the most productive use among the possible alternative uses.

“As If” Vacant

Physically Possible

The site must possess the size, shape area, soil and other physical characteristics to support the improvements that will develop the site to its Highest and Best Use, as improved. The subject property consists of a 14,500 square foot site located along Arthur Godfrey Road and a 17,200 square foot site located along West 40th Street. The elevation is at street grade, with the necessary utilities available on the site or at the boundary lines with no subsoil problems assumed. The fact that the subject site and surrounding sites have been developed with commercial uses is evidence that such a use is possible.

Legally Permissible

The use must conform to the zoning regulations, private restrictions, building codes, environmental regulations and any other legal requirements. The subject office building is zoned property is zoned CD-3, a high intensity commercial district by the City of Miami Beach, Florida. The main permitted uses are commercial properties; apartments; apartment/hotels; and hotels. Thus, a variety of office or retail uses are permitted.

The current office building is a legal non-conforming use as it exceeds the maximum building size allowed by the current zoning district. As such, the subject office building has positive economic benefit, similar to the surrounding properties in the area.

HIGHEST & BEST USE (Continued)

“As If” Vacant (Continued)

Legally Permissible (Continued)

The subject’s parking lot is zoned RS-4, Single-Family Residential District by the City of Miami Beach, Florida. The development of a single family home, religious facility, or parking lot are legally permissible uses.

Financially Feasible

The use for the site must provide a yield on invested capital sufficient to warrant the investment. The Arthur Godfrey Corridor has, in the past few years, shown great improvements with increases in both occupancy and rental rates. The most likely use for the subject’s site, if vacant, is a an office or retail building. The most recent bank leases indicate that the most financially feasible option for the subject’s site, as if vacant, is for the development of a bank branch. Limitations for future development include a lack of available land area. Therefore any potential new construction will have to occur upon the demolition or renovation of an existing building.

As with most areas in Miami Beach, parking is limited. The subject’s RS-4 zoned parcel is improved with a parking lot that is leased to the office tenants at \$85 per month and to a local restaurant known as The Forge at \$12,000 a year. The alternative development, a single family home, is also financially feasible. However, the site’s frontage along a busy road would negatively affect single family development. Thus, the most financially feasible option for this site, as if vacant, is for a similar parking lot.

Maximally Productive

The most maximally productive use is that feasible use, based on financial use analysis and return to the land and/or capital, that provides the highest yield for the longest period of time. The maximally productive use for the office building site, as if vacant, is a bank branch building.

The maximally productive use for the subject’s residentially zoned site, is for the development of a similar parking lot.

Conclusion - Highest and Best Use as if vacant

The highest and best of the office building site, as if vacant, is for a bank branch building that adheres to the current zoning district. The highest and best use of the subject’s residentially zoned site, as vacant, is for a parking lot development.

HIGHEST & BEST USE (Continued)

Highest and Best Use as Improved

The subject property is improved with a class “B” medical office building that was completed in 1986. The improvements are in a good condition and contain 57,684 square feet of net rentable areas. The property is 95% occupied with market rents. As part of the subject is a 42-space parking located just south of the office building.

The existing improvements are physically possible, but are considered to be a legally non-conforming use due to parking and FAR. The subject parking lot can be developed separately but it is needed to support the existing office building. Furthermore, the subject office tenants and local restaurant lease the property, providing additional income to the subject. Since the subject is in good condition with substantially long remaining economic life, the value of the existing improvements is well above land value. Overall the subject property satisfy the four criteria of highest and best use and is therefore the highest and best use of the site, as improved.

SALES COMPARISON APPROACH TO VALUE

The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and marking qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.

Source: The Dictionary of Real Estate Appraisal, 5th Edition (Chicago: Appraisal Institute), 2010.

The underlying assumption is that the price of the subject property will be directly related to the price of competitive properties. The Sales Comparison Approach is based on the principal of substitution; noting that the value of a property is related to the price of substitute properties that offer similar utility.

The subject represents an investment type property for which investors rarely rely on the typical price per square foot sales analysis as it largely excludes a properties cash flow potential. Conversely, the Income Capitalization Approach which directly links values to income, is almost exclusively utilized by market participants when evaluating prospective investments. For these reasons the Sales Comparison Approach to value is considered to be less reliable than the Income Capitalization Approach. The Sales Comparison Approach was performed as additional support and to extract investor's parameters including but not limited to overall rate of returns, operating expense ratios, and income multipliers. Since the price per square foot analysis is not considered to be relevant nor meaningful method of valuation, it will not be performed as part of this appraisal.

In this case, methods that link value to income will be employed in the Sales Comparison Approach. The Income Adjusted Price Per Square Foot method is considered to adequately acknowledge the subject's operating expense ratio and quantitative differences in NOI. The Potential Gross Income Multiplier (PGIM) and/or Effective Gross Income Multiplier (EGIM) methods are less commonly utilized by the market but will be included as additional support.

A search for comparable building sales within the subject's neighborhood as well as nearby neighborhoods that offer similar characteristics to the subjects was conducted. The number of office building sales over the past year has been very limited. As such, the search was expanded geographically to include the entire South Florida market.

The comparable sales used in this report are summarized below. A location map will follow the sales data table. A photograph of each is included in the addenda.

SALES COMPARISON APPROACH TO VALUE (Continued)

COMPARABLE OFFICE BUILDING SALES						
COMPARABLE #	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	SUBJECT
LOCATION	8180 NW 36 ST	9600 NW 38 St	2760 SW 97 Avenue	301 Arthur Godfrey Road	8181 NW 36 St	410 W 41 st Street
CITY, ST ZIP	Doral, FL 33166	Doral, Florida 33178	Miami, Florida 33165	Miami Beach, FL33140	Doral, FL 33166	Miami Beach, FL 33140
DATE	03/15	01/15	11/14	03/2013	Under Contract	N/A
PRICE	\$9,600,000	\$3,000,000	\$11,000,000	\$15,125,000	\$9,000,000	N/A
BUILD SIZE (SF)	62,000	15,800	54,100	36,947	53,943	57,684
YEAR BLT	1985/Ren 20009	1985	2001	1970	1974	1986
CONDITION	Average	Average	Good	Good	Average	Good
\$/SF	\$154.84	\$189.87	\$203.33	\$409.37	\$166.84	N/A
PGI	\$1,131,500	\$378,000	\$1,380,000	\$1,750,000	\$971,000	\$1,890,000
V&C Loss (%)	10%	10%	15%	5%	5%	5%
EGI	\$1,018,350	\$340,200	\$1,173,000	\$1,662,500	\$922,450	\$1,795,500
NOI	\$491,350	\$195,000	\$773,000	\$968,000	\$521,222	\$1,044,500
PGIM	8.5	7.9	8.0	8.6	9.3	N/A
EGIM	9.4	8.8	9.4	9.1	9.8	N/A
OAR	5.1%	6.5%	7.0%	6.4%	5.8%	N/A
I-NOI/EGI	51.8%	42.7%	34.1%	41.8%	43.5%	41.8%
LAND SIZE (SF)	87,556	20,118	196,256	47,244	162,337	162,337
FAR	71%	79%	28%	78%	33%	36%
MKT TIME (MO)	5 +/-	12+/-	5 +/-	4 +/-	N/A	N/A
NOI/SF	\$7.93	\$12.34	\$14.29	\$26.20	\$9.66	\$18.11
FOLIO #	35-3027-001-0113	35-3028-009-0080	03-4130-009-1390	02-3222-001-0370; 0400; & 0420	35-3027-000-(Various)	02-3227-017-1160 & 0790
BUYER	Doral Boulevard Holdings LLC	TFB Sun Holdings LLC	MYA Properties LLC & Coral Way 24 LLC	Netz Bonds Miami-HSBC LLC	Keystone Holdings	N/A
SELLER	Doral Holding Corp.	Impasa Real Estate LLC	Adrian Builders at Coral Way, LLC	CABI 301 Commercial LLLP	Courtyard Associates	N/A
DEED TYPE	Warranty	Warranty	Warranty	Warranty	N/A	N/A
DR BOOK/PAGE	29546/3126	29467/3281	29393/281	28549/3909	N/A	N/A
TENANCY	4 story multi-tenant office building	4 story multi-tenant office building with ground floor covered parking	1 & 2 story multi-tenant office building with medical & prof tenants	multi-tenant office building with ground floor retail	1 story multi-tenant office project	multi-tenant office building with ground floor retail
ZONING	CC	IC	RU-5A	CD-3	IC	CD-3

SALES COMPARISON APPROACH TO VALUE (Continued)

IMPROVED SALES MAP



SALES COMPARISON APPROACH TO VALUE (Continued)

Price Per Square Foot Method

Often times, comparable properties offer differences in such items as property rights conveyed, conditions of sale, financing, time, size, location, etc. The following analysis will discuss and compare the following characteristics of the comparable sales to the subject. The analysis will first analyze the transactional adjustments (property rights conveyed, conditions of sale, financing, time) and then the specific physical characteristics of the comparables. The differences will then be accounted for via quantitative adjustments. For the purposes of the quantitative adjustments, percentage (%) estimates or \$ amounts as supported by the comparables will be applied as necessary.

Transactional Adjustments

Property Right Conveyed: The subject and comparable sales are similar investment properties with various short term and long term leases that were most at or near market rates. Thus, an adjustment for this factor is not required.

Conditions of Sale: All of the sales are arm's-length transactions. Therefore, no adjustments will be applied to the closed sales.

Financing: The comparables were either purchased without third party financing or were purchased with conventional, third party financing. All of the financing terms were considered to be reflective of current market financing. Therefore, no adjustments will be applied.

Time: The comparables sales have taken place between March 2013 and March 2015. Sale 5 is a current contract. The sales are reflective of current market conditions and will not require adjustments.

Physical Adjustments

The comparables were sold and/or marketed at stabilized levels of operation that included occupancy levels that were generally stabilized with rents that were overall consistent to market conditions. As such, the physical adjustments such as age, condition, location, and parking can be best reflected in an adjustment that is based upon NOI per square foot.

SALES COMPARISON APPROACH TO VALUE (Continued)

Price Per Square Foot Method (Continued)

Physical Adjustments (Continued)

When purchasing an investment property, the main concern of an investor is the income potential of the building. In most cases, the sales indicated different rental rates. These differences can be adjusted by comparing the income streams. The income streams for the sales and subject property can be measured by comparing the net operating incomes on a per square foot basis. The following is a summary of the sales and subject property. The net operating income for the subject property is taken from the stabilized potential gross income based on the existing leases as well as annualized expense information as provided to the appraiser further described in the Income Capitalization Approach.

INCOME STREAMS			
COMP	SIZE (SF)	NET OPERATING INCOME (NOI)	NOI/SF
SALE 1	62,000	\$491,350	\$7.93
SALE 2	15,800	\$195,000	\$12.34
SALE 3	54,100	\$773,000	\$14.29
SALE 4	36,947	\$968,000	\$26.20
SALE 5	53,943	\$521,222	\$9.66
SUBJECT	57,684	\$1,044,500	\$18.11

In order to reconcile the differences in the income streams the NOI/SF of the sales will have to be adjusted to the subject's. The adjustment will be based on the percentage difference in NOI's. This percentage difference will be applied to the price per square foot of the sales. The following is a summary of the adjustments.

Comp #	Subject NOI/SF	Comparable NOI/SF	= Adjustment
Sale 1	\$18.11	\$7.93	128%
Sale 2	\$18.11	\$12.34	47%
Sale 3	\$18.11	\$14.29	27%
Sale 4	\$18.11	\$26.20	-31%
Sale 5	\$18.11	\$9.66	87%

SALES COMPARISON APPROACH TO VALUE (Continued)

Price Per Square Foot Method (Continued)

COMPARABLE SALES ADJUSTMENT GRID					
Comparable #	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5
Sale Price	\$9,600,000	\$3,000,000	\$11,000,000	\$15,125,000	\$9,000,000
Transactional Adjustments					
Property Rights Conveyed	\$0	\$0	\$0	\$0	\$0
Conditions of Sale	\$0	\$0	\$0	\$0	\$0
Financing	\$0	\$0	\$0	\$0	\$0
Time	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Transactional Adjustment	\$0	\$0	\$0	\$0	\$0
Adjusted Sale Price (Trans)	\$9,600,000	\$3,000,000	\$11,000,000	\$15,125,000	\$9,000,000
Physical Adjustments					
NOI/SF	<u>(\$1,228,800)</u>	<u>\$1,410,000</u>	<u>\$2,970,000</u>	<u>(\$4,688,750)</u>	<u>\$7,830,000</u>
Total Physical Adjustment	(\$1,228,800)	\$1,410,000	\$2,970,000	(\$4,688,750)	\$7,830,000
Total Net Adjustments	(\$1,228,800)	\$1,410,000	\$2,970,000	(\$4,688,750)	\$7,830,000
Adjusted Sale Price	\$8,371,200	\$4,410,000	\$13,970,000	\$10,436,250	\$16,830,000
Building Size NRA (SF)	62,000	15,800	54,100	36,947	53,943
Price/SF of Building	\$135.02	\$279.11	\$258.23	\$282.47	\$312.00

Sales 3 and 4 indicated the lowest adjustment factors. Sale 4 is the most similar to the subject and will be emphasized.

SALES COMPARISON APPROACH TO VALUE (Continued)

Price Per Square Foot Method (Continued)

The market value of the subject property, via the price per square foot method, is calculated as follows:

Building Size (SF)	x	Value Per SF	=	Concluded Market Value
57,684		\$280.00		\$16,151,520
Rounded To				\$16,150,000

Effective Gross Income Multiplier Analysis:

Another reliable indicator for income producing properties is the relationship of gross income to the sales prices. In the acquisition of income producing properties, the potential buyer is often concerned with the relationship of the price he must pay to the return he may anticipate for the property. The buyer is usually aware of the general range of expected expenses for similar property. For this reason, the Potential Gross Income Multiplier (PGIM) is often used as a predicate for investment. However, due to the varying vacancy levels of the comparable sales and the subject, a more effective method of valuation involves the Effective Gross Income Multiplier (EGIM). The table on the following page summarizes the effective gross income multiplier (EGIM) indications provided by the comparable sales. This method will isolate the different vacancy and collection loss estimates that exist between the comparable sales and the subject. The comparable sales are illustrated on the following table.

SALES COMPARISON APPROACH TO VALUE (Continued)

Effective Gross Income Multiplier Analysis: (Continued)

COMPARABLE SALES						
COMP	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	SUBJECT
LOCATION	8180 NW 36 ST	9600 NW 38 St	2760 SW 97 Avenue	301 Arthur Godfrey Road	8181 NW 36 St	410 W 41 st Street
CITY, ST ZIP	Doral, FL 33166	Doral, Florida 33178	Miami, Florida 33165	Miami Beach, FL33140	Doral, FL 33166	Miami Beach, FL 33140
DATE	03/15	01/15	11/14	03/2013	Under Contract	N/A
SALE PRICE	\$9,600,000	\$3,000,000	\$11,000,000	\$15,125,000	\$9,000,000	N/A
NRA (SF)	62,000	15,800	54,100	36,947	53,943	57,684
S/SF	\$154.84	\$189.87	\$203.33	\$409.37	\$166.84	N/A
PGI	\$1,131,500	\$378,000	\$1,380,000	\$1,750,000	\$971,000	\$1,890,000
V&C LOSS	10%	10%	15%	5%	5%	5%
EGI	\$1,018,350	\$340,200	\$1,173,000	\$1,662,500	\$922,450	\$1,795,500
NOI	\$491,350	\$195,000	\$773,000	\$968,000	\$521,222	\$1,044,500
PGIM	8.5	7.9	8.0	8.6	9.3	n/a
EGIM	9.4	8.8	9.4	9.1	9.8	n/a
OAR	5.1%	6.5%	7.0%	6.4%	5.8%	n/a
1-NOI/EGI	51.8%	42.7%	34.1%	41.8%	43.5%	41.8%
NOI/SF	\$7.93	\$12.34	\$14.29	\$26.20	\$9.66	\$18.11

In this case, the subject's income and expense ratio is most similar to comparable sale 4. The EGIM formula (1-OER/OAR) produces an EGIM of 9.0 for the subject property. Thus, the subject's market value via the EGIM method is calculated as follows:

Effective Gross Income	x	EGIM	=	Concluded Market Value
\$1,795,500		9.0		\$16,159,500
Rounded To				\$16,160,000

SALES COMPARISON APPROACH TO VALUE (Continued)

Conclusion

The indications of market value via the methods employed in the Sales Comparison Approach are:

Price Per SF Method	\$16,150,000
EGIM	\$16,160,000

The subject is an investment type property. The Price Per Square Foot method is considered to adequately acknowledge the subject's operating expense ratio and quantitative differences in NOI. However, the EGIM was supportive of the Income Capitalization Approach, the most appropriate and reliable method of valuation for the subject property. Thus, the concluded market value of the subject, via the Sales Comparison Approach is \$16,150,000.

INCOME CAPITALIZATION APPROACH TO VALUE

The Income Approach Capitalization Approach a comparative approach to value that considers income and expense data relating to the property being valued and estimates value through a capitalization process. Capitalization relates income (usually net income) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (whereby an overall capitalization rate or all risks yield is applied to a single years income), yield or discount rates (reflecting measures of return on investment) applied to a series of incomes over a projected period, or both. The income approach reflects the principles of substitution and anticipation.

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th Edition (Chicago: Appraisal Institute), 2010.

Direct Capitalization is a method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year's income is used. Yield and value changes are implied but not identified.

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th Edition (Chicago: Appraisal Institute), 2010.

The Discounted Cash Flow (DCF) analysis is a procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th Edition (Chicago: Appraisal Institute), 2010.

The discounted cash flow analysis is most effective when the subject property is not at stabilized occupancy or when the contract rents are not equivalent to market. The DCF is basically used in estimating the leased fee value of a property. This method is also appropriate when the leases are structured in a way that the terms, renewal options and annual increases vary.

The subject is a stabilized, office building, with market equivalent rents. Most of the tenants have been in the building for five years or more. All but two of the tenants, Gibraltar Bank and Elite Imaging, are medical users. Since the subject is stabilized and the rents at market, the direct capitalization approach is the best method of valuation. Due to the market's emphasis on income in place and the uncertainty of future market conditions, the discounted cash flow methods will not be utilized.

SHERIDAN CENTER MEDICAL OFFICE BUILDING

RENT ROLL

Tenant	Space Type	Suite #	Lease Start	Lease End	NRA (SF)	% Share	Base Annual Rent	CAM Reim.	Parking Charge	Gross Annual Rent	Gross Rent per SF	Lease Type	Escalations	Renewal Options
Gibraltar Bank	Office & Retail	102 & 200	2/1/13	2/28/23	5096	8.83%	\$168,749.41	\$0.00	\$0.00	\$168,749.41	\$33.11	Modified Gross	3% per year	Two 5 year options at market
Elite Imaging	Retail	104	11/1/13	10/31/16	2850	4.94%	\$102,742.44	\$10,089.00	\$0.00	\$112,831.44	\$39.59	Modified Gross	None	One 5 year at greater of market or 3%
Doctors Alliance	Office	103	12/1/11	11/30/21	3080	5.34%	\$111,064.68	\$11,057.20	\$0.00	\$122,121.88	\$39.65	Modified Gross	3% per year	One 5 year at market
Doctors Alliance	Office	201	4/1/12	10/31/24	7954	13.79%	\$222,712.00	\$0.00	\$0.00	\$222,712.00	\$28.00	Modified Gross	3% per year	One 5 year at market
Weisman Mehrel MD	Office	300	3/1/10	2/29/20	3200	5.55%	\$106,720.00	\$0.00	\$0.00	\$106,720.00	\$33.35	Gross	Yrs 6-10 at \$33.35	One 5 year at market
Baruch Jacobs MD, PA	Office	305	1/1/11	3/31/16	3541	6.14%	\$88,751.76	\$0.00	\$4,500.00	\$93,251.76	\$26.33	Gross	3% per year	None
Palm Access LLC	Office	310	9/20/10	8/31/17	5492	9.52%	\$153,776.00	\$0.00	\$0.00	\$153,776.00	\$28.00	Modified Gross	None	One 5 year at \$32.50 psf
Lili Estrin MD, PA	Office	400	9/15/02	9/30/17	1778	3.08%	\$54,702.00	\$0.00	\$0.00	\$54,702.00	\$30.77	Modified Gross	3% per year	None
Doctors Alliance	Office	402	8/1/12	M to M	4200	7.28%	\$110,400.00	\$0.00	\$0.00	\$110,400.00	\$26.29	M to M	None	None
David Vine DDS	Office	403	4/1/00	4/30/19	1159	2.01%	\$39,260.54	\$5,210.28	\$900.00	\$45,370.82	\$39.15	Modified Gross	Unknown	Unknown
Florida Endodontic I	Office	400 & 404	4/1/10	3/31/20	1751	3.04%	\$66,000.00	\$0.00	\$2,700.00	\$68,700.00	\$39.23	Gross	Increase to \$37.69 psf in year 6	Two 5 year options at market
Jose Valdivia MD	Office	406	4/4/07	12/31/17	1190	2.06%	\$37,066.67	\$15,470.04	\$0.00	\$52,536.71	\$44.15	Gross Expense set at \$13 psf	3% bump in 2016	None
Juan Auza DDS	Office	410	9/17/10	9/16/15	1200	2.08%	\$39,167.76	\$8,400.00	\$900.00	\$48,467.76	\$40.39	Gross	3% per year	Two 5 year options at market
Miami Beach Natural	Office	412	1/1/11	11/30/18	1713	2.97%	\$46,800.00	\$0.00	\$0.00	\$46,800.00	\$27.32	Modified Gross	\$1,200 per year	None
Veronica Sanmartino	Office	500	2/1/09	1/31/19	1800	3.12%	\$53,376.72	\$0.00	\$1,800.00	\$55,176.72	\$30.65	Gross	5% bump every two years	None
Alan S. Kaplan	Office	502	2/1/05	3/31/20	1350	2.34%	\$38,475.00	\$0.00	\$2,700.00	\$41,175.00	\$30.50	Gross	None	One 5 year option
Allergy & Asthma	Office	504	10/1/08	9/30/18	2068	3.59%	\$71,917.39	\$10,340.04	\$3,600.00	\$85,857.43	\$41.52	Gross	None	Two 5 year options at market
Andrey Soloviev	Office	506	6/1/14	5/31/19	2300	3.99%	\$64,000.00	\$0.00	\$0.00	\$64,000.00	\$27.83	Unknown	Unknown	Unknown
Manager's Office	Office	507	N/A	N/A	300	0.52%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A	N/A	N/A
Miami Foot & Ankle I	Office	508	01/01/12	1/31/22	1,732	3.00%	\$51,100.08	\$0.00	\$0.00	\$51,100.08	\$29.50	Modified Gross	4% per year	Two 5 year options at market
Health Care Center	Office	510	1/1/10	12/31/19	2,262	3.92%	\$61,787.89	\$0.00	\$0.00	\$61,787.89	\$27.32	Modified Gross	None	One 5 year option
Cutis Silhouettes	Office	512	1/1/11	12/31/18	1668	2.89%	\$52,857.24	\$0.00	\$0.00	\$52,857.24	\$31.69	Modified Gross	3.0% per year	None
Forge Restaurant	Parking	Parking	12/1/14	11/30/24	N/A	N/A	\$12,000.00	\$0.00	\$0.00	\$12,000.00	N/A	Gross	0.00%	Unknown
Total					57,684		\$1,753,427.58	\$60,566.56	\$17,100.00	\$1,831,094.14				

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

Contract Rent Summary

According to the provided rent roll, the subject is 89% occupied with 6,462 square feet of vacant space. The spaces were vacated in the last year and include suites 402 and 510. The asking rent for these medical spaces is \$35.00 per square foot, modified gross. The two spaces were previously leased at \$26.29 and \$27.32 per square foot, gross. There are no known lease agreements or LOIs.

Overall the subject is stable at an occupancy rate of 89%. The average rent is \$32.39 per square foot. In the last year, most of the tenants with expiring leases opted to extend. The rest of the leases incurred annual escalation fees increasing the overall effective gross income.

The most recently signed or extended leases belong to Gibraltar Bank, Elite Imaging, Miami Foot and Ankle I, and Andrey Soloviev.

Gibraltar Bank has the option to terminate the lease after five and half years. However, the lease is below market and the tenant recently invested over \$1 million dollars in the space. As such, it is unlikely the tenant would option out.

Elite Imaging, recently acquired by Tri State Imaging, extended their lease for 3-years at \$37.13 per square-foot with no annual escalations. The new owners will test the company over the remaining life of the lease.

Andrey Soloviev leased the previously vacant suite (506) containing 2,300 square feet. The lease was signed in June 2014 and expires May 2019. The rental rate is \$64,000 annually or \$27.83 per square foot.

Expiring Leases

The subject has three-leases expiring within about a year. These tenants include Elite Imaging, Brauch Jacobs MD, PA, and Juan Auza DDS. With the exception of Juan Auza DDS, the expiring leases are at market and the risk of turnover is lessened. The lease to Juan Auza DDS expires on September 16, 2015, and is well above market. Because the lease expires in the near future and is above market, a market rent will be concluded.

Suite 507 is occupied by the building's manager, Avi Rosenberg, and is not listed for rent.

The subject's parking lot is leased to The Forge for \$1,000 a month. The tenant can use lot Monday through Saturday from 6:00 PM until 5:00 AM and Sunday from 11:00 AM until 5:00 AM.

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

The subject is one of the few pure medical office buildings in the immediate market. The Mount Sinai Medical Center houses the only other medical space in the area. As result, the subject will experience limited tenant turnover and quick absorption over the foreseeable future.

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

Market Rent Survey

The comparable office buildings are illustrated on the following table. A location map will follow the data table while a photograph of each is in the addenda.

OFFICE RENT COMPARABLES					
Rental #	1	2	3	4	5
Location	301 Arthur Godfrey Road	960 Arthur Godfrey Road	333 Arthur Godfrey Road	777 Arthur Godfrey Road	801 Arthur Godfrey Road
City, State Zip	Miami Beach, FL 33140	Miami Beach, FL 33140	Miami Beach, FL 33140	Miami Beach, FL 33140	Miami Beach, FL 33140
# of Tenants	Multi-tenant	Multi-tenant	Multi-tenant	Multi-tenant	Multi-tenant
Condition	Average	Average	Average	Average	Good
Year Built	1970	1961	1966	1975	1969
Building (SF)	36,947	20,102	62,696	21,000	46,800
Land (SF)	47,244	5,750	17,050	4,560	14,010
FAR	78%	350%	368%	461%	334%
Suite Size (rnd)	500-Available	300 to 1,373	629 to 6,000	1,000-Available	1,355 to 7,800
Height	6-story	4-story	9-story	4-story	6-story
Terms	Full Service	Full Service	Full Service	Full Service	Triple Net
Base Rent/SF (rnd)	\$35.00 \$32.00 - Asking	\$28.00	\$27.00-\$33.75	\$35.00	\$21.92
Electric Included	Yes	Yes	Yes	No	No
Janitor Included	Yes	Yes	Yes	No	No
Occ. Rate	98%	91%	90%	92%	86%
On-Site Parking	Yes	None	None	None	Yes
TI Allowance	None	None	None	None	None
Free Rent	None	Negotiable	Negotiable	Negotiable	Negotiable
Use	Medical & Professional Office	Medical & Professional Office	Professional Office	Professional Office	Professional Office

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

COMPARABLE SALES MAP



The comparable rentals include class B and C office buildings located in the subject's immediate market area. Comparable Rental 1 is known as the HSBC building and is nearly 100% occupied. The most recent leases were reported to be between \$30 and \$35 per square foot, full service. There is one space available at \$32 per square foot. Comparable Rental 2 is a professional office building with rents at or near \$30.00 per square foot, full service. The property is inferior to the subject in condition. The building however, does have medical and professional office tenants. The property had some upgrades and is in an average condition. Comparable Rental 3 is a professional office building located across from the subject. The property is in an average condition and the rents range from \$25.00 to \$27.00 per square foot, full service. The property has no parking and is inferior to the subject. Asking rents are above \$27.00 per square foot. Comparable Rental 4 is a class B, office building, located west of the subject. There is one space available which has been reduced from \$40 to \$35.00 per square foot, full service. The building is in an average condition. Comparable Rental 5 is an office building that has been completely renovated. The asking rents are \$21.92 per square foot, triple net. The pass through expenses are about \$13 per square foot, which brings the gross rent to \$34.92.

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

Market Rent Survey (Continued)

Overall the comparable rentals indicated triple net and full service leases ranging from \$25 to \$35 per square foot. Comparable Rental 1 is inferior to the subject in condition, but has adequate parking and is the most similar comparable. The subject’s average rent, \$32.39 per square foot, is at market. A market rent of \$30.00 per square foot, gross, is estimated for the vacant spaces and expiring lease of suite 410 (Juan Auza DDS).

The lease to Gibraltar Bank will be estimated based on comparable bank leases from the immediate market area. The comparable rentals are illustrated on the following table. A location map will follow the data table and photographs of each is found in the addenda.

COMPARABLE BANK RENTAL SURVEY				
Comp #	1	2	3	4
Tenant	HSBC	Chase	Regions Bank	JGB Bank
Location	301 Arthur Godfrey Road	460 Arthur Godfrey Road	780 West 41 st Street	9599 Harding Avenue
Lease Term	10 years	10 years	15 years	5 years
Commenced	2011	2013	2002	2011
NRA SF	14,400 - Includes Drive Thru Lanes	6,500	2,459	1,724
Year Built	1970	1938/2013	1977/2002	1952
Drive-Thru Lanes	Yes	No	Yes	No
Current Base Rent	\$806,400	\$357,500	\$140,450	\$102,100
Terms	Triple Net	Triple Net	Triple Net	Triple Net
Rent Per SF	\$56.00	\$55.00	\$57.12	\$59.22
Rent Escalation	Increase to \$907,000 in 06/2016	10-12% every 5 years	3%	None
Renewal Options	None	4-5 year options	None	3-5 year periods

The comparable bank leases all include triple net rents high above the subject. The HSBC lease is located across from the subject and also includes second floor office space. Comparable Rental 2 is the most recent lease and has frontage along Arthur Godfrey Road. Based on the comparable rentals, the lease to Gibraltar Bank is well below market at \$32.15 per square foot, gross. Since the lease was just renewed for an additional ten years, the subject’s actual rent will be used.

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

COMPARABLE RENTALS MAP



A lower cap rate for minimal risk is applied to compensate for the below market rents.

Potential Gross Income (PGI)

The potential gross income for the subject property is calculated on the following chart.

Space	Size (SF)	x	Estimated Rent per SF	=	Annual Gross Income
Leased	50,022	- -			\$1,659,306
Vacant/Other	7662	\$30.00			\$229,860
Total	57,684				\$1,889,166
Rounded		\$32.76			\$1,890,000

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

Potential Gross Income (PGI) (Continued)

The potential gross income for the subject is estimated at \$1,890,000 or \$32.76 per square foot. The estimated gross income per square foot is at market.

Vacancy and Collection Loss (V & C)

The subject property has historically operated at occupancy rates above 90%. In the last year, with improvements in the local economy, office spaces are once again being absorbed. The subject recently experienced two vacancies bringing the occupancy to 89%. However, in the lat year, the subject has been nearly 100%. Please note the current rent roll is a mere snapshot of the subject as of July 1, 2015 and not necessarily representative of a stable occupancy.

The comparable rentals indicated a range in occupancy rates from 86% to 98%. Comparable Rental 1 is the most similar, in terms of condition and parking, and has the highest occupancy rate. The subject is among the few, good quality, medical office building along the Arthur Godfrey Corridor. As result, the property will continue to experience little tenant turnover and quick absorption.

The following table illustrates the most recent office market statistics published by CB Richard Ellis.

OFFICE MARKET STATISTICS					
Submarket	Inventory (SF)	Direct Vacancy	Total Vacancy	YTD Net Absorption	Avg Asking Lse Rate (FSG)
Miami Beach	1,959,034	9.1%	9.3%	(14,786)	\$32.89

Source: CB Richard Ellis 1st Quarter 2015

The recent market statistics indicates a vacancy rate similar to the comparable rentals. Based on the subject's quality, location, and limited competition, a vacancy and collection loss of 5.0% is considered reasonable.

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

Effective Gross Income (EGI)

The Effective Gross Income is calculated as follows:

Potential Gross Income (PGI)	\$1,890,000
Less: Vacancy & Collection Loss @ 5%	\$94,500
Effective Gross Income (EGI)	\$1,795,500

The effective gross income is based on actual and market rates. The effective gross income is reasonable.

Estimated Annual Operating Expenses

The subject leases are modified gross. In a modified gross lease, the landlord is responsible for all operating expenses except the electric (FPL) expenses. The tenant is responsible for a pro rata share of the operating expenses above the base year.

The subject's historical operating expenses are illustrated on the following table.

SHERIDAN CENTER MEDICAL OFFICE BUILDING								
ACTUAL OPERATING EXPENSE HISTORY								
Expense Type	2011		2012		2013		2014	
	Total Expense	\$ per SF	Total Expense	\$ per SF	Total Expense	\$ per SF	Total Expense	\$ per SF
Real Estate Taxes	\$149,207	\$2.59	\$169,310	\$2.73	\$168,106	\$2.91	\$172,701	\$2.99
Insurance Premium	\$8,188	\$0.14	\$60,319	\$1.05	\$51,948	\$0.90	\$104,248	\$1.81
Repairs & Maintenance	\$113,150	\$1.96	\$116,456	\$2.02	\$105,392	\$1.83	\$82,870	\$1.44
Utilities	\$128,226	\$2.22	\$161,881	\$2.81	\$173,611	\$3.01	\$153,552	\$2.66
Management	\$45,000	\$0.78	\$0	\$0.00	\$51,230	\$0.89	\$66,860	\$1.16
Administrative & Professional Fees	\$99,884	\$1.73	\$93,952	\$1.63	\$103,982	\$1.80	\$146,168	\$2.53
Janitorial	\$32,428	\$0.56	\$16,251	\$0.28	\$17,636	\$0.31	\$15,346	\$0.27
Total	\$576,083	\$9.99	\$618,169	\$10.72	\$671,905	\$11.65	\$741,745.00	\$12.86

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

Estimated Annual Operating Expenses (Continued)

The historical expense report indicate increasing expenses since 2011. However, an abnormally low insurance bill is shown in 2011. From 2012 to 2013 the expenses remained stable. A large gap exists between the 2012 and 2013 administrative and professional fees. This is due to accounting methods employed involving the management fees. Also, the real estate taxes includes both sites.

On the surface, the 2014 operating expense is well above the three year average and 2013. This is largely due to liability insurance being included in the total figure. Taking this in consideration, only a slight increase in expense is actually realized.

In order to test the reasonableness of the provided operating expenses, a survey of comparable office buildings within nearby competing markets was conducted. However, emphasis will be placed on the subject's actual expenses. For confidentiality purposes the names and addresses of these properties will not be disclosed. The following table illustrates the results of the survey.

COMPARABLE EXPENSE PROPERTIES - OFFICE BUILDINGS							
Property	A	B	C	D	E	F	Subject - 2014 Actual
Building Size NRA (SF)	51,385	64,582	59,772	50,919	96,896	89,714	57,684
Real Estate Taxes	\$2.92	\$3.41	\$2.14	\$2.85	\$2.12	\$2.45	\$2.99
Insurance	\$1.07	\$0.96	\$1.73	\$1.28	\$1.60	\$1.78	\$1.81
Utilities	\$2.14	\$3.10	\$2.07	\$2.36	\$3.10	\$0.72	\$2.66
Janitorial Services	\$0.88	\$0.70	\$0.89	\$0.79	\$0.98	\$0.84	\$0.27
Repairs & Maintenance	\$3.02	\$1.55	\$2.56	\$1.96	\$2.79	\$2.01	\$1.44
Management Fee	\$1.07	\$0.93	\$1.00	\$0.79	\$1.14	\$0.78	\$1.16
Admin & Professional	\$0.19	\$0.31	\$0.33	\$0.20	\$0.26	\$0.11	\$2.53
Total	\$11.29	\$10.95	\$10.73	\$10.21	\$11.97	\$8.69	\$12.86

The operating expenses can be divided into fixed and variable expenses. The fixed expenses include real estate taxes and insurance. The variable expenses include common area maintenance, utilities, administrative costs and management fees.

The following is an explanation of each expense category and the projected amount for the subject property.

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

Fixed Expenses

Real Estate Taxes: The subject's annual real estate taxes were estimated at \$210,000. For a more detailed description of the subject's real estate taxes, please refer to the "Assessed Value and Taxes" section of this report beginning on page four.

Insurance: The 2014 insurance includes liability which is excluded for this analysis. The subject's insurance premium decreased slightly in 2013. The provided 2013 insurance premium, \$0.90 per square foot, falls below the market range. The subject's insurance premium will be estimated at \$60,000 or \$1.04 per square foot.

Variable Expenses

The variable expenses for the subject property are based on common area maintenance, utilities, a management fee, and administrative and professional fees.

Common Area Maintenance and Repairs (CAM): This expense is for the upkeep of the exterior portions of the building along with outside contracts for elevator, security, janitorial and HVAC service. The subject building has undergone substantial renovations since the acquisition of 2011. The result has been a decrease in common area maintenance. The comparable expense properties indicated a range from \$1.55 to \$3.02 per square foot. The subject's 2013 and 2014 repairs and maintenance was \$1.83 and \$1.44 per square foot, respectively. The CAM expense will be estimated at \$100,000 or \$1.73 per square foot.

Utilities: The utilities expense includes electricity and water and sewer service. The subject's utilities expense has increased commensurate with occupancy from \$2.22 in 2011 to \$3.01 in 2013. The 2014 utility bill was \$2.66 per square foot. The comparable expense properties ranged from \$0.72 to \$3.10 per square foot. A utility bill of \$160,000 or \$2.77 per square foot is estimated.

Management Fee: Typically management fees range anywhere between 3% and 6% of the effective gross income. As such, management fees also increase commensurate with occupancy. The subject's 2014 management fee of \$66,860 falls just below the 4% mark. Thus, for the purpose of this report, a management fee of 5.0% is estimated.

Administrative and Professional Fees: The expense includes such services as attorney's, accountants and miscellaneous professional fees that are typically found within the profit and loss statements. The subject's administrative and professional fees have remained stable from \$1.73 in 2011 to \$1.80 in 2013. In 2014 a jump in administrative expense was incurred at \$2.53 per square foot. Based, on the comparables, this expense is well above market. However, the subject's payroll includes salaries for janitor and valet employees. With emphasis on historical figures, an administrative fee of \$115,000 or \$1.99 per square foot is estimated.

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

Estimated Annual Operating Expenses (Continued)

Variable Expenses (Continued)

Janitorial Services: This expense includes general cleaning and maintenance of the property. The subject's janitorial expenses includes mostly cleaning services, supplies, and window cleaning. The subject's janitorial expense appears below market. However, employee salary was included in the administrative and professional fees. A janitorial expense of \$16,000 is estimated for the subject.

Reconciliation of Operating Expenses

The estimated expenses for the subject are illustrated below.

ESTIMATED OPERATING EXPENSES		
Item	Amount	\$/SF
Real Estate Taxes	\$210,000	\$3.64
Insurance	\$60,000	\$1.04
Repairs & Maintenance (CAM)	\$100,000	\$1.73
Utilities	\$160,000	\$2.77
Management Fee	\$90,000	\$1.56
Administrative Fee	\$115,000	\$1.99
Janitorial	\$16,000	\$0.28
Total Operating Expenses	\$751,000	\$13.02

In this analysis, the subject's actual operating expenses, which are reasonable were emphasized.

Reserves for Replacement:

Usually the only items which would be replaced during a typical holding period would be the roof, air-conditioning units and carpeting and flooring. Due to the fact that deterioration of the roof is over a substantial period of years, the timing of its replacement can be anticipated rather accurately. For this reason, it appears typical within the market for buyers and sellers to recognize the repair of the roof as a normal maintenance item and the replacement of the roof as an item by which to discount the sale price.

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

Reserves for Replacement: (Continued)

Air-conditioning units typically have a life of 8 to 10 years. Carpeting and flooring have a life of 3 to 5 years. For this reason, it appears typical within the market for buyers and sellers to recognize the repair of these as a normal maintenance expense. Replacement of these items is generally treated as a capital expenditure and not included in operating expenses. A reserve for replacements expense will not be estimated for the subject property. For consistency purposes a reserve for replacement expense will also not be extracted from the comparable sales utilized to estimate an Overall Rate of Return.

Proforma Operating Statement - At Stabilized Occupancy

Potential Gross Income		\$1,890,000
<u>Less: Vacancy & Collection Loss @ 5%</u>		<u>\$94,500</u>
Effective Gross Income		\$1,795,500
Less: Operating Expenses:		
Real Estate Taxes	\$210,000	
Insurance	\$60,000	
Repairs & Maintenance (CAM)	\$100,000	
Utilities	\$160,000	
Management Fee	\$90,000	
Administrative Fee	\$115,000	
Janitorial Expense	\$16,000	
Total Operating Expenses		<u>\$751,000</u>
Net Operating Income		\$1,044,500

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

Direct Capitalization

Direct Capitalization is a method used to convert a single year's income expectancy into value in one direct step, by dividing the income estimate by a rate. This method is not applicable when contract rents fluctuate dramatically in future periods.

When a sufficient amount of relevant market data are available, the Direct Capitalization method is considered to be the best measure of the subject's value. This method is used to convert and estimate a single year's income expectancy into an indication of value in one direct step. Direct Capitalization is market oriented and stresses the analysis of market evidence by inferring the assumptions of investors. The selected overall rate will satisfy a typical investor in the market for property with similar utility, including upside and downside potential, to the subject.

An appropriate capitalization rate for the subject property will be extracted from the comparable sales, national surveys, and band of investments technique. The table on the following page summarizes the comparable sales and the corresponding OAR's which were based on actual income and vacancy figures.

The following data was derived from the PWC Real Estate Investment Survey of national data.

SOUTHEAST FLORIDA OFFICE MARKET INVESTMENT CRITERIA			
Key Indicators	Current Quarter	Last Quarter	Year Ago
Overall Cap Rate (OAR)			
Range	4.50% - 10.00%	4.50% - 10.00%	5.00% - 10.50%
Average	7.23%	7.29%	7.74%
Change (Basis Points)	-	- 6	- 51

Source: PWC 2Q2015

The PWC market survey shows decreasing cap rates over the past year. This survey includes various multi-tenant, office building, sales from the South Florida market that may or may not be comparable to the subject. Thus, primary emphasis is placed on the comparable sales. Said sales are illustrated on the following table.

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

Direct Capitalization (Continued)

COMPARABLE SALES						
COMP	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	SUBJECT
LOCATION	8180 NW 36 ST	9600 NW 38 St	2760 SW 97 Avenue	301 Arthur Godfrey Road	8181 NW 36 St	410 W 41 st Street
CITY, ST ZIP	Doral, FL 33166	Doral, Florida 33178	Miami, Florida 33165	Miami Beach, FL33140	Doral, FL 33166	Miami Beach, FL 33140
DATE	03/15	01/15	11/14	03/2013	Under Contract	N/A
SALE PRICE	\$9,600,000	\$3,000,000	\$11,000,000	\$15,125,000	\$9,000,000	N/A
NRA (SF)	62,000	15,800	54,100	36,947	53,943	57,684
S/SF	\$154.84	\$189.87	\$203.33	\$409.37	\$166.84	N/A
PGI	\$1,131,500	\$378,000	\$1,380,000	\$1,750,000	\$971,000	\$1,890,000
V&C LOSS	10%	10%	15%	5%	5%	5%
EGI	\$1,018,350	\$340,200	\$1,173,000	\$1,662,500	\$922,450	\$1,795,500
NOI	\$491,350	\$195,000	\$773,000	\$968,000	\$521,222	\$1,044,500
PGIM	8.5	7.9	8.0	8.6	9.3	n/a
EGIM	9.4	8.8	9.4	9.1	9.8	n/a
OAR	5.1%	6.5%	7.0%	6.4%	5.8%	n/a
1-NOI/EGI	51.8%	42.7%	34.1%	41.8%	43.5%	41.8%
NOI/SF	\$7.93	\$12.34	\$14.29	\$26.20	\$9.66	\$18.11

In estimating OARs the operating expenses and risk potential of the property must be taken into account. The subject, a medical office, building is located in a market with limited supply of medical offices. As result, the subject property is in demand with good quality, medical tenants. Also the subject rents are within the market range.

INCOME CAPITALIZATION APPROACH TO VALUE (Continued)

Direct Capitalization (Continued)

The subject's market value, as a leased fee estate, via the Income Capitalization Approach, is estimated as follows:

Net Operating Income - Stabilized	\$1,044,500
OAR	<u>6.5%</u>
Market Value	\$16,069,231
Rounded to	\$16,070,000

RECONCILIATION AND FINAL VALUE CONCLUSION

The market values derived from the various approaches to value utilized in this report are as follows:

MARKET VALUE CONCLUSION	
Sales Comparison Approach	\$16,160,000
Income Capitalization Approach	\$16,070,000

The Cost Approach to Value represents the alternate investment choice of purchasing vacant land and constructing improvements similar to the subject. Because of the age of the improvements and lack of recent land sales, a cost approach is not a reliable method of valuation. Also, the subject site could not be improved today with a similar sized office building. Therefore, a cost approach was not performed.

The Sales Comparison Approach represents the alternate investment choice of purchasing improvements that offer similar utility value as the subject. This technique uses per square foot indicators plus the income as tools for value measurement. The Sales Comparison Approach is considered a reliable value indicator when sufficient market information is available. Although the number of office building sales has been limited, five comparables were found. The sales were located throughout the entire South Florida market and indicated various types of investments. Since the subject and sales are investment properties the NOI/SF and EGIM methods were employed. The subject's market value via the Sales Comparison Approach was supportive of the Income Capitalization Approach, the primary approach to value.

The Income Capitalization Approach represents the alternate choice of purchasing utility value as perceived by present and projected income streams. This technique reflects the investment rationale and strategies of commercial purchasers and is generally the preferred method for valuation of income producing properties. The information developed in this approach is based on market confirmed rents and sale prices. The potential gross income was derived from the rent roll and leases provided that were compared to the market. The net operating income is capitalized by an overall rate developed from the comparable sales as well as national/regional investment criteria used in this report. Due to the investment nature of the subject property, the results evidenced by the Income Capitalization Approach was considered to be a reliable indication of value for the subject.

By virtue of our investigation and analyses, it is the opinion of the appraisers, that the Market Value of the subject property, as a leased fee estate, as of the last date of inspection or June 30, 2015, is:

**SIXTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
(\$16,100,000)**

PERSONAL PROPERTY

This appraisal considers no personal property or intangible business assets. The market value is solely based on the real estate with no consideration for personal property.

EXPOSURE TIME

Exposure time is defined as follows:

1. The time a property remains on the market.
2. 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 on an analysis of past events assuming a competitive and open market.

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010.

The range of marketing times provided by the comparables are at about 1 to 6 months. The aforementioned marketing times are predicated on the last price reduction prior to sale or offer. Based on comparable sales, the exposure time for the subject should be between 3 and 6 months when marketed at an appropriate asking price.

MARKETING TIME

Marketing time is defined as follows:

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010.

In purchasing an investment property, like the subject, a potential buyer is interested in the property's income potential and price. Marketing time for the subject property can be as short as one month and typically less than two years. Improving market conditions has increased demand for stable projects to a point where marketing times have fallen below six months. The marketing time for the subject property can be estimated from the comparable sales used in the Sales Comparison Approach as well as additional sales from the local market area. The following chart illustrates the marketing time for these sales.

MARKETING TIME (Continued)

MARKET TIMES			
Sale	Property Location	Date of Sale	Days on the Market
1	8180 NW 36th Street	March 2015	5 Months
2	9600 NW 38th Street	January 2015	12 Months
3	2760 SW 97th Avenue	November 2014	5 Months
4	301 Arthur Godfrey Road	March 2013	4 Months

The sales indicated market times from 4 to 12 months. The sales were actively marketed by local Realtors via MLS and CoStar. Based on the comparable sales, if the subject is reasonably priced, a marketing time of 10 months should be achieved. Since the sales included similar marketing conditions as the subject, a market exposure time of 10 months is also reasonable.

CERTIFICATION

We Certify to the best of my 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 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 no personal interest with respect to the parties involved.
- The appraisers signing this report have performed 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 last appraised the subject property on February 4, 2014 and June 30, 2014.
- 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.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Adrian Pena, State Registered Trainee, RI 17758, and Frank A. Hornstein, MAI, made an exterior and lobby inspection of the property that is the subject of this report.
- no one provided significant real property appraisal assistance to the persons signing this certification.
- Frank A. Hornstein, MAI, has completed the continuing education program of the Appraisal Institute.

CERTIFICATION (Continued)

Respectfully Submitted,



Frank Hornstein, MAI
State-Certified General
Real Estate Appraiser No. RZ 1376

July 13, 2015
Date



State Registered Trainee
Real Estate Appraiser, RI 17758

July 13, 2015
Date

I, Frank A. Hornstein, MAI, the supervisory appraiser of a registered appraiser trainee who contributed to the development or communication of this appraisal, hereby accepts full and complete responsibility for any work performed by the registered appraiser trainee named in this report as if it were my own work.

ASSUMPTIONS AND LIMITING CONDITIONS

The value conclusion and certification within this report are made expressly subject to the following assumptions and limiting conditions as well as any further reservations or conditions stated within the text of the report.

- 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.
- 2) All existing liens and encumbrances, (except the existing leases if any) have been disregarded, and the property is appraised as though free and clear.
- 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) 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.
- 7) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless non-compliance, is stated, defined, and considered in the appraisal report.
- 8) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, except where non-conformity has been stated, defined, and considered in the appraisal report.
- 9) 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.
- 10) It is assumed that the utilization of the land and improvements is within the boundaries of property lines or the property described and that there is no encroachment or trespass unless noted in this report.
- 11) Subsurface rights were not considered in making this appraisal.

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

- 12) 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.
- 13) 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 appraiser, and in any event only with proper written qualification and only in its entirety.
- 14) The appraiser 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.
- 15) Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the MAI or SRA designations) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
- 16) The existence of potentially hazardous material used in the construction or maintenance of the building and/or the existence of toxic waste which may or may not be present on or under the site was not observed during our inspection. However, we are not qualified to detect such substances. These substances, if they exist, could have a negative effect on the estimated value of the property. The user of this report is urged to retain an expert in this field if desired.
- 17) Unless specifically stated to the contrary in the report, no independent evaluation of concurrency matters were made for the subject or any sales comparables. In the event concurrency is found to affect subject property or any of the sales comparables, we reserve the right to reconsider the value conclusion.
- 18) This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- 19) The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, he did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.

ADDENDA



FRONT OF SUBJECT PROPERTY



SIDE OF SUBJECT PROPERTY



EASTERLY VIEW OF ARTHUR GODFREY ROAD



SOUTHERLY VIEW OF SHERIDAN STREET



EASTERLY VIEW OF 40TH STREET

COMPARABLE SALE 1



COMPARABLE SALE 2



COMPARABLE SALE 3



COMPARABLE SALE 4



COMPARABLE OFFICE RENTAL 1



COMPARABLE OFFICE RENTAL 2



COMPARABLE OFFICE RENTAL 3



COMPARABLE OFFICE RENTAL 4



COMPARALE OFFICE RENTAL 5



COMPARABLE BANK RENTAL 1



COMPARABLE BANK RENTAL 2



COMPARABLE BANK RENTAL 3



COMPARABLE BANK RENTAL 4





OFFICE OF THE PROPERTY APPRAISER

Summary Report

Generated On : 7/11/2015

Property Information	
Folio:	02-3227-017-1160
Property Address:	410 W 41 ST
Owner	NETZ BONDS MIAMI USA LLC C/O MANDY MANAGEMENT LLC
Mailing Address	PO BOX 3616 WOODBRIIDGE, CT 06525
Primary Zone	6600 COMMERCIAL - LIBERAL
Primary Land Use	1813 OFFICE BUILDING - MULTISTORY : OFFICE BUILDING
Beds / Baths / Half	0 / 0 / 0
Floors	5
Living Units	0
Actual Area	69,379 Sq Ft
Living Area	69,379 Sq.Ft
Adjusted Area	67,793 Sq.Ft
Lot Size	14,500 Sq.Ft
Year Built	1986



Assessment Information			
Year	2015	2014	2013
Land Value	\$3,030,500	\$3,030,500	\$3,030,500
Building Value	\$6,109,500	\$4,669,500	\$4,669,500
XF Value	\$0	\$0	\$0
Market Value	\$9,140,000	\$7,700,000	\$7,700,000
Assessed Value	\$8,470,000	\$7,700,000	\$7,700,000

Benefits Information				
Benefit	Type	2015	2014	2013
Non-Homestead Cap	Assessment Reduction	\$870,000		

Note: Not all benefits are applicable to all Taxable Values (i.e. County, School Board, City, Regional).

Short Legal Description
ORCHARD SUB 2 & 3 PB 8-116 LOTS 4 & 5 BLK 54 LOT SIZE 100.000 X 145 OR 18696-0284 0799 6 (2)

Taxable Value Information			
	2015	2014	2013
County			
Exemption Value	\$0	\$0	\$0
Taxable Value	\$8,470,000	\$7,700,000	\$7,700,000
School Board			
Exemption Value	\$0	\$0	\$0
Taxable Value	\$9,140,000	\$7,700,000	\$7,700,000
City			
Exemption Value	\$0	\$0	\$0
Taxable Value	\$8,470,000	\$7,700,000	\$7,700,000
Regional			
Exemption Value	\$0	\$0	\$0
Taxable Value	\$8,470,000	\$7,700,000	\$7,700,000

Sales Information			
Previous Sale	Price	OR Book-Page	Qualification Description
03/31/2011	\$9,500,000	27639-0404	Qual on DOS, multi-parcel sale
07/01/1999	\$3,400,000	18696-0284	Qual on DOS, but significant phy change since time of transfer
04/01/1989	\$10,400,000	14071-0231	Qual by verifiable & documented evidence
05/01/1981	\$1,000,000	11211-1761	2008 and prior year sales; Qual by exam of deed

The Office of the Property Appraiser is continually editing and updating the tax roll. This website may not reflect the most current information on record. The Property Appraiser and Miami-Dade County assumes no liability, see full disclaimer and User Agreement at <http://www.miamidade.gov/info/disclaimer.asp>

Version:



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Please do not include any special characters in the name, address, and e-mail field such as #, &, hyphens, comma, dashes.

We have moved. Our new address is:
200 NW 2nd Ave, Miami, FL 33128

The information contained herein does not constitute a title search or property ownership.

2015 1st Quarter Tax Bills are Payable on June 1, 2015

2014 Roll Details — Real Estate Account At 410 W 41 ST, Miami Beach 33140-3504

Real Estate Account #02-3227-017-1160 [Parcel details](#) [Latest bill](#) [Full bill history](#)

2014	2013	2012	2011	...	2005
PAID	PAID	PAID	PAID		PAID

Owner: NETZ BONDS MIAMI USA LLC
 PO BOX 3616
 WOODBRIDGE, CT 06525
 Situs: 410 W 41 ST
 Miami Beach 33140-3504

Account number: **02-3227-017-1160**
 Millage code: 0200 - MIAMI BEACH
 Millage rate: 20.31730
 Escrow company: CITY NATL BANK OF FL #37955
 (178)
 25 W FLAGLER ST - 4TH FLOOR
 MIAMI, FL 33130

Assessed value: 7,700,000
 School assessed value: 7,700,000

Property Appraiser

2014 annual bill	View	Legal description	Location
Ad valorem: \$156,443.21		ORCHARD SUB 2 & 3 PB 8-116	
Non-ad valorem: \$0.00		LOTS 4 & 5 BLK 54 LOT SIZE	
Total Discountable: 156443.21		100.000 X 145 OR 18696-0284	
No Discount NAVA: 0.00		0799 6 (2)	
Total tax:			
			Range: 42E Township: 53S Section: 27 Block: 60 Use code: 1813 Total acres: 0.000



OFFICE OF THE PROPERTY APPRAISER

Summary Report

Generated On : 7/11/2015

Property Information	
Folio:	02-3227-017-0790
Property Address:	428 W 40 ST
Owner	NETZ BONDS MIAMI USA LLC C/O MANDY MANAGEMENT LLC
Mailing Address	PO BOX 3616 WOODBIDGE , CT 06525
Primary Zone	0100 SINGLE FAMILY - GENERAL
Primary Land Use	2865 PARKING LOT/MOBILE HOME PARK : PARKING LOT
Beds / Baths / Half	0 / 0 / 0
Floors	0
Living Units	0
Actual Area	0 Sq.Ft
Living Area	0 Sq.Ft
Adjusted Area	0 Sq.Ft
Lot Size	17,200 Sq.Ft
Year Built	0



Assessment Information			
Year	2015	2014	2013
Land Value	\$1,101,120	\$963,776	\$588,211
Building Value	\$0	\$0	\$26,244
XF Value	\$28,490	\$28,826	\$0
Market Value	\$1,129,610	\$992,602	\$614,455
Assessed Value	\$743,490	\$675,900	\$614,455

Benefits Information				
Benefit	Type	2015	2014	2013
Non-Homestead Cap	Assessment Reduction	\$386,120	\$316,702	

Note: Not all benefits are applicable to al. Taxable Values (i.e. County, School Board, City, Regional).

Short Legal Description
ORCHARD SUB 2 & 3 PB 8-116 LOTS 12 & 13 BLK 51 LOT SIZE 100.000 X 172 OR 18696-0284 0799 6 (2)

Taxable Value Information			
	2015	2014	2013
County			
Exemption Value	\$0	\$0	\$0
Taxable Value	\$743,490	\$675,900	\$614,455
School Board			
Exemption Value	\$0	\$0	\$0
Taxable Value	\$1,129,610	\$992,602	\$614,455
City			
Exemption Value	\$0	\$0	\$0
Taxable Value	\$743,490	\$675,900	\$614,455
Regional			
Exemption Value	\$0	\$0	\$0
Taxable Value	\$743,490	\$675,900	\$614,455

Sales Information			
Previous Sale	Price	OR Book-Page	Qualification Description
03/31/2011	\$9,500,000	27639-0404	Qual on DOS, multi-parcel sale
07/01/1999	\$3,400,000	18696-0284	Qual on DOS, but significant phy change since time of transfer
04/01/1989	\$10,400,000	14071-0231	Qual by verifiable & documented evidence

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Please do not include any special characters in the name, address, and e-mail field such as #, &, hyphens, comma, dashes.

We have moved, Our new address is:
200 NW 2nd Ave, Miami, FL 33128

The information contained herein does not constitute a title search or property ownership.

2015 1st Quarter Tax Bills are Payable on June 1, 2015

2014 Roll Details — Real Estate Account At 428 W 40 ST, Miami Beach 33140-3502

Real Estate Account #02-3227-017-0790

[Parcel details](#) [Latest bill](#) [Full bill history](#)

2014	2013	2012	2011	...	2005
PAID	PAID	PAID	PAID		PAID

Owner: NETZ BONDS MIAMI USA LLC
 PO BOX 3616
 WOODBRIDGE, CT 06525
 Situs: 428 W 40 ST
 Miami Beach 33140-3502

Account number: **02-3227-017-0790**
 Millage code: 0200 - MIAMI BEACH
 Millage rate: 20.31730
 Escrow company: CITY NATL BANK OF FL #37955
 (178)
 25 W FLAGLER ST - 4TH FLOOR
 MIAMI, FL 33130

Assessed value: 675,900
 School assessed value: 992,602

Flags

Corrected

Property Appraiser

2014 annual bill

Ad valorem:
 Non-ad valorem:
 Total Discountable:
 No Discount NAVA:
 Total tax:

[View](#)

Legal description

ORCHARD SUB 2 & 3 PB 8-116
 LOTS 12 & 13 BLK 51 LOT SIZE
 100.000 X 172 OR 18696-0284
 0799 6 (2)

Location

Range: 42E
 Township: 53S
 Section: 27
 Block: 90
 Use code: 2865
 Total acres: 0.000

InterFlood

Instant flood maps and data

- Buy
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Flood Data

USPS Address: 410 W 41st St
Miami Beach FL 33140-3504

Community Name: MIAMI BEACH, CITY OF

Community #: 120651

County: Miami-Dade

Census Tract: 0040.00

Flood Zone: AE

Map Date: 2009-09-11

Flood Map Type and Color Options

Type: Zone Color:



APPLY MAP OPTIONS

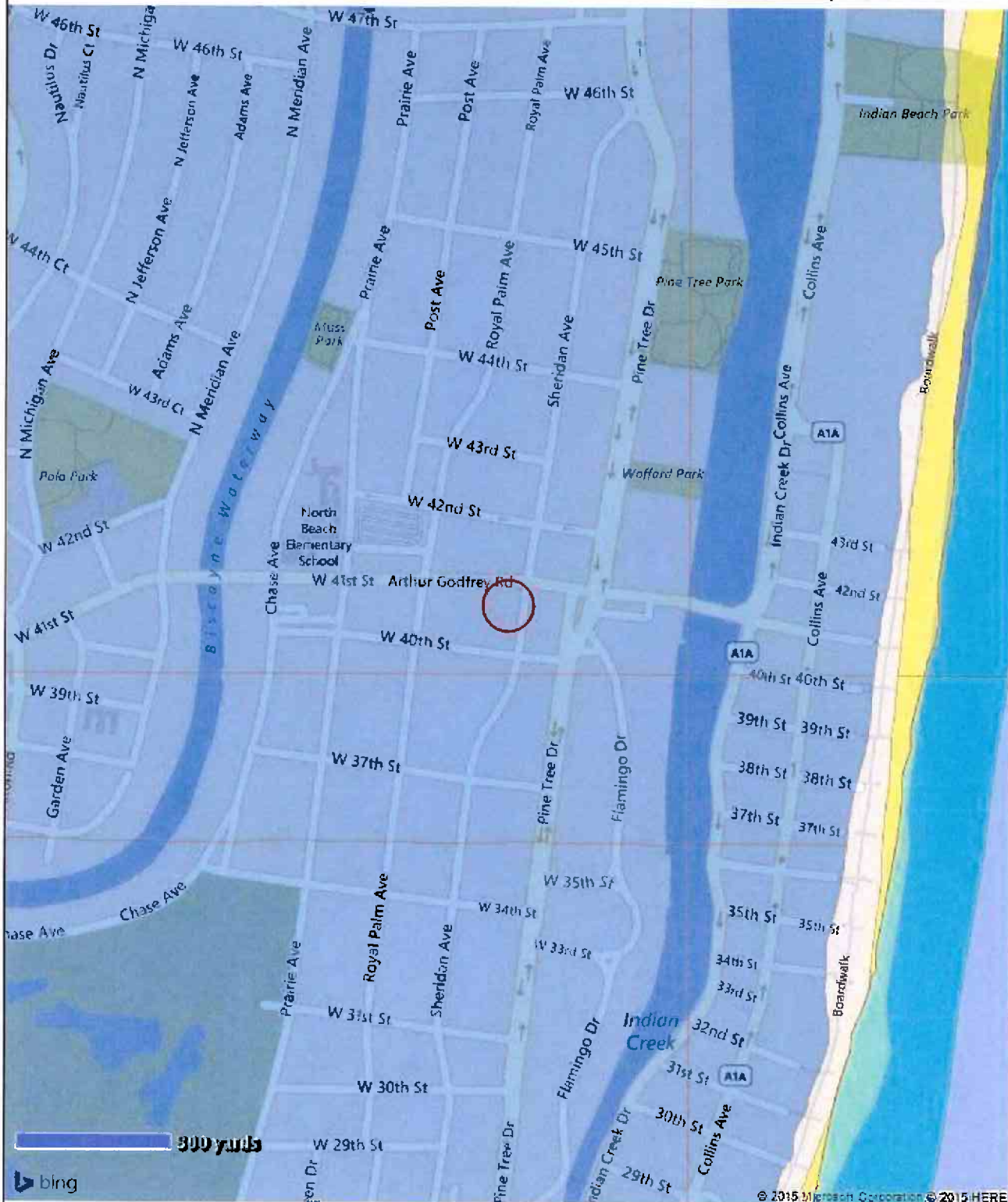
Flood Map

To Save your flood map, use your **right** mouse button and **click** directly on it. Then, depending on what you want to do, select:

- **Save Picture As...** to copy the flood map to your hard drive
- **Copy** to place the flood map in Windows memory so you can paste into another program
- **Print Picture ...** to print the flood map immediately

InterFlood by a la mode







Prepared for: Appraisal First
410 W 41st St
Miami Beach, FL 33140-3504



MAP DATA

FEMA Special Flood Hazard Area: **Yes**
 Map Number: **12086C0309L**
 Zone: **AE**
 Map Date: **September 14, 2009**

MAP LEGEND Powered by CoreLogic®

 Areas inundated by 500-year flooding	 Protected Areas
 Areas inundated by 100-year flooding	 Floodway
 Areas inundated by 10-year flooding	 Floodway



CFN 2011R0212575
 DR BK 27639 Pgs 0404 - 4077 (4pgs)
 RECORDED 04/04/2011 09:16:32
 DEED DOC TAX 57,000.00
 SURTAX 42,750.00
 HARVEY RUVIN, CLERK OF COURT
 MIAMI-DADE COUNTY, FLORIDA

Prepared by:
 Wendy Beck, Esq.
 Berman Rennert Vogel & Mandler, P.A.
 100 Southeast 2nd Street, Suite 2900
 Miami, Florida 33131

After Recording, return to:
 Record and Return to
 County Clerk
 4000 Hollywood Blvd., #350N
 Hollywood, FL 33021

Property Appraiser's parcel identification no(s):
 02-3227-017-0790 and 02-3227-017-1160

SPECIAL WARRANTY DEED

THIS INDENTURE, made and entered into as of the 31st day of March, 2011 between **CYBUR INVESTMENTS, L.L.C.**, a Florida limited liability company, whose address is 400 Arthur Godfrey Road, Suite 200, Miami Beach, Florida 33140 ("**Grantor**"), and **NETZ BONDS MIAMI USA, LLC**, a Florida limited liability company, whose address is c/o Mandy Management LLC, P.O. Box 3616, Woodbridge, CT 06525 ("**Grantee**")

WITNESSETH

That the Grantor, for and in consideration of the sum of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration to it and in hand paid by the Grantee, the receipt whereof is hereby acknowledged, by these presents does GRANT, BARGAIN, SELL, REMISE, RELEASE, ALIEN AND CONVEY unto Grantee, its successors and assigns forever, all right, title and interest which Grantor has in and to that certain parcel of land lying and being in the County of Miami Dade, State of Florida, as more particularly described in Exhibit A attached hereto and made a part hereof.

Together with all the right, title and interest of Grantor, if any, in and to the buildings, structures, tenements, hereditaments and improvements located thereon, and all rights, easements of record and appurtenances in any manner appertaining or belonging thereto, subject to those matters more specifically described on Exhibit B, which is attached hereto and incorporated herein by reference.

To have and to hold the above described premises, with the appurtenances, unto the said Grantee, its successors and assigns, in fee simple forever.
 Permanent Tax Number:

And the Grantor does specifically warrant the title to said land, improvements, tenements, hereditaments and appurtenances thereto belonging or in any way appertaining and all rights and easements of record subject to the matters referred to above and will defend the same against the lawful claims of all persons claiming by, through or under Grantor, but not otherwise.

IN WITNESS WHEREOF, Grantor has caused this Special Warranty Deed to be executed this 31 day of MARCH, 2011.

CYBUR INVESTMENTS, LLC, a Florida limited liability company

By: WSG MIAMI BEACH LLC, a Delaware limited liability company, Manager

By: [Signature]
Name: Eric D. Sheppard
Title: Authorized Representative
Hereunto Duly Authorized

Signed, Sealed and Delivered in Presence of these witnesses:

[Signature]
Print Name: Barbara Gomez
[Signature]
Print Name: Adriana Sosa

STATE OF FLORIDA
COUNTY OF MIAMI DADE

On this 29 day of March, 2011, before me, the undersigned notary public, personally appeared Eric D. Sheppard, the Manager of WSG Miami Beach LLC, the sole manager of Cybur Investments, L.L.C., a Florida limited liability company, proved to me through satisfactory evidence of identification, which was he is personally known to me, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose for and on behalf of said GW Forum Partners, LLC.

(SEAL)



[Signature]
(official signature and seal of notary)
Name: Jeffrey Graff
My commission expires: Feb 6, 2015

Exhibit A to Special Warranty Deed
Property Description

Parcel 1:

Lots 4 and 5, of Block 54, ORCHARD SUBDIVISIONS NO. 2
AND 3, according to the Plat thereof, as recorded in Plat Book 8,
at Page 116, of the Public Records of Miami-Dade County,
Florida.

Parcel 2:

Lots 12 and 13, of Block 51, ORCHARD SUBDIVISIONS NO. 2
AND 3, according to the Plat thereof, as recorded in Plat Book 8,
at Page 116, of the Public Records of Miami-Dade County,
Florida.

Exhibit B to Special Warranty Deed

1. Real property taxes and assessments for the year 2011 and thereafter, not yet due and payable.
2. Zoning and other regulatory laws and ordinances affecting the Property
3. Matters which would be disclosed by a current survey.
4. Easement as shown on the Plat of ORCHARD SUBDIVISIONS NO. 2 AND 3, recorded in Plat Book 8, at Page 116, of the Public Records of Miami-Dade County, Florida, which shows an easement of five (5) feet along the rear (South) lot lines for Utility purposes.
5. Easement in favor of the City of Miami Beach contained in instrument, filed March 31, 1924, in Deed Book 403, at Page 415.
6. Deed Restrictions as contained in the Warranty Deed, filed November 21, 1973, in Official Records Book 8511, at Page 1739.
7. Unity of Title, filed March 6, 1985, in Official Records Book 12436, at Page 36, as rerecorded on March 22, 1985, in Official Records Book 12453, at Page 2549. (Parcels 1 and 2)
8. Easement granted to Florida Power and Light Company, filed July 27, 1987, in Official Records Book 13357, at Page 1582. (Parcel 1)
9. Terms, provisions and conditions of that certain unrecorded Lease between Cybur Investments, L.L.C., a Florida limited liability company, as Landlord, and Elite Imaging Miami Beach, LLC, as Tenant, as tenant only, without any options to purchase or rights of refusal, as disclosed by UCC-1 Financing Statements, filed August 25, 2009, in Official Records Book 26989, at Page 3092; in Official Records Book 26989, at Page 3097; in Official Records Book 26989, at Page 3102; and in Official Records Book 26989, at Page 3107.

Rent Roll - Lease Changes

Project: 402 From Date: 07/01/2016 By Priority

Unit(s)	Lease	Lease Type	Lease From	Lease To	Security Deposit	Priority	Lease Description	Unit(s)	Area Label	Area	Term	Amendment From	Amendment To	Change Cost	Change Item	Change To	Monthly Amount	Start Date	Stop Date	Gross Amount	Art. Per Area	Annualized Gross Amount	Art. Per Area
padding		1/25-R																					
rent:		131,883.01																					
total		131,883.01																					
Grand Total					164,111.28	0.00											138,375.52	0.00	0.00	150,375.52	2.16	1,459,106.35	37.66

400 Arthur Godfrey Road (400)

Income Statement

Period = Jan 2011-Dec 2011

Book = Accrual

		Period to Date
5001	RENTAL INCOME	
5010	Base Rental Income	859,820.27
5199	TOTAL RENTAL INCOME	<u>859,820.27</u>
5200	OTHER OPERATING INCOME	
5210	CAM Income	28,374.71
5480	Late Fee Income	694.94
5510	Miscellaneous Income	6,200.00
5550	NSF Fee Income	25.00
5670	Parking/Garage/Carport Income	19,799.60
5720	Security Guard	-288.90
5790	Termination/Cancellation Fees Income	5,000.00
5999	TOTAL OTHER OPERATING INCOME	<u>59,805.35</u>
6999	TOTAL INCOME	<u>919,625.62</u>
7000	PROPERTY EXPENSES	
7001	BUILDING REPAIRS & MAINTENANCE	
7010	Repairs - General	5,049.67
7012	Appliance Repairs	428.00
7018	Elevator - Contract	6,536.60
7020	Elevator - Supplies/R & M	1,100.00
7022	Fire/Safety Equipment	4,464.82
7026	Repairs and Maintenance	19,898.10
7028	HVAC - Air Conditioner (Units) R & M	53,882.73
7042	Pest Control/Extermination Contract Services	1,284.00
7044	Plumbing R & M	675.96
7046	Roofing R & M	1,635.00
7048	Security Devices	890.00
7199	TOTAL BUILDING REPAIRS & MAINTENANCE	<u>95,844.88</u> ✓
7200	JANITORIAL	
7210	Janitorial/Cleaning Services	32,130.99
7220	Janitorial/Cleaning Supplies	296.87
7299	TOTAL JANITORIAL	<u>32,427.86</u> ✓
7300	COMMON AREA MAINTENANCE	
7314	Supplies	1,769.15
7344	Trash Removal	15,536.00
7399	TOTAL COMMON AREA MAINTENANCE (E/M)	<u>17,305.15</u> ✓
7400	UTILITIES	
7410	Electric - Common	72,998.34
7412	Electricity - Exterior	25,460.60
7414	Electricity - Interior	3,752.43
7420	Gas/Fuel	228.00
7428	Water/Sewer	25,786.43
7499	TOTAL UTILITIES	<u>128,225.80</u> ✓

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400 Arthur Godfrey Road (400)

Income Statement

Period = Jan 2011-Dec 2011

Book = Accrual

		Period to Date
7500	PAYROLL	
7540	Building Manager - Salaries	2,250.00
7550	Maintenance Staff - Salaries	26,431.68
7580	Payroll Taxes	0.01
7599	TOTAL PAYROLL	<u>28,681.69</u>
7600	PROPERTY MANAGEMENT FEES	
7610	Property Management Fees	45,000.00
7699	TOTAL PROPERTY MANAGEMENT FEES	<u>45,000.00</u>
7700	INSURANCE	
7710	Property Insurance	8,187.94
7999	TOTAL INSURANCE	<u>8,187.94</u>
8000	REAL ESTATE TAXES	
8010	Property Taxes	148,256.94
8030	Taxes Licenses & Other	950.00
8199	TOTAL REAL ESTATE TAXES	<u>149,206.94</u>
8698	TOTAL PROPERTY EXPENSES	<u>504,880.26</u>
8699	NET OPERATING INCOME	394,445.36
8700	ADMINISTRATIVE EXPENSES	
8724	Bank Charges	179.00
8740	Legal/Professional Costs	6,472.75
8746	Telephone/Cable	2,756.36
8752	Office Supplies	1,632.54
8760	Postage	358.44
8762	Travel	3,632.92
8765	Parking Expense	56,348.90
8798	TOTAL ADMINISTRATION EXPENSES	<u>71,380.91</u>
8799	TOTAL NET OPERATING INCOME BEFORE DEBT SERVICE	323,064.45
8800	DEBT SERVICE	
8810	Interest Expense(Mortgage)	257,676.54
8898	TOTAL DEBT SERVICE	<u>257,676.54</u>
8899	NET INCOME BEFORE DEPRECIATION	<u>65,387.91</u>

Ad. & Post

*-Vale
Ad. & Post*

400 Arthur Godfrey Road (400)

Income Statement

Period = Jan 2012-Dec 2012

Book = Accrual

	Period to Date
RENTAL INCOME	
Base Rental Income	1,101,073.64
TOTAL RENTAL INCOME	<u>1,101,073.64</u>
OTHER OPERATING INCOME	
CAM Income	57,072.81
Keys/Locks/Card Income	75.00
Late Fee Income	-100.00
Miscellaneous Income	6,000.00
NSF Fee Income	200.00
Parking/Garage/Carport Income	38,249.60
Utility - Electricity Income	3,180.00
TOTAL OTHER OPERATING INCOME	<u>104,677.41</u>
TOTAL INCOME	<u>1,205,751.05</u>
PROPERTY EXPENSES	
BUILDING REPAIRS & MAINTENANCE	
Repairs - General	13,217.78
Appliance Repairs	1,049.97
Electric R & M	1,303.82
Elevator - Contract	8,387.48
Elevator - Supplies/R & M	4,835.09
Fire/Safety Equipment	5,972.50
Repairs and Maintenance	1,088.00
Flooring	200.00
HVAC - Air Conditioner (Units) R & M	30,396.35
Painting - Exterior	11,900.00
Painting - Interior	50.00
Pest Control/Extermination Contract Services	1,412.40
Plumbing R & M	5,107.35
Roofing R & M	100.00
TOTAL BUILDING REPAIRS & MAINTENANCE	<u>85,020.74</u>
JANITORIAL	
Janitorial/Cleaning Services	4,570.00
Janitorial/Cleaning Supplies	9,430.88
Window Washing	2,250.00
TOTAL JANITORIAL	<u>16,250.88</u>
COMMON AREA MAINTENANCE	
Supplies	2,175.59
Fire Protection	1,454.75
Trash Removal	25,005.46
Supplies - Flooring	2,799.04
TOTAL COMMON AREA MAINTENANCE	<u>31,434.84</u>
UTILITIES	

400 Arthur Godfrey Road (400)

Income Statement

Period = Jan 2012-Dec 2012

Book = Accrual

	Period to Date
Electric - Common	119,282.10
Electricity - Exterior	6,491.83
Electricity - Interior	8,541.31
Water/Sewer	27,566.23
TOTAL UTILITIES	<u>161,881.47</u> ✓
INSURANCE	
Property Insurance	60,318.67
TOTAL INSURANCE	<u>60,318.67</u> ✓
REAL ESTATE TAXES	
Property Taxes	109,716.00
TOTAL REAL ESTATE TAXES	<u>109,716.00</u> ✓
TOTAL PROPERTY EXPENSES	<u>464,622.60</u>
NET OPERATING INCOME	<u>741,128.45</u>
ADMINISTRATIVE EXPENSES	
Interest Expense	590.28
Payroll - Office	102,886.02 + <i>plm</i>
Payroll Taxes - Office	23,992.26
Bank Charges	285.99
Employee Bonuses	2,100.00
Filing Fees	1,684.54
Tax Penalties & Interest	11.50
Legal/Professional Costs	6,317.00
Telephone/Cable	5,475.55
Computer Maintenance	3,623.10
Office Supplies	34.23
Postage	141.11
Travel	3,570.74
Meals & Ent - Miscellaneous	511.18
Parking Expense	70,197.10
TOTAL ADMINISTRATION EXPENSES	<u>221,420.60</u>
TOTAL NET OPERATING INCOME BEFORE DEBT SERVICE	<u>519,707.85</u>
DEBT SERVICE	
Interest Expense(Mortgage)	394,883.70
TOTAL DEBT SERVICE	<u>394,883.70</u>
NET INCOME BEFORE DEPRECIATION	<u>124,824.15</u>
TOTAL NET INCOME	<u>124,824.15</u>

400 Arthur Godfrey Road (400)

Income Statement

Period = Jan 2013-Dec 2013

Book = Accrual

	Period to Date	
5001	RENTAL INCOME	
5010	Base Rental Income	1,332,672.63
5015	Bad Debt - Rent	-52,011.65
5020	Concessions	-10,438.22
5199	TOTAL RENTAL INCOME	<u>1,270,222.76</u>
5200	OTHER OPERATING INCOME	
5210	CAM Income	59,516.58
5280	Damages/Cleaning Fee Income	315.00
5440	Keys/Locks/Card Income	125.00
5480	Late Fee Income	200.00
5510	Miscellaneous Income	-70.00
5550	NSF Fee Income	410.00
5670	Parking/Garage/Carport Income	37,991.40
5705	Recovery Income - Insurance	12,027.08
5840	Utility - Electricity Income	3,180.00
5999	TOTAL OTHER OPERATING INCOME	<u>113,695.06</u>
6999	TOTAL INCOME	<u>1,383,917.82</u>
7000	PROPERTY EXPENSES	
7001	BUILDING REPAIRS & MAINTENANCE	
7010	Repairs - General	16,353.18
7012	Appliance Repairs	867.27
7016	Electric R & M	3,901.56
7018	Elevator - Contract	8,964.08
7020	Elevator - Supplies/R & M	51.72
7022	Fire/Safety Equipment	3,675.54
7026	Repairs and Maintenance	36.00
7028	HVAC - Air Conditioner (Units) R & M	16,322.00
7038	Painting - Exterior	1,500.00
7042	Pest Control/Extermination Contract Services	1,592.16
7044	Plumbing R & M	5,191.42
7046	Roofing R & M	1,600.00
7048	Security Devices	10,530.69
7199	TOTAL BUILDING REPAIRS & MAINTENANCE	<u>70,585.62</u>
7200	JANITORIAL	
7210	Janitorial/Cleaning Services	6,585.00
7220	Janitorial/Cleaning Supplies	10,301.46
7230	Window Washing	750.00
7299	TOTAL JANITORIAL	<u>17,636.46</u>
7300	COMMON AREA MAINTENANCE	
7314	Supplies	2,808.29
7320	Fire Protection	401.25
7334	Signage	6,336.75
7344	Trash Removal	24,935.28
7346	Supplies - Plumbing	271.99
7348	Supplies - Electrical	51.72
7399	TOTAL COMMON AREA MAINTENANCE	<u>34,805.28</u>
7400	UTILITIES	
7410	Electric - Common	113,963.22
7412	Electricity - Exterior	533.63
7414	Electricity - Interior	29,141.84
7428	Water/Sewer	29,972.72
7499	TOTAL UTILITIES	<u>173,611.41</u>
7500	PAYROLL	
7550	Maintenance Staff - Salaries	356.00
7590	Temporary Help	80.00
7599	TOTAL PAYROLL	<u>436.00</u>

400 Arthur Godfrey Road (400)

Income Statement

Period = Jan 2013-Dec 2013

Book = Accrual

		Period to Date
7600	PROPERTY MANAGEMENT FEES	
7610	Property Management Fees	51,230.53 ✓
7699	TOTAL PROPERTY MANAGEMENT FEES	<u>51,230.53</u>
7700	INSURANCE	
7710	Property Insurance	51,948.12 ✓
7999	TOTAL INSURANCE	<u>51,948.12</u>
8000	REAL ESTATE TAXES	
8010	Property Taxes	167,616.67
8199	TOTAL REAL ESTATE TAXES	<u>167,616.67</u>
8698	TOTAL PROPERTY EXPENSES	<u>567,870.09</u>
8699	NET OPERATING INCOME	771,827.61
8700	ADMINISTRATIVE EXPENSES	
8718	Payroll - Office	63,886.00 Shared with another
8720	Payroll Taxes - Office	26,829.00 property
8724	Bank Charges	493.37 -
8728	Employee Bonuses	4,600.00 -
8734	Filing/Permit Fees	1,900.00 -
8740	Legal/Professional Costs	2,750.00 -
8742	Consulting Fees	800.00 -
8746	Telephone/Cable	6,793.22 -
8748	Computer Maintenance	5,282.99 -
8752	Office Supplies	433.85 -
8760	Postage	283.98 -
8762	Travel	1,567.26 -
8764	Meals & Ent - Miscellaneous	134.75 -
8765	Parking Expense	78,942.20 ✓
8798	TOTAL ADMINISTRATION EXPENSES	<u>194,696.62</u>
8799	TOTAL NET OPERATING INCOME BEFORE DEBT SERVICE	<u>577,130.99</u>

400 Arthur Godfrey Road (400)

Income Statement

Period = Jan 2014-Dec 2014

Book = Accrual

	Netz Bonds Miami USA L	Total
		Actual
Property Ins. Escrow Bal		0.00
Sales Tax Payable - OLD		0.00
RENTAL INCOME		
Base Rental Income		1,359,356.95
Bad Debt - Rent		
Vacancy Loss		0.00
Concessions		-1,500.00
Employee Apartments		0.00
Percentage/Overage Rent		0.00
Prepaid Rent		0.00
TOTAL RENTAL INCOME		1,357,856.95
OTHER OPERATING INCOME		
CAM Income		60,116.52
CAM Income - Estimate		0.24
Cam Recovery		0.00
Application Fee Income		0.00
Advertising Income		0.00
Antennae/Roof Income		0.00
Cable Fees Income		0.00
Concession Stand Income		0.00
Conference Room Income		0.00
Credit Card Income		0.00
Damages/Cleaning Fee Income		100.00
Forfeited Deposit Income		0.00
Inspection Fee Income		0.00
Keys/Locks/Card Income		200.00
Late Fee Income		88.70
Laundry Room Income		0.00
Miscellaneous Income		0.00
MTM Penalties		0.00
NSF Fee Income		150.00
Parking/Garage/Carport Income		34,050.00
Pet Fee Income		0.00
Redecorating Fee Income		0.00
Recovery Income - Insurance		0.00 ??
Recovery Income - RE Tax		0.00
Recovery Income - Utility		0.00
		0.00
Security Guard		0.00
Signage Income		0.00
Storage Income		0.00
Termination/Cancellation Fees Income		0.00
Utility - Electricity Income		2,385.00
Utility - Gas/Fuel Income		0.00
Vending Machine Income		0.00
Washer/Dryer Income		0.00
TOTAL OTHER OPERATING INCOME		97,090.46
OTHER INCOME		
Interest Income		30.00
Management Fee Overrides		0.00
Miscellaneous Income		0.00
TOTAL OTHER INCOME		30.00
TOTAL INCOME		1,454,977.41
PROPERTY EXPENSES		
BUILDING REPAIRS & MAINTENANCE		

400 Arthur Godfrey Road (400)

Income Statement

Period = Jan 2014-Dec 2014

Book = Accrual

Netz Bonds Miami USA L	Total
	Actual
Repairs - General	2,051.50
Appliance Repairs	870.36
Electric R & M	4,355.69
Elevator - Contract	10,485.55
Elevator - Supplies/R & M	6,051.72
Fire/Safety Equipment	1,917.60
Repairs and Maintenance	0.00
Flooring	0.00
HVAC - Air Conditioner (Units) R & M	46,328.62
Interior Building R & M - Operating Supplies	0.00
Lighting Fixtures and Lights	0.00
Painting - Exterior	0.00
Painting - Interior	0.00
Pest Control/Extermination Contract Services	1,936.70
Plumbing R & M	7,592.97
Roofing R & M	0.00
Security Devices	1,279.54
Tools	0.00
Window/Glass R & M	0.00
Miscellaneous R & M	0.00
TOTAL BUILDING REPAIRS & MAINTENANCE	82,870.25
JANITORIAL	
Janitorial/Cleaning Services	4,560.00
Janitorial/Cleaning Supplies	10,035.59
Window Washing	750.00
TOTAL JANITORIAL	15,345.59
COMMON AREA MAINTENANCE	
Supplies	909.59
Supplies - Equipment	0.00
Equipment - Rental	0.00
Fire Protection	1,848.00
Landscape	2,400.00
Pool Maintenance	0.00
Parking Lot Maintenance	1,048.50
Seasonal Decorations	0.00
Security Patrol/Courtesy Officer	0.00
Signage	374.50
Snow Removal	0.00
Trash Removal	24,935.28
Asbestos/Lead Removal	0.00
Supplies - Plumbing	0.00
Supplies - HVAC	0.00
Supplies - Electrical	0.00
Supplies - Flooring	0.00
Supplies - Hardware	0.00
Supplies - Kitchen	0.00
Supplies - Paint	0.00
Supplies - Flooring	0.00
Supplies - Appliances	0.00
Supplies - Keys/Locks	0.00
Classify Expenses to Building Improvements	-46,783.42
TOTAL COMMON AREA MAINTENANCE	-15,267.55
UTILITIES	
Electric - Common	111,586.77
Electricity - Exterior	3,384.41

400 Arthur Godfrey Road (400)

Income Statement

Period = Jan 2014-Dec 2014

Book = Accrual

	Netz Bonds Miami USA L	Total
		Actual
Electricity - Interior		10,503.52
Gas/Fuel		0.00
Water/Sewer		28,076.91
TOTAL UTILITIES		153,551.61
PAYROLL		
UCI Taxes		0.00
Workers Comp Insurance		0.00
Administrative Staff - Salaries		0.00
Building Manager - Salaries		0.00
Maintenance Staff - Salaries		250.00
Payroll Taxes		0.00
Employee Fringe Benefits		1,624.30
Temporary Help		0.00
TOTAL PAYROLL		1,874.30
PROPERTY MANAGEMENT FEES		
Property Management Fees		66,859.75
TOTAL PROPERTY MANAGEMENT FEES		66,859.75
INSURANCE		
Property & Liability Insurance		104,248.39 ???
Liability Insurance		0.00
TOTAL INSURANCE		104,248.39
REAL ESTATE TAXES		
Property Taxes		168,158.99
Taxes Licenses & Other		300.00
TOTAL REAL ESTATE TAXES		168,458.99
ADMINISTRATIVE EXPENSES		
Office Rent		0.00
Office Utilities		0.00
Resident Screening		0.00
Interest Expense		0.00
Payroll - Office	37,666.00	84,532.27 Shared with 3 buildings
Payroll Taxes - Office	12,806.00	29,423.19
Condo Association Fees		0.00
Credit Card Fees		0.00
Bank Fees		784.51
Advertising		0.00
Eviction Expenses		0.00
Employee Bonuses		1,900.00
Commissions		
Broker Fees		0.00
Filing/Permit Fees		688.75
Partnership Taxes		0.00
Tax Penalties & Interest		771.88
Legal/Professional Costs		1,750.00
Consulting Fees		0.00
Telephone/Cable		7,599.67
Computer Maintenance		4,802.75 ????
Office Supplies		1,217.87
Classify Office Supplies to Building Improvements		0.00
Software Costs		359.00
Delivery Costs		0.00
Postage		62.01
Travel		1,452.50

400 Arthur Godfrey Road (400)

Income Statement

Period = Jan 2014-Dec 2014

Book = Accrual

	Netz Bonds Miami USA L	Total	
		Actual	
Lodging		0.00	
Meals & Ent - Miscellaneous		99.33	
Parking Expense		74,208.20	
Miscellaneous Expenses		0.00	
Interest Rate Swaps		0.00	
Ask My Accountant		0.00	
TOTAL ADMINISTRATION EXPENSES		146,168.47	
TOTAL EXPENSES		724,109.80	\$ 12.53
TOTAL NET OPERATING INCOME BEFORE DEBT SERVICE		730,867.61	

Additional information

3. A corporation that adds quantitative information regarding its exposure to market risks and its method of managing such risks beyond what is required pursuant to sections 2(e)-(g) shall also describe the model and its limitations along with the facts, assumptions, estimations, forecasts and [other] parameters that are required for the understanding of the additional information.

Information presented in financial statements

4. (a) If information which is required pursuant to this schedule and its provisions is presented in the corporation's financial statements, such information shall be presented as it was presented in the said financial statements.

(b) If the information which is required pursuant to this schedule and its provisions is presented in full in the corporation's financial statements, the information which is required pursuant to this schedule shall be included by reference to the said financial statements.

Third Schedule
(Section 8B(d))
(Amendment: 2006(2), 2010(2))

Issues that are to be addressed in an attached material valuation:

Identification of the subject of the valuation

1. Specification and identification of the subject of the valuation;

Details of the contractual agreement

2. Details of the contractual agreement between the party that ordered the valuation and the appraiser, including the following:
 - (a) The identity of the corporation that ordered the valuation and the identity of the organ within the said corporation that decided upon the contractual agreement with the appraiser;
 - (b) The date of the agreement between the party ordering the valuation and the appraiser;
 - (c) The reasons due to which the corporation has ordered the valuation;
 - (d) The name of the appraiser, his or her signature and the date on which the agreement concerning the contractual relationship was signed; if the appraiser is a corporation, details of the party who actually provides the valuation - and his or her signature - should be attached;
 - (e) Details of the appraiser's education

- (f) The appraiser's prior consent regarding the attachment of the valuation;
- (g) The conditions, if there are any, regarding the fee to which the appraiser is entitled; in addition, the impact the said conditions have on the results of the valuation;
- (h) The agreement, if there is any, regarding indemnification of the appraiser with respect to the work done; if there is such an agreement, the valuation shall specify the details of the indemnification as well as the identity of the party providing the indemnification.
- (i) Particulars regarding the appraiser's experience in carrying out appraisals involving values that are similar to those of the subject of the current valuation, or which are larger than such values.

The appraised value

3. The valuation (for this purpose, the term "value" shall include a minimal value), shall include details regarding the value established in the valuation, including the following details:
 - (a) The value established by the appraiser;
 - (b) The valuation's effective date;
 - (c) Sensitivity analyses of the [appraised] value, according to the very significant assumptions [involved in] the valuation;
 - (d) If the subject of the valuation is an item which is presented in the corporation's financial statements, its value as presented in the financial statements the date of which is closest to the valuation's effective date should be indicated; if the subject of the valuation is a corporation, the financial statements should indicate the equity of the valuated corporation;
 - (e) If the subject of the valuation is an asset traded on the stock exchange, the report shall indicate the highest point, the lowest point and the average of the asset's value during the six months preceding the effective date, taking into consideration any distribution, split or issue of rights during the said period; for this purpose, [the term] "stock exchange" shall have the definition it is given in section 50A(a) of the [Securities] Law;
 - (f) If, in accordance with the corporation's best knowledge, there have been previous transactions involving the [asset which is the] subject of the valuation during the two years preceding the effective date, the values [for the asset derived from] such transactions shall be presented;
 - (g) If the [asset's] appraised value established in the valuation varies by twenty-five percent or more from the [asset's] average value on the stock exchange during the six months preceding the [valuation's] effective date or from the value derived from previous transactions, as described in sub-clause (f) [above], the difference between the said value and the [value established in the] valuation shall be explained and justified;
 - (h) If the appraised value established in the valuation varies by forty percent or more from the appraised values established in other valuations that have been publicized in the context of public reports filed pursuant to the Securities Law

during the two years preceding the valuation, the data from the other valuations shall be presented, along with the assumptions on which they were based;

- (i) Any significant changes made to the valuation following requests for disclosure or clarifications from the ISA or from an authorized employee thereof.

Appraisal method

4. The valuation shall contain details pertaining to the appraisal method that was used, including the following:
 - (a) A description of the asset that is the subject of the valuation; if the subject of the valuation is an activity, the valuation shall include an analysis of the industry and of the business environment in which the subject of the valuation is active, along with an analysis of the risks and opportunities that it faces;
 - (b) The facts, assumptions, calculations and projections on which the appraiser has relied;
 - (c) The key factors that might affect the projections;
 - (d) The assumptions and projections submitted by the corporation which served as the basis for the valuation; the appraiser shall indicate, in the valuation, whether significant changes had been made in the said assumptions and projections for the purpose of the valuation, and shall specify any probability analyses carried out with regard to such assumptions and projections;
 - (e) The appraisal method used by the appraiser for preparing the valuation, and the reasons for choosing the said method; if the method chosen by the appraiser is different from the cash flow capitalization method, the appraiser shall explain the reasons for choosing the said method;
 - (f) The sources of information that were available to the appraiser; if there are other sources of information that in the appraiser's opinion should have been used for the purpose of the valuation, and he or she was prevented from accessing or receiving them - the appraiser shall disclose that fact, and indicate the reason for it;
 - (g) If the appraiser made use of a capitalization rate, the chosen capitalization rate shall be specified and detailed explanations shall be provided regarding the choice of the particular capitalization rate and the method of its calculation.

Previous valuations by the assessor

5. The valuation shall include details regarding previous valuations carried out by the same appraiser concerning the same subject of the valuation, including the following details:
 - (a) If a previous valuation had been carried out during the three years preceding the [current] valuation's effective date, the appraiser shall specify the effective date of such previous valuations, the appraised values established in them and the reasons for providing the said valuations;
 - (b) If the appraised value established in the prior valuations varies by twenty percent or more from the appraised value established in the [current] appraisal, or if the profit or loss which was calculated in accordance with the previous valuations varies by ten percent or more from the profit or loss calculated pursuant to the [current] valuation, or if the appraisal methods used in the [current] valuation was different from the appraisal method used in the prior valuations – the appraiser shall disclose [such] fact[s] and provide explanations for the main changes [made with regard to the] significant assumptions and estimates [on which the current valuation was based], accompanied by facts that brought about the said change;
 - (c) If there are variations between the financial results on which the previous valuations were based and the actual financial results – the said variations shall be presented and explained.

Reliance on experts

6. If the valuation was based on material valuations [carried out] by additional experts -
 - (a) The valuations by the additional experts shall be attached to the valuation;
 - (b) All the details required pursuant to this schedule shall be presented, *mutatis mutandis*, with regard to the valuations by the additional experts.

Fourth Schedule
(Section 10(b) (11))
(Amendment: 2007, 2010(2))

Details regarding the corporation's internal auditor to be included in the directors' report, in the following order:

Date: 30/06/2015

To: Appraisal First - Real Estate Appraisers LLC

Dear Madam/Sir,

Re: Auditor's Reliance on an Expert's Work Pursuant to Audit Standard 96

In connection with the auditing of the financial statements of NETZ UNITED STATES HY LTD. (hereinafter - "the **Company**") as at June 30, 2015 and for the period of six and three months then ended, we will use your work as an auditing expert as set forth in Auditing Standard Number 96 of the Institute of Certified Public Accountants in Israel. According to the directives of Auditing Standard 96 "Use of Expert Work", we are required to question experts in the following cases:

- A. Experts on which the audited entity relies when preparing its financial statements.
- B. Experts on which we rely when providing our opinion.

Definition of an Expert pursuant to the Auditing Standard 96: "A person or a firm with special expertise, know-how and experience in a specific field which is not accountancy and which is not auditing". (Section 3 of the Standard).

The purpose of the questionnaire attached to this document is to determine the following:

- A. The objectiveness of the expert (whether retained by the audit firm or by the audited entity).
- B. The standing and professional reputation of the expert resulting from his skills.
- C. Examination of the scope of the expert's work.

N.B.! The purpose of this questionnaire is not to test the expert's professionalism or skills, but rather to understand the nature of the connection between the expert and the audited entity, his professional reputation and standing.

To this end we ask that you send us the experts reliance questionnaire attached hereto, after you have filled it in and signed on it

Yours faithfully,

Amit, Halfon
Certified Public Accountants

Experts questionnaire on which the audited entity relies

Expert's Details:

Name of Expert: _____

License/Certificate №: _____

Your Area of Business: _____

The Service provided to the Client: _____

Financial Statement Date: _____

Part A: Expert's Objectivity Evaluation

The purpose of this part is to understand the nature of the relations prevailing between the expert and the Company.

Briefly answer the following questions and mark in the appropriate place:

1. How do you define the nature of the relations between you and the Company?
 - A. A service provider retained by the Company.
 - B. Company employee.

2. What is the scope of your activities in the Company (Rate of fees from the Company from your total annual revenues)?
 - A. Less than - 5%.
 - B. Less than 15%.
 - C. Less than 25%.
 - D. Less than 50%.
 - E. More than 50%.

3. Have you received professional instructions from the Company regarding the manner of executing your work and the expected results thereof before you started your work?
YES / NO/ not relevant.

Specify: _____

4. Are your fees directly or indirectly conditional on the results of your work?
YES / NO/ not relevant

Specify: _____

5. Does a family member or relative work for the Company?
YES / NO/ NA

Specify: _____

6. Do you provide other services for the Company ?
YES / NO/ not relevant

Specify: _____

7. Are you and/or your family members investors, directly or indirectly, in securities of the Company?
YES / NO/not relevant

Specify: _____

Part B: Evaluation of the Expert's Skills

The purpose of this part is to evaluate the professional skills of the expert and his reputation.

Briefly answer the following questions and mark the appropriate answers.

1. Do you hold an academic degree recognized in Israel?

YES / NO

Specify: _____

2. Do you hold an professional degree recognized in Israel by the Ministry of Labor or some other body? No.

(For Example: technician / practical engineer / certified electrician, etc.)

Specify: _____

3. Do you hold a certificate/ license from some other body granting you the authority to act and give opinions in your field?

YES / NO / not relevant

Specify: _____

Additional comments regarding licenses / certificates / degrees: _____

Part C' - Evaluation of the Expert's Reputation and Experience

Briefly answer the questions (documents may be attached):

1. Did you undergo internship (training) before getting your license? YES / NO/ not relevant.
(Specify the place and time of the internship)

Specify: _____

2. How many years have you been in this field?

Specify: _____

3. Have you published articles in a journal or magazine dealing in the field of your professional work?

Specify: _____

4. Do you lecture in any institute on your said field?

Specify: _____

5. Have you performed work in the past of a similar character?

Specify: _____

6. If you are a salaried worker in an organization or firm in your field, briefly answer the following questions (referring to an expert who is a salaried worker in an organization which provides the service to the Company):

- For how many years does the firm/organization in which you work engage in the field: _____

- How many experts in your field are employed in the firm/ organization: _____

- Is the firm/ organization part of an international organization: _____

- Does the firm/ organization hold periodic conferences and seminars:
YES / NO/ N.R. Specify: _____
- Does the firm/ organization publish standards or directive for its workers?
YES / NO/ N.R. Specify: _____
- Does the firm/organization have an orderly methodology regarding the method of work?
YES / NO/ N.R. Specify: _____
- Are there directives in the firm/organization regarding further studies and required periodic training?
YES / NO/ N.R. Specify: _____

7. Do you or the firm/organization have large commercial or institutional clients?

Specify: _____

8. Do you have recommendations which have been issued by a reputable organization/ institution?

Specify: _____

9. Have you been required to utilize your skills in the past as an expert witness in your field at the time of a legal hearing or arbitration?

Specify: _____

10. Has your work or the firm/ organization in which you work been published in the media?

Specify: _____

11. Please add any additional information which, in your opinion, may point to your professional reputation.

Specify:

Part C' Contd : Recognition of the Expert's Environment

Briefly answer the following questions and mark in the appropriate place:

1. Are you subject to an organization supervised party by a governmental authority or ministry (e.g. - the Land Assessors Council supervised by the Ministry of Justice). In your field?

YES / NO / N.R.

Specify:

2. Are you subject to a local institution or institutions publishing standards, periodically, in your field of expertise (e.g. the Accountancy Standards Board)?

YES / NO / N.R.

Specify:

3. Are there international organizations which publish standards in your field of expertise?

YES / NO / N.R.

Specify:

4. Are you a member of an professional organization in your field as detailed in Sections 1 - 3 above?

YES / NO / N.R.

Specify:

Part D': Scope of the Expert's Work

Briefly answer the following questions:

1. What is the scope of your work and the frequency of execution in your engagement with the Company? (How many days annually and the distribution thereof over the year).

Specify: _____

2. Please confirm that you have not been denied access to documents and/or data required for the execution of the valuation. If you have been denied access to documents and/or data, specify the reason for is and what the alternate procedures you applied in order to obtain the information.

Specify: _____

3. If data was provided by the Company, please specify the checks you carried out to verify the data and/or to examine the reasonableness thereof.

Specify: _____

4. If an opinion has been given based on the work of a team (with and/or without training), specify how the team was chosen.

Specify: _____

5. If you have answered yes to the previous question, specify how the supervision was done (if at all) in order to ensure the existence of the standards and procedures required in your area of expertise.

Specify: _____

6. Briefly specify how the documentation of your work was carried out:

Specify: _____

7. Did any differences arise at the beginning of your work with the Company regarding the data, the assumptions made and/or the results of your work? Did these differences influence the result of your work? Please specify.

Specify:

8. After delivery of the draft to the Company, and following the comments of the Company (or for whatever other reason), was the valuation amount changed? If yes, please elaborate on the change and what the reason for the change was.

Specify:

9. Does your organization have a procedure for maintaining confidentiality?

Specify:

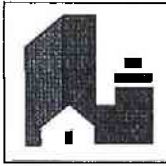
Moreover, I declare that:

- I am aware that you are relying on the valuation that I performed for the purpose of the audit on the financial statements of the Company.
- I have the know-how and experience in performing valuations [for the said assets/liabilities - please specify] (both as for the type of asset/liability and for the financial scope).
- I am aware that the validity and reasonableness of the facts, the assumptions and methodology of the valuation are my responsibility as an expert.

Expert's Name

Date

Signature



AppraisalFirst
Real Estate Appraisers LLC

1444 Biscayne Boulevard, Suite 211
Miami, Florida 33132
Phone: 305-470-2100 & 2130
Fax: 305-381-8047
E-mail: frank@appraisalfirst.net

May 27, 2015

Ms. Rinat Shilo
Netz Group LTD, Netz United States (HY) LTD, & Netzbonds Miami USA LLC
Derech Menahem Begin 125, Hayovel Tower 28 Fl., Tel Aviv, Israel

Via Email: rinat@netzgroup.com

Re: Sheridan Center, a medical office building located at 410 W. 41st Street, Miami Beach, Florida 33140 & parking lot located at 428 W. 40th Street, Miami Beach, Florida 33140.

Dear Ms. Shilo:

I propose to furnish you with an Appraisal Report in order to estimate the market value of the subject property, as of June 30, 2015. The report will contain the level of data and analysis as stated under Standard 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). The reports will conform to the Standards of Practice and Code of Ethics of the Appraisal Institute and the guidelines according to the 2014-2015 edition of USPAP. The appraisal report will include all applicable approaches to value.

The total fee for the appraisal services will be \$3,000. You may indicate your acceptance by returning a signed copy of this letter. A retainer in the amount of \$1,500 is due upon acceptance of this letter. The balance of the fee or \$1,500 is due at the time of completion. The report will be delivered on or prior to the agreed date of July 15, 2015.

The intended use of the appraisal report will be for internal purposes as it relates to assisting the client in updating their financial statements and prospectus. The client is hereby authorized to publish the appraisal report and findings in their financial statements and prospectus. The intended users are Netz Group LTD, Netz United States (HY) LTD, & Netzbonds Miami USA LLC.

Ms. Rinat Shilo
Netz Group LTD, Netz United States (HY) LTD, & Netzbonds Miami USA LLC
Page Two

It is important to note that since the reports are not intended to be used for financing they are only in compliance with the Code of ethics of the Appraisal Institute and the minimum standards of the 2014-2015 Uniform Standards of Professional Appraisal Practice (USPAP). The reports may not be in conformance with Title XI of the Financial Institutions, Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), and the Interagency Appraisal and Evaluation Guidelines, Federal Register, Volume 75, No. 237, December 10, 2010.

Once completed and delivered readdressing the appraisal reports to another party or client is prohibited by USPAP. Once an assignment is completed, it is misleading to try to add a new party as a client or intended user who was not the original client or identified intended user. Readdressing the appraisal will be considered a new assignment with a potential additional fee.

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 fee that is being paid for this appraisal is a non-refundable deposit.

Further, AppraisalFirst makes no assurance, representation or warranty that the appraised value of the subject properties will benefit or assist the client in said intended use of the appraisal reports.

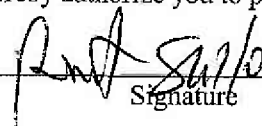
This engagement is solely predicated upon valuation services and not court preparation, associated conference time or testimony. Additional time related to expert witness testimony and/or preparation will be billed at an hourly rate of \$300. Thank you very much for the opportunity of serving you.

Respectfully Submitted,

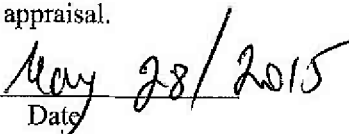


Frank Hornstein, MAI
State-Certified General
Real Estate Appraiser, No. RZ1376

I hereby authorize you to proceed with the appraisal.



Signature



Date

QUALIFICATIONS OF FRANK A. HORNSTEIN, MAI

State-Certified General Real Estate Appraiser No. RZ 1376

frank@appraisalfirst.net

EXPERIENCE:

Owner/Appraiser - AppraisalFirst - 2010 to present
Officer/Appraiser - AppraisalFirst, Inc. - 2005 to 2010
Commercial Appraiser- AppraisalFirst, Inc. - 1993 to 2005
Commercial Appraiser -Ames Appraisal Services - 1989 to 1993

PROFESSIONAL AFFILIATIONS:

Member of the Appraisal Institute, MAI

STATE OF FLORIDA LICENSES:

State-Certified General Appraiser, No. RZ 0001376
Real Estate Broker, No. 0534448

EDUCATION:

B.S., Florida State University, Tallahassee, FL - 1989
Major: Real Estate and Finance

RECENT CONTINUING EDUCATION:

- The Appraiser as an Expert Witness, Appraisal Institute, 2014
- USPAP Updated, Appraisal Institute, 2014
- USPAP Updated, Appraisal Institute, 2012
- Review Appraising, Appraisal Institute, 2012
- Business Ethics, Appraisal Institute, 2011
- Hotel Valuation, Appraisal Institute, 2010
- Effective Appraisal Writing, Appraisal Institute, 2010
- Hotel/Motel Valuation, Appraisal Institute, 2008
- Spotlight on USPAP: Hypothetical & Extraordinary, Appraisal Institute, 2008
- Litigation Skills for the Appraiser, Appraisal Institute, 2008

APPLICATIONS OF APPRAISALS:

Mortgage Loan	litigation (Expert Witness)
Securities Lending	Purchase or Sale
Foreclosure Proceedings	Estate
Bankruptcy	

TYPES OF PROPERTIES APPRAISED:

Industrial Buildings	Single Family Subdivisions
Office Buildings	Vacant Residential & Commercial Land
Rental Apartments	Retail/Showroom
Rental Townhouses	Manufacturing Buildings
Shopping Centers	Vacant Industrial Land
Leasehold Interest	Religious Facilities
Hotels & Motels	Gas Stations
Restaurants	Townhouse Subdivisions
Airport Hangars & FBO's	Condominium Projects

Geographical Areas Served:

Miami-Dade	Broward
Monroe	Palm Beach

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BOARD

LICENSE NUMBER
RZ1376

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2016



HORNSTEIN, FRANK ALLEN
1444 BISCAYNE BOULEVARD SUITE 211
MIAMI FL 33132

ISSUED: 08/28/2014

DISPLAY AS REQUIRED BY LAW

SEQ # L1408280005176

QUALIFICATIONS OF ADRIAN PENA

State Registered Trainee Real Estate Appraiser No. RI 17758

Adrian@appraisalfirst.net

State Registered Trainee Real Estate

Appraiser, No. RI 17758

Under the Supervision of Frank A. Hornstein, MAI

State-Certified General Real Estate Appraiser No. RZ 1376

EXPERIENCE

- Administrative Assistant, AppraisalFirst from February 2001 to October 2005
- Commercial & Residential Trainee Appraiser AppraisalFirst from November 2005 to Present

STATE OF FLORIDA LICENSES

- State Registered Trainee Real Estate Appraiser No. RI17758

EDUCATION

- B.S., Florida International University, Miami, FL - 2010
Major: Real Estate and Finance

CONTINUING EDUCATION

- Basic Appraisal Principles
- Basic Appraisal Procedures
- National Uniform Standard of Professional Appraisal Practice (15-Hour Course)
- Real Estate Finance, Statistics, & Valuation Modeling
- General Appraiser Market Analysis and Highest & Best Use
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach
- General Appraiser Income Approach Part 1
- General Appraiser Income Approach Part 2
- General Appraiser Report Writing and Case Studies
- General Market Analysis And Highest & Best Use
- National Uniform Standard of Professional Appraisal Practice (2014)
- Real Estate Appraisal Law (2014)

APPLICATIONS OF APPRAISALS

- Mortgage Loan
- Securities Lending
- Foreclosure Proceedings
- Bankruptcy
- Purchase or Sale

TYPES OF PROPERTIES APPRAISED

- Industrial Buildings
- Industrial/ Office Condominium Properties
- Office Buildings
- Vacant Commercial/Industrial Land
- Retail Buildings
- Restaurants
- Residential Properties
- Rental Apartment Buildings

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

LICENSE NUMBER
RI17758

The REGISTERED TRAINEE APPRAISER
Named below HAS REGISTERED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2016

PENA, ADRIAN
1444 BISCAYNE BLVD SUITE 211
MIAMI FL 33132



ISSUED: 09/22/2014

DISPLAY AS REQUIRED BY LAW

SEQ # L1409220002901