



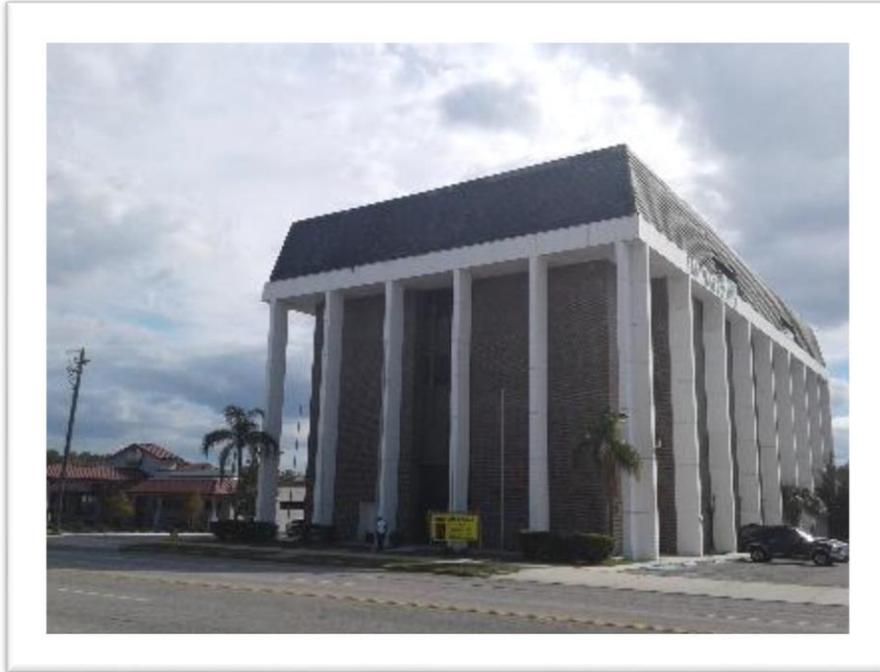
### COMPLIANCE CERTIFICATE

Client:	A & D MORTGAGE LLC
File ID:	NAN160217505
Subject Property:	715 E Bird ST, Tampa, FL 33604
Appraisal Ordered Date:	10/12/2016
Appraisal Inspection Date:	11/23/2016 12:00:00 pm
Appraisal Completion Date:	12/02/2016

Nationwide Appraisal Network, LLC dba Nationwide Appraisal & Settlement Network certifies the above referenced appraisal report was completed in compliance with Subtitle F, Appraisal Activities, Section 1471- Property Appraisal Requirements of the Dodd-Frank Act, Fannie Mae and Freddie Mac - Appraiser Independence Requirements, effective October 15, 2010 and HUD Mortgagee Letter 2009-28, effective February 15, 2010.

- The appraiser was licensed or certified by the state in which the subject property is located;
- The appraiser was not presented with an anticipated, estimated, encouraged or desired value for the subject property or a suggested or target amount to be loaned to the borrower, other than a copy of the sales contract for purchase transaction may have been granted, if applicable;
- There was not a conditioning of the ordering of the appraisal report or the payment of the appraisal fee on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate;
- The appraiser was not petitioned to provide an estimated value or comparable sale at any time foregoing to the appraiser's conclusion of an appraisal report;
- There was not an endeavor by Nationwide Appraisal Network, LLC to invalidate the appraiser's sovereignty, objectivity, or impartiality;
- There was not an endeavor by Nationwide Appraisal Network, LLC to pressure the progress, reporting, conclusion, or review of the appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or any other endeavor;
- The restitution did not rely in any way upon, the value arrived at in the appraisal or upon the closing of the loan for which the appraisal was completed;
- All Nationwide Appraisal Network, LLC personal involvement with the appraisal commitment, review and distribution of the appraisal assignment and report have been properly trained and qualified in the area of real estate appraisals.
- Nationwide Appraisal Network, LLC has written policies and procedures including, but not limited to, training and disciplinary regulation on appraiser independence and has mechanisms in place to report and discipline anyone who defies these policies and procedures;
- Nationwide Appraisal Network, LLC has an Appraisal Fraud Hotline. Appraisers, borrowers, and others that believe that they have been victims of appraisal fraud may contact Nationwide Appraisal Network, LLC at 888-760-8899 or email us at [info@nationwide-appraisal.com](mailto:info@nationwide-appraisal.com).

**APPRAISAL OF REAL PROPERTY**



**An Office Building**

715 E Bird St  
Tampa, FL 33604

**DATE OF VALUE**

November 23, 2016

**DATE OF REPORT**

December 1, 2016

**PREPARED FOR**

A&D Mortgage, LLC  
1040 S Federal Highway  
Hollywood, FL 33020  
Loan #: NAN160217505

**PREPARED BY**

Value First, Inc.  
VFI File No: 11-16-147

December 1, 2016

A&D Mortgage, LLC  
1040 S Federal Highway  
Hollywood, FL 33020  
Loan #: NAN160217505

Subject: Market Value Appraisal  
(Office Building)  
715 E Bird St  
Tampa, FL 33604

To Whom It May Concern:

At your request and authorization, Value First, Inc. (VFI) is pleased to submit the accompanying appraisal of the above referenced real property. The subject property is more fully described, legally and physically, within the enclosed report.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and The Financial Institution Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI Regulations. Furthermore, this report has been prepared in conformance with our interpretation of the appropriate regulations and guidelines set forth by A&D Mortgage LLC.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of the market value of the fee simple estate in the subject property is as follows;

<b>FINAL VALUE CONCLUSION</b>			
<i>Appraisal Premise</i>	<i>Interest Appraised</i>	<i>Date of Value</i>	<i>Value Conclusion</i>
As-Is Market Value	Fee Simple	November 23, 2016	<b>\$4,320,000</b>
Prospective Value "As-Complete"	Fee Simple	November 23, 2017	<b>\$5,250,000</b>

*Source: VFI*

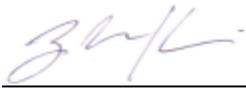
To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of the 2016-2017 edition of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Value First, Inc. internal standards for an Appraisal Report, or standard format Appraisal Report. This type of report has a moderate level of detail. It summarizes the information analyzed, the appraisal methods employed and the reasoning that supports the analyses, opinions and conclusions. It meets or exceeds the former *Summary Appraisal Report* requirements that were contained in the 2012-2013 edition of USPAP.

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

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if Value First, Inc. can be of further service, please do not hesitate to contact us.

Respectfully submitted,

**VALUE FIRST, Inc.**



---

Zachary Heissner  
Cert Gen RZ 3614  
Expires: 11/30/2018

**CERTIFICATION OF THE APPRAISER**

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and have no personal interest or bias with respect to the parties involved.
4. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event, such as the approval of a loan.
5. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, this report conforms to the requirements of the Financial Institution Reform, Recovery, and Enforcement Act (FIRREA).
6. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
7. Zachary Heissner has completed the requirements of the continuing education program of the State of Florida.
8. David Sledd inspected the subject property on November 23, 2016, which is the effective date of value.
9. David Sledd has provided professional assistance to the persons signing this report in the form of inspection, research and report production.
10. Zachary Heissner and David Sledd have extensive experience in the appraisal/review of similar property types.
11. Zachary Heissner and David Sledd are currently certified in the state of Florida.
12. I Zachary Heissner/VFI have performed no professional 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.



---

Zachary Heissner  
Cert Gen RZ 3614  
Expires: 11/30/2018

SUMMARY OF SALIENT FACTS

<b>Owner Name</b>	Sunbuild Phase I LP
<b>Location</b>	715 E Bird St, Tampa, FL 33604
<b>Assessor's Parcel Number</b>	A-25-28-18-ZZZ-000005-38460.0
<b>Legal Description</b>	LOT BEG 50 FT S OF C/L OF E BIRD ST AND 377.5 FT W OF C/L OF NEBRASKA AVE AND RUN S 89 DEG 42 MIN W 210.90 FT S 265 FT N 89 DEG 42 MIN E 212.3 FT AND N 265 FT TO BEG
<b>Property Description</b>	The subject is located at 715 E Bird St in Tampa, FL (Hillsborough County). It consists of a single tax parcel totaling 56,074 sf (1.29 acres), and is identified by the county assessor as parcel A-25-28-18-ZZZ-000005-38460.0. It is improved with a ~63,200 sf four-story building built in 1950. The structure is concrete block / brick construction with a built up tar and gravel roof system. The subject is currently 78% occupied by multiple tenants. The building features a partial basement area for storage and additional rentable area in a mezzanine with features approximately 7,000 sq.ft.
<b>Improvements</b>	
Number of Buildings	One
Gross Building Area	~63,200 sf
Net Rentable Area	~57,500 sf
Year Built	1950
Remaining Economic Life	25 years
Condition	Average
<b>Land</b>	
Gross Land Area	1.29 acres or 56,074 sf
Excess/Surplus Land	None
<b>Property Rights Appraised</b>	Fee simple
<b>Date of Value</b>	November 23, 2016
<b>Date of Inspection</b>	November 23, 2016
<b>Date of Report</b>	December 1, 2016

<b><i>Financial Indicators</i></b>	
Rental Rate	\$8.50/sf/Modified Gross, Market
Occupancy	78% tenant occupancy, 95% stabilized occupancy
Capitalization Rate	7.50%
Estimated Marketing Time	12 months
<b>Valuation (As Complete)</b>	
Income Capitalization Approach	\$5,105,000 (Primary consideration)
Sales Comparison Approach	\$5,320,000 (Primary consideration)
Cost Approach	Not Applicable
Average	\$5,250,500
<b>Final Value</b>	
<b>Market Value "As Complete"</b>	<b>\$5,250,000 (\$83/SF Rounded)</b>
<b>Market Value "As Is"</b>	<b>\$4,320,000 (\$68/SF Rounded)</b>
<b>Insurable Value "As Is"</b>	<b>\$3,960,000/SF (Rounded)</b>

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**ADDENDA**

- Photographs of Subject Property
- Insurable Value
- Assumptions and Limiting Conditions
- Specific Assumptions and Limiting Conditions
- Appraiser Qualifications / License
- Engagement Letter

**INTRODUCTION**

**PROPERTY IDENTIFICATION**

The subject is located at 715 E Bird St in Tampa, FL (Hillsborough County) and is identified by the assessor as parcel number A-25-28-18-ZZZ-000005-38460.0. The 56,074 sf (1.29 acre) parcel is improved with a ~63,200 sf, four story office building constructed circa 1950. The subject features a multiple tenant configuration and per the current owner / manager’s rent roll is approximately 78% occupied. It is of concrete block and brick construction with a built up tar and gravel roof system. A title report was not provided for review. Therefore, property specific information provided and relied upon herein is derived from county records and an exterior/interior viewing of the subject property.

**LEGAL DESCRIPTION**

A title report was not provided for review. The short legal description as reported by Hillsborough County is as follows:

LOT BEG 50 FT S OF C/L OF E BIRD ST AND 377.5 FT W OF C/L OF NEBRASKA AVE AND RUN S 89 DEG 42 MIN W 210.90 FT S 265 FT N 89 DEG 42 MIN E 212.3 FT AND N 265 FT TO BEG

**OWNERSHIP AND PROPERTY HISTORY**

The subject is currently owned by Sunbuild Phase I LP. Per the Hillsborough County records, the subject last transferred in July of 2012 for \$1,550,000 via a warranted deed recorded in book 21234, page 1066 of the Hillsborough County public records. There were no other sales or transfers of the subject property within the previous five years. The subject’s sale/transfer history is below.

Sales History							
Off. Record		Date		Type Inst	Qualified or Unqualified	Vacant or Improved	Sale Price
Book	Page	Month	Year				
21234	1066	7	2012	WD	Qualified	Improved	\$1,550,000
19811	416	3	2010	CT	Unqualified	Improved	\$100
12538	148	3	2003	WD	Qualified	Improved	\$1,250,000
10549	355	12	2000	CT	Unqualified	Improved	\$1,000
9480	1025	2	1999	QC	Unqualified	Improved	\$100

Per discussions with ownership and a review of CoStar, Loopnet and MLS the subject has been listed for sale and lease within the prior twelve months. The owner stated the property is currently for sale at \$4,500,000. A prior listing was found which was removed in October 2012 with a list price of \$4,200,000. The owner has continued to make tenant improvements and has leased the entire third floor to the Tampa Arts Center. The current listings is with Gabriela Caceres of Related ISG International Realty with a list price of \$4,500,000 and Loopnet ID of 20041095.

## **OWNER INTERVIEW / PURCHASE AND SALE AGREEMENT**

During the inspection we met with the current owner / manager of the subject property who provided information on the occupancy, tenants and improvements at the subject since the prior sale. Since the purchase, the lobby / entrance has been updated with tile flooring, paint, etc a new fire alarm system and sprinkler system has been installed in the entire building per the county code and a new security system has been installed. The second floor has been finished office with office suites leased individually. The third floor has been recently leased to the Tampa Arts center and tenant improvements are in process. Per management, the landlord is responsible for \$60,000 in tenant improvements to the third floor and the tenant will incur additional improvement costs. The owner has estimated approximately \$1,500,000 has been spent on improvements since the prior purchase. Future renovations will include repairs / new elevators, new balconies on the 4<sup>th</sup> floor, parking lot re-paving and overall renovations to the 4<sup>th</sup> floor. The estimate for the future renovations is approximately \$650,000.

## **DATES OF INSPECTION AND VALUATION**

The site was last inspected by David Sledd on November 23, 2016. The date of value is the date of inspection.

## **PURPOSE OF THE APPRAISAL**

The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject property, in “as is” condition. Market value is defined as follows:

Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

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<sup>1</sup> The definition of market value is taken from: The Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, §34.42(f), August 24, 1990. This definition is compatible with the definition of market value contained in *The Dictionary of Real Estate Appraisal*, Third Edition, and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation, 1992 edition. This definition is also compatible with the OTS, RTC, FDIC, NCUA, and the Board of Governors of the Federal Reserve System definition of market value.

### **INTENDED USE OF REPORT**

The intended use of this appraisal is for loan origination by A&D Mortgage, LLC.

### **INTENDED USER OF REPORT**

The intended users of this report include A&D Mortgage, LLC and any affiliates.

### **PROPERTY RIGHTS APPRAISED**

The value estimated represents the fee simple estate.

### **SCOPE OF WORK - APPRAISAL DEVELOPMENT AND REPORTING PROCESS**

The following steps were completed by VFI for this assignment:

1. Analyzed regional, city, neighborhood, site, and improvement data.
2. Inspected the subject and the neighborhood.
3. Reviewed data regarding taxes, zoning, utilities, easements, and city services.
4. Considered comparable improved sales, comparable improved building rental information, and comparable site sales. Confirmed data with principals, managers, or real estate agents representing principals, unless otherwise noted.
5. Analyzed the data to arrive at conclusions via each approach to value used in this report.
6. Reconciled the results of each approach to value employed into a probable range of market data and finally an estimate of value for the subject, as defined herein.
7. Estimated a reasonable exposure time associated with the value estimate.

The subject site and improvement descriptions are based on a personal viewing of the property, discussions with local brokers, public records and a review of relevant plat maps and site plan. The inspection is not a substitute or replacement for thorough engineering studies.

To develop the opinion of value, VFI performed a complete and thorough appraisal process considering all approaches to value. This report fully conforms to appraisal guidelines as defined by the Uniform Standards of Professional Appraisal Practice as of January 1, 2016.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of the 2016-2017 edition of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Value First, Inc. internal standards for an Appraisal Report, or standard format Appraisal Report. This type of report has a moderate level of detail. It summarizes the information analyzed, the appraisal methods employed and the reasoning that supports the analyses, opinions and conclusions. It meets or exceeds the former *Summary Appraisal Report* requirements that were contained in the 2012-2013 edition of USPAP.

### **RESEARCH SOURCES**

Our research sources include County Records, Costar, MLS, Loopnet and our internal private appraisal database. Using the appropriate research sources, we searched for comparable data within the subject's market area, which is considered to be the greater Hillsborough County region. Other data sources included property managers, real estate brokers and investors within the subject's

market area. Information was collected regarding market factors deemed germane to this assignment. All pertinent physical and economic factors were analyzed.

### **PERSONAL PROPERTY**

No personal property or any non-realty items associated with the operation of the subject property were included in the value conclusions provided herein.

### **SPECIAL APPRAISAL INSTRUCTIONS**

The current owner has plans make additional renovations to the building, parking area and fourth floor office space. The additional renovation budget per the owner is \$650,000.

### **HYPOTHETICAL CONDITIONS AND EXTRAORDINARY ASSUMPTIONS**

It is important to note that several extraordinary assumptions were employed in regards to the prospective value analysis herein. An extraordinary assumption is defined within The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. as “an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in the analysis”.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot be reasonably foreseen at this time.

### **EXTRAORDINARY ASSUMPTIONS**

- This valuation assumes that the proposed improvements / renovations, as provided are accurate. If subsequent information indicates these costs to be materially different, our value assumption and conclusions within this appraisal could be materially different, and VFI reserves the right to revise any value assumptions made if updated costs, hidden or otherwise, come to light.
- This valuation assumes that all proposed work outlined within this appraisal will be completed by November 23, 2017 with materials that are commensurate with comparable properties. No construction time line has been submitted by the owner, the assumption for renovation period is 6-9 months with an additional 3 months for lease up to achieve stabilization.

- 
- The prospective value estimate at completion assumes all proposed construction was performed in a timely and workmanlike manner. In the alternative, the foregoing prospective value estimate could require adjustment.
  - This valuation assumes that market conditions as of November 23, 2017 will be similar to our current date of value
  - This valuation assumes the construction budget provided to our office is accurate.
- 
- 

Should any of the extraordinary assumptions be found incorrect, VFI reserves the right to readdress the value developed herein.

### **MARKETING/EXPOSURE TIME**

Based upon a review of recent sales transactions in the subject market area and interviews with market participants, along with inspection and evaluation of the subject property, 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 As Is as of the date of value of this appraisal is estimated to be twelve (12) months. I forecast that this is a reasonable time of exposure under current market conditions to sell the subject at the appraised value. It is also necessary to estimate the appropriate "exposure time" which is defined as the amount of time from when a property is available for sale to the date on which it enters escrow. Based on a review of the above data, the "exposure time" and "marketing time" for the subject property are estimated to be the same.

## AREA ANALYSIS – HILLSBOROUGH COUNTY, FL

The dynamic nature of economic relationships within a market area has a direct bearing on real estate values and the long-term quality of a real estate investment. In the market, the value of a property is not based on the price paid for it in the past or the cost of its creation, but on what buyers and sellers perceive it will provide in the future. Consequently, the attitude of the market toward a property within a specific neighborhood or market area reflects the probable future trend of that area.

Since real estate is an immobile asset, economic trends affecting its locational quality in relation to other competing properties within its market area will also have a direct effect on its value as an investment. To accurately reflect such influences, it is necessary to examine the past and probable future trends, which may affect the economic structure of the market and evaluate their impact on the market potential of the subject. This section of the report is designed to isolate and examine the discernible economic trends in the region and neighborhood, which influence and create value for the subject property.



**Hillsborough County** is a county located in the U.S. state of Florida. As of the 2010 census, the population was 1,229,226, making it the fourth-most populous county in Florida. Its county seat and largest city is Tampa.

Hillsborough County is included in the Tampa–St. Petersburg–Clearwater, FL Metropolitan Statistical Area.

### Geography

According to the U.S. Census Bureau, the county has a total area of 1,266 square miles (3,280 km<sup>2</sup>), of which 1,020 square miles (2,600 km<sup>2</sup>) is land and 246 square miles (640 km<sup>2</sup>) (19.4%) is water. There is approximately 158.27 miles (254.71 km) of shoreline on Tampa Bay.

The county's unincorporated area approximately 888 square miles (2,300 km<sup>2</sup>), or more than 84 percent of the total land area. Municipalities account for 163 square miles (420 km<sup>2</sup>). The modern boundaries of the county place it midway along the west coast of Florida.

A narrow portion of Hillsborough County to the south, consisting almost exclusively of water, extends west to the Gulf of Mexico roughly along the Tampa Port Shipping Channel. This has the effect of keeping Hillsborough County from being technically landlocked. The central portion of the Sunshine

Skyway Bridge is in Hillsborough County as is Egmont Key at the entrance to Tampa Bay. This narrow strip of land effectively separates Pinellas County from Manatee County. The extreme northernmost tip of a spoil island located just west of port manatee also lies in Hillsborough County.

Hillsborough is home to Alafia River State Park and Hillsborough River State Parks, as well as the C. W. Bill Young Regional Reservoir and Lithia Springs, the largest natural spring in Florida.

### ***Adjacent counties***

- Pasco County, Florida: north
- Polk County, Florida: east
- Hardee County, Florida: southeast
- Manatee County, Florida: south
- Pinellas County, Florida: west

### **Demographics**

As of the census of 2010, there were 536,092 households out of which 29.74% had children under the age of 18 living with them, 44.25% were married couples living together, 14.76% had a female householder with no husband present, and 35.69% were non-families. 27.12% of all households were made up of individuals and 7.96% (2.35% male and 5.61% female) had someone living alone who was 65 years of age or older. The average household size was 2.55 and the average family size was 3.11.

The age distribution was as follows: 23.9% were under the age of 18, 10.5% from 18 to 24, 28.3% from 25 to 44, 25.4% from 45 to 64, and 11.8% were 65 years of age or older. The median age was 36.1 years. For every 100 females there were 95.1 males. For every 100 females age 18 and over, there were 92.1 males.

The median income for a household in the county was \$49,536, and the median income for a family was \$59,886. Males had a median income of \$43,125 versus \$35,184 for females. The per capita income for the county was \$27,062. About 10.7% of families and 14.2% of the population were below the poverty line, including 19.9% of those under age 18 and 9.6% of those aged 65 or over.

### **Government**

A Home Rule Charter for Hillsborough County was approved by voters in a county-wide referendum held in September 1983, and the first County Commissioners elected under this new charter took office on May 28, 1985.

The Home Rule Charter divides the power of county government between legislative and executive branches. The Board of County Commissioners, which composes the legislative branch, sets overall policy by means of ordinances, resolutions and motions.

The executive powers of county government are vested in the County Administrator, appointed by

County Commissioners and charged by the charter to faithfully implement the powers of the Board. The charter provides for a County Attorney, to be hired by the County Administrator with the advice and consent of the County Commissioners. The charter contains a provision for a Charter Review Board appointed by County Commissioners every five years to conduct a study of county government and propose amendments to the charter. These amendments must be presented to voters for approval. One amendment was approved in November 2002, adding the position of County Internal Performance Auditor to the government structure. This position reports directly to the County Commission.

There are seven members of the Board of County Commissioners for Hillsborough County. Four are elected from single-member districts, and three are elected county wide. The Board approves the County's operating and capital budgets and the County's capital improvement program. It may take action on any programs for the improvement of the county and the welfare of its residents.

Under a Charter Ordinance that went into effect May 1985, County Commissioners are directed to perform legislative functions of government by developing policy for the management of Hillsborough County. The County Administrator, a professional appointed by the Board, and the administrative staff are responsible for the implementation of these policies.

The Board also serves as the Environmental Protection Commission. Individual Board members serve on various other boards, authorities, and commissions such as the Hillsborough Area Regional Transit Authority, Tampa Bay Regional Planning Council, Tampa Bay Water, Aviation Authority, Expressway Authority, Sports Authority, Port Authority, Arts Council of Hillsborough County, Children's Board, Metropolitan Planning Organization and the Council of Governments.

### **Economy**

In the early 20th century Hillsborough's economy was predominantly based on cigar making and agriculture. In 2012, Hillsborough had the second largest agricultural output among Florida's Counties. As of 2010, the average annual employment in Hillsborough County was 563,292. The percentages of total employment by industry was:

- Natural Resources & Mining 2.0%
- Construction 4.6%
- Manufacturing 4.1%
- Trade, Transportation and Utilities 19.5%
- Information 3.0%
- Financial Activities 9.2%
- Professional & Business Services 18.1%
- Education & Health Services 14.6%
- Leisure & Hospitality 10.3%
- Other Services 2.7%
- Public administration 4.7%

### **List of companies with headquarters in Hillsborough County**

This is a dynamic list and may never be able to satisfy particular standards for completeness. You can help by expanding it with reliably sourced entries.

- Beef O'Brady's
- Big Brothers Big Sisters of America
- Bloomin' Brands
- Checkers and Rally's
- International Softball Federation
- Lykes Brothers
- Mosaic's Phosphate Division
- Odyssey Marine Exploration
- Patterson Companies
- Sweetbay Supermarkets (since absorbed by BI-LO's Winn-Dixie chain) had its headquarters in an unincorporated area in the county, near Tampa.
- Sykes Enterprises
- Wish Farms

### **Education**

Hillsborough County Public Schools operates public schools in the county. Hillsborough County has the eighth largest school district in the United States consisting of 206 schools (133 elementary schools, 42 middle schools, 2 K-8 schools, 27 traditional high schools and 4 career centers; 73 additional schools including charter, ESE, etc.). In 2013, twelve out of Hillsborough County's 27 public high schools were ranked in Newsweek's list of America's Best High Schools. In 2012 and 2013, all 27 public high schools were included on the Washington Post's list of the 2000 most challenging schools in America.

### **Transportation**

#### **Airports**

The county's primary commercial aviation airport is Tampa International Airport in Tampa. Other important airports include the Tampa Executive Airport near Brandon, Peter O. Knight Airport near Downtown Tampa, and the Plant City Airport near Plant City.

## Major Highways

-  - Interstate 4 - Interstate 4 (I-4) is a 132.298-mile-long (212.913 km) Interstate Highway in the U.S. state of Florida, along a southwest–northeast axis from I-275 in Tampa to I-95 at Daytona Beach. The entirety of I-4 overlaps nearly the entirety of State Road 400 (SR 400), which extends as a contiguous, signed 4.216-mile (6.785 km) surface street in Daytona Beach from I-95 to US Highway 1 (US 1, also SR 5).
-  - Interstate 75 runs north and south across the central part of the county, with interchanges at County Road 484 (exit 341), SR 200 (exit 350) SR 40 (exit 352), US 27 (exit 354) SR 326 (exit 358), and CR 318 (exit 368).
-  - Interstate 275 - (I-275), located in Florida, is a highway, 60 miles (97 km) long, serving the Tampa Bay Area. Its southern terminus is at Interstate 75 near Palmetto, where I-275 heads west towards the Sunshine Skyway Bridge crossing over Tampa Bay. From that point, I-275 passes through St. Petersburg before crossing Tampa Bay again on the Howard Frankland Bridge, then continues through the city of Tampa, where it connects to an interchange with Interstate 4 in Downtown Tampa. After the interchange, I-275 passes north through the Tampa suburbs to its northern terminus at Interstate 75 in Wesley Chapel.
-  - US 41 - U.S. Route 41 (US 41) in the U.S. state of Florida is a north–south United States Highway. It runs 479 miles (771 km) from Miami in South Florida northwest to the Georgia border north of the Lake City area. Within the state, US 41 is paralleled by Interstate 75 (I-75) all the way from Miami to Georgia (on the northern border), and I-75 has largely supplanted US 41 as a major highway.
-  - U.S. Route 92 - U.S. Route 92 is a 181-mile (291 km.) intrastate U.S. Route in the U.S. state of Florida. The western terminus is at US 19 Alt. and SR 687 in downtown St. Petersburg. The eastern terminus is at SR A1A in Daytona Beach.
-  - US 301 - U.S. Route 301 in Florida runs from the Sarasota-Bradenton-Venice, Florida Metropolitan Statistical Area northeast to the Greater Jacksonville Metropolitan Area. The road is a spur of U.S. Route 1, which it intersects in Callahan.
-  - State Route 618 - The Lee Roy Selmon Expressway, originally known as the Southern Crosstown Expressway is a 14.168-mile (22.801 km) all-electronic, limited access toll road in Hillsborough County, Florida, It connects the South Tampa neighborhood near MacDill Air Force Base with Downtown Tampa and the bedroom community of Brandon. The expressway was built in stages, opening between 1976 and 1987.
-  - State Road 60 - State Road 60 (SR 60) is an east–west route traversing Florida from the Gulf of Mexico to the Atlantic Ocean. The western terminus of SR 60 is at the Sunsets at Pier 60 site in Clearwater Beach. The eastern terminus is in Vero Beach near the Atlantic Coast just past State Road A1A.
-  - State Road 589 - The Veterans Expressway and Suncoast Parkway (State Road 589) is a north–south toll road near the Florida Gulf Coast. Maintained and operated by Florida's Turnpike Enterprise, this 57-mile (92 km) transportation corridor extends from State Road 60 in Tampa, north to U.S. Route 98 near Chassahowitzka. The Veterans Expressway was

built to accommodate the increasing commuter traffic in the Tampa-St. Petersburg metropolitan area, with the Suncoast Parkway opening in 2001, extending from near the northern terminus of the Veterans Expressway to U.S. Route 98, with a possible northern extension to U.S. Route 19/U.S. Route 98 in Crystal River in Citrus County in the planning and development stages.

### **Public surface transportation**

- Hillsborough County is served by Hillsborough Area Regional Transit buses.

### **Nationally-protected areas**

- Egmont Key National Wildlife Refuge

### **Communities**

#### Cities

- Plant City
- Tampa
- Temple Terrace

#### Census Designated places

Despite its large population most of the area of the county is unincorporated and falls under the jurisdiction of the Hillsborough county board of Commissioners.

- |                  |                  |                      |
|------------------|------------------|----------------------|
| • Apollo Beach   | Balm             | Bloomington          |
| • Boyette        | Brandon          | Carrollwood          |
| • Cheval         | Citrus Park      | Clair-Mel            |
| • Dover          | East Lake        | Egypt Lake-Leto      |
| • FishHawk       | Gibsonton        | Keystone             |
| • Lake Magdalene | Lutz             | Mango                |
| • Northdale      | Orient Park      | Palm River-Clair Mel |
| • Pebble Creek   | Progress Village | Riverview            |
| • Ruskin         | Seffner          | Sun City Center      |
| • Thonotosassa   | Town 'n' Country | University           |
| • Valrico        | Westchase        | Wimauma              |

**Tampa** is a city in and the county seat of Hillsborough County, Florida, United States. It is located on the west coast of Florida on Tampa Bay, near the Gulf of Mexico, and is part of the Tampa Bay Metropolitan Area. The city had a population of 346,037 in 2011.

The current location of Tampa was once inhabited by indigenous peoples of the Safety Harbor culture (most notably the Tocobaga and the Pohoy, who lived along the shores of Tampa Bay). The area was explored by Spanish explorers in the 16th century, resulting in violent conflicts and the introduction of European diseases, which wiped out the original native cultures. Although Spain claimed Florida as part of New Spain, it did not found a colony in the Tampa area, and there were no permanent American or European settlements within today's city limits until after the United States acquired Florida from Spain in 1819.

In 1824, the United States Army established a frontier outpost called Fort Brooke at the mouth of the Hillsborough River, near the site of today's Tampa Convention Center. The first civilian residents were pioneers who settled near the fort for protection from the nearby Seminole population, and the small village was first incorporated as "Tampa" in 1849. The town grew slowly until the 1880s, when railroad links, the discovery of phosphate, and the arrival of the cigar industry jump-started its development, helping it to grow from a quiet village of less than 800 residents in 1880 to a bustling city of over 30,000 by the early 1900s.

Today, Tampa is part of the metropolitan area most commonly referred to as the "Tampa Bay Area". For U.S. Census purposes, Tampa is part of the Tampa-St. Petersburg-Clearwater, Florida Metropolitan Statistical Area. The four-county area is composed of roughly 2.9 million residents, making it the second largest metropolitan statistical area (MSA) in the state, and the fourth largest in the Southeastern United States, behind Miami, Washington, D.C. and Atlanta. The Greater Tampa Bay area has over 4 million residents and generally includes the Tampa and Sarasota metro areas. The Tampa Bay Partnership and U.S. Census data showed an average annual growth of 2.47 percent, or a gain of approximately 97,000 residents per year. Between 2000 and 2006, the Greater Tampa Bay Market experienced a combined growth rate of 14.8 percent, growing from 3.4 million to 3.9 million and hitting the 4 million population mark on April 1, 2007. A 2012 estimate shows the Tampa Bay area population to have 4,310,524 people and a 2017 projection of 4,536,854 people.

Tampa was ranked as the 5th best outdoor city by Forbes in 2008. Tampa also ranks as the fifth most popular American city, based on where people want to live, according to a 2009 Pew Research Center study.[18] A 2004 survey by the NYU newspaper Washington Square News ranked Tampa as a top city for "twenty-somethings." [19] Tampa is ranked as a "Gamma+" world city by Loughborough University, ranked alongside other world cities such as Phoenix, Charlotte, Rotterdam, and Santo Domingo.

### **History - 20th-century**

Tampa grew considerably as a result of World War II. Prior to the United States' involvement in the conflict, construction began on MacDill Field, the predecessor of present-day MacDill Air Force Base.

MacDill Field served as a main base for Army Air Corps and later Army Air Forces operations just before and during World War II, with multiple auxiliary airfields around the Tampa Bay area and surrounding counties. At the end of the war, MacDill remained as an active military installation while the auxiliary fields reverted to civilian control. Two of these auxiliary fields would later become the present day Tampa International Airport and St. Petersburg-Clearwater International Airport. With the establishment of an independent U.S. Air Force in 1947, MacDill Field became MacDill AFB.

During the 1950s and 1960s Tampa saw record-setting population growth that has not been seen since. This amazing growth spurred major expansion of the city's highways and bridges bringing thousands into the city and creating endless possibilities for Tampa business owners who welcomed tourists and new citizens alike into their neighborhoods. It was during this time period in the city's history that two of the most popular tourist attractions in the area were developed – Busch Gardens and Lowry Park. Many of the well-known institutions that play an important role in the economic development of the city were established during this time period.

The University of South Florida was established in North Tampa in 1956 and opened for students in September 1960. The school spurred the construction of several residential and commercial development in the previously agriculture-dominated area around the new campus. Overall, Tampa continued to expand away from the city center during the 1960s as new hospitals, schools, churches and subdivisions all began appearing to accommodate the growth. Many business offices began moving away from the traditional downtown office building into more convenient neighborhood office plazas.

The biggest recent growth in the city was the development of New Tampa, which started in 1988 when the city annexed a mostly rural area of 24 square miles (62 km<sup>2</sup>) between I-275 and I-75.

### **Geography**

According to the United States Census Bureau, the city has a total area of 170.6 square miles (442 km<sup>2</sup>) including 112.1 square miles (290 km<sup>2</sup>) of land and 58.5 square miles (151.5 km<sup>2</sup>) (34.31%) of water. The highest point in the city is only 48 feet (15 m). Tampa is bordered by two bodies of water, Old Tampa Bay and Hillsborough Bay, both of which flow together to form Tampa Bay, which in turn flows into the Gulf of Mexico. The Hillsborough River flows out into Hillsborough Bay, passing directly in front of Downtown Tampa and supplying Tampa's main source of fresh water. Palm River is a smaller river flowing from just east of the city into McKay Bay, which is a smaller inlet, sited at the northeast end of Hillsborough Bay Tampa's geography is marked by the Interbay Peninsula which divides Hillsborough Bay (the eastern) from Old Tampa Bay (the western).

### **Neighborhoods**

The city is divided into many neighborhoods, many of which were towns and unincorporated communities annexed by the growing city. Generally, the city is divided into the following areas: Downtown Tampa, New Tampa, West Tampa, East Tampa, North Tampa, and South Tampa. Well-

known neighborhoods include Ybor City, Forest Hills, Ballast Point, Sulphur Springs, Seminole Heights, Tampa Heights, Palma Ceia, Hyde Park, Davis Islands, Tampa Palms, College Hill, and non-residential areas of Gary and the Westshore Business District.

### **Architecture**

Tampa displays a wide variety of architectural designs and styles. Most of Tampa's high rises demonstrate Post-modern architecture. The design for the renovated Tampa Museum of Art, displays Post-modern architecture, while the city hall and the Tampa Theatre belong to Art Deco architecture. The Tampa mayor Pam Iorio made the redevelopment of Tampa's downtown, especially residential development, a priority. Several residential and mixed-development high-rises have been constructed. Another of Mayor Iorio's initiatives was the Tampa Riverwalk, a mixed use path along the Hillsborough River in downtown and Channelside (Channelside was recently approved to undergo major renovations by Tampa Bay Lightning owner Jeff Vinik along with other investors). Several museums are part of the plan, including new homes for the Tampa Bay History Center, the Tampa Children's Museum, and the Tampa Museum of Art. Mayor Bob Buckhorn has continued these developments.

Tampa is the site of several skyscrapers. Overall, there are 18 completed buildings that rise over 250 feet (76 m) high. The city also has 69 high-rises, second only to Miami in the state of Florida. The tallest building in the city is 100 North Tampa, formerly the AmSouth Building, which rises 42 floors and 579 feet (176 m) in Downtown Tampa. The structure was completed in 1992, and is the tallest building in Florida outside of Miami and Jacksonville.

### **Demographics**

As of 2010, there were 157,130 households out of which 13.5% were vacant. In 2000, 27.6% households had children under the age of 18 living with them, 36.4% were married couples living together, 16.1% had a female householder with no husband present, and 42.9% were non-families. 33.7% of all households were made up of individuals and 10.2% had someone living alone who was 65 years of age or older. The average household size was 2.36 and the average family size was 3.07.

The city's population was spread out with 24.6% under the age of 18, 10.0% from 18 to 24, 32.3% from 25 to 44, 20.5% from 45 to 64, and 12.5% who were 65 years of age or older. The median age was 34.7 years old. For every 100 females there were 95.3 males. For every 100 females age 18 and over, there were 92.1 males.

The median income for a household in the city was \$39,602, and the median income for a family was \$45,823. Males had a median income of \$40,461 versus \$29,868 for females. The per capita income for the city was \$26,522. 20.1% of the population and 16.4% of families were below the poverty line. 31.0% of those under the age of 18 and 13.6% of those 65 and older are living below the poverty level.

**Economy**

Finance, retail, healthcare, insurance, shipping by air and sea, national defense, professional sports, tourism, and real estate all play a vital role in the area's economy. Hillsborough County alone has an estimated 740,000 employees, a figure which is projected to increase to 922,000 by 2015. Several large corporations, such as banks and telecommunications companies, maintain regional offices in Tampa. Several Fortune 1000 companies are headquartered in the metropolitan area, including OSI Restaurant Partners, WellCare, TECO Energy, and Raymond James Financial.

Top employers

**Largest employers in Tampa (2013)<sup>[103]</sup>**

Employer	Employees	Industry
BayCare Health System	19,600	Healthcare
Publix Super Market	13,800	Retail
HCA West Florida	13,150	Healthcare
Frontier Communications	9,950	Telecommunications
Tampa General Hospital	6,600	Healthcare
Wal-Mart	5,800	Retail
Florida Hospital	5,100	Healthcare
JPMorgan Chase & Co.	5,000	Finance
Moffitt Cancer Center	4,300	Healthcare
Citi	4,000	Finance

Downtown Tampa is undergoing significant development and redevelopment in line with a general national trend toward urban residential development. As of April 2007, the Tampa Downtown Partnership noted development proceeding on 20 residential, hotel, and mixed-use projects. Many of the new downtown developments are nearing completion in the midst of a housing market slump, which has caused numerous projects to be delayed or revamped, and some of the 20 projects TDP lists have not broken ground and are being refinanced. Nonetheless several developments are nearing completion, which city leaders hope will make downtown into a 24-hour neighborhood instead of 9 to 5 business district. As of 2010, Tampa residents faced a decline in rent of 2%. Nationally rent had decreased 4%. The Tampa Business Journal found Tampa to be the number two city for real estate investment in 2014.

Tampa's port is now the seventh largest in the nation and Florida's largest tonnage port, handling nearly half of all seaborne commerce that passes through the state. Tampa currently ranks second in the state behind Miami in terms of cruise ship travel. Besides smaller regional cruise ships such as

Yacht Starship and SunCruz Casino, Tampa also serves as a port of call for three cruise lines: Holland America's MS Ryndam, Royal Caribbean's Grandeur of the Seas and Radiance of the Seas, and Carnival's Inspiration and Legend.

The main server farm for Wikipedia and other Wikimedia Foundation projects is located in Tampa.

MacDill Air Force Base remains a major employer as the parent installation for over 15,000 active uniformed military, Department of Defense (DoD) civil service and DoD contractor personnel in the Tampa Bay area. A significant majority of the civil service and contractor personnel are, in fact, themselves retired career military personnel. In addition to the 6th Air Mobility Wing, which is "host wing" for the base, MacDill is also home to Headquarters, United States Central Command (USCENTCOM), Headquarters, United States Special Operations Command (USSOCOM), the 927th Air Refueling Wing, Headquarters, United States Marine Forces Central Command (USMARCENT), Headquarters, United States Special Operations Command Central (USSOCENT), and numerous other military activities of the active and reserve components of the armed forces.

Since the year 2000, Tampa has seen a notable upsurge in high-market demand from consumers, signaling more wealth concentrated in the area.

### **Tourism and recreation**

The city of Tampa operates over 165 parks and beaches covering 2,286 acres (9.25 km<sup>2</sup>) within city limits; 42 more in surrounding suburbs covering 70,000 acres (280 km<sup>2</sup>), are maintained by Hillsborough County. These areas include the Hillsborough River State Park, just northeast of the city. Tampa is also home to a number of attractions and theme parks, including Busch Gardens Tampa Bay, Adventure Island, Lowry Park Zoo, and Florida Aquarium.

Lowry Park Zoo features over 2,000 animals, interactive exhibits, rides, educational shows and more. The zoo serves as an economic, cultural, environmental and educational anchor in Tampa.

Big Cat Rescue is one of the largest accredited sanctuaries in the world dedicated entirely to abused and abandoned big cats. It is home to about 80 lions, tigers, bobcats, cougars and other species, most of whom have been abandoned, abused, orphaned, saved from being turned into fur coats, or retired from performing acts. They have a variety of different tours available.

Busch Gardens Tampa Bay is a 335-acre (1.36 km<sup>2</sup>) Africa-themed park located near the University of South Florida. It features many thrilling roller coasters, for which it is known, including Sheikra, Montu, Gwazi and Kumba. Visitors can also view and interact with a number of African wildlife. Adventure Island is a 30-acre (12 ha) water park adjacent to Busch Gardens.

The Florida Aquarium is a 250,000 sq ft (23,000 m<sup>2</sup>) aquarium located in the Channel District. It hosts over 20,000 species of aquatic plants and animals. It is known for its unique glass architecture. Adjacent to the Aquarium is the SS American Victory, a World War II Victory ship preserved as a museum ship.

The Tampa Bay History Center is a museum located in the Channel District. It boasts over 60,000 sq ft (5,600 m<sup>2</sup>) of exhibits through 12,000 years. Theaters, map gallery, research center and museum store.

Well-known shopping areas include International Plaza and Bay Street, WestShore Plaza, SoHo district, and Hyde Park Village. Palma Ceia is also home to a shopping district, called Palma Ceia Design District. Previously, Tampa had also been home to the Floriland Mall (now an office park), Tampa Bay Center (demolished and replaced with the new Tampa Bay Buccaneers training facility, known as "One Buc Place"), and East Lake Square Mall (now an office park).

The Tampa Port Authority currently operates three cruise ship terminals in Tampa's Channel District. The Port of Tampa is the year-round home port for Carnival Cruise Lines' MS Carnival Inspiration and MS Carnival Legend. In 2010 Tampa will also be a seasonal port for Holland America Line's MS Ryndam, as well as Royal Caribbean International's MS Grandeur of the Seas and MS Radiance of the Seas. A fourth company, Norwegian Cruise Line, has announced plans to sail out of Tampa for the first time. The 2,240 passenger MS Norwegian Star will be Tampa's largest cruise ship when it debuts a seasonal schedule in 2011. Cruise itineraries from Tampa include stops in the Eastern and Western Caribbean islands, Honduras, Belize, and Mexico.

## **Government**

Tampa is governed under the strong mayor form of government. The Mayor of Tampa is the chief executive officer of city government and is elected in four-year terms, with a limit of two consecutive terms. The current mayor is Bob Buckhorn, who took office on April 1, 2011. The City Council is a legislative body served by seven members. Four members are elected from specific numbered areas designated City Districts, and the other three are "at-large" members (serving citywide).

## **Education**

### ***Primary and secondary schools***

Public primary and secondary education is operated by Hillsborough County Public Schools, officially known as the School District of Hillsborough County (SDHC). It is ranked the eighth largest school district in the United States, with around 189,469 enrolled students. SDHC runs 208 schools, 133 being elementary, 42 middle, 27 high schools, two K-8s, and four career centers. There are 73 additional schools in the district that are charter, ESE, alternative, etc. Twelve out of 27 high schools in the SDHC are included in Newsweek's list of America's Best High Schools.

### ***Public libraries***

Tampa's library system is operated by the Tampa-Hillsborough County Public Library System. THPLS operates 25 libraries throughout Tampa and Hillsborough County, including the John F. Germany Public Library in Downtown Tampa. The Tampa library system first started in the early 20th century, with the West Tampa Library, which was made possible with funds donated by Andrew Carnegie.

Tampa's libraries are also a part of a larger library network, The Hillsborough County Public Library Cooperative, which includes the libraries of the neighboring municipalities of Temple Terrace and Plant City.

### ***Higher education***

There are a number of institutions of higher education in Tampa.

The city is home to the main campus of the University of South Florida (USF), a member of the State University System of Florida founded in 1956. In 2010, it was the eleventh highest individual campus enrollment in the U.S. with over 46,000 students. The University of Tampa (UT) is a private, four-year liberal arts institution. It was founded in 1931, and in 1933, it moved into the former Tampa Bay Hotel across the Hillsborough River from downtown Tampa. "UT" has undergone several expansions in recent years, and had an enrollment of over 8000 students in 2015.

Hillsborough Community College is a two-year community college in the Florida College System with campuses in Tampa and Hillsborough County. Southern Technical College is a private two-year college that operates a campus in Tampa. Hillsborough Technical Education Centers (HiTEC) is the postsecondary extension of the local areas Public Schools district. The schools provide for a variety of technical training certification courses as well as job placement skills.

The Stetson University College of Law is located in Gulfport and has a second campus, the Tampa Law Center, in downtown Tampa. The Law Center houses the Tampa branch of Florida's Second District Court of Appeal.

Other colleges and universities in the wider Tampa Bay Area include Jersey College, Eckerd College, and St. Petersburg College in St. Petersburg.

### **Infrastructure**

#### ***Transportation***

##### ***Roads***

Three motor vehicle bridges cross Tampa Bay to Pinellas County from Tampa city limits: the Howard Frankland Bridge (I-275), the Courtney Campbell Causeway (SR 60), and the Gandy Bridge (U.S. 92). The old Gandy Bridge was completely replaced by new spans during the 1990s, but a span of the old bridge was saved and converted into a pedestrian and biking bridge renamed The Friendship Trail. It is the longest overwater recreation trail in the world. However, the bridge was closed in 2008 due to structural problems.

There are two major expressways (toll) bringing traffic in and out of Tampa. The Lee Roy Selmon Expressway (SR 618) (formerly known as the Crosstown Expressway), runs from suburban Brandon at its eastern terminus, through Downtown Tampa, to the neighborhoods in South Tampa (near MacDill Air Force Base) at its western terminus. The Veterans Expressway (SR 589), meanwhile connects Tampa International Airport and the bay bridges to the northwestern suburbs of

Carrollwood, Northdale, Westchase, Citrus Park, Cheval, and Lutz, before continuing north as the Suncoast Parkway into Pasco and Hernando counties.

Three interstate highways run through the city. Interstate 4 and Interstate 275 cut across the city and intersect near downtown. Interstate 75 runs along the east side of town for much of its route through Hillsborough County until veering to the west to bisect New Tampa.

Along with highways, major surface roads serve as main arteries of the city. These roads are Hillsborough Avenue (U.S. 92 and U.S. 41), Dale Mabry Highway (U.S. 92), Nebraska Avenue (U.S. 41/SR 45), Florida Avenue (U.S. 41 Business), Bruce B. Downs Boulevard, Fowler Avenue, Busch Boulevard, Kennedy Boulevard (SR 60), Adamo Drive, and Dr. Martin Luther King Jr. Boulevard.

### ***Airports***

Tampa is served by three airports (one in Tampa, two in the metro area) that provide significant scheduled passenger air service:

- Tampa International Airport (IATA: TPA) is Tampa's main airport and the primary location for commercial passenger airline service into the Tampa Bay area. It is also a consistent favorite in surveys of the industry and the traveling public. The readers of Condé Nast Traveler have frequently placed Tampa International in their list of Best Airports, ranking it #1 in 2003, and #2 in 2008. A survey by Zagat in 2007 ranked Tampa International first among U.S. airports in overall quality. During 2008, it was the 26th-busiest airport in North America.
- St. Petersburg-Clearwater International Airport (IATA: PIE) lies just across the bay from Tampa International Airport in neighboring Pinellas County. The airport has become a popular destination for discount carriers, with over 90% of its flights are on low-cost carrier Allegiant Air. A joint civil-military aviation facility, it is also home to Coast Guard Air Station Clearwater, the largest air station in the U.S. Coast Guard.
- Sarasota-Bradenton International Airport (IATA: SRQ) is located in nearby Sarasota. Sarasota airport has more flights to Delta's Atlanta hub than any other city, but also serves several other large U.S. cities.

### ***Rail***

Tampa's intercity passenger rail service is based at Tampa Union Station, a historic facility, adjacent to downtown between the Channel District and Ybor City. The station is served by Amtrak's Silver Star, which calls on Tampa twice daily: southbound to Miami and northbound for New York City. Union Station also serves as the transfer hub for Amtrak Thruway Motorcoach service, offering bus connections to several cities in Southwest Florida and to Orlando.

Uceta Rail Yard on Tampa's east side services CSX as a storage and intermodal freight transport facility. Freight and container cargo operations at the city's seaports also depend upon dockside rail facilities.

### ***Seaports***

The Port of Tampa is the largest port in Florida in throughput tonnage, making it one of the busiest commercial ports in North America. Petroleum and phosphate are the lead commodities, accounting for two-thirds of the 37 million tons of total bulk and general cargo handled by the port in 2009. The port is also home to Foreign Trade Zone #79, which assists companies in Tampa Bay and along the I-4 Corridor in importing, exporting, manufacturing, and distribution activities as part of the United States foreign trade zone program.

Weekly containerized cargo service is available in the Port of Tampa. Cargo service is offered by Ports America, Zim American Integrated Shipping Company, and MSC which has recently partnered with Zim. Currently 3,000 to 4,250 TEU containerships regularly call the Port of Tampa.

The bay bottom is very sandy, with the U.S. Army Corps of Engineers constantly dredging the ship channels to keep them navigable to large cargo ships.

### ***Mass transit***

Public mass transit in Tampa is operated by the Hillsborough Area Regional Transit Authority (HART), and includes public bus as well as a streetcar line. The HART bus system's main hub is the Marion Transit Center in Downtown Tampa, serving nearly 30 local and express routes. HART is also currently making a bus rapid transit system called MetroRapid that will run between Downtown and the University of South Florida.

The TECO Line Streetcar System runs electric streetcar service along eleven stations on a 2.7-mile (4.3 km) route, connecting Ybor City, the Channel District, the Tampa Convention Center, and downtown Tampa. The TECO Line fleet features varnished wood interiors reminiscent of late 19th and mid-20th century streetcars.

Limited transportation by privately operated "Neighborhood Electric Vehicles" (NEV) is available, primarily in Downtown Tampa and Ybor City. Water taxis are available on a charter basis for tours along the downtown waterfront and the Hillsborough River.

The Tampa Bay Area Regional Transportation Authority (TBARTA) develops bus, light rail, and other transportation options for the seven-county Tampa Bay area.

### ***Healthcare***

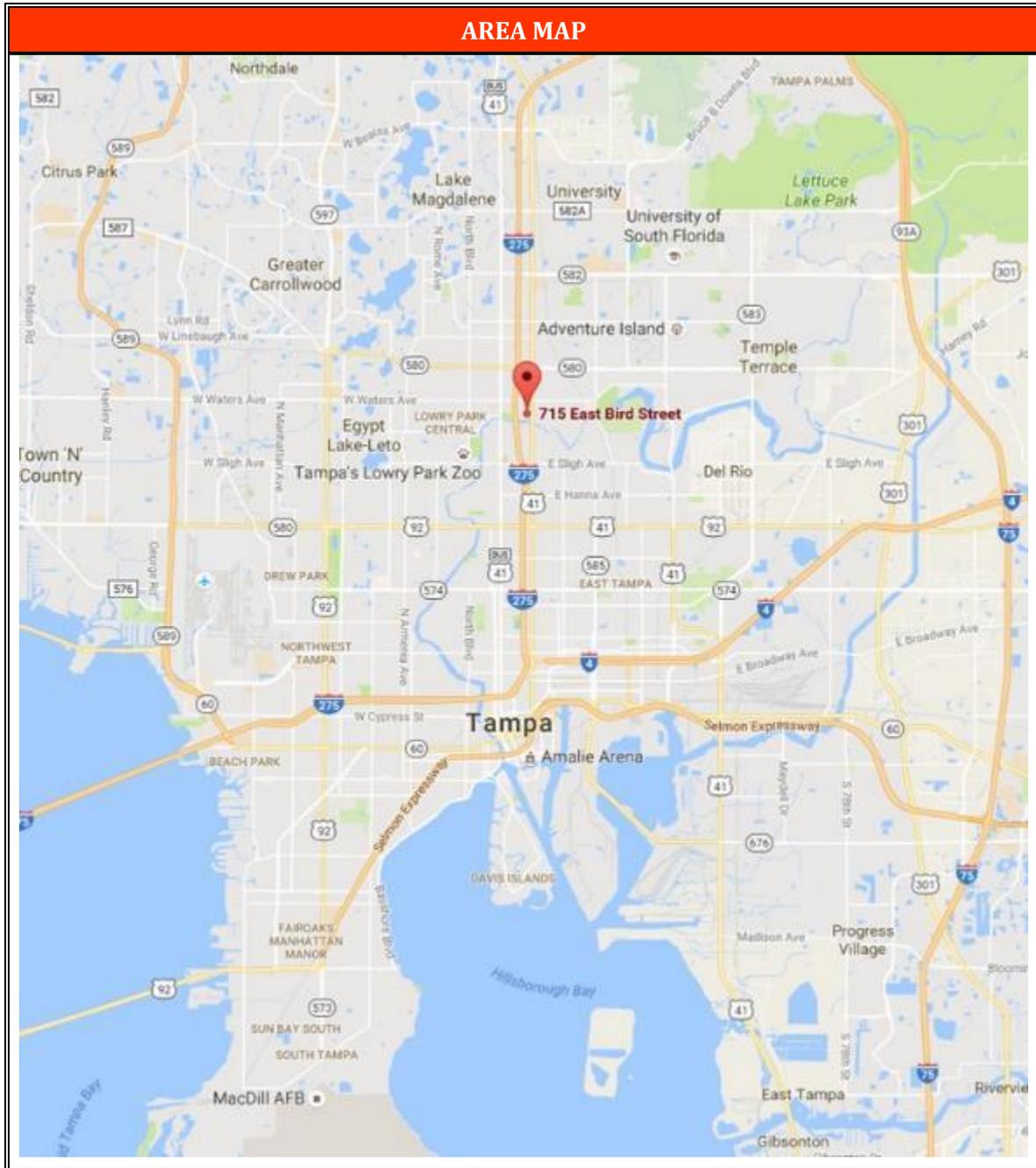
Tampa and its surrounding suburbs are host to over 20 hospitals, four trauma centers, and multiple Cancer treatment centers. Three of the area's hospitals were ranked among "America's best hospitals" by US News and World Report. Tampa is also home to many health research institutions. The major hospitals in Tampa include Tampa General Hospital, St. Joseph's Children's & Women's Hospital, James A. Haley Veterans Hospital, H. Lee Moffitt Cancer Center & Research Institute, and The Pepin Heart Institute. Shriners Hospitals for Children is based in Tampa. USF's Byrd Alzheimer's Institute is both a prominent research facility and Alzheimer's patient care center in Tampa. Along

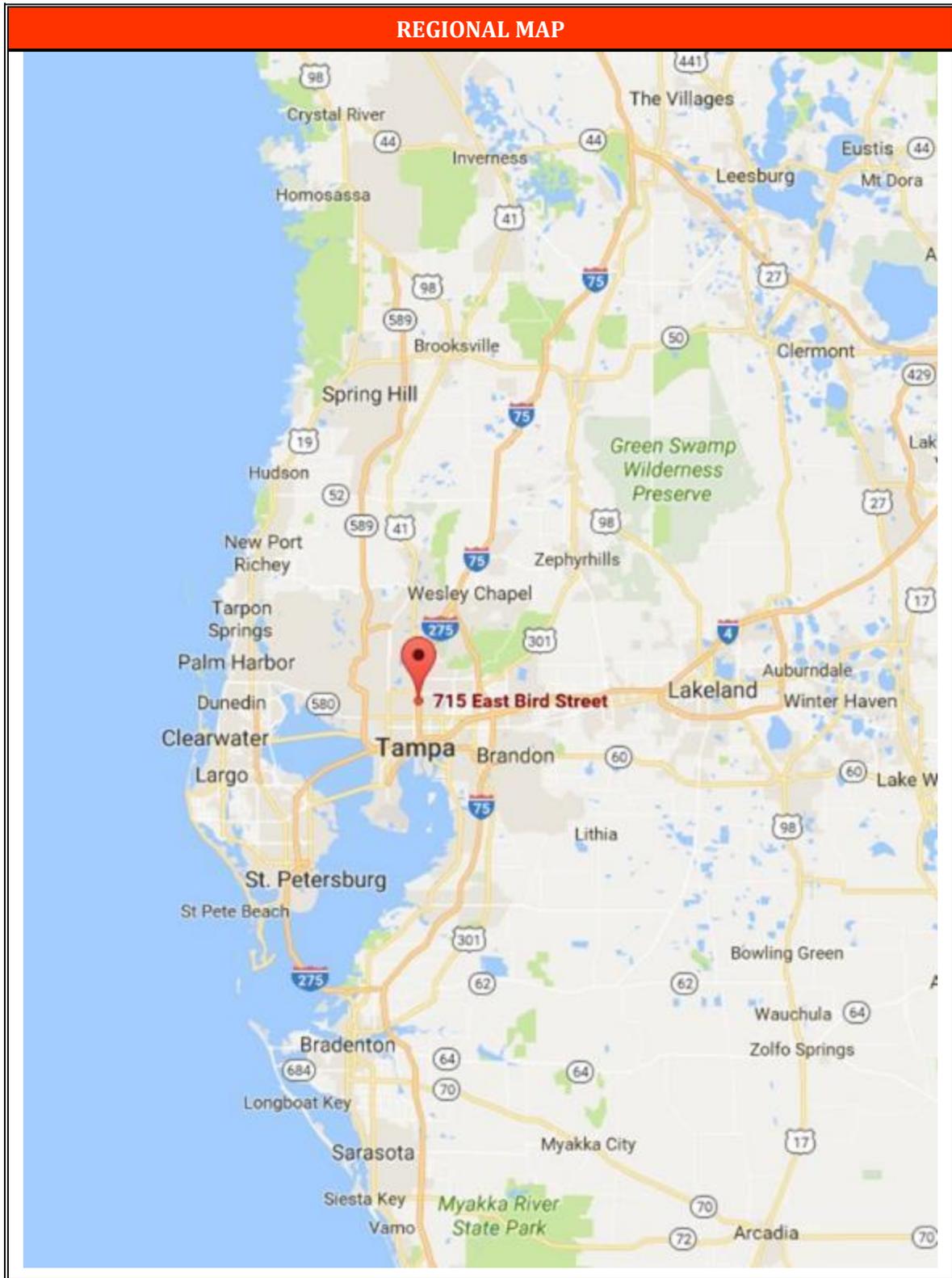
with human health care, there are hundreds of animal medical centers including a Humane Society of America.

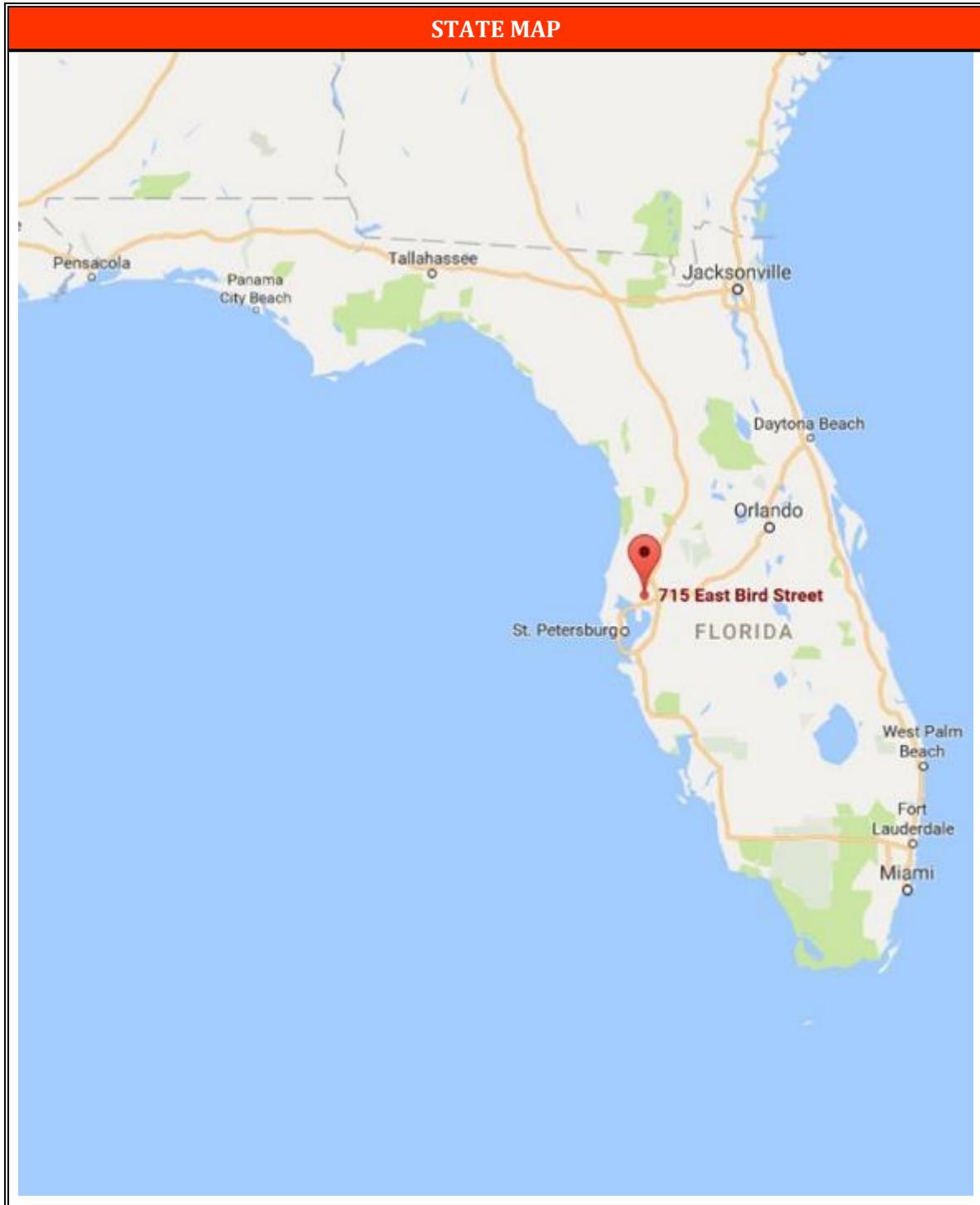
***Utilities***

Water in the area is managed by the Southwest Florida Water Management District. The water is mainly supplied by the Hillsborough River, which in turn arises from the Green Swamp, but several other rivers and desalination plants in the area contribute to the supply. Power is mainly generated by TECO Energy.









## **NEIGHBORHOOD ANALYSIS**

### ***Location***

The subject property is located in the city of Tampa in the neighborhood known as Sulphur Springs north of the downtown market. It is situated on the south side of Bird St between Interstate 275 and N Nebraska Ave. Bird St is a secondary commercial avenue with interstate access ramps to Interstate 275 and direct access to N Nebraska Ave to the east and N Florida Ave (US-41) to the west. Interstate 275 is the primary commuter artery running through the Tampa market. N Florida Ave and N Nebraska Ave are both primary 4-6 lane commercial arteries running north and south through the Tampa market on both sides of the interstate. The area features numerous residential neighborhoods constructed off the primary commuter routes and commercial avenues. The approximate neighborhood borders would be considered Busch Blvd to the north, Rowlett Park Dr to the east, E Sligh Ave to the south and N Florida Ave to the west. The subject is considered well situated within the Tampa market having a location with excellent access to Interstate 275 and other primary commercial arteries being N Nebraska Ave and N Florida Ave.

The subject is a rectangular shaped parcel with 210' of direct frontage along the south side of E Bird St. Exposure and visibility is considered average to good within the submarket for similar improvements. The subject is bordered by the Tampa Greyhound Track to the north, Tampa Health Center to the east, Sulphur Springs Rec/pool to the south and a vacant parking lot to the west. E Bird St travels west to east starting at N Florida Ave. This is a secondary roadway running through the submarket, however, the subject has exposure and visibility from Interstate 275 and N Nebraska Ave. The immediate surrounding property land uses meld well with the subject's current use. In addition, the location along E Bird St and proximity to the interstate and other commercial avenues in the market provides easy access for prospective patrons and/or office space users.

The subject neighborhood has long been established, however it did see a decline in pricing and activity during the economic recession. Over the past several years the Tampa market has recovered and has grown growth in both sale prices and lease rates as there has been multiple quarters of positive net absorption for office space. New construction has come back into the market over the past several years with many built-to-suit projects within the Tampa market. We anticipate continued improvement in commercial and residential real estate values into the foreseeable future.

### ***Neighborhood Boundaries***

The immediate neighborhood boundaries are considered to be:

North: Busch Blvd  
South: Sligh Ave  
East: Rowlett Park Dr  
West: N Florida Ave



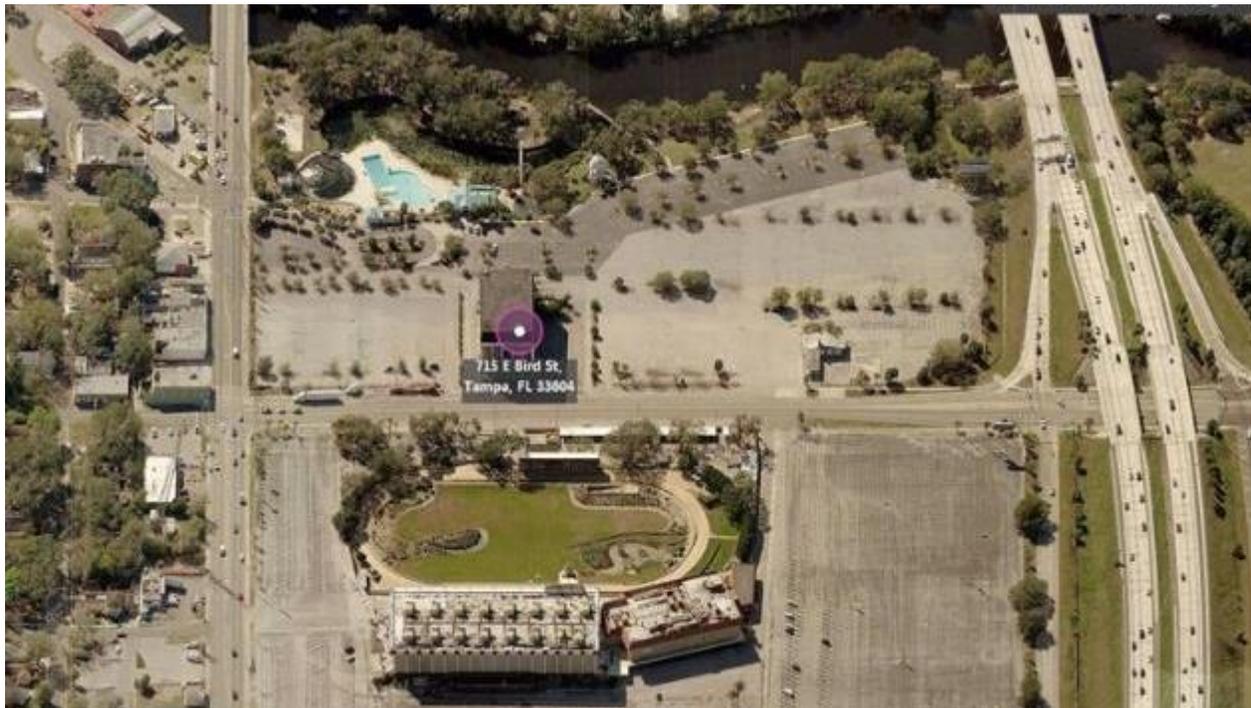
**Zoning/Land Use**

For the readers' edification, the subject is zoned for C-I (Commercial Intensive) under the City of Tampa Zoning Ordinance. The subject's site is surrounded by general business and residential zoning districts. Refer below:



***Access***

Primary road exposure and visibility is provided via 210 feet of direct road frontage along the south side of E Bird St. Access to the site is provided via a two curbs cut along this roadway. Overall visibility and exposure is considered to be average to good, and is typical of similar properties within the sub market area. Refer to the aerial map below:

***Trend of Neighborhood Property Values, Demand/Supply and Marketing Time***

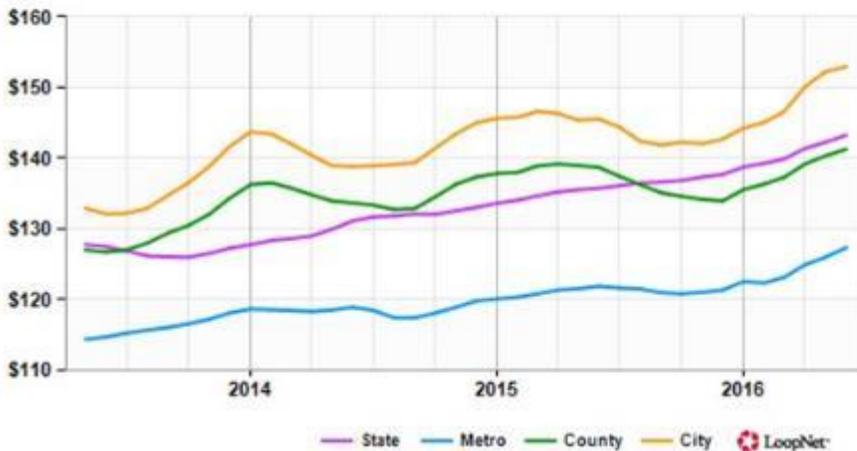
Like much of the south Florida market, commercial property values saw sharp declines from 2008 thru 2012 at which time they began to stabilize. While market reports indicate declines of 30% to 35% on average, our office has routinely analyzed comparables that had declines of 50% or more due to an abundance of distressed sales. The Tampa region was hit just like most of the other markets in central Florida, however, due to the location and appeal of the metropolitan area and booming tourism levels throughout the state, the general markets have shown increases over the prior 24 months. Property values for most property types began to stabilize in 2013-2014 as the large bulk of distressed commercial assets were sold in the prior years.

While we recognize that there are foreclosures still coming to market, the sentiment is that the market has made it through the “low point” as prices and activity have increased over the course of the past 12-24 months, and are projected to maintain this course over the coming year. New build-to-suit development and investor activity have started to regain traction. The Tampa office market reported an overall vacancy of 12.8% in Q3 2016 which was down from 14.7% from Q3 2015 and 16.6% in Q3 2014. The office vacancies over the past few years continue to be the lowest since 2008.

Concessions are down to 1-2 months on a five year lease and rental rates have steadily increased over the past 24 months. There is a wide range in office lease rates dependent upon the submarket within the Tampa metropolitan market. Overall, increased activity and stable to improving prices are expected across the commercial sector.

Office Property Asking Price Index - Sale Trends

Asking Prices Office for Sale Tampa, FL (\$/SF)



Current Tampa market trends data indicates an increase of +4.3% in the median asking price per sq ft for Office properties compared to the prior 3 months, with an increase of +5.1% compared to last year's prices. County-wide, asking prices for Office properties are 2.9% higher at \$141 per sq ft compared to the current median price of \$153 per sq ft for Office properties in Tampa, FL.

**Conclusion and Relevance to the Subject Property**

The neighborhood has features and qualities that contribute to a positive demand for real estate, and the location in the Tampa metropolitan area makes the market appealing to investors and owner/users alike. While the region suffered during the economic collapse, it appears to have rebounded well, and stabilized in much of the greater market. Stabilization and growth will continue slowly in the market, as investors concentrate on the more primary markets in the region first, with higher population density. The market does appeal to local owner/users due to the number of residential improvements in the area, which provide an immediate patron base.

All utilities are available throughout the neighborhood and the streets are in average condition, and parking is adequate. The improvements in the area are typically average in condition. The subject benefits from its frontage and location on E Bird St with close proximity and visibility from Interstate 275 and N Nebraska Ave. The immediate surrounding property land uses meld well with the subject's current use. The residential properties in the area provide a base of prospective patrons that use or can potentially use the subject's services, and the overall appeal of property is positive.

## **TAMPA OFFICE SUBMARKET ANALYSIS**

An overview of local market conditions is a necessary aspect of the appraisal process. The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. In this section, VFI discusses the status of local market conditions. The following information is based on discussions with local brokers and analysis of the subject market. The subject is identified as being located in the north Tampa submarket, an area that saw declines in pricing during the economic recession, however, has since stabilized and recovered over the past 24 months similar to the majority of the Florida markets. Vacancy rates have dropped over the prior 12 months, while net absorption has remained stable, new construction starts and rental rates have increased year over year within the submarket.

### **VACANCY**

Discussions with local brokers indicated that vacancy rates are around 5-15% for stabilized office products. It is important to note that due to the varied nature of the Tampa market stems from varied appeal within the urban neighborhood. The subject benefits from its proximity to Interstate 275, N Nebraska Ave and N Florida Ave as well as many residential neighborhoods. It is in a submarket with an abundance of nearby residential improvements, thus making it an attractive product to a potential tenant or owner/user (nearby potential patrons). Based upon the rent roll provided by the management, the subject is currently operating at 78% tenant occupancy. The building is a large four story office building configured for multiple tenants in an zoning district which allows for a wide variety of commercial, retail and office uses.

### **RENTAL RATES**

#### ***Quoted Rental Rates***

Lease rates vary widely on typical existing office improvements, depending on size, age, location and build-out. Commercial office space in the immediate submarket of Sulphur Springs and surrounding neighborhoods ranged from \$6.00/sf to \$19.00/sf and featured both Triple Net and Modified Gross lease terms. Buildings configured with multiple units / tenants similar to the subject were predominantly on NNN and Modified Gross terms with CAM fees charged back to the tenants. Tenants are typically responsible for most expenses. There is a wide range in quality for office products in the market with certain higher end Class A products at the higher lease rates found in the market. Higher lease rates are generally found in newer constructed office centers offering smaller suites to prospective tenants. Office products similar to the subject in size, age and configuration typically leases in the \$6.90 to \$13.00/sf/yr/NNN range.

Based upon discussions with local area brokers, leases are typically written for 1 to 5 years with an average of 3 years. According to brokers the rental rate escalations vary from fixed 3% per year, or annual CPI increases. Most of the variance is attributed to the lease term, and tenant improvement allowance given.



The average asking rental rate per sq ft/year for Office properties in Tampa, FL as of Jun 16 was \$19.84. This represents an increase of 1.1% compared to the prior 3 months, with an increase of +4.2% year-over-year. County-wide, average rental rates in Tampa are +0.9% higher at \$18.90 per sq ft/year for Office properties currently for lease.

**Concessions**

In general, building owners are granting some concessions on commercial retail and office space. Free rent and/or a slightly higher tenant improvement allowance are given on some deals to secure commercial tenants. Much of the market pressure stems from the addition of newer office centers and buildings. Overall, concessions are not considered to be a major factor in this market area at this time but owners are beginning to offer more incentives to attract and keep tenants.

**Inventory**

Existing	Current inventory includes a mix of freestanding office buildings and units within larger multi-tenant complexes.
In Production	No new projects are under construction in the immediate submarket.
Land Available for Expansion	There is limited vacant land available in the subject’s market area, with demand at this time is primarily for built-to-suit products.
Second Generation Inventory	Inventory for second-generation buildings is available, consisting of similar office buildings varying in size, condition and quality/appeal.

**Demand**

The market based measure of demand for a product is absorption of units. The primary demand / appeal of the subject is considered to be an investor.

***Absorption***

Recently Completed Competitive Projects	Little new construction is under way, however some investors are renovating existing structures in order to secure new tenants.
Competitive Projects in Marketing Phase	There are some similar projects in the submarket that have available units for rent and are considered similar to the subject.

**COMPETITIVENESS**

***Primary Competition***

The subject is located in the Tampa market north of the downtown area surrounded by similar commercial properties and single-family residential neighborhoods. There exist similar office improvements in the immediate neighborhood, as well as in nearby submarkets. The side streets surrounding the subject are primarily residential in nature. Primary competition to the subject is from similar freestanding retail and office products throughout the Tampa submarket.

***Optimum Demand Parameters for the Subject Property***

The optimum demand for the subject property comes from both local and national investors looking to own / manage an office asset within the Tampa market.

**CONCLUSION**

The subject's Tampa submarket and the regional market suffered during the recent economic recession, similar to most of the Florida markets. Vacancies have declined from historical highs seen following the Economic collapse of 2007, and there appears to be an increasing demand for commercial improvements throughout the regional market area. Positive net absorption has occurred in the prior 12-24 months, vacancy rates have decline year over year, new construction in certain submarkets has begun and rental rates have increased year over year. The long-term outlook appears optimistic as the market continues to recover and improve as local investor regain confidence in the market. As most of the markets in Florida, economic conditions are improving at a fast pace to the tourism market and appeal of the regional markets.

## SITE ANALYSIS

The site consists of a 56,074 square feet (1.29 acre) parcel of land located along the south side of E Bird St in Tampa, FL (Hillsborough County). E Bird St is a secondary artery running between N Florida Ave and N Nebraska Ave with direct access to Interstate 275 just west of the subject. The surrounding neighborhoods consists of commercial improvements and single-family neighborhoods. The site is bordered by the Tampa Greyhound Track to the north, a medical center to the east, the Sulphur Springs rec/pool to the south and a parking lot to the west.

The site is rectangular in shape, with the improvement situated primarily in the center portion of the parcel. Primary road exposure and visibility is provided via approximately 210' feet of direct road frontage along the south side of E Bird St. E Bird St has a mix of commercial improvements with single family residential neighborhoods located on tertiary roadways. Access to the site is provided via two curb-cuts along E Bird St at the northern border of the lot. The immediate surrounding properties are commercial in nature. Refer to the aerial below for more detail:



The immediate area is fairly well developed with residential and commercial improvements with a new medical center adjacent to the east and the Tampa Greyhound Track across from the subject to the north. Landscaping is average and typical for the neighborhood. Overall, the condition and utility of the site is such that various types of improvements could be developed (dependent upon local zoning board).

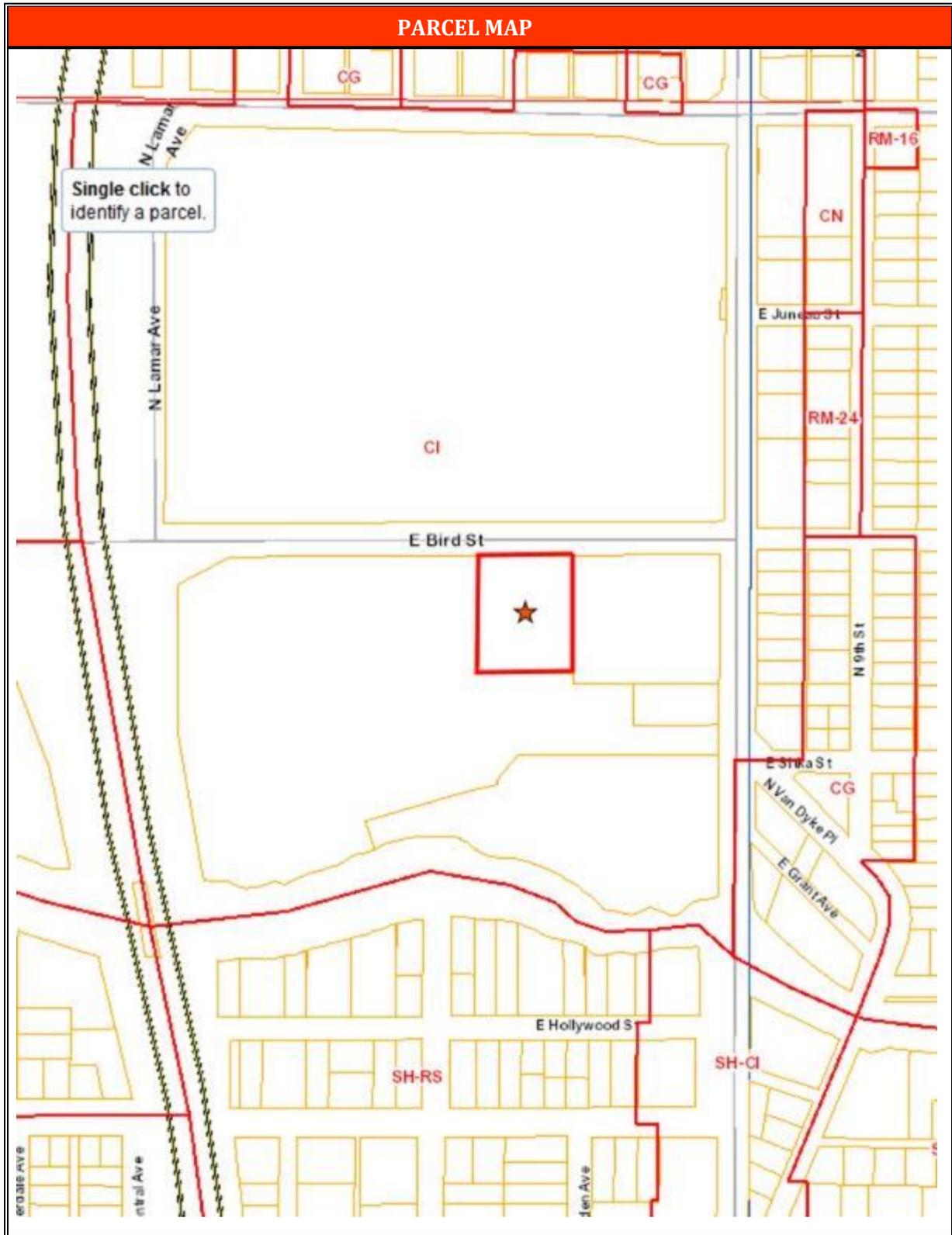
The descriptions within this section are based on an inspection that occurred November 23, 2016, as well as a review of public records and relevant tax maps.

Site Size	56,074 sf or 1.29 acres
Configuration/Shape	The site is configured such that it has approximately 210' of direct frontage along the southern side of E Bird St (northern border of parcel). The improvements are situated in the central portion of the parcel, and the lot is rectangular in shape.
Topography	Generally level with minimal sloping upwards from south to north. The topography does not appear to hinder development, as the subject is a four-story improvement.
Drainage	Drainage appears adequate.
Utilities	All public utilities including gas, sewer and communication services are available to the site and are adequate to serve the existing improvements.
Flood Zone	According to maps published by the Federal Emergency Management Agency (FEMA), the subject lies within Zone X as indicated on FEMA Community Map Panel 12057C-0214H dated August 28, 2008. This zone is described as follows: <i>FEMA Zone X: "Areas determined to be outside the 100- and 500-year flood plain."</i>
Frontage/Access	Primary road exposure and visibility is provided via 210' feet of direct road frontage along the southern side of E Bird St. Access to the site is provided via two curb cuts from this roadway. Please refer to the aerial and tax maps provided in this section.
Exposure/Visibility	Overall visibility and exposure is considered to be average to good, and typical of similar commercial improvements within the market area. The subject is a four story building and is visible from both Interstate 275 to the west and N Nebraska Ave to the east.
Ground Stability	We were not furnished a soil analysis to review, but predicate that the soil's load bearing capacity is sufficient to support the existing structure. We did not observe any evidence to the contrary during our viewing of the property.
Parking	The site has a paved entrances, with paved and delineated parking for approximately 20 vehicles on the western side. There is additional parking available in a paved market lot adjacent to the subject to the west of the improvement.

Environmental Issues	No evidence of hazardous waste or toxic materials was visible. The value estimate rendered in this report is predicated on the assumption that there is no hazardous material on or in the property that would cause a loss in value. No evidence of hazardous waste or toxic materials was visible. VFI has no knowledge of the existence of these substances on or in the subject property. However, VFI is not qualified to detect hazardous waste or toxic materials.
<b>Legal</b>	
Subject Property ID	A-25-28-18-ZZZ-000005-38460.0
Legal Description:	LOT BEG 50 FT S OF C/L OF E BIRD ST AND 377.5 FT W OF C/L OF NEBRASKA AVE AND RUN S 89 DEG 42 MIN W 210.90 FT S 265 FT N 89 DEG 42 MIN E 212.3 FT AND N 265 FT TO BEG
Zoning Designation	C-I Commercial Intensive: This district provides areas for intense commercial activity, permitting heavy commercial and service uses. Please refer to the zoning analysis for more detail.
Conformance	The current zoning designation, site configuration and improvements appear to be legally conforming per review of the improvements, site and land development code, and a review of the City of Tampa Zoning Ordinance. Please refer to the zoning analysis for more detail.
Easements, Encumbrances and Moratoria	We were not provided a current title report to review and are not aware of any easements, encumbrances or restrictions that would adversely affect the use of the site. A title search is recommended to determine whether any adverse conditions exist.
Encroachments	We were not provided a site survey. However, a viewing of the property revealed no apparent encroachments.

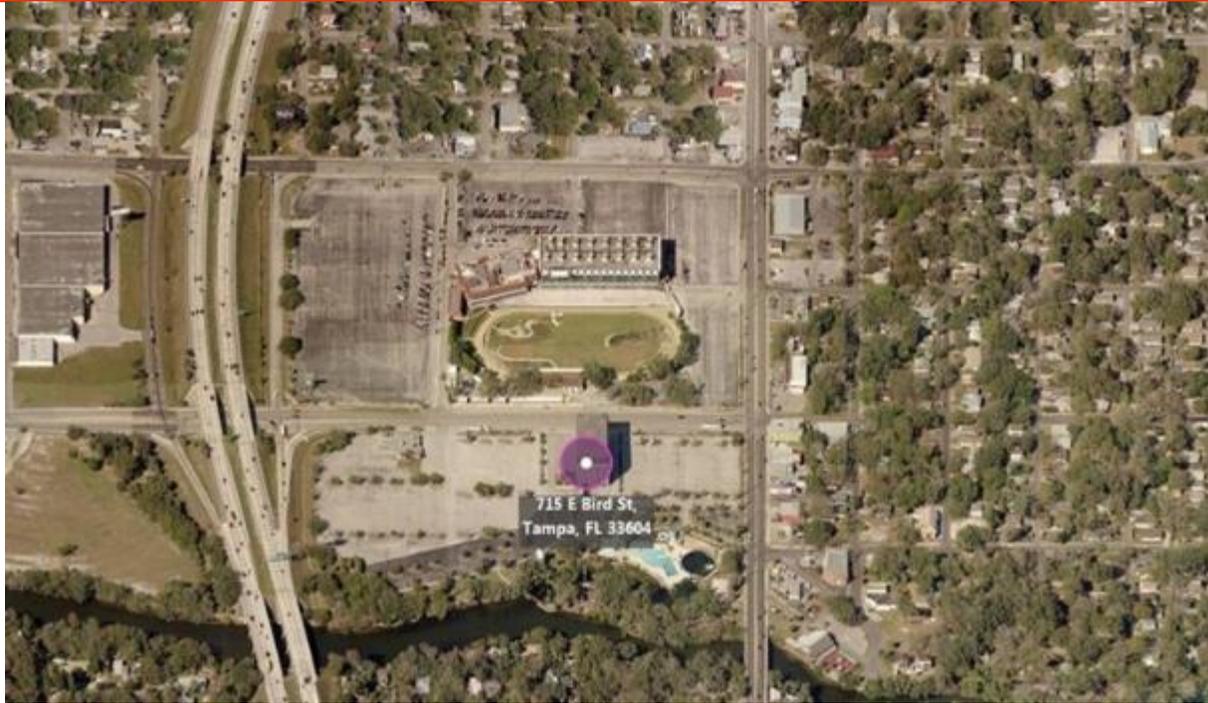
**Conclusion**

Site access appears to be average, with average/good road exposure afforded by its visibility from Interstate 275 to the west and N Nebraska Ave to the east. The subject’s site size is considered to be average, and is suitable for the current improvements and provides adequate parking. In addition, its location on E Bird St and close proximity to the commercial arteries and numerous single-family residential neighborhoods allow it good access to surrounding submarkets. Its proximity to Interstate 275 and both commercial / commuter routes make it appealing to a wide variety of potential users and patrons. The shape of the site is rectangular, and results in no specific development limitation. In conclusion, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. We are not aware of any other particular restrictions on development.

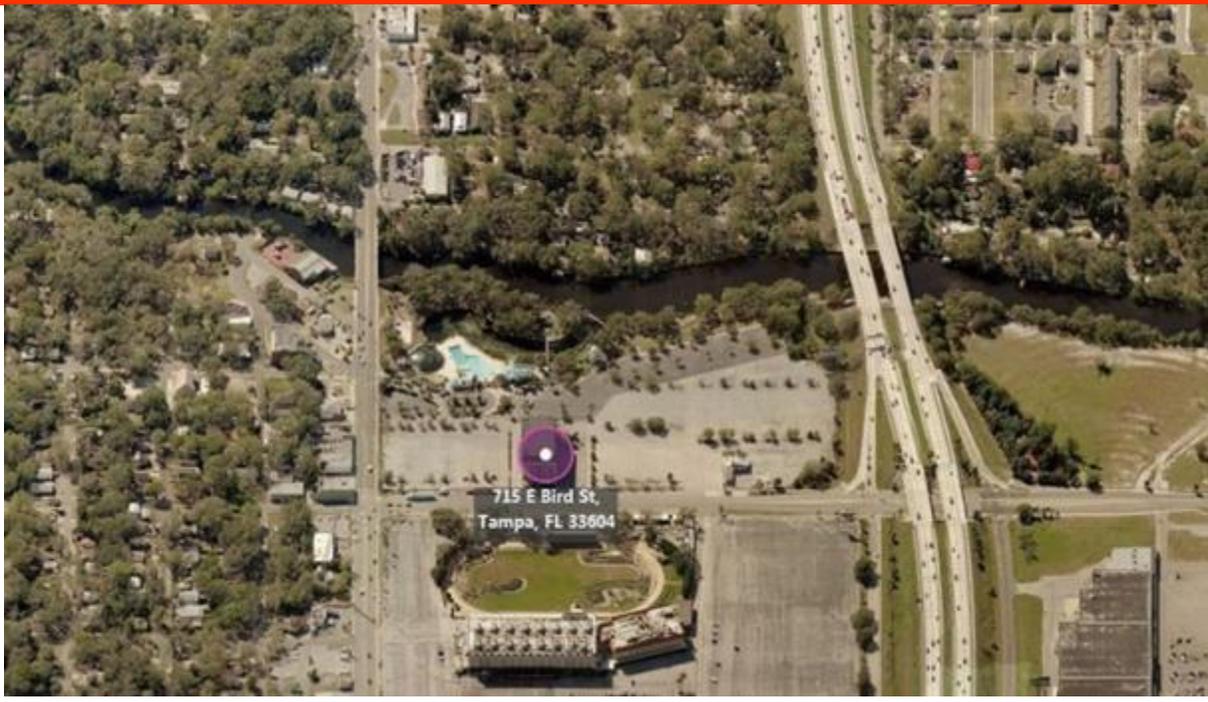




**BIRDS EYE VIEW (NORTH)**



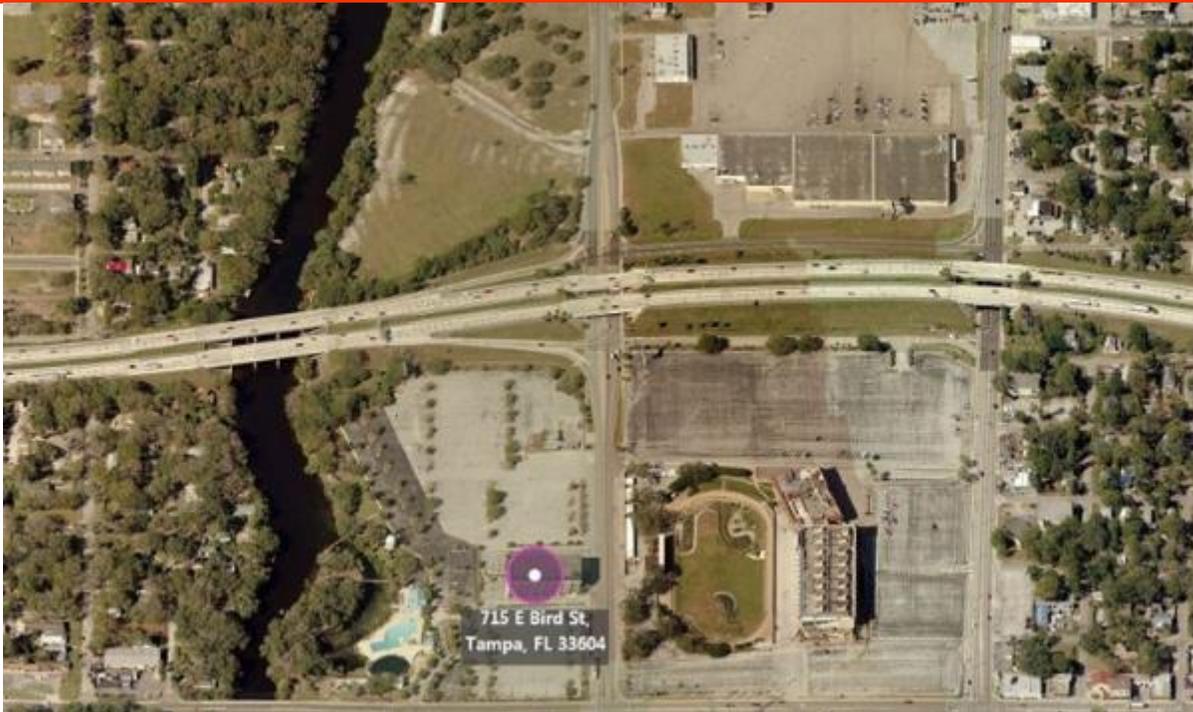
**BIRDS EYE VIEW (SOUTH)**

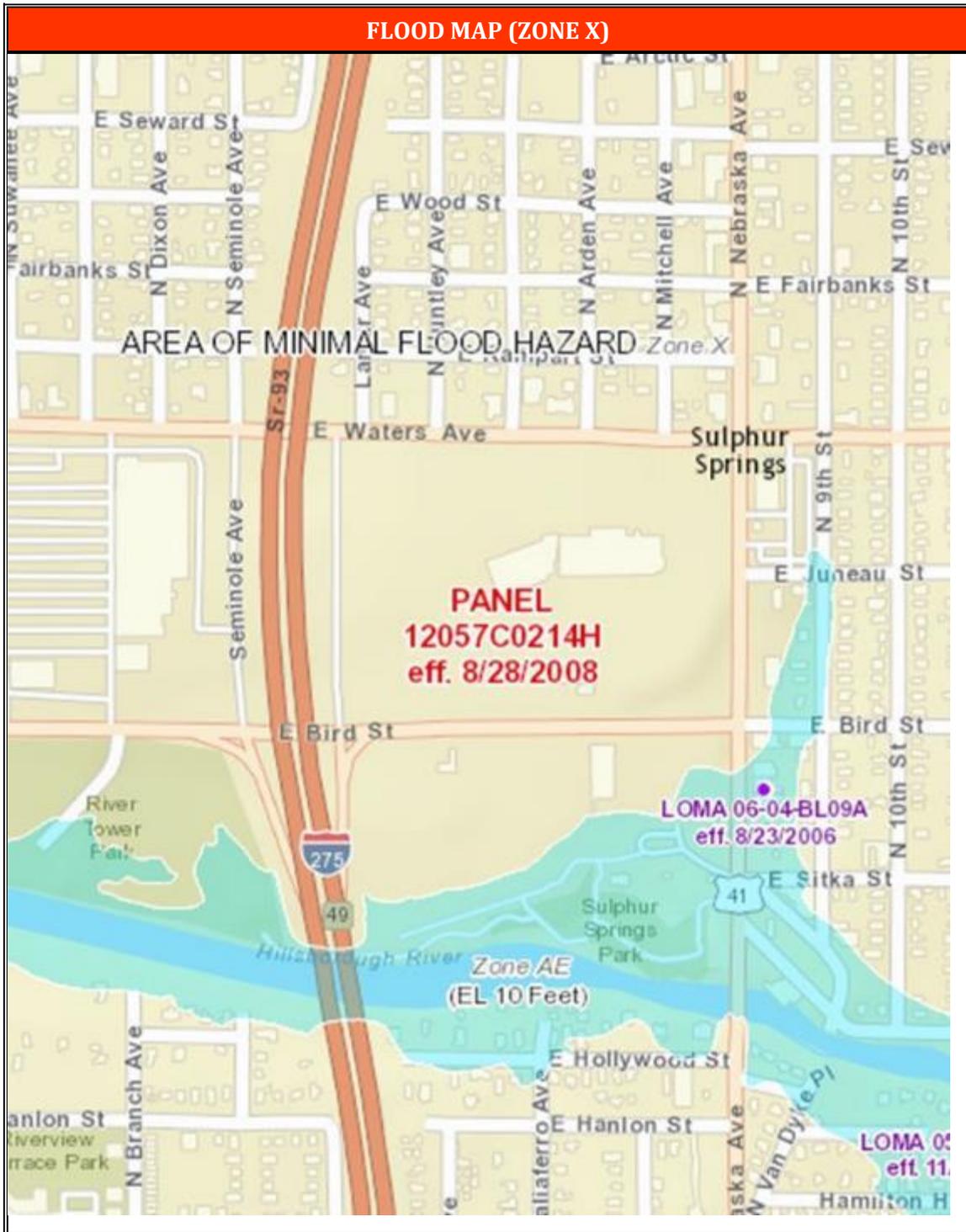


**BIRDS EYE VIEW (EAST)**



**BIRDS EYE VIEW (WEST)**





### **IMPROVEMENT ANALYSIS**

Building improvements consist of a four-story office building constructed in 1950 with ~63,200 sf of Gross Building Area and 57,500 sf of Net Rentable Area. The building is of concrete block and brick construction over a partial basement with built up tar and gravel roof structure. The improvement exhibits average overall quality and appeal. The fourth floor needs cosmetic renovation / tenant improvements, however, no major deferred maintenance was noted at time of inspection. The current owner has spent approximately \$1,500,000 in repairs / updates to the building including new sprinkler system, fire alarm system and security system with updates and renovations to the lobby areas and second floor executive office spaces. The owner has plans to continue to renovate building, parking lot and the fourth floor with an estimate budget of \$650,000. The building is currently 78% occupied based on the leases in place provided by the owner / manager. The subject is a large multi-tenant configured office building in overall average condition for the submarket. The building is serviced by all public utilities included water, sewer, trash and electric service. The partial basement area is used for storage by owner and not included in NRA. Below are details on each floor.

**First Floor** – contains ~12,500 sf of net rentable area occupied by New Beginnings, a local church organization. At the rear of the first floor there is an old bank space with ~750 sf occupied by a local tenant “Sound Studio”.

**Mezzanine** – There is a partial mezzanine area accessed via the first floor with approximately 7,000 sf of gross building area including stairwells. The first floor tenant “New Beginnings” leases the mezzanine area for additional space which is primarily vacant at time of inspection. Within the mezzanine area there is a commercial kitchen with separate entrance currently leased to Vincent Starkes BBQ who utilized the kitchen ~1,000 sf for his catering business.

**Second Floor** – The second floor consists of ~12,500 sf of net rentable area completely build out for office suites and consists of 26 individual office suites. The entire floor is leased to EONT “Executive Offices North Tampa LLC” who manages the units. As of November 2016. The lease rate is \$9,000 per month plus \$1,750 in CAM fees. EONT provided a rent roll as of November and 23 of the 26 office suites were leased varying in sf.

**Third Floor** – The third floor consists of ~12,500 sf of net rentable area currently in process of tenant improvement build out. The floor has been leased to the Tampa Arts Center which is going to occupy and lease out individual spaces to local artists. The space was vacant at time of inspection and with renovations being completed by the owner. The owner is responsible for \$60,000 in tenant improvements to this space. The lease has a 36 month term with base rate of \$8,000 plus \$1,750 in CAM fees. The tenant will be responsible for 1/3 of RE taxes and utilities until 4<sup>th</sup> floor is complete, then percentage goes to ¼. No completion or move in date was noted on lease.

**Fourth Floor** – The fourth floor consists of ~12,500 sf of net rentable area and is currently vacant needing tenant improvements. The owner has plans to renovate and lease the floor. The budget for

updates and tenant improvements to the fourth floor is \$200,000 or \$16.00/sf. The cost estimate was considered feasible to bring the fourth floor into rentable condition. Along with the interior improvements, balconies and a new roof will be completed on the fourth floor allowing for more appealing offices on the top floor.

Overall, the subject is considered to be in average condition. The first and second floor have undergone recent renovations with tenant improvements while the third and fourth floors are in dated condition with tenant improvements in process and planned for the future. The subject improvements are further summarized in the following tables. The description is based on our interior/exterior inspection on November 23, 2016.

<i>Construction Class</i>	The class of construction is the basic subdivision in Marshall Valuation Service <sup>1</sup> , dividing all buildings into five basic groups by type of framing (supporting columns and beams), walls, floors, roof structure, and fireproofing. The subject is construction Class C.
<i>Competitive Rating</i>	The subject is considered a Class C building in terms of quality, as it is perceived in the marketplace.
<i>Exterior Walls</i>	Concrete block and brick.
<i>Interior Framing/Partitioning</i>	Painted drywall, wood panel.
<i>Floor Construction</i>	Concrete block / slab
<i>Roof Cover</i>	Built up roof with tar and gravel cover
<i>Exterior Condition</i>	Average quality/appeal and condition.
<i>Interior Finishes</i>	Tile floor in lobby, carpet and sealed concrete throughout interior corridors and office areas. Painted drywall and wood panel partitions with acoustic tile ceilings and fluorescent lighting.
<i>Interior Condition</i>	Average quality/appeal and condition.
<i>HVAC</i>	Entire structure is under central heat and air.
<i>Electrical</i>	The electrical system is assumed to be in good working order and adequate for the building.

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<sup>1</sup> The primary characteristic of Class C Buildings is characterized by masonry or reinforced concrete (including tilt-up) construction. The walls may be load-bearing, i.e., supporting roof and upper floor loads, or nonbearing with open concrete, steel, or wood columns, bents, or arches supporting the load.

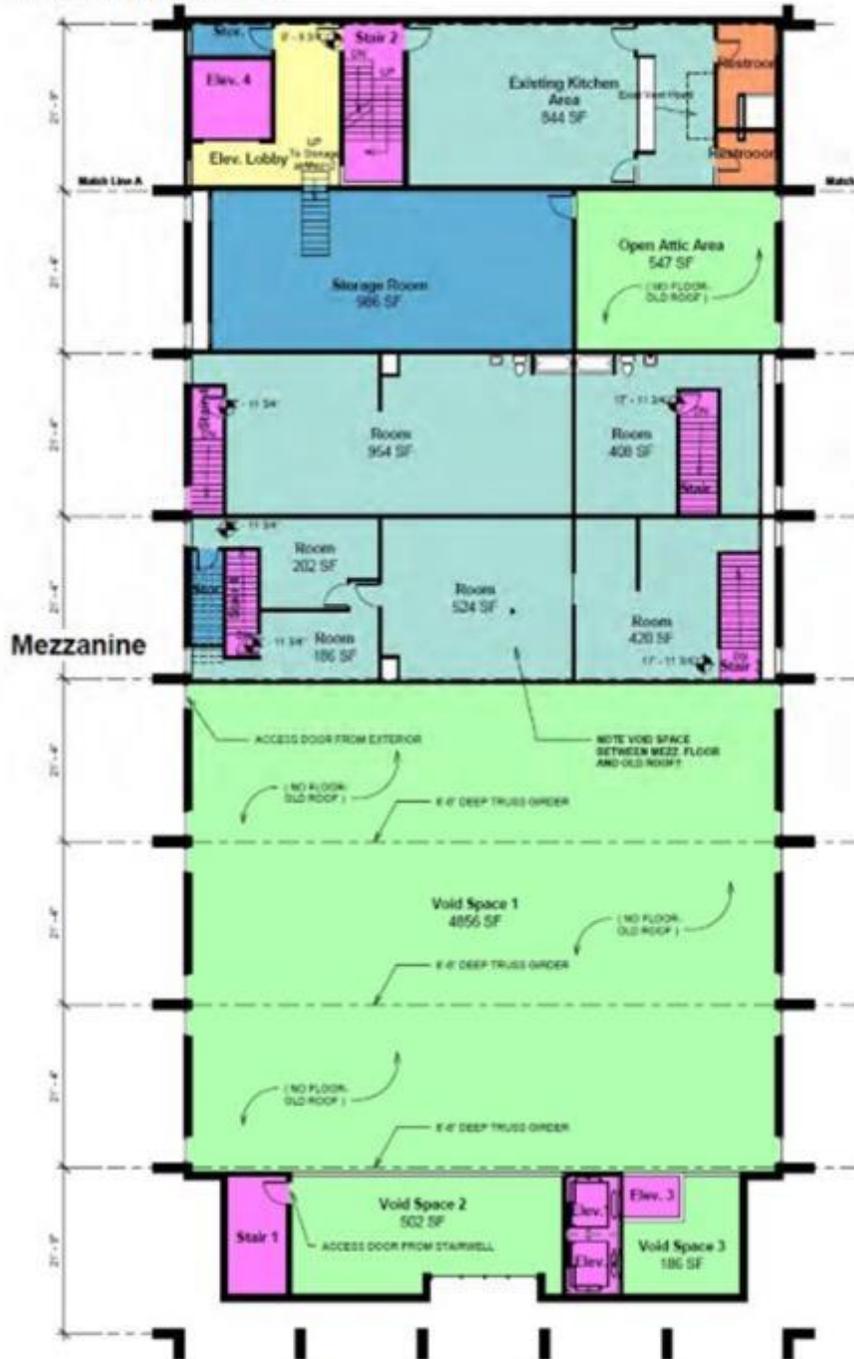
(Source: Marshall Valuation Service)

<i>Fire Protection</i>	It is assumed that the subject has adequate fire alarm systems, fire exits, fire extinguishers, fire escapes and/or other fire protection measures adequate to meet local fire Marshall requirements.
<i>Life Safety and Security</i>	The subject has exterior security lighting
<i>Plumbing</i>	The plumbing system is assumed to be in good operating condition.
<i>Parking</i>	A paved parking spot with approximately 20 delineated spaces is located along the western side of the improvement. Additional parking is located in lot adjacent to subject. Parking is considered adequate and viable for the current configuration and submarket.
<i>Landscaping</i>	Landscaping is average and similar to competitors in the market.
<i>ADA Compliance</i>	We are not qualified to determine compliance with ADA requirements. Please refer to the specific limiting condition regarding ADA compliance in the addendum.
<i>Environmental Issues</i>	As referenced in the Assumptions and Limiting Conditions to this report, we are neither considered experts nor competent to assess environmental issues.
<i>Functional Utility</i>	There were no observed functional shortcomings or loss of utility.
<i>Deferred Maintenance</i>	The overall condition is average, with no deferred maintenance present at the time of inspection.
<i>Economic Age and Life</i>	The subject improvement was erected in 1950, for a chronological age of 66 years. Based on the subject's condition we estimate the subject's effective age to be approximately 20 years. According to the Marshall Valuation Service cost guide, buildings of this type and quality has an expected life of 45 years. Therefore, the remaining economic life (expected life minus effective age) is about 25 years, consistent with our on-site observations. While we observed nothing to suggest a different economic life, a capital improvement program could extend life beyond that stated above.
<i>Quality/General Condition</i>	The subject property conforms to competitors and substitutes in the area. Relative quality of construction is average. Interior amenities and build-out are of similar quality and utility as compared to competitors. We observed no evidence of structural fatigue and the improvements appear sound. We are not qualified to determine structural integrity, however, and recommend that the reader rely upon an expert in this field for further determination.
<i>Conclusion</i>	In terms of its design and construction, the subject property does meet the demands of the market. The subject property, as improved, can suitably compete within the marketplace.

<b>IMPROVEMENT RATING</b>					
Category	Exc	Good	Average	Fair	Poor
Appeal/Appearance			X		
Ceiling Height			X		
Construction Class			X		
Design			X		
Electrical			X		
Exterior Condition			X		
Exterior Walls			X		
Floor Construction			X		
Floor Cover			X		
Floor to Ceiling Height			X		
Foundation			X		
Frame			X		
Functionality/ Floor Plan			X		
HVAC			X		
Interior Condition			X		
Interior Partitions			X		
Landscaping			X		
Life Safety System		X			
Lighting			X		
Parking			X		
Plumbing			X		
Restrooms			X		
Roof Cover			X		
Windows			X		
<b>Compiled by: VFI</b>					



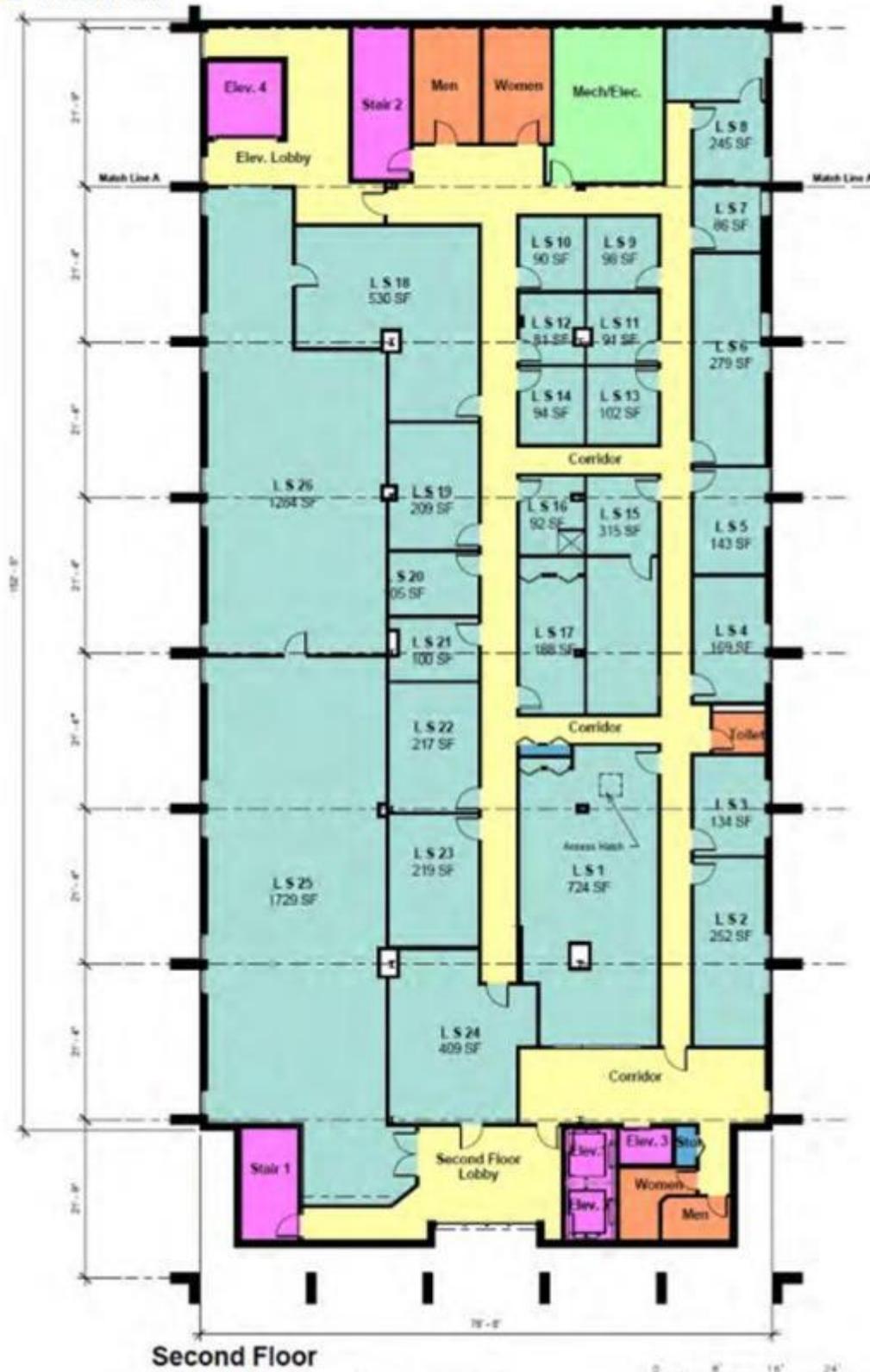
Mezzanine Floor Plan



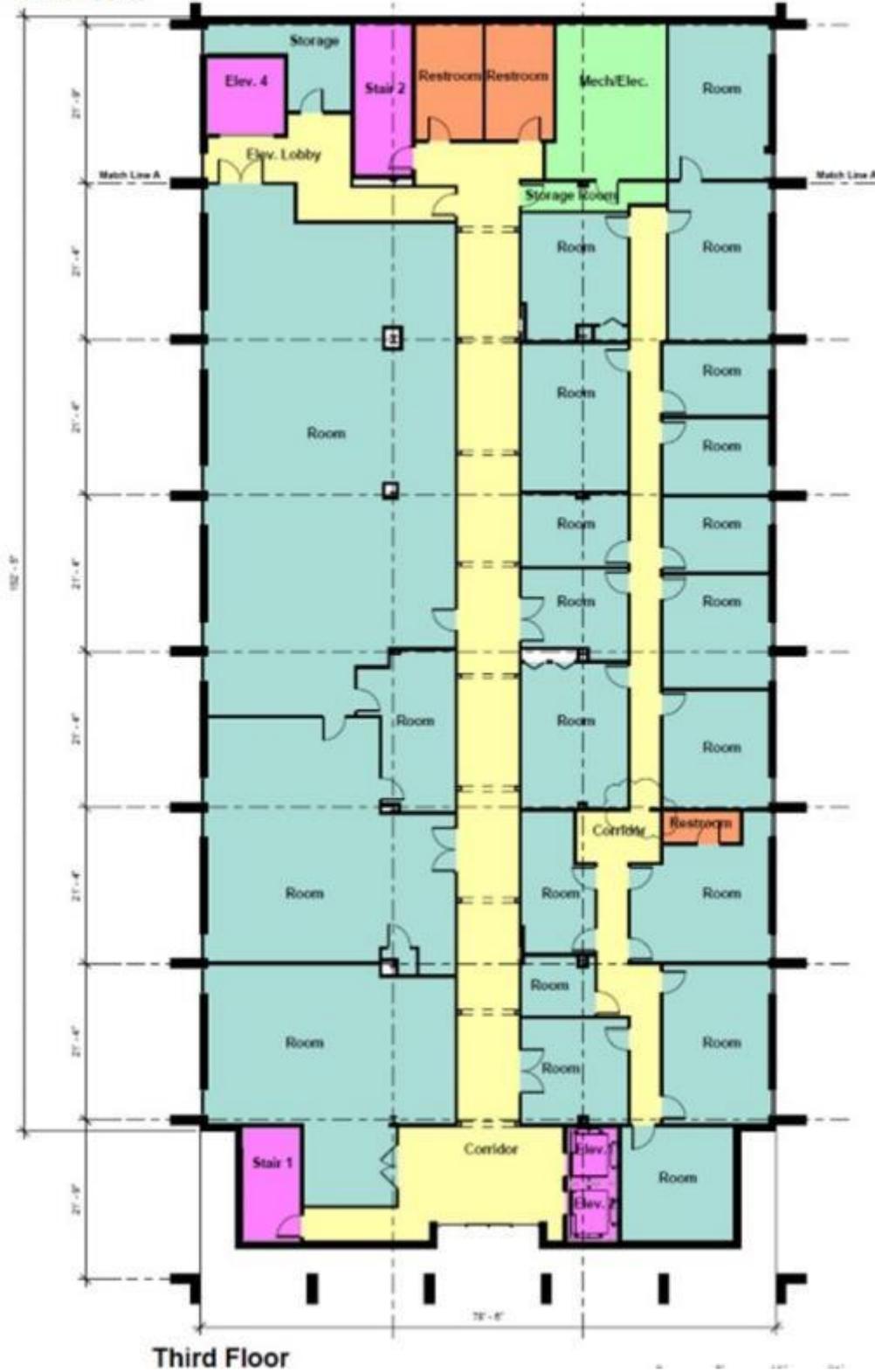
Floor Plan Legend



2<sup>nd</sup> Floor Plan



3<sup>rd</sup> Floor Plan



4<sup>th</sup> Floor Plan



Fourth Floor

0' 6" 12" 18" 24"

**ZONING ANALYSIS**

The subject’s zoning requirements are detailed below.

ZONING SUMMARY	
Current zoning:	C-I Commercial Intensive
Legally conforming	Legally conforming
Uses permitted:	Variety of commercial uses
Zoning change	Not Likely
Source: City of Tampa Zoning Ordinance	
Compiled by: VFI	

CI- Commercial, Intensive

This district provides areas for intense commercial activity, permitting heavy commercial and service uses.

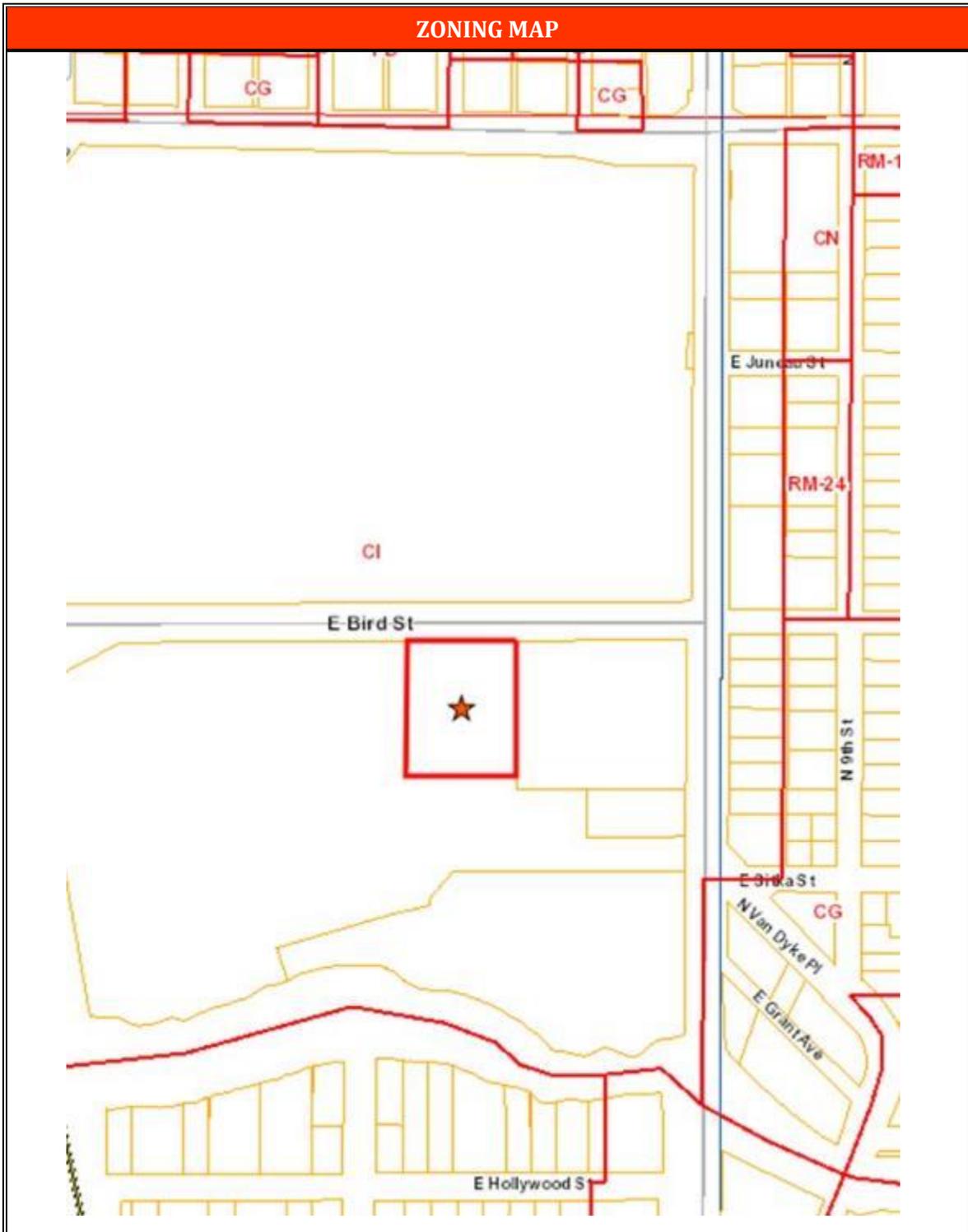
There is a wide variety of allowable uses identified within Table 4-1 Schedule of Permitted Uses. Permitted uses by right within the C-I district include but are not limited to the following:

- |                          |                 |                                      |                     |
|--------------------------|-----------------|--------------------------------------|---------------------|
| Bed & breakfast          | cemetery        | facilities with 6 or fewer residents | clinic              |
| Club                     | college         | day care / nursery facility          | fraternity/sorority |
| Funeral parlor           | hospital        | place of religious assembly          | hotel / motel       |
| Public cultural facility | schools         | air conditioned storage              | airport             |
| Public golf course       | auto rental     | appliance and equipment repair       | bank                |
| Catering shop            | cigar factory   | craft distillery                     | dry cleaning plant  |
| Heli-port                | interim parking | dental and medical laboratory        | kennels             |
| Marina                   | microbrewery    | maintenance or storage facility      | manufacturing       |
| Nursing / care facility  | medical office  | office, business and professional    | personal services   |

Along with the uses permitted above, there were a wide variety of additional permitted uses, accessory uses and special uses allowable within the CI zoning district.

**Zoning Analysis and Conclusion**

After a review of applicable zoning ordinances the subject appears to be a legal and conforming use within the C-I Commercial Intensive District.



**TAX AND ASSESSMENT DATA**

The subject is located in Hillsborough County and is subject to the taxing authorities of the county, public schools and water district. The property has a total assessed value of \$462,556 and the current yearly tax obligation is \$9,447.75 plus non-ad valorem assessment. Refer to the table below:

2016 Tax Information					
Parcel	Land	Improvements	Assessed Value	Milage Rate	Current Taxes
A-25-28-18-ZZZ-000005-38460.0	\$167,179	\$295,377	\$462,556	20.42510	\$9,447.75
Non-ad Valorem					\$1,925.17
<b>Total</b>	<b>\$167,179</b>	<b>\$295,377</b>	<b>\$462,556</b>		<b>\$11,372.92</b>

**TAX AND ASSESSMENT CONCLUSION**

The appraisal herein is based on the assumption of the subject being current with its property taxes. Per the Hillsborough County Tax Collector there are past due taxes for the subject parcel. The current years taxes are not due until March 30 of 2017, however, the previous year’s taxes remain unpaid and a tax certified was issues on May 28, 2019. The current balance owed for the 2015 taxes is \$22,999.43. Note, the subject has a significant drop in taxes from 2015 to 2016 which is a direct result of the assessed value being reduced from \$913,000 to \$462,000. A review of the tax bill history has been included below.

Bill	Balance	Pay all: \$33,917.45	
2016 Annual Bill	\$10,918.02	Pay this bill: \$10,918.02	
2015 Annual Bill	\$22,999.43	Pay this bill: \$22,999.43	
Issued certificate #12633	Face \$21,898.27 Rate 0.25%	05/28/2016	Certificate issued
		04/12/2016	Advertisement file created
2014 Annual Bill	\$0.00	09/11/2015	Paid \$20,669.75 Receipt #14-655-004514
Redeemed certificate #12843	Face \$19,679.52 Rate 0.25%	09/11/2015	Certificate redeemed
		06/01/2015	Certificate issued
		04/13/2015	Advertisement file created
2013 Annual Bill	\$0.00	09/11/2015	Paid \$22,631.08 Receipt #14-655-004514
Redeemed certificate #329055	Face \$21,547.46 Rate 0.25%	09/11/2015	Certificate redeemed
		05/31/2014	Certificate issued
		04/01/2014	Advertisement file created

## **HIGHEST AND BEST USE**

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria that the highest and best use must meet are:

- legal permissibility;
- physical possibility;
- financial feasibility; and
- maximum profitability.

Highest and best use is applied specifically to the use of a site as vacant. It is recognized that in cases where a site has existing improvements, the concluded highest and best use as if vacant may be different from the highest and best use given the existing improvements (as improved). The existing use will continue, however, until the land value, in its highest and best use, exceeds that total value of the property under its existing use plus the cost of removing or altering the existing structure.

Implied in the highest and best use is recognition of the contribution of a specific use to the community environment or to the community's development goals, in addition to wealth maximization of individual property owners. Also implied is that the conclusion of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from the analysis represents an opinion, not a fact to be found.

Highest and best use analysis involves assessing the subject both as if vacant and as improved.

### **HIGHEST AND BEST USE AS THOUGH VACANT**

#### ***Legal Permissibility***

The legally permissible uses were discussed in detail in the zoning section of this report. The subject is currently in a C-I Commercial Intensive Zoning District. This district allows for a variety of commercial, retail and office uses.

#### ***Physical Possibility***

The physical characteristics of the subject site were discussed in detail in the site analysis section of this report. Overall, the layout and positioning of potential improvements are considered functional for a variety of uses, which include but are not limited to retail, office and residential use. The floor plans are considered to be reasonable on a comparison basis, and is similar to other office building improvements in the market.

#### ***Financial Feasibility***

The test of financial feasibility is put only to those uses, which are legally permissible and physically possible. If the property is capable of generating a sufficient net income to cover the required rate of return on investment and provide a return to the land, then the usage is financially feasible within a defined price limit.

VFI analyzed the financial feasibility of developing the subject site based on current market rental rates in relation to the cost approach. This analysis compares the net operating income produced by appropriate improvements to the economic return on the property's value. In essence, the net income produced by the proposed or new improvements must provide a return to the cost of the improvements.

Our analysis indicated that the hypothetical improvements do return enough income to warrant developing the subject if vacant. Limited vacant land exists in the immediate neighborhood along with commercial developments with vacant space however several built to suit developments and speculative projects were found recently completed in the market as there is a move to renovate and create new Class A office space.

### ***Maximum Profitability***

The final test of highest and best use of the site as though vacant is that the use is maximally productive, yielding the highest land value. In the case of the subject as though vacant, the analysis thus far has indicated that retail or office use would be most likely. Given the high probability that commercial retail or office use is the highest and best use, this is judged to be a reasonable indication of maximum productivity of the land.

### ***Conclusion: Highest and Best Use As Though Vacant***

Based on this discussion, it concluded that the Highest and Best Use of the subject site as vacant would be to develop to the maximum density allowed as demand has returned within the market. There exists limited available vacant product with decreasing vacancy rates and increasing rental rates in the submarket such that the subject site as though vacant would be considered for development to the maximum allowed density.

## **HIGHEST AND BEST USE AS IMPROVED**

### ***Legal Permissibility***

The legally permissible uses were discussed in detail in the zoning section of this report. The subject is currently considered a legal conforming use within the C-I Commercial Intensive district. This district allows for a variety of commercial retail and office uses, of which the subject's configuration as an office building is one. Thus, the subject is considered to legally conform to the zoning guidelines of the city of Tampa.

### ***Physical Possibility***

The physical characteristics of the subject improvements were discussed in detail in the improvement analysis section of this report. Overall, the layout and positioning of the improvements are considered functional for commercial use. The floor plans are considered to be reasonable on a comparison basis, and is similar to other commercial improvements in the market. While it would be physically possible for a wide variety of uses, based on the existing design/layout the current uses including religious facility and executive offices are considered to be the highest and best use.

***Financial Feasibility***

As with the highest and best use of the site as though vacant, the financial feasibility of the site as improved is market derived. Typically, for a property similar to the subject, the test of feasibility is based on the amount of rent that can be generated, less operating expenses. If a residual amount exists after paying the various expenses, then the land is being put to a productive use.

Within the income approach provided later in the report, we substantiate that the subject operating as a commercial office improvement is financially feasible as a net income remains upon considering the subject's respective expenses. Thus, it is financially feasible to continue to operate the subject with its current commercial office configuration.

***Maximum Profitability***

Similar to the highest and best use of the site as though vacant, the maximum profitable use of the subject as improved should conform to neighborhood trends and be consistent with existing land uses. Although several uses may generate sufficient revenue to satisfy the required rate of return on investment and provide a return on the land, the single use that produces the highest price or value is typically the highest and best use. However, the recipient of the property's productivity greatly determines what actual use maximizes profitability.

***Conclusion: Highest and Best Use as Improved***

Based on the foregoing discussions, VFI concludes that the highest and best use of the property as improved is for continued commercial veterinary office / hospital facility. There are no alternative uses of the existing improvements that would produce a higher net income and/or value in the near term. Furthermore, VFI does not believe that conversion of the improvements or demolition is warranted or financially feasible at this time. The most likely buyer/user for the subject is a local or national investor looking to own or manage and office asset in the Tampa market. (current configuration).

## **APPRAISAL METHODOLOGY**

The appraisal process is defined as an orderly program by which the problem is planned and the data involved is acquired, classified, analyzed and interpreted into an estimate of value. In this process three basic approaches to value are considered: Income Capitalization Approach, Sales Comparison Approach, and Cost Approach. In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

The final step in the appraisal process is reconciliation -- a process by which VFI analyzes alternative conclusions and selects a final value estimate from among two or more indications of value. VFI weighs the relative significance, applicability and defensibility of each approach as it relates to the type of property being appraised.

### **INCOME CAPITALIZATION APPROACH**

The methodology of the Income Capitalization Approach is to determine the income-producing capacity of the property on a stabilized basis by estimating market rent from comparable rentals, making deductions for vacancy and collection losses and building expenses, then capitalizing the net income at a market-derived rate to yield an indication of value. The capitalization rate represents the relationship between net income and value.

Related to the direct capitalization method is the discounted cash flow method. In this method of capitalizing future income to a present value, periodic cash flows (which consist of a net income less capital costs, per period) and a reversion (if any) are estimated and discounted to a present value. The discount rate is determined by analyzing current investor yield requirements for similar investments.

Since investors are active in the marketplace for properties similar to the subject, the Income Capitalization Approach is applicable to the appraisal problem at hand. There is an adequate quality and quantity of income and expense data available to render a reliable and defensible value conclusion. Therefore, this approach has been employed for this assignment.

### **SALES COMPARISON APPROACH**

The Sales Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences with the final estimate derived based on the general comparisons.

The reliability of this approach is dependent upon (a) the availability of comparable sales data; (b) the verification of the sales data; (c) the degree of comparability; (d) the absence of atypical conditions affecting the sales price. Through our search of the subject market, we were able to uncover an adequate quality and quantity of sales through which a reliable and defensible indication of value could be concluded. Therefore, this approach has been employed for this assignment.

**THE COST APPROACH**

The Cost Approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties.

Based on our analysis of the subject area, market participants are generally not buying, selling, investing, or lending with reliance placed on the methodology of the Cost Approach to establish the value. Furthermore, though considered, the Cost Approach is not deemed to render a reliable indication of value due to the imprecise nature of estimating the accrued physical, functional, or external depreciation affecting the improvements. Therefore, for this assignment, the Cost Approach has not been employed to render a value indication for the subject property. It should be noted that the exclusion of the cost approach is not considered to diminish the reliability of the value conclusion herein and this report is fully conforming.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

<b>APPROACHES TO VALUE</b>		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

**INCOME CAPITALIZATION APPROACH – “AS COMPLETE”**

The Income Capitalization Approach reflects the subject’s income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over period of time. The two common valuation techniques associated with the Income Capitalization Approach are direct capitalization and the discounted cash flow (DCF) analysis. **The following income analysis considers the subject “as complete” and at stabilized occupancy. See extraordinary assumptions section.**

**DIRECT CAPITALIZATION**

Direct capitalization is the method used to convert a single year’s estimate of income into a value indication. In direct capitalization, a precise allocation between return on and return of capital is not made because investor assumptions or forecasts concerning the holding period, pattern of income, or changes in value of the original investment are not simulated in the method. Direct capitalization is most appropriate when analyzing a stable income stream and in estimating the reversion at the end of a holding period. Using this method, the following sets forth the process:

1. Estimate the Potential Gross Income (PGI) from all sources that a competent owner should be able to generate from a property based on existing and/or market rents.
2. Deduct an estimate of Vacancy and Collection Loss (VCL) to arrive at an Effective Gross Income (EGI) estimate.
3. Deduct operating expenses from the estimate of EGI. The result is an estimate of the stabilized Net Operating Income (NOI).
4. Estimate an Overall capitalization rate ( $R_o$ , or OAR).
5. Divide the NOI by  $R_o$ , resulting in a value estimate at stabilized occupancy.
6. Adjust the stabilized value to account for “as is” condition, if applicable.

**DISCOUNTED CASH FLOW ANALYSIS**

The discounted cash flow (DCF) analysis is a detailed analysis used when the future income is expected to be variant, usually as a result of numerous lease obligations and/or anticipated changes in income and expenses. It is also particularly relevant when institutional buyers are the most likely purchasers of the subject because institutional buyers often place great weight on this analysis. The DCF analysis specifies the quantity, variability, timing, and duration of NOI’s and cash flows. Selecting the proper yield rate (discount rate) is essential. VFI must consider the target yield sought by investors as well as yields derived from comparable sales and/or market information. The methodology is:

1. Estimate the before-tax cash flows for each period of a projected holding period net of any capital expenditures such as leasing expenses and tenant improvements.
2. Estimate a discount rate and a terminal overall capitalization rate.
3. Estimate a selling price, known as the reversion, for the end of the projected holding period.
4. The cash flows and the reversion are then discounted to a present value estimate.

**CURRENT OCCUPANCY AND RENTAL RATES**

The subject is currently 78% tenant occupied with leases in place. The owner is planning to continue renovations to the fourth floor and lease out the space once complete. The lease rates in place range from \$6.62/sf to \$9.60/sf with an average of \$8.31/sf due to the variety and appeal of the various units available at the subject. The large first floor religious use space and mezzanine area are leased at the bottom of the range. All of the tenants are charged CAM fees in addition to RE taxes and utilities. The subject units are basically on a Triple Net basis with costs of maintenance, RE taxes and utilities being charged back to the tenants. As a result, the subject’s potential gross income will be stabilized at the current rental rates for occupied units and market derived rates and terms for the vacant space to be absorbed. Below is a rent roll created from the leases provide from the owner.

Rent Roll						
Location	Tenant	Sq.ft.	Base Rent	Per Sq.ft.	CAM	
1st Floor	New Beginnings	12,250	\$6,900	\$6.76	\$897	25% of RE tax & 30% of utilities
1st Floor	Sound Studio	750	\$600	\$9.60	\$200	\$200 for utilities
Mezzanine	New Beginnings	6,000				included in above
Mezzanine	Vincent Starkes BBQ	1,000	\$750	\$9.00	\$535	\$185 CAM plus \$350 for utilities
2nd Floor	EONT Executive Offices	12,500	\$9,000	\$8.64	\$1,750	25% of RE tax & 25% of utilities
3rd Floor	Tampa Arts Center	12,500	\$8,000	\$7.68	\$1,750	25% of RE tax & 25% of utilities
4th Floor	vacant	12,500				
<b>Total / Average</b>		<b>57,500</b>	<b>25,250</b>	<b>\$8.34</b>	<b>5,132</b>	

**APPROPRIATE CAPITALIZATION METHOD**

A number of factors were considered in evaluating the appropriateness of using the direct capitalization method and/or the DCF technique.

***Occupancy Status***

If the subject is not at stabilized occupancy, the DCF method is typically the preferred method because it better models the present value impact of lease-up costs on value. If the subject is at stabilized occupancy, the direct capitalization method may be the most applicable.

The subject is a 78% tenant occupied property with stabilized occupancy considered to be 88%. With minimal absorption once the fourth floor is complete the subject will be operating at projected stabilized occupancy, thus supports the use of the direct capitalization method.

***Typical Buyer Behavior***

Selection of the appropriate methodology also depends upon the behavior of typical buyers of the subject’s property type within the local market. Based on discussions with market participants, buyers typically rely on direct capitalization for the subject property type (multi-tenant office building).

***Appraisal Instructions***

Upon engagement, the client did not specify which methodology to employ within the income approach.

***Above or Below Market Rent/Terms***

The subject is currently 78% tenant occupied with leases in place. The subject’s rental rate will be stabilized at the current lease rates and market derived rates and terms for the vacant space. No above or below market rates/terms were considered to exist. When analyzing office products at stabilized rental rates, it is typical to employ the direct capitalization method.

***Conclusion***

As a result of considering the foregoing factors, the direct capitalization technique is the most applicable and is employed herein.

**Estimate of Market Rent**

Rent analysis involves a study of market (comparable) rentals and the subject’s existing rents when appropriate. Market rent is the rent that a property would most probably command in the open market; indicated by the current rents paid and asked for comparable space.

**Summary of Comparable Commercial Rentals**

The subject’s potential gross income will be stabilized at market derived rates and terms (due to owner occupancy). The lease terms will be stabilized on a NNN terms with CAM fees charged to the tenants. The results of the comparable rentals are as follows:

<b>COMMERCIAL RENTAL COMPARABLES</b>			
<b>Address</b>	<b>Price/SF/YR</b>	<b>Terms</b>	<b>Size (SF)</b>
4809 N Armenia Ave, Tampa, FL 33603	\$13.35/sf/yr	NNN	22,194
4910 Savarese Cir, Tampa, FL 33634	\$7.54/sf/yr	NNN	71,150
7007 N Armenia Ave, Tampa , FL 33604	\$9.06/sf/yr	NNN	6,636
10050 N Florida Ave, Tampa, FL 33612	\$12.00/sf/yr	NNN	54,000
<b>Four Comparables Averages</b>	<b>\$10.49/sf/yr</b>	<b>N/A</b>	<b>38,496</b>
<b>Subject Stabilized</b>	<b>\$9.00/sf/yr</b>	<b>Mod. Gross</b>	<b>~57,500</b>

**Rental Comparable One**



**Salient Facts**

<b>Address</b>	4809 N Armenia Ave	<b>Rental Rate</b>	\$13.35/sf/yr/NNN
<b>City, State Zip</b>	Tampa, FL 33603	<b>Lease Expiration</b>	Various
<b>Year Built</b>	1957	<b>Use</b>	Professional / Medical Office
<b>Age/Condition</b>	Good	<b>Building Size</b>	22,194 sf

The comparable is located approximately 4 miles southwest of the subject in the Tampa market. The location and exposure on Armenia Ave was considered similar. This is an older office building constructed in 1957 and renovated into multiple units. The building transferred in June of 2016 at a 7.50% cap and an average lease rate of \$13.35/sf/NNN. Adjustments were considered for the superior condition, quality and appeal compared to the subject. The comparable was given primary consideration along with all of the comparables provided.

**Rental Comparable Two**



**Salient Facts**

<b>Address</b>	4910 Savarese Cir	<b>Rental Rate</b>	\$7.54/sf/yr/NNN
<b>City, State Zip</b>	Tampa, FL 33634	<b>Lease Expiration</b>	October 2026
<b>Year Built</b>	1982	<b>Tenant</b>	Xcelience Headquarters
<b>Age/Condition</b>	Average	<b>Building Size</b>	71,150 sf

The comparable is located ~5 miles due west of the subject in the Tampa market in a similar location. The building is occupied by a single tenant and currently leased at \$7.54/sf/NNN with 10 years remaining on the lease. Adjustments were considered for the size of the single tenant configuration and overall condition compared to the subject. The comparable is similar to the subject such that no further adjustments are warranted. The comparable was given primary consideration along with all of the comparables provided.

**Rental Comparable Three**



**Salient Facts**

<b>Address</b>	7007 N Armenia Ave	<b>Rental Rate</b>	\$9.06/sf/yr/NNN
<b>City, State Zip</b>	Tampa, FL 33604	<b>Lease Expiration</b>	August 2018
<b>Year Built</b>	1984	<b>Tenant</b>	Professional office
<b>Age/Condition</b>	Average	<b>Building Size</b>	6,636 sf

The comparable is a commercial / office building located approximately 1.5 miles southwest of the subject on a similar roadway. The building consists of two units leased at ~\$9.06/sf/NNN. This is a similar older constructed office building in the immediate neighborhood. The comparable was considered similar enough not to warrant adjustments. The comparable was given primary consideration along with all of the comparables provided.

**Rental Comparable Four**



**Salient Facts**

<b>Address</b>	10050 N Florida Ave	<b>Rental Rate</b>	\$12.00/sf/yr/NNN
<b>City, State Zip</b>	Tampa, FL 33612	<b>Lease Expiration</b>	Active
<b>Year Built</b>	1960	<b>Tenant</b>	Professional offices
<b>Age/Condition</b>	Average	<b>Building Size</b>	54,000 sf

The comparable is a professional office building located just north of the subject on N Florida Ave. This is a similar four story office building under redevelopment with office suites marketed at \$12.00/sf/NNN. The property was considered similar in age and condition being an older office building being renovated. A location adjustment was considered for the N Florida Ave location superior to Bird St. A market conditions adjustment was considered for the date of lease being an active listing. The comparable is similar to the subject such that no other adjustments are warranted. The comparable was given primary consideration along with all of the comparables provided.

**Rental Comparable Adjustments**

The previously noted adjustments are summarized in the following table:

<b>Rental Adjustment Grid</b>				
<i>Rental No.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Unadj. Rent \$/SF/YR</b>	<b>\$13.35</b>	<b>\$7.54</b>	<b>\$9.06</b>	<b>\$12.00</b>
Lease Type	0%	0%	0%	0%
Date of Lease	0%	0%	0%	-10%
Location / Exposure	0%	0%	0%	-10%
Age / Condition	-10%	-10%	0%	0%
Size	0%	10%	-10%	0%
Appeal / Quality	-10%	0%	0%	0%
<u>FAR</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
<b>Net Adjustment</b>	-20%	0%	-10%	-20%
<b>Adjusted \$ / SqFt/YR</b>	<b>\$10.68</b>	<b>\$7.54</b>	<b>\$8.16</b>	<b>\$9.60</b>
<b>Unadjusted Range / Avg</b>	<b>\$7.54</b>	<b>To</b>	<b>\$13.35</b>	<b>\$10.49</b>
<b>Adjusted Range / Avg</b>	<b>\$7.54</b>	<b>To</b>	<b>\$10.68</b>	<b>\$8.99</b>

**Commercial Rental Rate Conclusion**

The comparables have a pre-adjusted range of \$7.54/sf to \$13.35/sf, with an average of \$10.49/sf/yr. The adjustments presented above were discussed on the comparable rental card. After adjustments, the comparables have a range of \$7.54/sf to \$10.68/sf, with an average of \$8.99/sf/yr/NNN. The comparables developed a well-established range and equal consideration was given to all of the comparables provided. Consequently, given the size, location and build out as a concluded value toward the lower of the established range or \$8.50/sf/yr/NNN Gross is considered appropriate for the subject’s vacant fourth floor, and will be utilized herein for the vacant space.

**Potential Gross Income (PGI)**

The table below illustrates the stabilized potential gross income for the subject:

	<b>Size (SF)</b>	<b>Rent</b>	<b>CAM</b>	<b>Annual PGI</b>	
1st Floor	13,000	\$7,500	\$1,097	\$103,164	Actual
Mezzanine	7,000	\$750	\$535	\$15,420	Actual
2nd Floor	12,500	\$9,000	\$1,750	\$129,000	Actual
3rd Floor	12,500	\$8,000	\$1,750	\$117,000	Actual
4th Floor	12,500	\$8,854	\$1,750	\$127,250	Market
<b>Total</b>	<b>57,500</b>	<b>34,104</b>	<b>6,882</b>	<b>491,834</b>	<b>\$8.55/sf</b>

The subject will be stabilized with actual rents and market derived terms for the vacant space. The annual PGI for the subject includes the CAM fees charged back to the tenants and is considered similar to Triple Net arrangements. The subject has a stabilized **potential gross income** of \$491,834/year or \$8.55/sf/yr/NNN.

**Vacancy & Collection Loss**

This is an allowance for reductions in potential income attributable to vacancies, tenant turnover, and non-payment of rent. In the direct capitalization process, a market-derived, stabilized vacancy and collection loss estimate is subtracted from potential gross income in order to arrive at effective gross income. Brokers surveyed indicated that area vacancy ranges from 5% to 10% depending on the location, quality, condition and size of the respective project. The subject is currently 78%, however, the 22% vacant space is under planned renovations by the owner. Discussions with local brokers and market research of similar commercial improvements indicated that a vacancy and collection loss factor of 5% to 10% is appropriate for the subject. Our office spoke with several brokers that had listings of office units in Tampa, and most indicated that vacancy in the immediate submarket trends toward the middle of the range with Tampa CBD at the upper end of the range near 13%.

**Operating Expense Analysis**

The subject is currently 78% tenant occupied. Ownership has provided expense estimates and CAM fees charged back to the tenants. Consequently, we have utilized actual expense and the owner’s estimates for the subject’s stabilized expense. As previously discussed, the subject will be analyzed on a NNN basis, where the tenant is responsible for the majority of expenses. Ownership is responsible for property management, insurance and replacement reserves, while the tenant is responsible for the remainder of expenses. A table that outlines tenant and owner expense obligations is as follows:

<b>Expense</b>	<b>Owner</b>	<b>Tenant</b>
Property Management	X	
Replacement Reserves	X	
Property Taxes		X
Water/Sewer/Trash		X
Electric		X
Repairs/Maintenance		X
Insurance	X	

### **Professional Management Fee**

A management fee must be considered for the subject property in that someone is responsible for overseeing operations of the building. While we recognize that the subject is currently 100% owner occupied and ownership likely maintains the property, a typical investor would employ a property manager. Management fees are typically based on revenue generated at the property, with fees from 4% to 6% of effective gross rental income. It appears that within the subject's market area, a management fee of approximately 4% is typical. This estimate reflects the quality, size and configuration of the property. This is in line with similar retail properties in the area.

### **Insurance**

The owner has provided an estimate for insurance costs which was \$800 per month or \$9,600 per year. This amount is within the range of comparable properties and the owners estimate was utilized for the stabilized expense proforma.

### **Real Estate Taxes**

The current year taxes amount to \$11,373 which was utilized for the stabilized expense proforma.

### **Repairs & Maintenance**

The owner has provided an estimate of \$600 per month or \$7,200 per year for repairs and maintenance. This amount is within the range of comparable properties and the owners estimate was utilized for the stabilized expense proforma.

### **Electric Utility**

The owner has provided an estimate of \$2,200 per month or \$26,400 per year for the electric utility. This amount is within the range of comparable properties and the owners estimate was utilized for the stabilized expense proforma.

### **Water / Sewer / Trash Utility**

The owner has provided an estimate of \$400 per month or \$4,800 per year for the water, sewer and trash utility. This amount is within the range of comparable properties and the owners estimate was utilized for the stabilized expense proforma.

### **Replacement Reserves**

This expense typically represents a reserve for future replacement of long-lived items. The amount of reserve and whether it is included or not in the direct capitalization and DCF analyses depends on the actions reflected by buyers and sellers in the local market. Based on the available comparable data and discussions with brokers and investors, replacement reserves generally range from \$0.10/SF to \$0.50/SF per year. Replacement reserves for the subject are estimated to be \$0.15/SF per year.

**Capitalization Rate**

There are several methods for deriving an overall capitalization rate for direct capitalization.

***Band of Investment Technique***

The Band of Investment is often used by institutional lenders and investors to derive yield rates. It is particularly relevant in today’s volatile market where few recent sales have occurred. In this technique a capitalization rate is determined by weighing the equity and debt components of a typical real estate transaction. The equity component is comprised of the required equity yield also known as the cash-on-cash return and the equity percentage or down payment. The debt component is comprised of the mortgage constant and the amount of debt. The first step is determining the mortgage constant. We have used market rate terms of a 6.50% interest rate with a 30-year term. The mortgage constant is calculated as follows:

Mortgage Constant Calculation	
Interest Rate	6.50%
Monthly Amortization Period	0.5417%
Amortization Period	30 Years
	360 Months
Amount of Loan	\$1.29
Monthly Payment	\$0.006287
Yearly Payment/	\$0.075440
Mortgage Constant	7.5440%
Decimal	0.075440

In our analysis, we have applied an equity return of 10.00%. This return is considered reasonable since there are few investments in today’s economy that offer positive returns. Additionally, the subject area is not considered a major commercial sector, and an investor would want a higher return due to the inherent risk. Given today’s economic climate, we have used a 20% equity position, given that most lenders are requiring high down payments.

Band of Investments			
Financing Component	=	0.075440	x 80% 0.060352
Equity Component	=	0.010000	x 20% 0.020000
			Total 0.080352
			<b>8.04%</b>

The band of investments technique resulted in a concluded capitalization rate of 8.43%.

***Discussions with Local Brokers***

Our office surveyed several local brokers with the two most knowledgeable participants’ opinion being noted below:

<b>Broker Survey of Prevailing Capitalization Rates</b>		
Broker	Surveyed	Cap Rate
Michael Braccia, Bay Street Commercial	November 2016	6.00% to 10.00%
Christopher Angelo, Century 21 Commercial	November 2016	5.00% to 8.00%
Compiled by: VFI		

The broker surveyed indicated a capitalization rate of between 7.00% and 8.00% for the subject.

***Derivation from Comparable Sales***

This is the preferred method when sufficient data exists. Data on each property’s sale price, income, expenses, financing terms, and market conditions at the time of sale is needed. The overall capitalization rate is then derived by dividing the net operating income by the sale price. Investor sales have been included to establish a capitalization rate for the subject property. Refer to the following table:

Address	Sale Date	Sale Price	Cap Rate
400 N Tampa St, Tampa, FL	Nov-2016	\$79,750,000	7.10%
5610 W LaSalle St, Tampa, FL	Oct-2016	\$16,170,000	6.14%
5225 Ehrlich Rd, Tampa, FL	July-2016	\$500,000	8.00%
4809 N Armenia Ave, Tampa, FL	June-2016	\$3,950,000	7.50%
1703 N Tampa St, Tampa FL	June-2016	\$650,000	7.00%
4910 Savarese Cir, Tampa, FL	Active	\$7,151,266	7.50%
<b>Average</b>	<b>N/A</b>	<b>\$18,028,544</b>	<b>7.21%</b>

The comparables indicated a range of 6.14% to 8.00% with an average of 7.21%. The subject is generally average relative to said comparables, thus supporting a capitalization rate toward the middle of the established range or 7.00% to 8.00%.

***Conclusion of Capitalization Rate***

Three methods were used in ascertaining a capitalization rate for the subject and are summarized as follows:

<b>Capitalization Rate Analysis</b>	
Method	Average
Recent Sales in the Submarket	7.21%
Broker Interview	7.25%
Band of Investments	8.04%
Average	7.50%
<b>Concluded</b>	<b>7.50%</b>
Compiled by: VFI	

**INCOME CAPITALIZATION APPROACH – “AS COMPLETE”**

The methods employed generally supported a concluded range of 7.21% to 8.04% with an average of 7.50%. The subject is currently operating at full occupancy taking into account the vacant space is not rentable and per the owner the 26 executive suites were all leased within a 12 month time frame, The subject has a good location and average appeal within the northern Tampa submarket and a concluded capitalization rate of 7.50% was used herein.

**Direct Capitalization Summary**

A summary of the direct capitalization of the subject at stabilized occupancy is illustrated in the following table:

<b>DIRECT CAPITALIZATION SUMMARY</b>			
Category		Total	Per sf
<b>Income</b>			
Potential Gross Income		\$ 491,834	\$8.55
Less: Vacancy and Collection Loss	5.0%	<u>(24,592)</u>	<u>(\$0.43)</u>
Effective Gross Income		\$ 467,242	\$8.13
<b>Expenses</b>			
Management	4.0%	18,690	\$0.30
Insurance (from owner)	\$800/mo	9,600	\$0.15
RE Taxes	actual	11,373	\$0.18
Repairs & Maint. (from owner)	\$600/mo	7,200	\$0.11
Electric Utility (from owner)	\$2,200/mo	26,400	\$0.42
Water/Sewer/Trash (from owner)	\$400/mo	4,800	\$0.08
<u>Reserves /sf</u>	<u>\$0.10</u>	<u>6,320</u>	<u>\$0.10</u>
Total Expenses		84,383	\$1.34
OER		18.06%	
<b>Net Operating Income</b>		<b>\$ 382,860</b>	<b>\$6.06</b>
CAPITALIZATION OF NOI @	7.50%	\$ 5,104,796	\$81
<b>Reconciled Value (rounded)</b>		<b>\$ 5,105,000</b>	<b>\$81</b>

The subject has a concluded “As Complete” stabilized market value of \$5,075,000 via the income approach as of November 23, 2017.

**SALES COMPARISON APPROACH – “AS COMPLETE”**

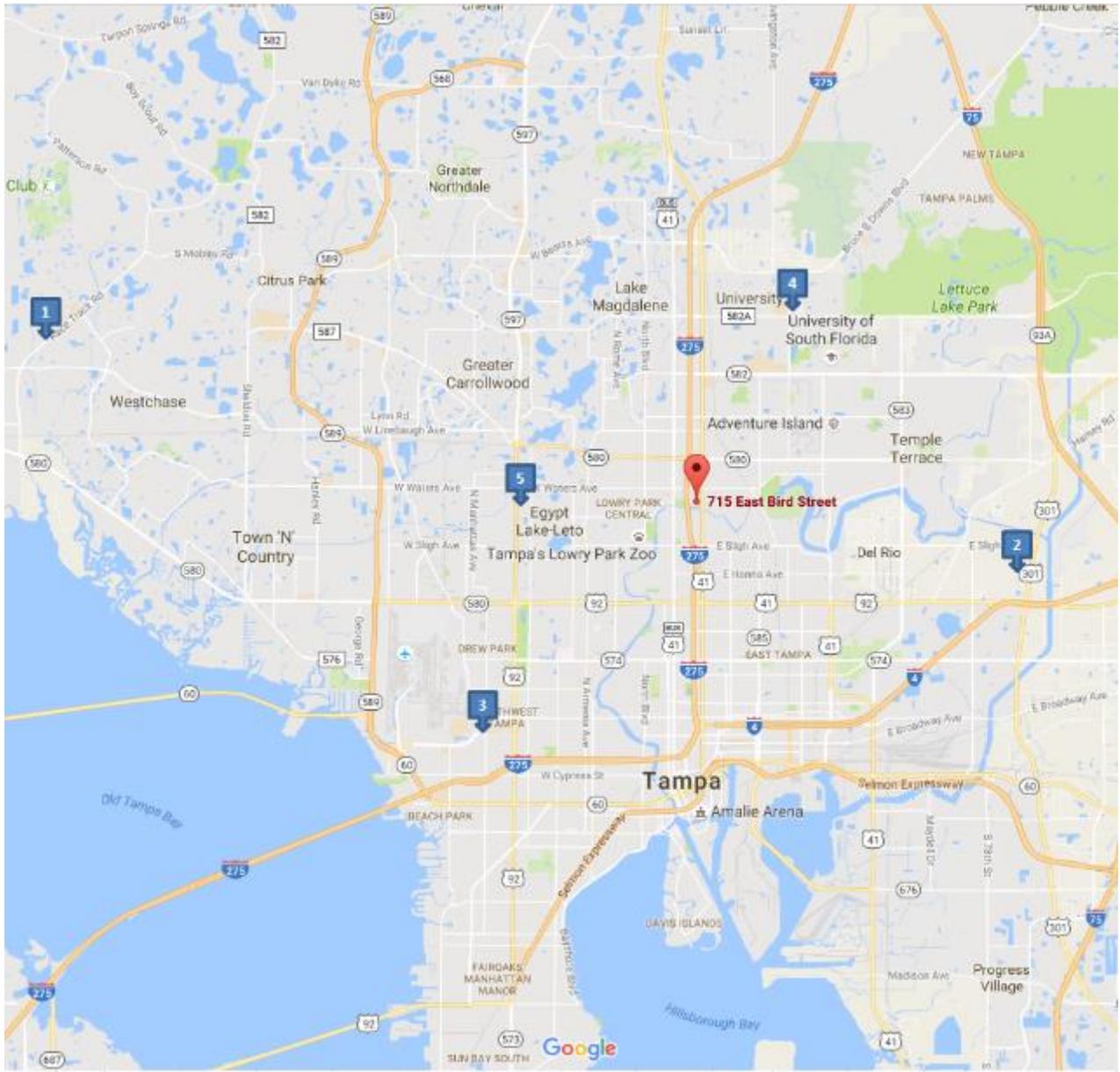
The Sales Comparison Approach provides an estimate of market value based on analyzing transactions of similar properties in the market area. The method is based on the proposition that an informed purchaser would pay no more for a property than the cost of acquiring an existing one with the same utility. When there are an adequate number of sales of truly similar properties with sufficient information for comparison, a range of values for the subject property can be developed.

There are various units of comparison available in the evaluation of sales data in this approach. The sale price per square foot \$/SF is the most commonly used in this approach and was developed herein. In this approach, an opinion was rendered as to the market value of the subject property by implementing a series of procedures, which include comparison to similar properties that have sold recently.

The subject is located in the Tampa market where a wide range of pricing exists for office products throughout the various submarkets. Newer Class A buildings within the Tampa and St Pete CBD’s are at the top of the range as pricing is heavily dependent on location, age/condition and build out. The subject is a large four-story multi-tenant office building with 63,200 sf of Gross Building Area. Consequently, VFI try to research and analyzed similar size and age office building within the region in order to properly bracket the subject. There have been are limited transfers of office buildings both similar in age/condition and size to the subject as most of the recent activity involves either Class A office space or redevelopment projects. The comparables most similar to the subject are as follows:

SUMMARY OF COMPARABLE SALES								
	Location	Sale Date	Sale Price	Bldg Size GBA	Price/SF	Year Built	Land Acre/SF	FAR
1	12425 Race Track Rd Tampa, FL 33626	05/2016	\$3,833,000	45,000 sf	\$85/sf	2001	4.61 acres 200,748 sf	0.22
2	5908 Breckenridge Pky Tampa, FL 33610	06/2016	\$2,300,000	40,000 sf	\$58/sf	1983	3.95 acres 172,266 sf	0.23
3	2002 N Lois Ave Tampa, FL 33607	02/2016	\$12,600,000	137,996 sf	\$91/sf	1984	3.12 acres 136,040 sf	1.01
4	3000 E Fletcher Ave Tampa, FL 33613	12/2015	\$6,950,000	66,882 sf	\$104/sf	1986	2.26 acres 98,235 sf	0.68
5	7815 N Dale Mabry Hwy Tampa, FL 33614	Active	\$3,298,350	29,985 sf	\$110/sf	1978	1.59 acres 69,438 sf	0.43
S	715 E Bird St Tampa, FL 33604	N/A	<b>Concluded</b>	~63,200 sf	<b>\$85/sf Concl.</b>	1950	1.29 acres 56,074 sf	1.13

SALES COMPARABLE MAP



**Comparable One**



**Transaction**

<b>Address</b>	12425 Race Track Rd	<b>Transfer Date</b>	05/2016
<b>City, State, Zip</b>	Tampa, FL 33626	<b>Transfer Price</b>	\$3,833,000
<b>APN</b>	U-07-28-17-ZZZ-000000-2750.0	<b>Transaction Type</b>	Sale
<b>Grantee</b>	12425 Race Track Road LLC	<b>Book/Page #</b>	24122 / 1585
<b>Grantor</b>	Synergy North America	<b>Property Rights</b>	Fee Simple
<b>Price/sf</b>	\$90/sf		

**Site**

<b>Acres</b>	4.61 acres	<b>Floor Area Ratio (FAR)</b>	0.21
<b>Land SF</b>	200,748 sf	<b>Zoning</b>	PD

**Improvements**

<b>Gross Bldg Area (sf)</b>	45,299 sf	<b>No. of Buildings</b>	One
<b>Year Built</b>	1972	<b>No. of Stories</b>	Two
<b>Condition</b>	Good	<b>Use</b>	Professional office

**Comments**

The comparable is located 13 miles north west of the subject. The location in the suburban submarket and exposure/visibility were considered inferior to the subject's urban Tampa location. The comparable is a freestanding office building that transferred in May of 2016 for \$85/sf of gross building area. The building was constructed in 2001 and is located in a PD zoning district considered similar to the subject. Adjustments were warranted for the superior age/condition and superior FAR ratio. The comparable is similar to the subject such that no further adjustments are warranted. The comparable was given primary consideration along with all of the comparables provided.

**Comparable Two**



**Transaction**

<b>Address</b>	5908 Breckenridge Pky	<b>Transfer Date</b>	06/2016
<b>City, State, Zip</b>	Tampa, FL 33610	<b>Transfer Price</b>	\$2,300,000
<b>APN</b>	U-36-28-19-1MD-000001-B0000.0	<b>Transaction Type</b>	Sale
<b>Grantee</b>	Benzer Real Estate Holding LLC	<b>Book/Page #</b>	24168 / 0276
<b>Grantor</b>	Adler Realty Services LLC	<b>Property Rights</b>	Fee Simple
<b>Price/sf</b>	\$58/sf		

**Site**

<b>Acres</b>	3.95 acres	<b>Floor Area Ratio (FAR)</b>	0.23
<b>Land SF</b>	172,266 sf	<b>Zoning</b>	C-1

**Improvements**

<b>Gross Bldg Area (sf)</b>	40,000 sf	<b>No. of Buildings</b>	One
<b>Year Built</b>	1983	<b>No. of Stories</b>	One
<b>Condition</b>	Average	<b>Use</b>	Office & warehouse

**Comments**

The comparable is a 40,000 sf free-standing office improvement located 8 miles southeast of the subject. The location of the comparable on the east side of Tampa / Orient Rd is inferior to the subject's location and exposure / visibility is inferior being on a dead end secondary roadway. The building transferred in June of 2016 for \$58/sf and was configured as vacant office space with warehouse area. The building was constructed in 1983 with no renovations noted and considered similar in age/condition. An adjustment for the finished office ratio was considered as the property included warehouse area. A final downward adjustment was considered for the superior FAR. The comparable is similar to the subject such that no further adjustments are warranted. The comparable was given primary consideration along with all of the comparables provided.

**Comparable Three**



**Transaction**

<b>Address</b>	2002 N Lois Ave	<b>Transfer Date</b>	02/2016
<b>City, State, Zip</b>	Tampa, FL 33607	<b>Transfer Price</b>	\$12,600,000
<b>APN</b>	A-16-29-18-ZZZ-000005-47680.0	<b>Transaction Type</b>	Sale
<b>Grantee</b>	BVIP Westwood Center LLC	<b>Book/Page #</b>	23900 / 1827
<b>Grantor</b>	Wilder Corporation Properties	<b>Property Rights</b>	Leased Fee
<b>Price/sf</b>	\$91/sf		

**Site**

<b>Acres</b>	3.12 acres	<b>Floor Area Ratio (FAR)</b>	1.01
<b>Land SF</b>	136,040 sf	<b>Zoning</b>	PD

**Improvements**

<b>Gross Bldg Area (sf)</b>	137,996 sf	<b>No. of Buildings</b>	One
<b>Year Built</b>	1984	<b>No. of Stories</b>	Eight
<b>Condition</b>	Average/Good	<b>Use</b>	Professional offices

**Comments**

The comparable is located approximately 7 miles southwest of the subject in an urban Tampa submarket near the airport. The overall location, exposure and visibility with frontage on Boy Scout Blvd was considered similar to the subject. The property transferred in February of 2016 for \$91/sf. This was a very large 8-story office building featuring office suites constructed in 1984. Overall, adjustments were considered for the size (economies of scale) and superior quality/appeal compared to the subject. The comparable is similar to the subject such that no further adjustments are warranted. The comparable was given primary consideration along with all of the comparables provided.

**Comparable Four**



**Transaction**

<b>Address</b>	3000 E Fletcher Ave	<b>Transfer Date</b>	12/2015
<b>City, State, Zip</b>	Tampa, FL 33613	<b>Transfer Price</b>	\$6,950,000
<b>APN</b>	U-05-28-19-ZZZ-000001-26620.0	<b>Transaction Type</b>	Sale
<b>Grantee</b>	University Community Hospital Inc	<b>Book/Page #</b>	23784 / 0808
<b>Grantor</b>	Justin Skiver	<b>Property Rights</b>	Leased Fee
<b>Price/sf</b>	\$104/sf		

**Site**

<b>Acres</b>	2.26 acres	<b>Floor Area Ratio (FAR)</b>	0.68
<b>Land SF</b>	98,235 sf	<b>Zoning</b>	SPI-UC-2

**Improvements**

<b>Gross Bldg Area (sf)</b>	66,882 sf	<b>No. of Buildings</b>	One
<b>Year Built</b>	1986	<b>No. of Stories</b>	Three
<b>Condition</b>	Good	<b>Use</b>	Professional offices

**Comments**

The comparable is located approximately 5 miles northeast of the subject in the submarket near the University of South Florida. Although further away from the downtown district and access to the interstate, the location and exposure were considered overall similar to the subject. The property transferred in December of 2015 for \$104/sf. The building was constructed in 1986 and configured as professional office and medical office suites. Overall, adjustments were considered for the superior condition and quality compared to the subject. The comparable is similar to the subject such that no further adjustments are warranted. The comparable was given primary consideration along with all of the comparables provided.

**Comparable Five**



**Transaction**

<b>Address</b>	7815 N Dale Mabry Hwy	<b>Transfer Date</b>	Active
<b>City, State, Zip</b>	Tampa, FL 33614	<b>List Price</b>	\$3,298,350
<b>APN</b>	U—28-28-18-ZZZ-000000-98270.0	<b>Transaction Type</b>	Active
<b>Grantee</b>	Tbd	<b>Book/Page #</b>	n/a
<b>Grantor</b>	J and A Corporation of Tampa	<b>Property Rights</b>	Leased Fee
<b>Realtor</b>	Phil Letelier, Andretta Properties	<b>Price/sf Building</b>	\$110/sf

**Site**

<b>Acres</b>	1.59 acres	<b>Floor Area Ratio (FAR)</b>	0.43
<b>Land SF</b>	69,438 sf	<b>Zoning / Use:</b>	CG

**Improvements**

<b>Gross Bldg Area (sf)</b>	29,985 sf	<b>No. of Buildings</b>	One
<b>Year Built</b>	1978	<b>No. of Stories</b>	Two
<b>Condition</b>	Average	<b>Use</b>	Professional Office

**Comments**

The comparable is located 3 miles due west of the subject on Dale Mabry Hwy. The overall location in the urban Tampa market is similar, however the exposure/visibility on Dale Mabry Hwy is superior and an adjustment is warranted. The 29,985 sf freestanding office improvement is currently listed for \$110/sf. This is a similar office building constructed in 1978 located in the north Tampa submarket. A market conditions adjustment was considered for the active listing and a FAR adjustment was considered compared to the subject. Overall, the comparable was considered similar enough to the subject not to warrant further adjustments. The comparable was given primary consideration along with all of the comparables provided.

**Summary of Adjustments**

Adjustments made to the comparables are summarized in the following grid:

Sale Comparable Adjustment Grid					
Sale	1	2	3	4	5
<b>Unadjusted Price / SF</b>	\$85	\$58	\$91	\$104	\$110
Property Rights Conveyed	0%	0%	0%	0%	0%
Adjusted \$/SF	\$85	\$58	\$91	\$104	\$110
Financing	0%	0%	0%	0%	0%
Adjusted \$/SF	\$85	\$58	\$91	\$104	\$110
Conditions of Sale	0%	0%	0%	0%	0%
Adjusted \$/SF	\$85	\$58	\$91	\$104	\$110
Market Conditions (Dofs)	0%	0%	0%	0%	-10%
Adjusted \$/SF	\$85	\$58	\$91	\$104	\$99
Location	10%	10%	0%	0%	0%
Exposure/ Visibility	10%	10%	0%	0%	-10%
Size (SF)	0%	0%	10%	0%	0%
Age/Condition	-10%	0%	0%	-10%	0%
Quality/Appeal	0%	0%	-10%	-10%	0%
Finished Ratio	0%	10%	0%	0%	0%
Zoning	0%	0%	0%	0%	0%
FAR	-5%	-5%	0%	0%	-5%
<b>Net Adjustment</b>	5%	25%	0%	-20%	-15%
<b>Adjusted \$/SF</b>	\$89	\$72	\$91	\$83	\$84
<b>Unadjusted Range / Avg</b>	<b>\$58</b>	<b>To</b>	<b>\$110</b>		<b>\$89</b>
<b>Adjusted Range / Avg</b>	<b>\$72</b>	<b>To</b>	<b>\$91</b>		<b>\$84</b>

**Sale Price Per Square Foot Conclusion**

In order to analyze the subject, VFI focused on office buildings similar in size with over 25,000 sf of gross building area within the greater Tampa market. There were limited transactions of similar office buildings in regards to size, age and condition as most of the activity is for newer Class A space or vacant / deferred maintenance redevelopment type properties. The subject’s overall condition and occupancy are average for the market as the new owner has made renovations and leased up 78% of the space to prospective tenants. The build out and quality is comparable for professional office space and is considered Class B/C office space inferior to the Class A space found in the market. VFI analyzed multi-tenant configured office buildings in order to find comparables most similar to the subject. The subject sits on a tertiary artery, however features direct access to Interstate-275 one block to the west and exposure / visibility from both the Interstate and N Nebraska Ave. The comparables were adjusted for location, exposure/visibility, age/condition, quality/appeal and FAR. All of the adjustments were discussed on the previously provided comparable pages.

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## SALES COMPARISON APPROACH - "AS COMPLETE"

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Upon adjustments the comparables have an indicated range of \$72/sf to \$91/sf with an average of \$84/sf. Having considered the aforementioned variables an "As Complete" concluded value near the middle of the established range or \$85/sf is warranted. The subject features excellent access to the main commuter routes and commercial avenues running through the Tampa market and is well situated within close proximity to residential neighborhoods in urban Tampa. Consequently, a value near the middle of the adjusted range is considered appropriate.

This results in a concluded value of:  $\$85/\text{sf} \times \sim 63,200 \text{ sf} = \$5,372,000$  or  $\$5,370,000$  rounded

The subject has a concluded "As Complete" value as of November 23, 2017 of **\$5,370,000**.

### **INDICATED "AS COMPLETE" VALUE VIA SALES COMPARISON APPROACH**

The sales comparison approach conclusion of \$85/sf is well supported via discussions with local brokers, investors and review of recent sales. This analysis concludes that the "As Complete" Market Value of the leased fee interest, as of November 23, 2017 is \$5,370,000 via the sales comparison approach.

As previously noted, the owner plans on performing updates and renovations to the subject. The only way to adequately capture the "as is" value is to consider the "as complete" value in this section and to deduct the costs to achieve stabilized occupancy. Few investors would use the discounted cash flow analysis on an asset of similar size and value to the subject. A construction estimate was provided, and this estimate will be utilized in addition to the stabilized rent loss and entrepreneurial profit in order to determine an "as is" value. The prior sales analysis considered the subject "as complete" and at stabilized occupancy. See extraordinary assumptions section.

**RECONCILIATION OF VALUE – “AS COMPLETE”**

VFI was instructed to estimate the market value of the fee simple estate in the subject property. The value conclusion for each applicable approach is summarized below.

<b>SUMMARY OF VALUE CONCLUSIONS</b>	
Income Capitalization Approach	\$5,105,000
Sales Comparison Approach	\$5,370,000
Cost Approach	Not Applicable
Concluded Value	\$5,250,000
Source: VFI	

The Income Capitalization Approach is considered when analyzing commercial office buildings like the subject. Investors can purchase properties like the subject to lease to one or multiple tenants, and owner/users could occupy a portion of the space while leasing the remainder. Investors typically rely on the income approach to ascertain fair market value. While the subject is currently 100% owner occupied, a prudent investor would ascertain market rent for the subject in order to determine market value and a potential purchase price. As a result, the income approach was given primary consideration herein.

The Sales Comparison Approach is predicated on the principle that an investor would pay no more for an existing property than for a comparable property with similar utility. This approach is contingent on the reliability and comparability of available data. The data developed was considered sufficiently reliable to reach a value conclusion by the Sales Comparison Approach. The subject is a multi-story / tenant office building in the urban Tampa market, and the most typical buyer would employ the sales comparison approach to ascertain value. All of the comparables analyzed are freestanding office buildings located in the Tampa regional market, and are of similar configuration to the subject. As a result, the sales comparison approach was given primary consideration in the reconciliation.

Market participants typically give no consideration to the cost approach in making their purchasing decisions on an existing commercial office property. Therefore the cost approach would not provide a meaningful opinion of market value. Excluding two of the three traditional approaches to value is acceptable if the exclusion of said approaches does not affect the credibility of the report (does not affect reliability).

The final value conclusion and the approaches relied upon give strong consideration to the market behavior of the typical buyer and current market environment for the property appraised. Based on the foregoing analysis, it is concluded that the market value of the fee simple estate in the subject property, “as is,” as of November 23, 2017 is:

**FIVE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS  
(\$5,250,000)**

**MARKET VALUE - "AS IS"**

As stated, the "as is" value means the value of the property in its present condition and under market conditions prevalent on the date of appraisal. No hypothetical conditions, assumptions or qualifications concerning the physical or legal aspects of the property are to be observed.

As of the date of inspection, November 23, 2016, the fourth floor of the subject was vacant and planned for renovations to the existing office space. The owner plans to redo the roof and install exterior balconies on the fourth floor along with cosmetic updates / tenant improvements. In addition, repairs / updates will be completed to the elevators and parking area. The owner has forwarded an estimate of \$650,000 for the additional repairs / renovations to the building. We have considered a 6 months construction timeframe with an additional 6 months for tenant improvements and absorption of the fourth floor office space. Thus, we have an estimated completion/ stabilized date of November 23, 2017 for the "As Complete" value date. The previously determined value (Market Value "As Complete" and Stabilized) assumes that the subject property was fully stabilized at 95% stabilized occupancy, this allows for the vacancy and collection loss as the subject will be an owner occupied building. The following are the estimated costs to lease-up the vacant space.

**ABSORPTION TIME**

The subject is currently 78% tenant occupied, however, excluding the 4<sup>th</sup> floor which is under planned renovations the subject is 100% leased. The construction period has been estimated at 6 months and we have considered market absorption from an investor's point of view. The executive offices on the 2<sup>nd</sup> floor were all leased within a 12 month period. Only a portion of the 4<sup>th</sup> floor needs to be leased to achieve the overall 95% stabilized occupancy. We have considered 6 months of absorption to lease up the 9,625 sf of 4<sup>th</sup> floor space needed to achieve stabilized occupancy.

***Rent Loss & Free Rent Concession***

The subject is planned for tenant occupancy once complete and the owner has an onsite management office for the building. It is assumed the vacant space will be marketed for lease during renovations and tenants will move in throughout the 12 months period as TI is negotiated and completed. As a result, we have considered 6 months of construction and 6 months for market absorption for rent loss in our cost-to-achieve stabilized value.

***Leasing Commissions***

Typical leasing commission from 4% to 6% would be included to market and stabilize buildings like the subject. In the case of the subject, we have assumed 5% leasing commissions to obtain stabilized occupancy.

***Construction Costs***

The current owner is in process of renovations to the building and 4<sup>th</sup> floor. For the purposes of the "As Is" market value we have considered the costs of renovations to the building provided by the owner. The projected costs for the planned renovations are \$650,000. A 10% contingency has been included along with the renovation costs estimated.

Please refer to the following summary table for the leasing commissions and remaining construction budget.

<b>SUMMARY OF LEASING &amp; REMAINING CONSTRUCTION COSTS</b>			
<b>Size (SF)</b>	<b>Rent Loss / Stabilization</b>	<b>Leasing Commissions</b>	<b>Cost to Complete</b>
63,200	\$57,951	\$4,090	\$715,000

***Profit Element***

This is considered to reflect the return to the investor based upon his/her entrepreneurial skills and abilities. An investor in real property gives up a certain amount of liquidity during the lease-up process. Risk for the developer is based upon his/her past experience, forecasting ability, expertise in management and timing related to the real estate business cycle. All of these items are considered to be speculative and tend to demand a fairly wide profit range depending upon the degree and combination of the proceeding items. The estimate of profit tends to be a more subjective figure, relating generally to the prominence and activity of the investor, as well as the nature and size of the project. Implied profit for properties, considered similar to the subject in size and construction materials range from 10% to 25% of the projected cost, depending on the particular characteristics of the property. Given these factors, a deduction for profit based on 20% of the above renovation cost is considered reasonable.

The following is a summary of the analysis.

<b>SUMMARY OF COST TO COMPLETE/STABILIZE</b>	
<b>Stabilized Value</b>	<b>\$5,250,000</b>
Rent Loss	\$57,951
Leasing Commissions	\$4,090
Remaining Construction Costs	<u>\$715,000</u>
Subtotal of Costs	\$777,041
Plus: Profit Element (20%)	<u>\$155,408</u>
<b>Total Cost To Complete/Stabilize</b>	<b><u>(\$932,449)</u></b>
<b>As Is Value Indication</b>	<b><u>\$4,317,551</u></b>
<b><u>Rounded:</u></b>	<b><u>\$4,320,000</u></b>

Therefore, the market value of the Fee Simple interest in the subject property "as is" as of November 23, 2016 is:

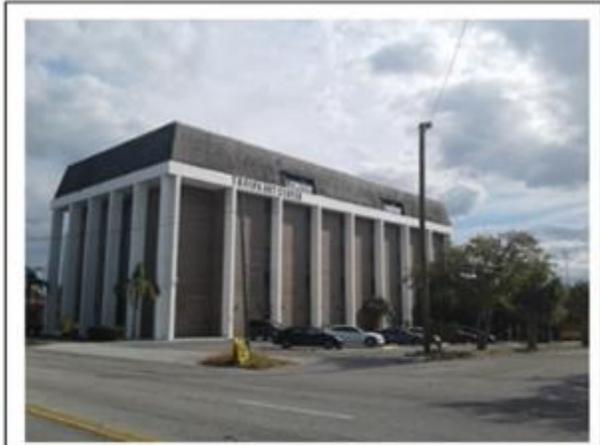
**FOUR MILLION THREE HUNDRED TWENTY THOUSAND DOLLARS  
(\$4,320,000)**

**ADDENDUM**

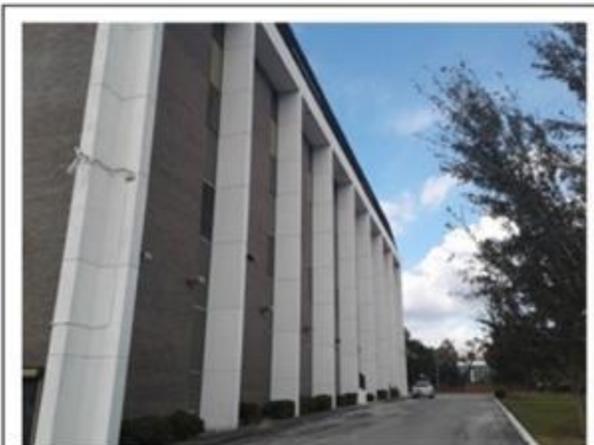
PHOTOGRAPHS OF SUBJECT PROPERTY



FRONT / NORTH SIDE



WEST SIDE



EAST SIDE



REAR / SOUTH SIDE



REAR / SOUTH SIDE



PARKING AREA



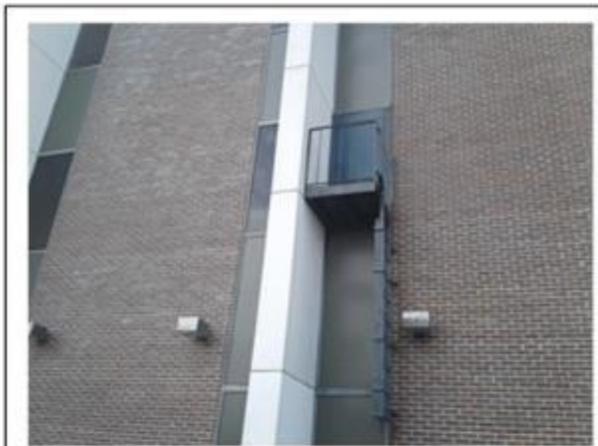
**WEST SIDE / ENTRANCE**



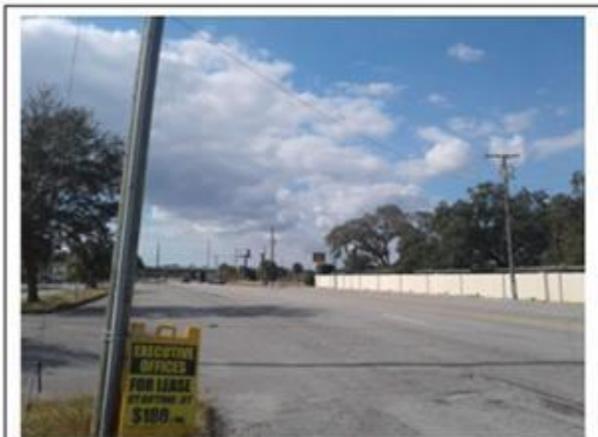
**EAST SIDE / ROOF LINE**



**REAR CANOPY AREA**



**EXTERIOR WALL / FIRE EXIT**



**BIRD ST WEST**



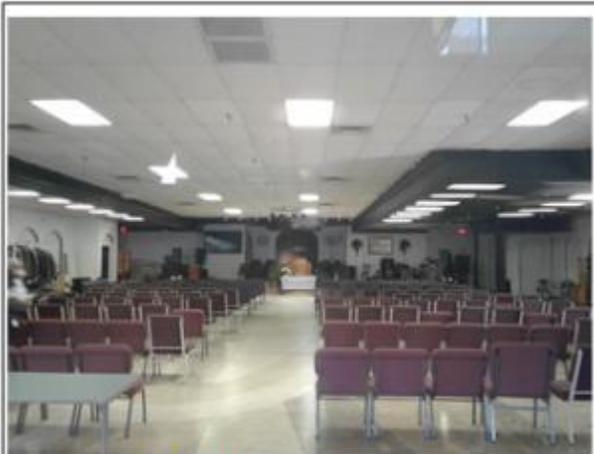
**BIRD ST EAST**



LOBBY / ENTRANCE 1ST FLOOR



LOBBY / ENTRANCE 1ST FLOOR



SANCTUARY 1ST FLOOR



SANCTUARY 1ST FLOOR



1ST FLOOR RESTROOM



1ST FLOOR OFFICE



OFFICE AREA FIRST FLOOR



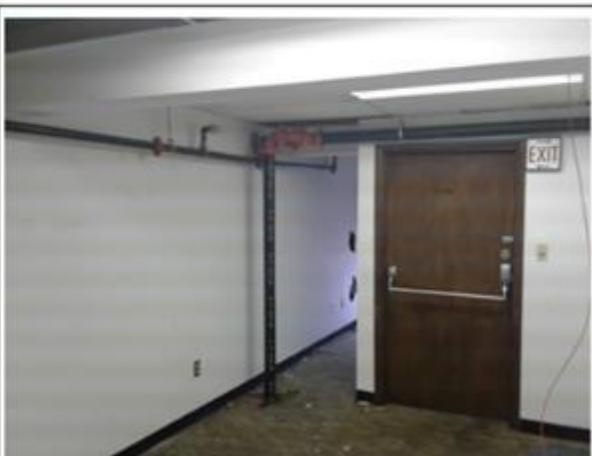
HALL WAY FIRST FLOOR



OFFICE AREA FIRST FLOOR



RESTROOM FIRST FLOOR



MEZZANINE AREA



NEW SPRINKLER SYSTEM



**ENTRANCE / LOBBY 2ND FLOOR**



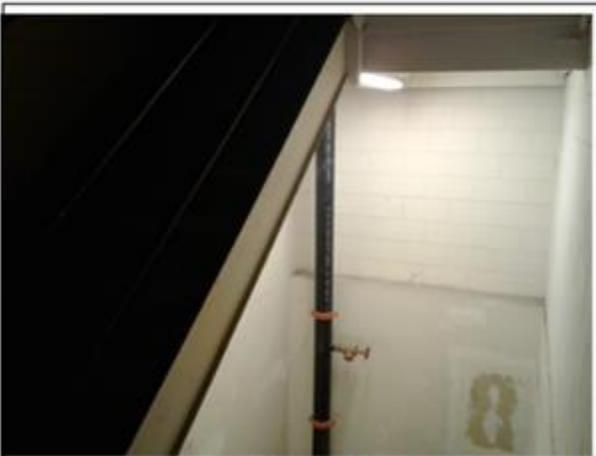
**CONFERENCE ROOM 2ND FLOOR**



**OFFICE SUITE SECOND FLOOR**



**OFFICE SUITE 2ND FLOOR**



**STAIRWELLS**



**RESTROOM 2ND FLOOR**



3RD FLOOR / IN RENOVATION FOR TAC



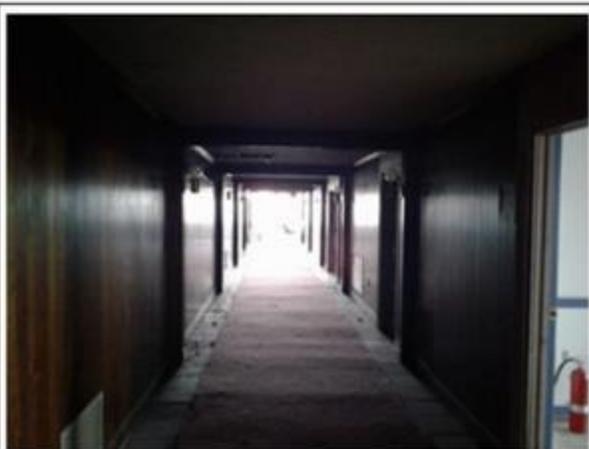
3RD FLOOR / IN RENOVATION FOR TAC



3RD FLOOR / IN RENOVATION FOR TAC



3RD FLOOR / IN RENOVATION FOR TAC



3RD FLOOR / IN RENOVATION FOR TAC



FREIGHT ELEVATOR



**4TH FLOOR LOBBY**



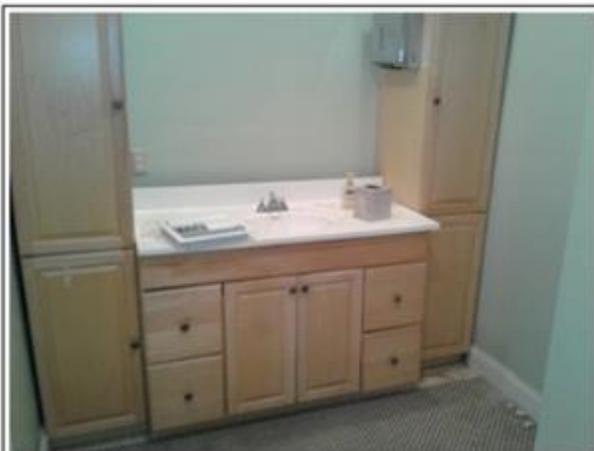
**4TH FLOOR OFFICE SUITES**



**4TH FLOOR HALLWAY**



**4TH FLOOR OFFICE / BALCONY**



**4TH FLOOR EXECUTIVE RESTROOM**



**4TH FLOOR OFFICE / BALCONY**

## INSURABLE REPLACEMENT COST ESTIMATE

**PROPERTY:** 715 E Bird St

**LOCATION:** 715 E Bird St  
Tampa, FL

**PROPERTY DESCRIPTION:** Class C, Average - Average

**INSURABLE REPLACEMENT COST CALCULATIONS:**

<b>Building:</b>	Office Building	Mezzanine		
<b>Building Size (SF):</b>	56,200	7,000		
<b>Structure Class:</b>	C	C		
<b>Base Cost PSF:</b>	\$71.13	\$32.07		
<b>Plus (PSF)</b>				
Buildout	\$ -			
Sprinklers:	\$ 2.75	\$ 2.75		
>				
>				
<b>Subtotal:</b>	\$ 73.88	\$ 34.82	\$ -	
<b>Multipliers</b>				
Number of Stories:	1.01	1.00		
Height Per Story:	1.00	0.90		
Perimeter:	0.95	1.00		
Calculator Cost:	1.06	1.06		
Local:	0.99	0.99		
Non-Perishable Items:	0.90	0.90		
<b>Adjusted Cost PSF:</b>	\$ 66.76	\$ 29.60	\$ -	
<b>Estimated Insurable Replacement Cost:</b>	\$ 3,750,000	\$ 210,000	\$ -	
<b>Total Replacement Cost:</b>	<b>\$ 3,960,000</b>			

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

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

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

**ASSUMPTIONS AND LIMITING CONDITIONS**

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to total that would adversely affect marketability or value. VFI is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. VFI, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.
2. It is assumed that improvements have been constructed or will be constructed according to approved architectural plans and specifications and in conformance with recommendations contained in or based upon any soils report(s).

Unless otherwise specifically noted in the body of this report, it is assumed: that any existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are, or will be upon completion, in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that it or they will withstand any known elements such as windstorm, hurricane, tornado, flooding, earthquake, or similar natural occurrences; and, that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. VFI professionals are not engineers and are not competent to judge matters of an engineering nature. VFI has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of VFI by ownership or management; VFI inspected less than 100% of the entire interior and exterior portions of the improvements; and VFI was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, VFI reserves the right to amend the appraisal conclusions reported herein.

3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. VFI has no knowledge of the existence of such materials on or in the property. VFI, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The 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. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
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We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to VFI. This report may be subject to amendment upon re-inspection of the subject property subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
  5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, VFI has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, VFI reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify VFI of any questions or errors.
  6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions, which occur subsequent to the date of the appraisal. However, VFI will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
  7. VFI assumes no private deed restrictions, limiting the use of the subject property in any way.
  8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
  9. VFI is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
  10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
  11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections
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of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. VFI does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of VFI.

12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of VFI to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
  13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
  14. This study may not be duplicated in whole or in part without the specific written consent of VFI nor may this report or copies hereof be transmitted to third parties without said consent, which consent VFI reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of VFI which consent VFI reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. VFI shall have no accountability or responsibility to any such third party.
  15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
  16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
  17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
  18. No opinion is intended to be expressed on matters, which may require legal expertise or specialized investigation, or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to
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seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to VFI unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. VFI assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor VFI assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
  20. VFI assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.
  21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
  22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
  23. The *Americans with Disabilities Act* (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, VFI has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since VFI has no specific information relating to this issue, nor is VFI qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject property.
  24. Acceptance of, and/or use of, this appraisal report constitute acceptance of the above conditions.
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### SPECIFIC ASSUMPTIONS AND LIMITING CONDITIONS

1. The estimate of marketing time is less than 12 months based upon such items as statistical information about days on market; information gathered through sales verification; interviews of marketing participants; and anticipated changes in market conditions. The reasonable marketing time is a function of price, time, use, and anticipated market conditions such as changes in the cost and availability of funds; not an isolated estimate of time alone.
2. This appraisal has been prepared from very limited property data provided by the client. Due to the lack of property specific descriptions and economic data from primary sources, VFI was required to obtain information from best available sources, which included public records, owners, tenants and others. Every effort has been made to verify all information used within this report; however, it was in some instances necessary for VFI to make critical assumptions to complete this assignment. VFI reserves the right to amend its opinion of value at a later date should information become available which would significantly change the stated opinion of values.
3. All value opinions expressed herein are as of the date of value. In some cases, facts or opinions are expressed in the present time. All opinions are expressed as of the date of value, unless specifically noted.

The research and preparation of this appraisal took place from October 11, 2016 through December 1, 2016. The effective date of valuation is November 23, 2016. There are no events that must occur between the date of last inspection of the subject property and the date of valuation in order to conclude the value reported herein. Thus the reported value is predicated on the specific assumption that the status of the property as of the date of valuation is not materially different that it was on the date of VFI' last inspection of the subject property. The appraisal is based on real estate and economic conditions as best perceived as of the date of the report.

4. The report and parts thereof and any additional material submitted, may not be used in any prospectus or printed material used in conjunction with the sale of securities or participation interests in Public Offering as defined under U.S. Security laws. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media, or other media for public communication without the prior consent of VFI. The use of all or any part of this report in connection with real estate tax shelters, syndication of interests in real estate, the offering of securities, shares or partnership interests in real estate or any other public or private offering without the specific written consent of VFI is not authorized. Neither the whole, nor any part of this report, nor any reference thereto may be included in any document, statement, appraisal or circular without the signatories' prior written approval of the form and context in which it is to appear.
  5. Any "after tax" income or investment analysis and resultant measures of return on investment are intended to reflect only the possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or price paid. Any stated conclusion referred to as "Investment Value" should not be construed as being representative of "Market Value" since the prospectus of the Client may be based upon individual investment requirements, as distinguished from the concept of market value, which is impersonal and detached. Market value and investment value may coincide when a client's investment criteria are consistent with prevailing market trends and conditions. In this instance, the two value estimates may be numerically identical, but the two types of value are not interchangeable. VFI does not claim expertise in tax matters and advises the client to seek competent tax advice from a qualified income tax advisor.
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6. The reasonable exposure time is 12 months based on current market conditions. The reasonable exposure time inherent in the market value concept is always presumed to precede the effective date of the appraisal. We also recognize the exposure time is different for various types of real estate and under various market conditions and that the reasonable exposure time should always incorporate the answer to the question, "For what kind of real estate at what value range?" rather than appear as a statement of an isolated time period.
7. This study is not being prepared for use in connection with litigation. Accordingly, no rights to expert testimony, pretrial or other conferences, deposition, or related services are included with this appraisal. If, as a result of this undertaking, VFI or any of its principals, its appraisers or consultants are requested or required to provide any litigation services, such shall be subject to the provisions of VFI' engagement letter or, if not specified therein, subject to the reasonable availability of VFI and/or said principals or appraisers at the time and shall further be subject to the party or parties requesting or requiring such services paying the then-applicable professional fees and expenses of VFI either in accordance with the provisions of the engagement letter or arrangements at the time, as the case may be.
8. All data considered significant that was requested for this assignment was received by VFI.

## Zachary G. Heissner

### Value First, Inc.

Email: zach@valuefirstinc.com

Phone: 888-414-8871

Website: www.valuefirstinc.com

Owner / operator of a multi-state real estate services company dedicated to applying the expertise, standards and ethics of real estate appraisal and analysis to all aspects of real estate.

### Professional Experience

#### Value First, Inc.

2013 to Present

*President & Chief Appraiser- Specialized Real Estate Appraisal Firm*

- Appraisal and consulting services throughout multiple states for various lending institutions, developers, government agencies, corporate clients, pension funds, individual estate tax and estate planning purposes
- Appraisal and consulting assignments comprised of a broad array of property types
- Oversight and management of appraisal team and all assignments

#### BAAR Realty Advisors, LLC

2003 to 2013

*Regional Manager- Nationwide Appraisal Firm*

- Appraisal and consulting services nationwide for various lending institutions, developers, government agencies, corporate clients, pension funds, individual estate tax and estate planning purposes
- Appraisal and consulting assignments comprised of a broad array of property types
- Assisted in growing the company from a 4 state territory to that of 35 states prior to departure

#### American Tax Funding

*Contract Bidder-Tax Lien Investment Firm*

1998-2003

- Responsible for bidding on large portfolio's of tax liens
- Completed inspections on prospective tax lien properties

### Professional Licenses- Certified General Appraiser

Connecticut	Certified General Appraiser	RCG.0001407
Florida	Certified General Appraiser	RZ3614
Georgia	Certified General Appraiser	365324
Illinois	Certified General Appraiser	553.002451
Massachusetts	Certified General Appraiser	103695
Maryland	Certified General Appraiser	32021
North Carolina	Certified General Appraiser	A7853
New Jersey	Certified General Appraiser	42RG00244600
New York	Certified General Appraiser	46000051055
Pennsylvania	Certified General Appraiser	GA004081
South Carolina	Certified General Appraiser	7253
Virginia	Certified General Appraiser	4001016988

## Zachary G. Heissner

### Value First, Inc.

Email: zach@valuefirstinc.com

Phone: 888-414-8871

Website: www.valuefirstinc.com

### Education

- BS, Environmental Science Major/Economics Minor, Florida State University, Tallahassee, FL
- Associate Member of the Appraisal Institute Currently Applying for MAI

### **Appraisal Courses and Seminars for the Past Three Years:**

Advanced Market Analysis And Highest & Best Use	30 hrs	Oct-16
National USPAP Update	07 hrs	Jul-16
Business Practices & Ethics	07 hrs	Apr-14
General Appraiser Site Valuation & Cost Approach	30 hrs	Jul-12
General Appraiser Market Analysis and Highest & Best Use	30 hrs	Jun-12
Florida Appraisal Law Update	03 hrs	Oct-12
Statistics, Modeling & Financing	15 hrs	Aug-12
General Report Writing & Case Studies	30 hrs	Jul-12
General Sales Comparison Approach	30 hrs	Jun-12

\*In the prior 36 months I have personally completed over 6,000 hours of commercial appraisals.

### Types of Properties Appraised

- Apartment Complex
- Condominium Conversion
- Flex Space
- Gasoline/ C-Store
- Golf Course
- Hotel/Motel/ B & B
- Industrial Warehouse
- Land/Farm/Agricultural
- Marinas
- Mineral Rights
- Mixed Use
- Nursing Home /Assisted Living
- Office
- Religious Facility
- Residential Subdivision
- Retail
- Rooming Houses
- Storage Facility

\*Property rights appraised include fee simple, leased fee, leasehold interest and fractional interests

### Career & Skills Highlights

- Responsible and highly motivated Commercial Real Estate Appraiser with extensive and diverse experience in developing narrative appraisals for all types of commercial property.
- Innovative and reliable individual with proven ability to achieve goals while displaying effective multi tasking and time management skills.
- Ability to work collaboratively with others, gather pertinent data and information, solicit feedback, and implement appropriate course of action to ensure accurate valuations.
- Offers unparalleled integrity, initiative, resourcefulness, consistency, and diligence in achieving objectives and both short and long-term goals.
- Results-oriented and producer, able to balance multiple responsibilities, consistently delivering results on time.
- Proven ability to analyze property information in cost, sales comparison and income analysis.
- Proficient in preparing appraisal reports on properties valued up to \$50,000,000.

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



LICENSE NUMBER

RZ3614

The CERTIFIED GENERAL APPRAISER  
Named below IS CERTIFIED  
Under the provisions of Chapter 475 FS.  
Expiration date: NOV 30, 2018

HEISSNER, ZACHARY GEORGE  
403 SW 11TH AVENUE  
FORT LAUDERDALE FL 33312

SEQ # L1610160003206

DISPLAY AS REQUIRED BY LAW

ISSUED: 10/16/2016