

**AN APPRAISAL REPORT OF THE
35.24 ACRE FORMER DODGERTOWN SITE
LOCATED AT 4303 43RD AVENUE
VERO BEACH, FLORIDA 32960**

APPRAISAL # 43709

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City of Vero Beach
Public Works Department

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September 29, 2015

City of Vero Beach
c/o Monte K. Falls, PE
Public Works Director
1053 20th Place - P.O. Box 1389
Vero Beach, Florida 32961-1389

APPRAISAL #43709

Dear Mr. Falls:

As requested, we have inspected the 35.24 acre parcel located adjacent to the southeast corner of 43rd Avenue and 26th Street (4303 43rd Avenue), in the City of Vero Beach, Florida. This is for the purpose of providing you with our opinion of the Market Value of the fee simple estate to this property, "As Is", as of September 23, 2015.

The Appraisal Report complies with the reporting requirements set forth under Standards Rule 2-2(a) of the 2014-2015 Uniform Standards of Professional Appraisal Practice (USPAP). The property is physically described in the following Appraisal Report, which explains the analysis of data upon which our opinion of value is based. The opinions expressed in this report and the value conclusion reported below are subject to the limiting conditions and extraordinary assumptions on pages 1 - 3.

The subject property consists of a mostly vacant commercial corner parcel containing a total 35.24 acres. The subject property is located along the east side of 43rd Avenue, south of 26th Street. It consists of a portion of the former 9 hole Dodgertown Golf Course, including the former clubhouse/cart storage building. The subject property has a slightly irregular, but mostly rectangular shape with good road frontage along 43rd Avenue, along with 26th Street to the north. Per the survey provided, it is estimated that the subject property has approximately 2,090 \pm feet of frontage along 43rd Avenue and around 800 \pm feet along 26th Street.

The majority of the subject property is zoned ALI-MC, Airport Light Industrial, Multi-Activity Complex. This zoning allows a wide range of commercial uses, along with sports complexes. A small site area on the northwest portion of the subject property, adjacent to southeast corner of 43rd Avenue and 26th Street, is indicated to be located in Runway Protection Zone and has a different zoning of Airport Light Industrial-A1.

City of Vero Beach
c/o Monte K. Falls, PE
Public Works Director
September 29, 2015
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APPRAISAL #43709

Our opinion of the Market Value of the fee simple estate of the subject property utilized the Sales Comparison Approach. We have analyzed comparable sales of commercial and multiple family zoned acreage parcels in the subject neighborhood and other areas of Indian River County. Current listings are also considered.

Based on the analyses presented in this appraisal report, it is our opinion that the Market Value of the fee simple estate in the real property appraised herein, "As Is", as of September 23, 2015, is as follows:

**THREE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$3,500,000)**

The above Market Value conclusion has conditions and assumptions that are assumed to be correct, as discussed in the appraisal report. It should be noted that if some or all of these conditions or assumptions are not correct, it could affect our opinion of the Market Value, as provided herein.

We believe the appraisal report to be complete, but any questions you may have are welcomed.

Sincerely,



Daniel A. Nelson
State-Certified General
Real Estate Appraiser RZ897



Peter D. Armfield, MAI
State-Certified General
Real Estate Appraiser RZ524

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LIMITING CONDITIONS AND UNDERLYING ASSUMPTIONS

1. The value given in this appraisal report represents the opinion of the signer as to the Value AS OF THE DATE SPECIFIED. Values of real estate are affected by an enormous variety of forces and conditions will vary with future conditions, sometimes sharply within a short time. Responsible ownership and competent management are assumed.
 2. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
 3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
 4. The information furnished by others is believed to be reliable. No warranty, however, is given for its accuracy.
 5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
 6. It is assumed that there are no hidden or apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
 7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
 8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
 9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
 10. It is assumed that the utilization of the land and improvements is within the boundaries of property lines of the property described and that there is no encroachment or trespass unless noted in the report.
 11. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
 12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
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LIMITING CONDITIONS AND UNDERLYING ASSUMPTIONS (continued)

13. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

14. Neither all nor any part of the contents of this report especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected or any reference to the Appraisal Institute, or the MAI or SRA designations shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraiser.

15. 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 appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, 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.

16. The Contract for the appraisal of said premises is fulfilled by the signer hereto upon the delivery of this report duly executed.

17. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he makes no guarantees, express or implied, regarding this determination.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

19. The appraisal report has extraordinary assumptions, as discussed on the following page 3. The use of these extraordinary assumptions may have affected the assignment results of this appraisal report.

EXTRAORDINARY ASSUMPTIONS

Extraordinary assumptions are specific assumptions about the subject property being appraised regarding characteristics of the property that are subject to some uncertainty. Should such assumptions be found to be false, the appraisers' conclusions or opinions could be altered.

1. Based on evidence from nearby properties and from utilities authorities, the subject property is being appraised as if utilities are available to the site sufficient in capacity to support the Highest and Best Use, at costs that are typical to competing properties. There are no unusual costs in bringing supply lines to the site known to the appraisers, but we have not been provided or reviewed any information in this regard. Due to typical uncertainties of engineering and supplying entities, this appraisal is based on the assumption that utilities do not limit the future development of the subject property, and that costs to connect to utilities are typical for these types of properties.

2. It is assumed that the subject property does not have any adverse site factors, such as fuel, oil, or other soil or environmental conditions, that are hazardous to the subject property. Further, it is assumed that no wetlands are present. Inspection of the subject site was limited to the site areas of the adjacent roadways and review of the county aerial map.

3. The appraisal utilized a survey of the subject property that included a Legal Description, property dimensions, as well as the total site area. For purposes of this appraisal, we have assumed that the subject property contains a total of 1,535,197 square feet, or 35.24 acres. Any significant size difference from the above square footage, or acreage size could change our opinion of the Market Value of the subject property appraised, along with the other assumptions made.

4. It is assumed that the subject site does not contain any adverse easements or restrictions that would preclude development to its Highest and Best Use. It is noted that the subject property has drainage easements to Indian River County, along with an access and irrigation easement.

5. The subject site and building improvements include the former Dodgertown 9 hole golf course clubhouse and cart storage building located on the northern front central portion of the subject overall site. These building and site improvements were only inspected from the exterior, but are not estimated to provide any significant value to the subject overall 35.24 acre site, in our opinion. The appraisal is subject to a complete inspection of these improvements.

SUMMARY OF APPRAISAL

Property Type: Vacant Commercial Acreage

Owner's Name: City of Vero Beach
Property Location: Southeast corner of 43rd Avenue and 26th Street,
Vero Beach, Florida

Property Address: 4303 26th Street
Vero Beach, Florida 32960

Effective Date of Appraisal: September 23, 2015
Date of Inspection: September 23, 2015
Inspected by: Daniel A. Nelson & Peter D. Armfield
Date of Report Preparation: September 23 - September 29, 2015
Date of Appraisal Report: September 29, 2015

Property Rights Appraised: Fee Simple Estate
Purpose of Appraisal: Provide our opinion of the Market Value of the
subject real property, "As Is".

Intended Use of Appraisal: To assist client and intended users in making
asset (pricing) decisions on the subject property.

Intended User of the Appraisal: The intended user of this appraisal report is the
City of Vero Beach and their authorized
representatives.

Appraisal complies with the 2014-2015
Uniform Standards of Professional
Appraisal Practice (USPAP): Yes, Appraisal Report.

Zoning: ALI-MC, Airport Light Industrial, Multi-activity
complex and ALI-A1, Airport Light Industrial
CLUP: I, Industrial

Site Size: 1,535,197 Square Feet (35.24 Acres)
Frontage: 2,090 ± feet - 43rd Avenue
Frontage/Depth: 800 ± feet - 26th Street

Highest and Best Use: Future mixed use commercial/multi-family
development, as demand warrants. Presently
hold as vacant.

Opinion of Market Value: \$3,500,000 - As of September 23, 2015
Fee Simple Estate - "As Is"

INTRODUCTORY COMMENTS

PURPOSE OF THE APPRAISAL AND RIGHTS APPRAISED

The purpose of this appraisal is to provide our opinion of the Market Value of the Fee Simple Estate in the real property described herein, "As Is", as of September 23, 2015. The appraisal is provided in an Appraisal Report format.

MARKET VALUE DEFINED

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by federal financial institutions in the United States of America is:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and acting in what they consider their own best interest.
3. A reasonable time is allowed for exposure 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 a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

SOURCE: Office of Thrift Supervision Regulation 12 CFR 564.2(f); and the Office of Comptroller of the Currency.

DEFINITION OF FEE SIMPLE ESTATE

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

SOURCE - Taken from The Dictionary of Real Estate Appraisal Fifth Edition, sponsored by the Appraisal Institute, 2010 page 78.

REAL PROPERTY DEFINED

All interests, benefits, and rights inherent in the ownership of physical real estate.

Source - Taken from The Dictionary of Real Estate Appraisal Fifth Edition, sponsored by the Appraisal Institute, 2010 page 161.

Intended Use of Appraisal: To assist client and intended users in making asset (pricing) decisions on the subject property.

Intended User of the Appraisal: The intended user of this appraisal report is the City of Vero Beach and their authorized representatives.

SCOPE OF WORK

The Scope of Work is defined as the type and extent of research and analyses in an assignment.

Source - Taken from 2014 Uniform Standards of Appraisal Practice (USPAP), prepared by the Appraisal Standards Board (ASB) for The Appraisal Foundation, Effective January 1, 2014, Page U-13.

The three main points of the Scope of Work are as follows:

- 1) Identify the problem to be solved.
- 2) Determine and perform the scope of work necessary to develop credible assignment results.
- 3) Disclose the scope of work in the report.

The subject property consists of a primarily vacant commercial parcel located at 4303 26th Street, in Vero Beach, Florida. The subject property contains a total 35.24 acres. The subject property has a slightly irregular, but mostly rectangular shape with good road frontage along 43rd Avenue, along with 26th Street to the north. Per the survey provided, it is estimated that the subject property has approximately 2,090 ± feet of frontage along 43rd Avenue and around 800 ± feet along 26th Street. It consists of a portion of the former 9 hole Dodgertown Golf Course, including the former clubhouse/cart storage building. The majority of the subject property is zoned ALI-MC, Airport Light Industrial, Multi-Activity Complex.

The subject property was inspected on September 23, 2015, by both Daniel A. Nelson and Peter D. Armfield. This site inspection was made from the adjacent roadways and the county aerial map has also been reviewed. Further, we also inspected the subject property from adjacent to the front clubhouse building.

The scope of the appraisal involves gathering market data to support three different market analyses, when available. The data targeted is from properties with Highest and Best Use similar, or relatively similar to the subject. The three market analyses are commonly referred to as approaches to value and are identified as the Cost Approach, Sales Comparison Approach, and the Income Approach. Only the Sales Comparison Approach is considered relevant in the valuation analysis for the subject commercial parcel.

We observed neighborhood supply and demand factors, use patterns, along with maintenance levels. We also considered the supply and demand for similar types of properties throughout the community. A search was made throughout the City of Vero Beach and Indian River County for comparable commercial and multiple family acreage sales that are then investigated and analyzed to utilize in the valuation analysis of the subject property.

This Appraisal Report complies with the reporting requirements set forth under Standards Rule 2-2(a) of the 2014 Uniform Standards of Professional Appraisal Practice (USPAP). The Appraisal Report is also designed and prepared to be fully compliant with FIRREA and its intended use by the client. The Appraisal Report format provided and contained in this report is specific to the needs of the client and the intended use of the appraisal.

This Appraisal Report provides information in describing the subject property and its neighborhood. It includes information on the subject tax information, zoning, utilities, site analysis, etc. Also, the comparable sales information and valuation analyses made, upon which the opinion of Market Value is based are included in the appraisal report.

The data gathered is limited in area to the real estate market in Indian River County. Primary focus is on data available from within the area described as the subject's neighborhood, or from other neighborhoods felt to be competing, or servicing similar market segments in Indian River County. We have searched for and analyzed sales of commercial and multiple family zoned acreage parcels in the subject neighborhood and competing areas. Current listings are also considered.

Data sources for sales include public recording of real estate sales transferred by warranty deed via data sources used in the appraisers office. These sources include the Indian River County Board of Realtors Multiple Listing Service (MLS), County Property Appraiser, and Clerk of the Court. Also, general knowledge of sales that are publicized in the news media, or that are made known by real estate market participants, including brokers, bankers, buyers, sellers and attorneys are used. Data is gathered and analyzed to interpret trends of the market participants. The analyzed data is then applied to the subject property for a value indication.

LEGAL DESCRIPTION

The following legal description was taken from the Boundary Survey provided by the client.

SITUATED IN THE STATE OF FLORIDA, COUNTY OF INDIAN RIVER
CITY OF VERO BEACH, AND BEING A PART OF SECTION 3, TOWNSHIP
33 SOUTH, RANGE 39 EAST AND BEING MORE PARTICULARLY BOUNDED
AND DESCRIBED AS FOLLOWS:

ALL OF DODGERTOWN PARCEL 1--A AS DESCRIBED IN OFFICIAL RECORD BOOK
1961, PAGE 936 OF THE PUBLIC RECORDS OF INDIAN RIVER COUNTY, FLORIDA;

TOGETHER WITH:

DODGERTOWN PARCEL 2--A & 1--C AS DESCRIBED IN OFFICIAL RECORD BOOK
2517, PAGE 547 OF THE PUBLIC RECORDS OF INDIAN RIVER COUNTY, FLORIDA;

TOGETHER WITH:

DODGERTOWN PARCEL 3--A AS DESCRIBED IN OFFICIAL RECORD BOOK
1961, PAGE 968 OF THE PUBLIC RECORDS OF INDIAN RIVER COUNTY, FLORIDA;

LESS:

THAT PORTION DEEDED TO INDIAN RIVER COUNTY AS DESCRIBED IN
OFFICIAL RECORD BOOK 2517, PAGE 551 OF THE PUBLIC RECORDS OF
INDIAN RIVER COUNTY, FLORIDA;

ALSO LESS:

THAT PORTION RIGHT OF WAY DEEDED TO INDIAN RIVER COUNTY ALONG 43RD AVENUE,
SOON TO BE RECORDED;

OVERALL PARCEL ALSO BEING DESCRIBED AS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 3--33--39;

THENCE SOUTH 00°00'47" WEST ALONG THE WEST LINE OF SAID
SECTION 3--33--39 FOR A DISTANCE OF 30.00 FEET;

THENCE SOUTH 89°45'39" EAST FOR A DISTANCE OF 75.00 FEET
TO A POINT OF INTERSECTION WITH THE EAST RIGHT OF WAY OF
43RD AVENUE AND THE SOUTH LINE OF THE INDIAN RIVER FARMS
WATER CONTROL DISTRICT'S CANAL A-3, SAID INTERSECTION ALSO
BEING THE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED PARCEL;

THENCE FROM THE POINT OF BEGINNING, CONTINUE SOUTH 89°45'39" EAST
ON THE SAID SOUTH LINE OF CANAL A-3 FOR A DISTANCE OF 794.99 FEET;

THENCE SOUTH 03°32'27" WEST FOR A DISTANCE OF 582.12 FEET;

THENCE SOUTH 00°14'21" WEST FOR A DISTANCE OF 360.85 FEET;

THENCE SOUTH 02°50'58" EAST FOR A DISTANCE OF 830.37 FEET TO
A POINT LYING 50 FEET NORTH OF AND PERPENDICULAR TO THE INDIAN
RIVER FARMS WATER CONTROL DISTRICT'S MAIN CANAL;

THENCE SOUTH 69°22'53" WEST AND PARALLEL WITH THE SAID MAIN CANAL
FOR A DISTANCE OF 880.69 FEET TO A POINT ON THE EAST
RIGHT OF WAY OF 43RD AVENUE;

THENCE NORTH 00°00'47" EAST ALONG THE SAID EAST RIGHT OF WAY
OF 43RD AVENUE FOR A DISTANCE OF 88.90 FEET;

THENCE NORTH 04°41'53" EAST FOR A DISTANCE OF 159.16 FEET;

THENCE NORTH 00°00'47" EAST FOR A DISTANCE OF 345.57 FEET;

THENCE NORTH 10°28'14" EAST FOR A DISTANCE OF 33.06 FEET;

THENCE NORTH 00°00'47" EAST FOR A DISTANCE OF 75.08 FEET;

THENCE NORTH 07°48'44" EAST FOR A DISTANCE OF 139.55 FEET;

THENCE NORTH 00°00'47" EAST FOR A DISTANCE OF 1220.72 FEET
TO THE POINT OF BEGINNING;

SAID PARCEL CONTAINING 1,543,975 SQUARE FEET OR
35.24 ACRES MORE OR LESS.

NOTE: SAID PARCEL SUBJECT TO EASEMENTS AS SHOWN.

OWNER OF PROPERTY AND SALES HISTORY

Current Owner of Property: City of Vero Beach
(Per Tax Rolls)

Based on the public records reviewed by the appraisers, there have been no sales of the subject property which have occurred within the past three years. Further, no current asking price or offers to purchase are indicated on the subject property appraised.

The subject property had previously been utilized as a portion of the 9 hole golf course by Dodgertown. However, the configuration of the subject property has changed over the years. Originally, it consisted of an L shaped parcel that included the 6.36 ± acres adjacent to the southeast corner of 43rd Avenue and 26th Street, along with approximately 31.24 ± acres comprising the southern portion of the subject property, along with the parcel now used for the 4 new softball fields. These acreage sizes have changed slightly, now indicated at around 6.13 ± acres and 30.87 ± acres, per the more recent survey, which excludes some right-of-way.

Reportedly, there was a swap in June, 2011 between the City of Vero Beach and Indian River County, adding 10.38 ± acres comprising the northeast portion of the subject property appraised. This parcel includes the former golf clubhouse building and was exchanged for the 11.93 ± acres, now containing the 4 new softball fields.

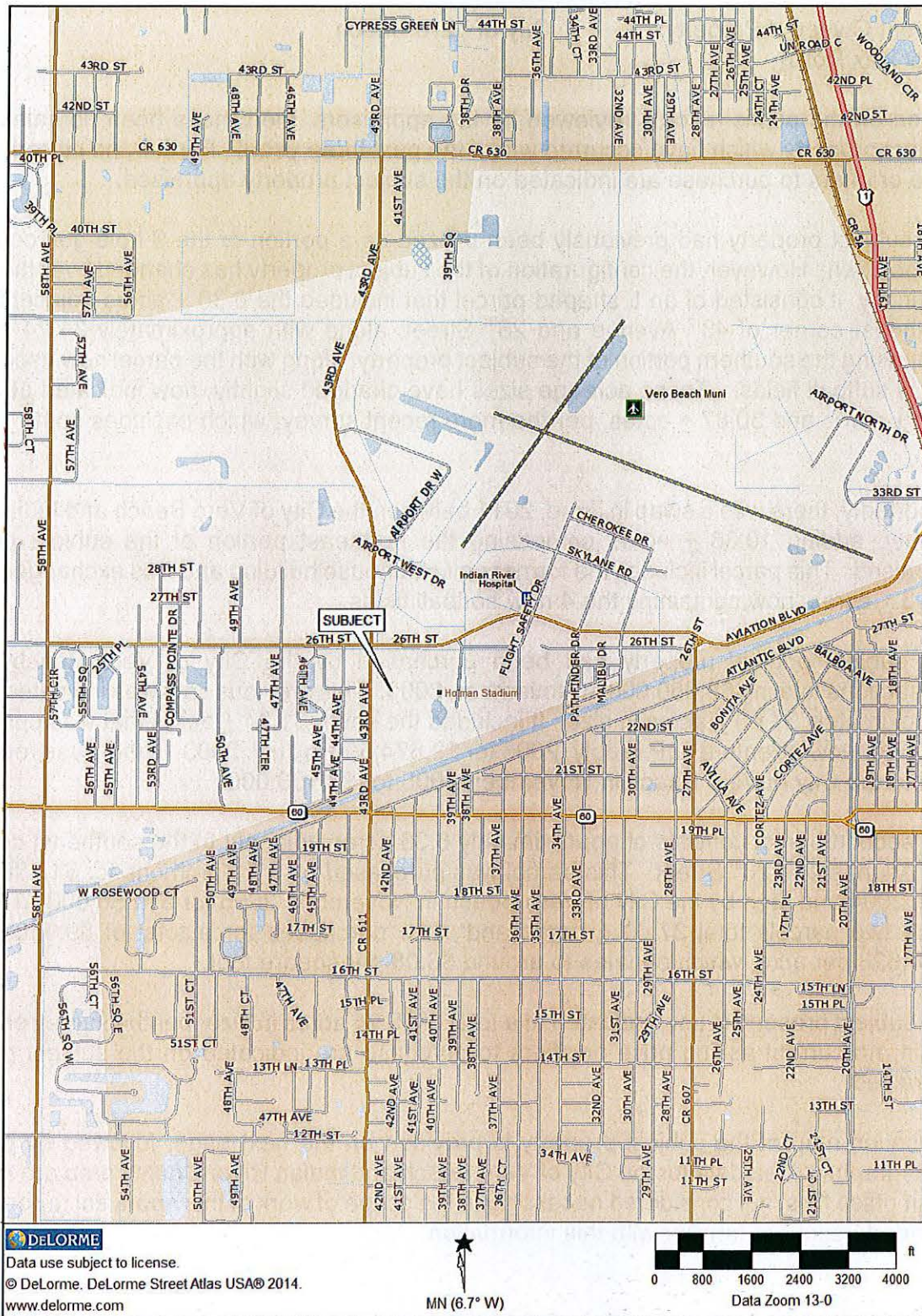
The subject original property had been purchased by the City of Vero Beach in two transactions totaling \$9,950,000 in November, 2005. This previous sale was indicated to total approximately 37.60 ± acres in size. It included the south 31.24 ± acres that was purchased by Dodgertown Venture LLP in July, 2003 for \$2,674,500 in July, 2003. It then was reportedly sold to the City of Vero Beach in November, 2005 for \$8,100,000.

The second parcel consists of approximately 6.36 acres adjacent to the southeast corner of 43rd Avenue and 26th Street. This parcel was purchased by DT Commons for \$1,686,000 in July, 2004 and then by the City of Vero Beach in November, 2005 for \$1,850,000. Together these two parcels total 37.60 ± acres and were purchased for a total of \$9,950,000, or \$264,628 per acre, which equates to around \$6.08 per square foot.

The subject property is now indicated at a total of 35.24 acres in size, per the survey provided. Again, no current asking price or offers to purchase are indicated on the subject property appraised.

A location map of the subject property is provided on the next page, followed by property photographs. Area data for the City of Vero Beach and Indian River County area are retained in our office files, not considered necessary in the scope of work of this appraisal report, as the intended users are familiar with this information.

LOCATION MAP



PROPERTY PHOTOGRAPHS - TAKEN SEPTEMBER 23, 2015



SOUTHEASTERLY VIEW FROM 43RD AVENUE AND 26TH STREET OF SUBJECT PROPERTY.



EASTERLY VIEW FROM 43RD AVENUE OF WEST CENTRAL PORTION OF SUBJECT SITE.



NORTHEASTERLY VIEW OF SOUTHWESTERN PORTION OF SUBJECT SITE FROM 43RD AVENUE.



SOUTHERLY VIEW OF SUBJECT PROPERTY FROM ADJACENT TO REAR OF FORMER CLUBHOUSE BUILDING.



SOUTHEASTERLY VIEW OF NORTHEASTERN PORTION OF SUBJECT PROPERTY FORMERLY CONSISTING OF GOLF HOLE #1.



SOUTHERLY FRONT VIEW OF FORMER GOLF CLUBHOUSE AND CART STORAGE BUILDING ON NORTHERN PORTION OF PROPERTY.



EASTERLY VIEW ALONG 26TH STREET WHICH CONNECTS WITH AVIATION BOULEVARD. SUBJECT PROPERTY ON RIGHT.



SOUTHERLY VIEW ALONG 43RD AVENUE FROM 26TH STREET. SUBJECT PROPERTY ON LEFT.



WESTERLY VIEW ALONG 26TH STREET FROM ENTRANCE TO CLUBHOUSE BUILDING. SUBJECT PROPERTY ON LEFT.



EASTERLY VIEW ALONG 26TH STREET FROM ENTRANCE TO CLUBHOUSE. SUBJECT PROPERTY ON RIGHT.



SOUTHEASTERLY VIEW OF NORTHWEST FRONT PORTION OF SUBJECT PROPERTY FROM 43RD AVE. AND 26TH STREET.



NORTHERLY VIEW ALONG 43RD AVENUE FROM ADJACENT TO SUBJECT PROPERTY ON RIGHT.

INDIAN RIVER COUNTY AREA DATA

The subject property is located within the City of Vero Beach, in the Vero Beach Municipal Airport area adjacent to the west of the Vero Beach Sports Village (Historic Dodgertown). Area data for the City of Vero Beach and Indian River County are retained in our office files, not considered necessary in the scope of work of this appraisal report.

NEIGHBORHOOD

A **neighborhood** may be defined as follows:

A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises. Source - Taken from The Dictionary of Real Estate Appraisal Fourth Edition, sponsored by the Appraisal Institute, 2002 page 193.

The subject is located in the western portion of the Vero Beach Municipal Airport neighborhood of the City of Vero Beach, Florida. This location is within a larger neighborhood area in the northwest quadrant of the City of Vero Beach that also contains the Vero Beach Municipal Airport and the former Dodgertown Sports Complex. The neighborhood's east boundary is represented by the east end of the Vero Beach Municipal Airport and the south boundary by the Main Canal. The north boundary is approximated by the north line of the Vero Beach Municipal Airport. The west boundary is 43rd Avenue. All of the neighborhood is within the city limits of Vero Beach. The subject property is located in the western portion of the neighborhood, adjacent to the southeast corner of 43rd Avenue and 26th Street.

The access to and thru the subject neighborhood have been improved over recent years with the airport perimeter roadway. This roadway connects U.S. #1 and Aviation Boulevard to the southwest of the airport. It provides improved access to this portion of the neighborhood, along with securing the north ramp area and access to the airport runway. North/south access is available from 27th Avenue and 43rd Avenue, along with U.S. #1 to the east.

Most of the land within the neighborhood is owned by the City of Vero Beach, Piper Aircraft, or parcels formerly owned by the Los Angeles Dodgers. Some of the Dodger property had been purchased in previous years by the City of Vero Beach and Indian River County and then leased back to the Dodgers for a nominal amount. However, Dodgertown has since closed and Vero Beach Sports Village (a/k/a Historic Dodgertown) is now operating the facility. Piper Aircraft and Sun Aviation parcels are also independently owned. Other parcels are typically leased from the City of Vero Beach under land leases authorized by the Federal Aviation Association.

Around the airport is primarily city owned land that contains their water well fields. In addition, there are some improved satellite users on smaller parcels that are leased from the city under FAA approval. The largest use in this area is the Piper Aircraft Plant which had emerged quite successfully over recent years from prior bankruptcy protection in the early 1990's. The current Piper Aircraft plant has a plant workforce of about 850.

The local governments provided incentives to retain Piper Aircraft, including money to repair hurricane damage and develop newer facilities to support the manufacturing of their new jet aircraft. Piper has had difficulty in meeting the employment requirements with the soft aviation market during 2008 thru 2012, though improving over the last couple years, but recently experiencing another layoff.

Other aviation related uses around the airport consist of aircraft supply and repair, and related activities like flight training schools. Non-aviation uses include mini-storage warehouses, light industrial warehouse space, restaurants, and secondary retail commercial. Some new office, warehouse and other improvements have been constructed over the last 5 to years along Aviation Boulevard, as well as Flight Safety Drive. Most of these buildings have struggled with tenants and occupancy, with the recessionary local economy and real estate market, but improving somewhat over the last couple years.

A major factor affecting growth and development within the neighborhood is the FAA restriction that the land owned by the City of Vero Beach cannot be sold, but must be leased. This is felt to deter development somewhat, as most companies desire ownership of their land before committing to construction. Typically, a 30 year lease is offered, with a 10 or 20 year option to renew. However, the building improvements on the property revert to the City of Vero Beach after 30 years and the improvements then have to be leased at 10% of their value or possibly purchased. This has discouraged new development, in our opinion, but is typical of most airport properties that are under the same constraints.

A new flight tower was built just south of the main terminal that provides improved visibility and tower information. The main terminal facility also was renovated and enlarged. The CJ Cannons Restaurant space was also redone. The airport continues to have good demand for local aviation and flight training schools, along with occasional flight shows. It has some opposition from surrounding areas due to flight noise and airplane traffic, along with possible lead poisoning. Nevertheless, it continues to provide a substantial service to the community. The retention of Piper Aircraft is considered to be a significant neighborhood feature.

Demand for neighborhood properties was strong, spurred by the real estate boom between about 2002 and 2005. Demand for parcels increased during this period for real estate investments amidst a climate of rising prices. Currently, market conditions remain soft, as the residential market slowed in late 2005, with the commercial and industrial market sometime in late 2006. Land lease rates for non-aviation related uses were around \$0.18 per square foot, but increased to around \$0.31 per square foot in late 2006. The aviation related parcels had land lease rates of approximately \$0.22 per square foot, plus \$.05 of fuel sales. Current asking rates are \$0.29 per square foot for non-aviation and \$0.22 per square foot for aviation, but with little demand. However, Oculina Bank has leased a commercial parcel at the southwest corner of Aviation Boulevard and 34th Avenue and recently completed a new bank branch facility. Further, an older warehouse at 3209 Dodger Drive is being renovated and improved with a micro brewery, consisting of another new lease. There have also been some tenants leasing in the existing buildings, although some have also vacated over the last few years.

There are three areas that have parcels available for lease. These consist of the main core area south of airport terminal, centering around Aviation Boulevard and Airport Drive. This area is developed with a mixture of commercial, industrial and aviation related uses, including flight training schools and housing for the flight students. Improvements within the core neighborhood include flex building space that is located along the west side of Flight Safety Drive, north of Aviation Boulevard. To the north are T-hangar and box hangar buildings that have been constructed by the City of Vero Beach to meet local demand for airplane storage. There are also two self-storage facilities, along with a variety of mostly older storage and trade warehouse space, including the Airport Commercial Center.

Several parcels were leased at the airport during the boom years of around 2003 thru 2005. A retail/office building was built at the northwest corner of Airport Drive and Aviation Boulevard in 2005. A service station and convenience store is located at the southeast corner of Aviation Boulevard and Airport Drive. Two large buildings were constructed along the west side Flight Safety Drive in 2007, totaling around 30,000 square feet in size. A new strip center was built along the south side of Aviation Boulevard in 2009. It initially struggled for tenants until just recently when it obtained some new tenants.

Other parcels were leased at the airport during this period for future development, but since cancelled with the soft demand. Reportedly, there were plans for flex space buildings on a Piper Drive parcel, with a combination of retail, restaurant, hotel, and flex space on the two parcels along the north side of Aviation Boulevard. Obviously, these plans have all been canceled. However, an industrial warehouse building was built about 5 to 6 years ago in the southeast portion of the neighborhood, owner occupied with Southern Atlantic Supply (now Allied Building Products). It was most likely planned before the soft market conditions began.

The Airport West area consists of platted lots adjacent to the west edge of the airport that are accessed from 43rd Avenue. This area consists of light industrial properties, airplane hangars and repair, along with some City of Vero Beach buildings. Aviation uses include Corporate Air, Paris Air and Continental Jet. Municipal uses include the Vero Beach Public Works and T&D facility. Most of the improvements are somewhat newer and developed over the last 10 to 15 years. There is also the 43rd Avenue Trade Center and mini-warehouse facility that were developed around 2004 on fronting land along the east side of 43rd Avenue.

The north ramp area of the airport is located to the northeast of the airport, with access via the new perimeter roadway. This area consists of all aviation related uses including airplane hangars and aircraft maintenance and repairs, along with research and development. Some vacant parcels are available for lease in this area. There has been no new development in this area and some of the older hangars appeared to have been damaged by the hurricanes or removed over the last five years. Also, most of the former research and development and repair businesses have closed, with one (LoPresti) relocating to the City of Sebastian.

The Dodgertown property completed their renovations, as partially funded by the City of Vero Beach and Indian River County, including a large two story clubhouse and office building. However, despite this the Dodgers relocated to Arizona for the 2009 Spring Training Season and negotiations for a new major league team to replace the Dodgers were not successful.

The Dodger facility is now being leased by Vero Beach Sports Village and has been attempting to attract sports camps, umpire schools, high school and college teams, and minor league baseball teams to its facility. The subject neighborhood lost a significant amount of demand with the loss of the Dodgers, as did the overall community, though the Sports Village (a/k/a Historic Dodgertown) has provided some additional demand for hotel rooms. Recently, four additional girls softball fields were built. The subject property appraised consists of additional land currently owned by the City of Vero Beach that was previously utilized for a portion of the 9 hole Dodgertown golf course.

As discussed, access has been significantly improved to and through the neighborhood with the opening of the airport perimeter roadway. This two lane paved roadway provides access to U.S. #1 along the south edge of the airport. It connects with Aviation Boulevard at 27th Avenue and with U.S. #1, at 33rd Street. The new roadway improvements have improved traffic flow past former Dodgertown via Aviation/26th Street to 43rd Avenue and 58th Avenue, along with access to the Indian River Mall. The Indian River County Administration Building opened about 5 years ago to the southeast of the neighborhood, also accessed by the perimeter roadway.

In conclusion, the subject neighborhood may be described, as an area comprising the Vero Beach Municipal Airport, Piper Aircraft and Minor League Baseball Sports Complex, in the northwest quadrant of the City of Vero Beach. The perimeter roadway improvements have improved access significantly for the neighborhood and should spur additional interest for non-aviation related uses, in our opinion. However, market conditions for commercial and industrial development remains soft, although the commercial and industrial real estate market have been stabilizing and improving somewhat over the last couple years. The subject property would be expected to participate in overall neighborhood trends, in our opinion.

ZONING

Zoning of the subject is under the guidelines adopted for the Airport, by its master plan, which is implemented by the City of Vero Beach Planning and Zoning Department. The majority of the subject property is ALI-MC, Airport Light Industrial - Multi-Activity Complex. A small site area on the northwest portion of the subject property, adjacent to southeast corner of 43rd Avenue and 26th Street, is indicated to be located in Runway Protection Zone and has a different zoning of Airport Light Industrial-A1. The CLUP for the City of Vero Beach designates the subject entire property I - Industrial.

ALI-MC, Airport Light Industrial - Multi-Activity Complex.

The subject ALI-MC and the other airport zoning districts are designed to provide for a distribution of uses at the Vero Beach Municipal Airport which are compatible and complementary of one another and the airport at-large. The City of Vero Beach Comprehensive Land Use Plan designates the subject property I - Industrial which is compatible with the current ALI-MC zoning designation.

The ALI-MC, Airport Light Industrial - Multi-activity complex zoning district permits the following uses:

- Commercial Amusements
- Eating establishments
- Financial Institutions
- Golf course
- Health Clubs
- Hotels and Motels
- Multi-family residences
- Personal Services
- Private Clubs
- Professional and Business Offices
- Recreation and park areas
- Retail Uses
- Sports Complex
- Vehicular rentals
- Accessory uses

Restrictions within this zoning district also include a 50 foot building height limit and 25 foot rear setback. The front and side setbacks are 10 feet. Additional restrictions are retained in our office files. Parking requirements for various permitted uses are as follows:

<u>Use</u>	<u>Spaces Required</u>
Professional Office	1 space per 300 SF, or 4 spaces whichever is greater.
Financial Institution	1 space per 250 SF of floor area.
Retail Sales & Service:	1 space per 250 SF of floor area.
Wholesale Establishments:	1 space per 400 SF of floor area.

The subject ALI-MC zoning is actually more designed for commercial and amusement types uses rather than industrial uses. This is felt reasonable considering the subject location adjacent to the west of Historic Dodgertown (Vero Beach Sports Village) and the frontage along 43rd Avenue, as well as 26th Street. Further, this zoning provides flexibility in that not only are commercial uses allowed, including hotels and motels, but also multiple family residential uses. Additional zoning information is retained in our office files.

ALI-A1, Airport Light Industrial

The northwestern edge of the subject property, adjacent to southeast corner of 43rd Avenue and 26th Street, is zoned ALI-A1, Airport Light Industrial-A1. This portion of the subject property is indicated to be located in Runway Protection Zone.

This is most likely the reasoning behind this zoning for this portion of the subject property. Per the survey provided, the subject property is indicated to contain 3.68 acres within the Runway Protection Zone, along the zoning map for the City of Vero Beach indicates a slightly different configuration. Nevertheless, this portion of the subject property has additional restrictions regarding development.

The ALI-A1, Airport Light Industrial A-1 zoning is designed for aviation type uses, including aircraft storage hangars, manufacturing and repair services and aviation related offices. Additional specified uses are also allowed within terminal facilities.

Permitted uses include the following:

- Aeronautical schools
- Air freight terminals
- Aircraft assembly & service
- Aircraft manufacturing
- Aircraft sale and rental
- Aircraft storage hangars
- Airline operations
- Aviation related offices *
- Runway dependent uses
- Terminal facilities
- Vehicular rentals
- Accessory uses

* Aviation related offices are permitted in conjunction with FBO or Airline operations.

Eating establishments, financial institutions, personal services and professional and business offices are permitted only within a terminal. The current zoning appears reasonable for the subject property, including the ALI-MC zoning on the majority of the subject property and the ALI-A1 zoning on the portion encumbered by the Runway Protection Zone (RPZ).

CONCURRENCY

Concurrency is a provision adopted in the Florida's Local Government Comprehensive Planning and Land Use Development Regulation Act in 1985. Concurrence is a requirement for public facilities and services to be available (concurrent) with the impacts of development. These facilities and services include traffic and transportation facilities, sewage collection facilities, potable water facilities, drainage, park and recreation facilities, etc.

Typically, concurrence is most applicable in roads and traffic capacity, but any of the other items can also impact development. If a project is proposed, its impact must not exceed the capacity levels of current infrastructure, or the plan must propose the expansion of the infrastructure and the source of funds required to construct these improvements. A valid certificate of concurrence must be obtained prior to approval of development order. This is an extensive study that is not within the scope of our appraisal.

UTILITIES

Supply sources are listed below:

Electricity:	City of Vero Beach
Sewer:	City of Vero Beach
Water:	City of Vero Beach
Telephone:	City of Vero Beach
Trash removal:	City of Vero Beach

City of Vero Beach water and sewer service are available in the immediate area of the subject property. Costs of water and sewer assessments, line extensions, and hook-up fees are typically the responsibility of the property owner or developer.

Based on evidence from nearby properties and from utilities authorities, the subject property is being appraised as if utilities are available to the site sufficient in capacity to support the Highest and Best Use at costs that are typical to competing properties. There are no unusual costs in bringing supply lines to the site known to the appraisers. However, due to typical uncertainties of engineering and supplying entities, this report is subject to confirmation of this assumption in writing from supplying agencies and by a registered engineer. **Please See Extraordinary Assumption #1.**

TAX INFORMATION

The taxing authority is Indian River County. Taxes are based on Just Values that are estimated by the Indian River County Property Appraiser and on millages as set by the Tax Collector using various taxing districts' approved budgets. Taxes are assessed in arrears based on valuations as of January 1st of the tax year. Tax bills are sent out in November and become payable January 1st of the new year. The 2014 tax information for the subject property, which is assessed as three individual parcels, is provided below:

<u>Tax Parcel Number</u>	<u>Assessed Value 2014</u>	<u>2014 Taxes</u>	<u>Acreage</u>
26-32-39-00011-0230-00001.1	\$ 463,440	\$ - 0 -	19.31 Acres
26-32-39-00011-0230-00001.2	\$ 392,440	\$ - 0 -	10.38 Acres
26-32-39-00011-0230-00001.3	<u>\$ 152,640</u>	<u>\$ - 0 -</u>	<u>6.36 Acres</u>
Totals	\$1,008,520	\$ - 0 -	36.05 Acres

The subject property is owned by the City of Vero Beach and exempt from real estate taxes and landfill fees. The second tax parcel listed above includes \$113,900 for building improvements (former clubhouse) and \$29,420 for miscellaneous. The other two parcels are assessed as vacant land.

Florida's Constitution requires all property to be appraised at Just Value. While this concept is not adequately defined in the Constitution nor in Florida Statutes, numerous court decisions have held that it approximates Market Value as defined herein, less normal seller expenses of sale, estimated at fifteen percent (15%). While this represents the target level of the property appraiser, it has been found that assessments produced by mass appraisal techniques vary considerably and are not good indicators of Market Value.

SITE DESCRIPTION

The subject site consists of a 35.24 acre parcel located adjacent to the southeast corner of 43rd Avenue and 26th Street (4303 43rd Avenue), in the City of Vero Beach, Florida. The subject property has a slightly irregular, but mostly rectangular shape with good road frontage along 43rd Avenue, along with 26th Street to the north. Per the survey provided, it is estimated that the subject property has approximately 2,090 ± feet of frontage along 43rd Avenue and around 800 ± feet along 26th Street. The east property line is approximately 1,773 ± feet in length and the south property line dimension is 880.69 feet.

The subject property is located along the east side of 43rd Avenue, south of 26th Street. The subject property has a convenient, though secondary location adjacent to the west of the Historic Dodgertown facility. 43rd Avenue is a two lane north/south connector that provides access from State Road 60 northward to 49th Street. It also extends south from State Road 60 to Oslo Road and then Indrio Road in St. Lucie County. 43rd Avenue is typically two lanes, though sometimes including turning lanes adjacent to significant intersections. The intersection of 43rd Avenue and 26th Street includes a traffic light, along with turning lanes.

26th Street provides east/west access thru the subject neighborhood, as it connects and becomes Aviation Boulevard to the east, at approximately Flight Safety Drive. Aviation Boulevard is a three lane paved road consisting of a single east/west lane each and a center turning lane. Aviation Boulevard connects with 27th Avenue to the east, via a new intersection, as well as the Airport Perimeter Roadway that extends along the south side of the Airport, connecting with U.S. #1 at 32nd Street. 26th Street is mostly two lanes, but planned for future road widening. It provides access from 43rd Avenue to 58th Avenue to the west, also extending west of 58th Avenue to 66th Avenue, 74th Avenue, etc. This roadway also provides secondary access to the Indian River Mall to the south. Additional roadway improvements are now being considered for Aviation Boulevard, as well as 26th Street.

The subject property was formerly part of the Dodgertown 9 hole golf course and is mostly cleared, though the elevated greens of some golf holes are still visible. There are scattered oak and palm trees, along with malaluca trees. The subject property is vacant, with the exception of the former golf course clubhouse building and associated site improvements (paved parking and drive areas) on the north central portion of the site. These improvements are not estimated to contribute any significant value, in our opinion.

A county aerial map is shown on the next page, followed by a copy of the survey provided.

AERIAL MAP



The site is generally level with the exception of the sloping for the former golf course, along with a lake retention area that circles the new softball fields on the adjacent parcel to the southeast. Per the survey and county aerial map, it appears that a portion of these lake retention areas are located on the subject property appraised. There are (3) drainage easements indicated on the subject property, all reportedly to Indian River County. Additionally, a 25 foot access and irrigation easement is provided adjacent to the south property line. No adverse influences are apparent from these easements.

A small site area on the northwest portion of the subject property, adjacent to southeast corner of 43rd Avenue and 26th Street, is indicated to be located in Runway Protection Zone. Per the survey provided, the subject property is indicated to contain 3.68 acres within the Runway Protection Zone, along the zoning map for the City of Vero Beach indicates a slightly different configuration. Nevertheless, this portion of the subject property has additional restrictions regarding development. The subject property is bordered on the north by 26th Street, followed by the Vero Beach Municipal Airport.

The subject property is bordered on the east by the Vero Beach Sports Village (a/k/a Historic Dodgertown, with Holman Stadium adjacent to the northeast and the 4 new cloverleaf softball fields to the southeast. Adjacent to the south of the subject property is the Main Canal, followed by commercial uses fronting and adjacent to the north side of State Road 60. Adjacent to the west of the subject property is 43rd Avenue, followed by single family residential uses. Northwest of the subject property is the former Dodger Pines 18 hole golf course property, now vacant and tentatively planned for future single family residential development, but on hold with the soft market conditions over the last several years.

The configuration of the subject property has changed over the years. Originally, it consisted of an L shaped parcel that included the 6.36 ± acres adjacent to the southeast corner of 43rd Avenue and 26th Street, along with approximately 31.24 ± acres comprising the southern portion of the subject property, along with the parcel now used for the 4 new softball fields. This two parcels are now indicated at 6.13 and 30.87 acres in size.

Reportedly, there was a swap in June, 2011 between the City of Vero Beach and Indian River County, adding 10.38 ± acres, including the former golf clubhouse building for the 11.93 ± acres now containing the 4 new softball fields. The subject original property had been purchased by the City of Vero Beach in two transactions totaling \$9,950,000 in November, 2005. This parcel was indicated to total approximately 37.60 ± acres in size. The subject property is now indicated at a total of 35.24 acres in size, per the survey provided.

The majority of the subject property is zoned ALI-MC, Airport Light Industrial, Multi-Activity Complex. This zoning allows a wide range of commercial uses, along with sports complexes, hotels and motels, and multiple family residential. The subject site has good road frontage and 43rd Avenue, as well as 26th Street, having a secondary, but convenient location. The property is larger than typical considering its location within the City of Vero Beach and potential uses.

FLOOD ZONE

According to the Federal Emergency Management Agency National Flood Insurance Program Maps #12061C 0243H, dated December 4, 2012, the subject property appears to be located within Flood Zone X. Flood Zone X is an area outside the 500 year flood zone and is not a designated Department of Housing and Urban Development (HUD) flood hazard area. Flood insurance is not required in this zone. However, it is noted that the adjacent Main Canal to the south of the subject property has a Flood Zone AE designation.

CENSUS TRACT

The subject is designated as being within Census Tract 502, based on Census Tract Map for Indian River County, Florida, as prepared by the U.S. Department of Commerce for 2010 census data.

IMPROVEMENTS

The subject site and building improvements include the former Dodgertown 9 hole golf course clubhouse and cart storage building. This building is located on the northern front central portion of the subject overall site. It has access via a paved drive to the front and side paved parking and drive areas. Landscaping and drainage improvements are also provided, along with walkways.

The building improvement includes an average quality concrete block building with a metal roof over wood trusses. The building was built in 1997 and contains 2,842 square feet of finished retail/office areas, along with 1,450 square feet of former cart storage area. The subject building was not inspected, but is assumed to be in average condition. It appears to be utilized by the City of Vero Beach for storage. The former 9 hole golf course has been closed for the last approximate 10 to 12 years.

These building and site improvements are not estimated to provide any significant value to the subject overall 35.24 acre site. They have potential for continued and future use, though probably on an interim basis until redevelopment is warranted. It is noted that these improvements are located within the Runway Protection Zone (RPZ).

The existing building and site improvements are not considered to have good potential for utilization in most redevelopment plans, though Highest and Best Use of the subject overall property is uncertain, as discussed in the following section.

HIGHEST AND BEST USE

Property Market Value trends can be analyzed through a study of the forces which drive this market activity. These forces are referred to as supply and demand, substitution, balance and external interference. The term "Highest and Best Use" refers to the optimum use of a property, considering the impact of all of these market forces on a specific property.

The value of real property is directly related to the use to which it can be put. A parcel may have several different value levels under alternative uses. The property appraised herein is appraised under its Highest and Best Use, as defined below:

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

The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

Source: The Dictionary of Real Estate Appraisal - 5th Edition, sponsored by the Appraisal Institute, 2010, Page 93.

In each appraisal of improved property there are two considerations of Highest and Best Use: one for the land considered as though vacant and one for the property as improved. Within each analysis four sets of use constraints are considered: legally permissible, physically possible, economically feasible, and maximally productive.

Legally permissible restrictions include private restrictions, zoning, building codes, historic district controls, and environmental regulations.

Physically possible uses are determined by the size, shape, area, topography and accessibility of a parcel of land. Included in this analysis are the risk of natural disasters, capacity and availability of public utilities, and the physical components of the improvements.

Financial feasibility considers uses that are legally permissible and physically possible, and determines which ones produce a positive return. A maximally productive use is the financially feasible use that produces the highest residual land value.

The Highest and Best Use of land assumes that the site is vacant and that the site could be utilized at the Highest and Best Use which is determined in this analysis. The Highest and Best Use of the site, as improved, correlates the current improvements with improvements that would be made at the optimum development of the site: as determined in the Highest and Best Use of vacant land.

Physically, the subject property consists of a 35.24 acre parcel located adjacent to the southeast corner of 43rd Avenue and 26th Street (4303 43rd Avenue), in the City of Vero Beach, Florida. The subject property has a slightly irregular, but mostly rectangular shape with good road frontage along 43rd Avenue, along with 26th Street to the north. Per the survey provided, it is estimated that the subject property has approximately 2,090 ± feet of frontage along 43rd Avenue and around 800 ± feet along 26th Street. The east property line is approximately 1,773 ± feet in length and the south property line dimension is 880.69 feet.

The subject property is located along the east side of 43rd Avenue, south of 26th Street. It consists of a portion of the former 9 hole Dodgertown Golf Course. The subject property is vacant, with the exception of the former golf course clubhouse building and associated site improvements (paved parking and drive areas) on the northern portion of the site. These improvements are not estimated to contribute any significant value, in our opinion. The subject property has a convenient, though secondary location adjacent to the west of the Historic Dodgertown facility.

Legally, the subject property is restricted by zoning and the CLUP designation. The majority of the subject property is zoned ALI-MC, Airport Light Industrial, Multi-Activity Complex. This zoning allows a wide range of commercial uses, along with sports complexes and multiple family residential uses. The CLUP designation is I, Industrial, which is forecast to support the subject current zoning.

A small site area on the northwest portion of the subject property, adjacent to southeast corner of 43rd Avenue and 26th Street, is indicated to be located in Runway Protection Zone and has a different zoning of Airport Light Industrial-A1. This zoning district is primarily designed for aviation uses. The RPZ has the potential to restrict utilization of this portion of the subject site, though it is noted that the former golf clubhouse building and associated site improvements are located within this site area. Additionally, it is noted that the subject property has drainage easements to Indian River County, along with an access and irrigation easement.

Economic considerations deal primarily with supply and demand factors. This takes into consideration those uses which are physically and legally possible, as well as financially or economically feasible. Economically, the ideal improvement to the site is an improvement that is financially feasible or returns a positive cash flow to the investor, along with being a maximally productive use that returns one of the highest values to the land. A variety of secondary commercial and light industrial uses have been historically constructed in the subject neighborhood. Typically, these uses have been primarily in the owner occupied market segment, along with some investment oriented properties. However, currently demand for commercial and industrial trade and office/warehouse development is soft, along with multiple family residential development.

As discussed, market conditions are still soft, but have stabilized and improved somewhat over the last couple years. There is little observed demand for new commercial or industrial development at the present time, as typically existing properties can be purchased at a lower price than the cost of new development.

Nevertheless, Oculina Bank has recently developed and completed a new bank branch on the southwest corner of Aviation Boulevard and 34th Avenue, approximately 1 mile east of the subject property. Further, there is a new mixed use commercial and apartment complex being developed along the south side of State Road 60, west of 58th Avenue.

Little new construction and/or commercial development has occurred in the subject neighborhood and competing areas over the last approximate 7 years. The subject property consists of a commercial site with also potential for multiple family residential use. The property is located in the City of Vero Beach and has a secondary location adjacent to the west of Historic Dodgertown. There have been few sales of larger commercial and multiple family acreage parcels like the subject. However, the last couple years has witnessed some new commercial land sales of smaller commercial parcels and plans for some new commercial development in the Indian River County area.

Based on our observations, market conditions for commercial development appear to be improving somewhat, but remain soft for local tenants and rental investment development. Some increased demand has occurred for national chains, but only on certain commercial land parcels. Supply of available commercial land is considered more than adequate. The market indicates a wide range of prices paid per square foot, some of which is considered typical for the varying locations, but also including some bank owned distress sales, along with a higher price paid for an assemblage. Current listings also vary, but typically most parcels remain at higher pricing and have little activity. However, it is noted that a few of the current listings have lowered their asking prices over the last year.

There has been some recent commercial development in other areas of Indian River County, but mostly consisting of national chains, including Cumberland Farms, Dollar Stores, and Auto Parts. Further, the subject property is much larger in size than these types of commercial users, which typically range from about 1 to 3 acres in size. Also, the subject property has a convenient, but secondary location without arterial frontage.

A hotel could also be considered for a portion of the subject property, as the adjacent Vero Beach Sports Village (Historic Dodgertown) generates demand for rooms for its guests. A new hotel has been recently completed in the Miracle Mile area of the City of Vero Beach. This hotel is a Hampton Inn and contains a total 90 rooms and suites. Reportedly, it has experienced good demand, including room use from Historic Dodgertown.

Another potential use include multiple family residential, although multiple family residential development remains soft. A mixed use hotel, restaurant, commercial space, and multiple family development could be considered. However, all of these potential uses are considered speculative at the present time, in our opinion, and the Highest and Best Use of the subject property is considered uncertain. These factors are all considered in the valuation analysis for the subject property appraised.

Considering all of these factors, including the overall community and subject neighborhood development trends, the Highest and Best Use of the subject site, as if vacant, is to hold as vacant.

As Improved

The subject property consists of an overall parcel that contains a total of 35.24 acres. Most of the property consists of a portion of the former 9 hole Dodgertown golf course, consisting of vacant acreage. There are some site and building improvements located on the northern front central portion of the subject overall site. These include the former Dodgertown 9 hole golf course clubhouse and cart storage building. It is noted that these improvements are located within the Runway Protection Zone (RPZ).

The building consists of an average quality concrete block building with a metal roof over wood trusses. The building was built in 1997 and contains 2,842 square feet of finished retail/office areas, along with 1,450 square feet of former cart storage area. The subject building was not inspected, but is assumed to be in average condition. This building has access via a paved drive to the front and side paved parking and drive areas. Landscaping and drainage improvements are also provided, along with walkways.

The former 9 hole golf course has been closed for the last approximate 10 to 12 years and the building appears to be utilized by the City of Vero Beach for storage. They consist of a relatively small building improvement relative to the overall site size. These improvements have potential for continued and future use, though probably on an interim basis until redevelopment is warranted. These building and site improvements are not estimated to provide any significant value to the subject overall 35.24 acre site, in our opinion.

VALUATION PROCESS

For most parcels of vacant land, only one of the traditional three approaches to value is useful. This, of course, is the Sales Comparison Approach. In this approach, the subject property is compared to parcels which have been involved in recent transactions, and adjustments are made to the unit prices derived from those sales, to recognize differences between the subject and the sales.

The Income Approach is not generally used since most parcels of vacant land are not producing income, and the Income Approach consists of capitalizing net income at a market rate, to indicate value. When sales of vacant parcels are not available for comparison, which often is the case in built-up areas, the residual income from a hypothetical highest and best use building may be capitalized to indicate land value. This was not the case here, since recent sales throughout the community are available, and this approach was not used.

The Cost Approach, the third of the traditional approaches, is by definition not useable for vacant land.

The subject property consists of an essentially vacant parcel. Accordingly, we have made use only of the Sales Comparison Approach.

SALES COMPARISON APPROACH

The subject property consists of a 35.24 acre parcel located adjacent to the southeast corner of 43rd Avenue and 26th Street (4303 43rd Avenue), in the City of Vero Beach, Florida. The subject property has a slightly irregular, but mostly rectangular shape with good road frontage along 43rd Avenue, along with 26th Street to the north. The subject property was formerly part of the Dodgertown 9 hole golf course and is mostly cleared, though the elevated greens of some golf holes are still visible. The subject property is vacant, with the exception of the former golf course clubhouse building and associated site improvements (paved parking and drive areas) on the northern portion of the site. These improvements are not estimated to contribute any significant value, in our opinion.

The property has about 2,090 ± feet of frontage along 43rd Avenue and about 800 ± feet along 26th Street. The subject property has a convenient, though secondary location adjacent to the west of the Historic Dodgertown facility. The majority of the subject property is zoned ALI-MC, Airport Light Industrial, Multi-Activity Complex. This zoning allows a wide range of commercial uses, including hotels and motels, along with sports complexes and multiple family residential uses.

The valuation analysis for the subject property considers the present zoning and potential uses relative to its Highest and Best Use. Sales of commercial and multiple family acreage parcels are considered from the subject neighborhood and competing areas. We attempted to find the most recent sales of similar acreage parcels, but unfortunately there are few sales of larger commercial and multiple family parcels over the last several years.

Four commercial and multiple family residential acreage sales are specifically analyzed as comparable sales for the subject property. Other commercial and multiple family acreage sales and current listings are also considered, but these five comparable sales are felt to be the most comparable to the subject, in our opinion. The sales are compared to the subject based on the price paid square foot and per acre, with the price paid per acre utilized.

Adjustments

Adjustments are considered and made comparing the comparable sales to the subject property appraised. The first adjustments considered are conditions of sale and financing adjustments. These adjustments are applied first to the sales prices of the comparable sales price and the adjusted sales price are then analyzed. The comparable sales are then adjusted for time (market conditions), location and size. The unit of comparison analyzed is the price paid acre.

Sales #2 and #3 both consisted of bank owned properties that are estimated to have sold for a discount, due to the conditions of sale. These two comparable sales are both adjusted upward plus 25% for conditions of sale. No adjustments are estimated for financing.

Time (market condition) adjustments are considered, although commercial and multiple family acreage land values have remained relatively stable over the last few years, based on our observations. The comparable land sales analyzed are all relatively recent having closed over the last approximate 12 to 20 months. No adjustments are estimated for market conditions over this period, though the date of sale is considered in the final reconciliation.

Location adjustments are made to compensate for value differences attributable to location. This adjustment is made based on the appraisers observations of property values in the varying locations, compared to the subject. Access features of the sales are also considered in relation to the subject property, along with Highest and Best Use potential.

Sales #1, #2 and # are all considered superior in terms of location/access and adjusted downward. Sale #4 is considered similar overall.

Size adjustments are made to compensate for the inverse relationship in size. Typically, larger sites sell at a lower price per square foot than smaller sites and vice versa. Sales #1, #3 and #4 are all smaller in size and adjusted downward. Sale #2 is similar in size and not adjusted.

No specific adjustment is made for zoning, as although the subject zoning is different than the comparable sales, it is considered in the location adjustments estimated.

The four comparable land sales analyzed are discussed on the following pages.

LAND SALE #1

Type of Property: Multi-Family Residential Parcel

Location: Northwest corner of 41st Street and Indian River Boulevard (1200 41st Street)
Vero Beach, Florida 32967

Grantor: GR Diamond Court West FL, LLC
Grantee: Diamond Court West FL, LLC

Zoning / Land Use: RM-6, Multiple Family Residential, M-1, Medium Density

Highest and Best Use: Hold as vacant and consider future improvement with a single family, multi-family residential or alternative development.

Date of Sale: March 20, 2014
Sales Price: \$2,300,000

Tax I.D. #: 26-32-39-00001-0000-00008.0
25-32-39-00003-0000-00004.0 & 5.0

Brief Legal Description: Metes and Bounds, Sections 25 & 26, Township 32 South, Range 39 East, Indian River County, Florida.

Road Frontage: 800 ± feet - Indian River Boulevard
Road Frontage: 1,363 ± feet - 41st Street
Depth: 615 ± feet
Site Area: 16.20 ± acres

Price Per Acre: \$141,975 / Acre

Present Use: Vacant multi-family acreage site presently being developed into a new single family subdivision.

Confirmed: Will King, Purchaser group, by Dan Nelson

Financing: Appeared to be all cash to seller. No financing indicated.

AERIAL MAP - SALE #1



This property consists of a 16.13 ± acre parcel that was vacant at the time of sale, but being developed into Lily's Cay, a 53 lot single family subdivision. The property has an irregular, but functional shape adjacent to the northwest corner of Indian River Boulevard and 41st Street. The site has approximately 800 ± diagonal feet along the west side of Indian River Boulevard and 1,363 ± feet along the north side of 41st Street. The west property line is indicted at 614.90 feet in length, with the north property line dimension totaling 870.93 feet. The property is zoned RM-6, Multiple Family Residential.

This property sold in March, 2014 for \$2,450,000. It had previously sold in February, 2006 for \$6,900,000, during much stronger market conditions. There have been no other sales within the last 3 years. The subdivision development was planned with 50 foot lots and home and lot pricing from \$425,000 to \$450,000. Individual lots were planned to be priced at \$125,000. The development will have gated access, but no other amenities.

The sales price of \$2,300,000 equates to \$142,591 per acre. The location is considered superior to the subject property and adjusted minus 15%. Size is smaller and adjusted minus 10%. After adjustment, this comparable sale indicates a value of \$106,481 per acre for the subject property.

LAND SALE #2

Type of Property: Multiple Family Acreage / Commercial Potential

Address: 6605 20th Street
Vero Beach, Florida 32966

Grantor: RADC/CADC PROPERTY I, LLC
Grantee: VERO 28, LLC

Date of Sale: July 29, 2014
Sale Price: \$2,500,000
Adjusted Sale Price: \$3,125,000 - Plus 25 %Conditions of Sale

Recorded: OR Book 2778, Page 2889
Tax I.D.#'s: 06-33-39-00001-0090-00001.0, 1.1 & 2.1 and
06-33-39-00001-0160-00003.0

Brief Legal Description: Metes & Bounds, Parts of Tract 9 and 16, Section 6,
Township 33 South, Range 39 East, Indian River County,
Florida.

Zoning: RM-6 and RM-8, Multiple Family Residential
Land Use: M-1, Medium Density
Highest and Best Use: Development with commercial and multiple family
residential use, as demand warrants.

Site Size: Frontage: 514 ± feet Street: 20th Street
Depth: 2,514 feet Size: 29.75 Acres
Unit Price: \$105,042 / Acre

Financing: Appears to be all cash to seller. No financing indicated.

Confirmation: Public Records and Previous Appraisal by Dan Nelson.

Land Sale #2 consists of a 29.75 ± acre parcel located along the west side of 66th Avenue, extending from State Road 60 on the north to 16th Street on the south. The site is estimated to have effective dimensions of around 514 ± feet along State Road 60 and approximately 2,514 ± feet of depth and effective frontage along 66th Avenue to the east. The site appears to be vacant, except for the stormwater retention pond and associated improvements that were installed as part of the recent roadway improvements for 66th Avenue and 16th Street.

The property is zoned RM-8, Multiple Family Residential on the northern approximate half (15.27 ± acres) and RM-6, Multiple Family Residential on the southern portion (14.48 ± acres). The entire property has a M-1, CLUP designation.

AERIAL MAP - LAND SALE #2



Further, the property has potential for a Mixed Use Planned Development, which allows commercial uses up to a maximum of 25% of the projects total land area, subject to other restrictions. The timing of construction in each mixed use P.D. requires that no more than 3 acres, or 50% of the total commercial area allowed, **whichever is greater**, shall be constructed until at least 25% of the proposed residential development (units or lots) have been built. Thus, the property could be developed with say approximately $7.44 \pm$ acres of commercial uses, but only $3.72 \pm$ acres could be developed prior to 25% of the residential development being completed.

This property was recently purchased by Vero 28, LLC (Grantor) from 2010-1 RADC/CADC PROPERTY 1, LLC, (Grantee) on July 29, 2014 for \$2,500,000. This sale was recorded in OR Book 2778, Page 2089. The sale appeared to be all cash to the seller. The property had previously been transferred to 2010-1 RADC/CADC PROPERTY 1, LLC, via a Certificate of Title, on December, 9, 2013, reportedly as part of foreclosure proceedings with the previous owner, State Hwy 60/Kings Hwy, LLC, recorded in OR Book 2728, Page 353.

The property is located adjacent to the southwest corner of State Road 60 and 66th Avenue. The property has potential for a mixed use planned development. The location is considered superior to the subject property. A minus 15% adjustment is estimated. No other adjustments are estimated. This sale indicates an adjusted value of \$89,286 per acre for the subject property.

LAND SALE #3

Type of Property: Multiple Family Acreage / Commercial Potential

Address: 6425 and 6435 20th Street
Vero Beach, Florida 32966

Grantor: Land Holdings, LLC
Grantee: Vero 12, LLC

Date of Sale: September, 2014
Sale Price: \$625,000
Adjusted Sale Price: \$781,250 - Plus 25 %Conditions of Sale

Recorded: OR Book 2787, Page 073
Tax I.D.#'s: 05-33-39-00001-0120-00001.0 & 2.0

Brief Legal Description: Metes & Bounds, Tract 12, Section 5, Township 33 South,
Range 39 East, Indian River County, Florida.

Zoning: RM-6, Multiple Family Residential
Land Use: M-1, Medium Density
Highest and Best Use: Development with commercial and multiple family
residential use, as demand warrants.

Site Size: Frontage: 390 ± feet Street: 20th Street
Depth: 1,310 feet Size: 11.75 Acres
Unit Price: \$66,489 / Acre

Financing: Appears to be all cash to seller. No financing indicated.

Confirmation: Public Records and Previous Appraisal by Dan Nelson.

Land Sale #3 consists of a 11.75 ± acre parcel that is located along the south side of 20th Street (State Road 60), between 58th Avenue and 66th Avenue. The property is essentially vacant, although it may contain some older single family residential improvements, none of which are forecast to provide any value. The property has a rectangular shape along the south side of 20th Street (State Road 60). It consists of an interior site with approximately 390 ± feet of frontage and 1,310 ± feet of depth.

The property is located to the south of the Indian River Mall and the commercial improvements fronting along the north side of State Road 60. Zoning of the property is RM-6, Multiple Family Residential, but also with potential for some commercial uses, similar to sale #2. The property has a M-1, CLUP designation.

AERIAL MAP - LAND SALE #3



Further, the property has potential for a Mixed Use Planned Development, which allows commercial uses up to a maximum of 25% of the projects total land area, subject to other restrictions. Thus, this property could be developed with say approximately 3 ± acres of commercial uses, but only 1.5 acres could be developed prior to 25% of the residential development being completed.

This property was purchased from Land Holdings, who had obtained the property in a foreclosure action in conjunction with PNC Bank. The property was listed for sale for \$625,000 and sold for \$625,000, in September, 2014.

The property is located along the south side of State Road 60 between 58th Avenue and 66th Avenue. The property has potential for a mixed use planned development. The location is considered superior to the subject property. A minus 15% adjustment is estimated. A minus 10% adjustment is made for size. This sale indicates an adjusted value of \$49,867 per acre for the subject property.

LAND SALE #4

Type of Property: Vacant Residential Parcel

Location: Southwest corner of 20th Street and 6th Avenue
(665 20th Street), Vero Beach, Florida

Grantor: The School Board of Indian River County
Grantee: Promise Land Anglican

Zoning / Land Use: R-1, Single Family Residential / GU, Government Use, CLUP

Highest and Best Use: Hold as vacant and consider future improvement with a single family, or multi-family residential development, or alternative uses.

Date of Sale: January, 2014
Sales Price: \$710,000 + \$71,000 = \$781,000
Recorded: OR Book 2729, Page 1977

Tax I.D. #: 01-33-39-00027-0010-00003.0
Brief Legal Description: Metes and Bounds, Part of the NE 1/4 of the NW 1/4 of the SE 1/4 of Section 1, Township 33 South, Range 39 East, Indian River County, Florida.

Road Frontage: 650 ± feet - 20th Street
Road Frontage: 1,275 ± feet - 6th Avenue
Site Area: 14.59 ± acres

Price Per Acre: **\$53,530 / Acre**
Price Per Unit: **N/A**

Present Use: Vacant site located adjacent to the southwest corner of 20th Street and 6th Avenue, in the City of Vero Beach. Formerly had been improved with Osceola Elementary School, which was demolished and removed last year.

This property was sold at an auction on the property that occurred in late 2013. The property was purchased by Christ Church, who are considering construction a church and school facility. The property was formerly improved with Osceola Elementary School, but closed due to its older age and flood problems. The site is presently cleared and level. The \$781,000 sales price was negotiated by the parties after the auction and includes \$710,000 to the seller and a 10% (\$71,000) real estate commission.

AERIAL MAP - SALE #4



This property consists of an L shaped parcel that has approximately 650 feet of frontage along the south side of 20th Street and about 1,275 feet along the west side of 6th Avenue. Total site area is calculated at approximately 14.59 acres. The site has access from both 20th Street to the north and 6th Avenue to the east. Zoning of the property is currently RS-1, Single Family District, under the guidelines of the City of Vero Beach Planning and Zoning Department. The CLUP designation is GU, Government Use. The property has some potential for rezoning to allow for more intensive multiple family residential and alternative uses, but probably not commercial uses at the present time, per the City of Vero Beach Planning Director. Thus, this zoning is considered inferior to the subject property, in our opinion.

The total sales price of \$781,000 equates to \$53,530 per acre. The location is considered slightly superior, though the zoning is considered inferior, felt roughly offsetting. Only adjustment made is minus 10% for size. After adjustment, this sale indicates an adjusted value of \$48,177 per acre.

A Land Sales Summary and Adjustment grid is provided on the next page, followed by a comparable sales location map.

43709L/SHEETS

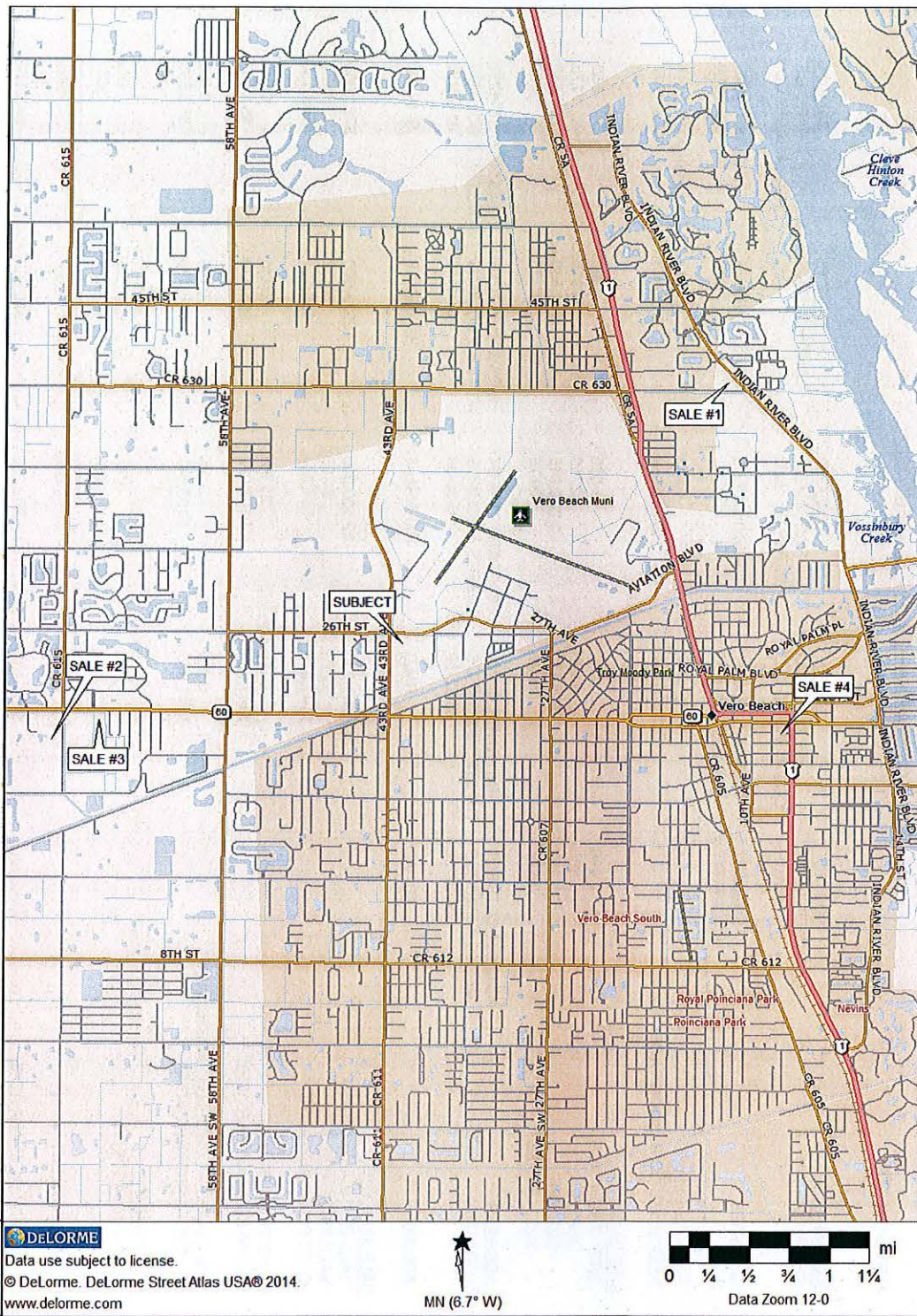
LAND SALES SUMMARY AND ADJUSTMENT GRID

<u>DESCRIPTION:</u>	<u>SUBJECT</u>	<u>SALE #1</u>	<u>SALE #2</u>	<u>SALE #3</u>	<u>SALE #4</u>
GRANTOR	CITY OF VERO BEACH	GR DIAMOND COURT WEST, LLC	RADC/CADC PROPERTY I, LLC	LAND HOLDING LLC	SCHOOL BOARD OF INDIAN RIVER CO.
GRANTEE	SUBJECT PROPERTY	DIAMOND COURT WEST FL, LLC	VERO 28, LLC	VERO TWELVE LLC	PROMISE LAND ANGLICAN
DATE OF SALE RECORDED - O.R. BOOK/PAGE	Sep-15	Mar-14 2745/1307	Jul-14 2778/2089	Sep-14 2787/73	JANUARY, 2014 2729/1977
<u>SITE DATA:</u>					
SITE: FRONTAGE	2,090	800	500	390	650
DEPTH	800	1100	2750	1310	1275
SIZE - SF	1,535,197	705,672	1,295,910	511,830	635,540
SIZE - ACRES	35.24	16.20	29.75	11.75	14.59
ADDRESS LOCATION	4303 26TH STREET METES & BOUNDS 26-32-39	IND RIVER BLVD. METES & BOUNDS 25-32-39	6605 20TH STREET METES & BOUNDS 6-33-39	6425 & 6435 20TH METES & BOUNDS 5-33-39	665 20TH STREET METES & BOUNDS 01-33-39
ZONING	ALI-MC	RM-6	RM-6/RM-8	RM-6/RM-8	R-1 / GU
<u>SALE ANALYSIS:</u>					
SALE PRICE - ADJUSTED		\$2,300,000	\$2,500,000	\$625,000	\$781,000
SALE PRICE PER SF		\$3.26	\$1.93	\$1.22	\$1.23
SALE PRICE PER ACRE		\$141,975	\$84,034	\$53,191	\$53,530
CONDITIONS OF SALE		0.0%	25.0%	25.0%	0.0%
ADJUSTED PRICE PER ACRE		\$141,975	\$105,042	\$66,489	\$53,530
TIME (MARKET CONDITION) ADJUSTMENT		0.0%	0.0%	0.0%	0.0%
CURRENT PRICE PER ACRE		\$141,975	\$105,042	\$66,489	\$53,530
<u>ADJUSTMENTS</u>					
LOCATION/ACCESS		-15%	-15%	-15%	0%
SIZE		-10%	0%	-10%	-10%
NET ADJUSTMENT		-25%	-15%	-25%	-10%
ADJUSTED PRICE PER ACRE		\$106,481	\$89,286	\$49,867	\$48,177

CONCLUSION - \$3,500,000, OR AROUND \$99,319 PER ACRE

LAND SALES SUMMARY AND ADJUSTMENT GRID

LAND SALES LOCATION MAP



Summary of Land Value Information

After adjustments, the four comparable sales analyzed provide the following adjusted values per acre for the subject property:

<u>Sale #</u>	<u>Adjusted Value Per Acre</u>	<u>Comments</u>
1.	\$106,481 / Acre	Indian River Blvd. - Multiple Family Acreage
2.	\$ 89,286 / Acre	State Road 60 - M/F & Commercial Parcel
3.	\$ 49,867 / Acre	State Road 60 - M/F & Commercial Parcel
4.	\$ 48,177 / Acre	665 20 th Street - Residential Acreage

Sale #1 consists of a multiple family residential zoned acreage along Indian River Boulevard, adjacent to the northwest corner of 41st Street. This location is considered superior to the subject property for residential use, though the property does not have any commercial potential.

Sale #2 is most similar to the subject property in size and consists of a multiple family parcel adjacent to the southwest corner of State Road 60 and 66th Avenue. This property has potential for a mixture of 25% commercial and 75% multiple family residential use. Sale #3 is also located along State Road 60 with the same zoning potential as sale #2. Both of these comparable sales were bank owned and are adjusted upward plus 25% for conditions of sale.

Sale #4 consists of the former Osceola school site in the City of Vero Beach, adjacent to the southwest corner of 20th Street and 6th Avenue. This property has residential zoning with limited potential for commercial use.

These sales are all given consideration and represent some of the most recent multiple family and commercial acreage sales in the City of Vero Beach and surrounding Indian River County area. Other sales and listings are also considered, but many remain at higher pricing with little activity.

For example, there is a 9.28 ± acre commercial parcel located adjacent to the southwest corner of Aviation Boulevard and Flight Safety Drive, in the City of Vero Beach, Florida. This property has the same ALI-MC zoning of the subject property and is located adjacent to the north of the Historic Dodgertown facility. The property has an irregular shape and has primary frontage and exposure along Aviation Boulevard to the north. The site has about 1,500 ± feet of linear frontage along the south side of Aviation Boulevard and about 525 ± feet of frontage along the west side of Flight Safety Drive and the entrance roadway to Historic Dodgertown. The south property line is indicated to be about 1,233 ± feet in length. This property has a current asking price of \$3,200,000, or around \$345,000 per acre, which equates to \$7.92 per square foot. This asking price is considered "high", in our opinion.

Conclusion of Subject Land Value

The four comparable land sales analyzed indicate a range of adjusted values from approximately \$48,000 to \$106,500 per acre, which is obviously a wide range. This is felt due to the larger size of the subject property and the unique features consisting of its secondary, but convenient location and zoning which supports both commercial and multiple family residential uses. No recent sales of comparable commercial acreage parcels have been found thus, we have analyzed multiple family residential acreage sales, along with two acreage sales along State Road 60 that have potential for commercial and multiple family use under a Mixed Use Planned Development.

Sales #1 and #2 are considered to provide the most reliable Market Value indications for the subject property and are given the most weight. Sale #3 is considered to have sold low and sale #4 has very limited potential for commercial use. The Market Value of the subject property is concluded in the range indicated by comparable sales # 1 and #2. A Market Value conclusion of \$3,500,000 is estimated for the subject property, which equates to approximately \$100,000 per acre (\$99,319 per acre) for the 35.24 acres indicated.

Based on the analyses made, it is our opinion that the Market Value of the fee simple estate to the real property appraised herein, as of September 24, 2015, is as follows:

**THREE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$3,500,000)**

MARKETING TIME

Marketing time consists of our opinion of the amount of time it might take to sell the subject property at the concluded Market Value during the period immediately after the effective date of the appraisal. Marketing conditions are currently soft for commercial acreage and commercial development, as discussed. However, market conditions continue to slowly improve and demand has increased from national chains for smaller commercial land parcels. Nevertheless, the subject property is larger in size and has uncertain development potential at the present time.

Considering all of these factors, the subject property is forecast to have a marketing time of 6 months to 24 months, concluded at 12 to 18 months, assuming pricing similar to our Market Value conclusion.

REASONABLE EXPOSURE TIME

Reasonable exposure time is assumed to precede the effective date of the appraisal. Exposure time, per USPAP, may be defined as follows: The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at Market Value on the effective date of the appraisal; a retrospective opinion based upon an analysis of past events assuming a competitive and open market.

The reasonable exposure time estimate takes into consideration the price, time, and use, of the property appraised. The reasonable exposure time for the subject property is estimated at 6 to 24 months, also concluded at 12 to 18 months.

CERTIFICATE OF APPRAISAL

The undersigned do hereby certify to the best of our knowledge and belief:

- a) The statements of fact contained in this report are true and correct.
 - b) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
 - c) We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
 - d) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
 - e) Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
 - f) Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
 - g) Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
 - h) This appraisal report has been made in conformity with and is subject to the requirements of the Codes of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute.
 - i) That Daniel A. Nelson and Peter D. Armfield both made a personal inspection of the property that is the subject of this report.
 - j) No one provided significant professional assistance to the person signing this report.
 - k) Peter D. Armfield, RZ524 and Daniel A. Nelson, RZ897 are currently State of Florida Certified General Real Estate Appraisers.
 - l) As of the date of this report, I, Peter D. Armfield, MAI, SRA, have completed the requirements under the continuing education program of the Appraisal Institute.
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CERTIFICATE OF APPRAISAL (continued)

- m) The use of this report is subject to the requirements of the Appraisal Institute and the State of Florida Real Estate Appraisal Board relating to review by its duly authorized representatives.
- n) We have provided not provided appraisal or other services regarding this property within the 3 year period immediately preceding acceptance of this assignment.
- o) The real property which is the subject of this appraisal is valued, "As Is", as of September 24, 2015, as follows:

THREE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$3,500,000)

The above Market Value conclusion has conditions and assumptions that are assumed to be correct, as discussed in the appraisal report. It should be noted that if some or all of these conditions or assumptions are not correct, it could affect our opinion of the Market Value, as provided herein.



Daniel A. Nelson
State-Certified General
Real Estate Appraiser RZ897



Peter D. Armfield, MAI
State-Certified General
Real Estate Appraiser RZ524

QUALIFICATIONS OF THE APPRAISER

DANIEL A. NELSON

Bachelor of Business Administration in 1977 from Stetson University with a Degree in Accounting.

Appraisal Courses Successfully Completed

SREA Course 101 - Principals of Residential, 1978
SREA Course 201 - Principals of Income Property, 1979

American Institute of Real Estate Appraisers (AIREA)
Course 1B-A - Capitalization Theory and Techn. Part A, 1985
Course 1B-B - Capitalization Theory and Techn. Part B, 1985
Standards of Professional Practice, 1986
Case Studies in Real Estate Valuation, 1987
Valuation Analysis and Report Writing, 1987
Standards of Professional Appraisal Practices, Part A&B, 1992
Complete Review Seminar, 1993

2014 Continuing Education, 2014-2015 National USPAP Update Course, The Income Approach, Florida Laws & Regulations, Appraisal Applications of Regression Analysis, Mortgage Fraud

Professional Membership & Affiliations

Registered Real Estate Broker-Salesperson, 1980, BK312098
State-Certified General Real Estate Appraiser, RZ897, 1991

Work Experience

Staff Appraiser, Armfield-Wagner Appraisal & Research, Inc., Vero Beach, Florida, 1982 to Present
Staff Appraiser, Security Federal Savings and Loan, Vero Beach, Florida, 1977 to 1982

Types of Appraisals Completed

Vacant Land	Shopping Centers
Residential	Subdivisions
Condominiums	Golf Courses
Multiple Family	Motels/Hotels
Multiple Family Land	Light Industrial
Commercial Land	Warehouses
Light Industrial Land	Airplane Hangars
Offices	Leased Property
Retail Commercial	Mobile Home Parks
Restaurants	Citrus Groves

Engaged in the valuation of Real Estate in Indian River, Brevard, and St. Lucie Counties since October, 1977.

QUALIFICATIONS OF THE APPRAISER

PETER D. ARMFIELD, MAI

Education

Graduate University of Florida
Master of Business Administration, 1972
Bachelor of Business Administration, 1970

Florida Resident Since 1953
Registered Real Estate Broker, Florida

Professional Memberships

Member Appraisal Institute (MAI) - Appraisal Institute
Senior Residential Appraiser (SRA) - Appraisal Institute
Realtor Member - Vero Beach Board of Realtors
State-Certified General Real Estate Appraiser, RZ524

Work Experience

1984 - Instructor of Appraisal Course for the Society of Real Estate Appraisers

1981 - President, Armfield-Wagner Appraisal & Research, Inc., Vero Beach, Florida

1979 - 1980 Staff Appraiser, Armfield, Sherman & Associates Real Estate Appraisers & Consultants Vero Beach, Florida

1979 - 1982 Instructor of Appraisal and Real Estate Courses, Indian River Community College, Ft. Pierce, Florida

1976 - 1978 Employed with John S. Sherman, Jr. as Staff Appraiser, Vero Beach, Florida

1976 - Real Estate Sales, Fayetteville, North Carolina

Engaged in the valuation of Real Estate in Indian River and St. Lucie Counties since December, 1976.

Qualified as an expert witness for real property valuation in the Circuit Courts of St. Lucie County and Indian River County, Florida.

QUALIFICATIONS OF THE APPRAISER

Peter D. Armfield

Page 2

Real Estate Appraisal Made for the Following:

City Federal Savings & Loan of Palm Beach	
Savings of America	
Florida Federal Savings & Loan	
United Savings of America	
Florida First National Bank of Vero Beach	
SunTrust	Equitable Relocation
Lomas & Nettleton	American Hospital Mgmt. Corp.
Ford Motor Credit	Attorneys and Individuals
Merrill Lynch Relo.	Church of Latter Day Saints
Gulf & Western Corp.	Kentucky Life Insurance Co.
City of Vero Beach	American Petrofina Corp.
Indian River County	Federal National Mortgage Assn.
Gulf Oil Corporation	FL Dept. of Natural Resources
Exxon Corporation	Bank of America
St. Lucie County	Tropicana Corporation

Types of Appraisals

Residences	Airplane Hangars	Warehouses
Commercial	Insurable Value	Leased Property
Offices	Vacant Land	Citrus Groves
Shopping Centers	Residential	Improved Pasture
Service Stations	Landlocked	Golf Courses
Light Industrial	Subdivision	Social Clubs
Condominiums	Commercial	Motels
Mobile Home Parks	Industrial	Citrus Packing Houses
Utility Easements	Wetlands	Apartments
Health & Rec. Clubs		(Including Low Income
Casualty Loss Estimates		Housing Involving
Partial Interests		Section 8; Tax Credit)

Articles

"Unusual Appraisal Assignments - Problems and Solutions", by Peter D. Armfield winning article in the 1981 manuscript competition sponsored by the Society of Real Estate Appraisers Foundation; published in the Real Estate Appraiser and Analyst - Spring, 1982.

"Casualty Loss Valuation" by Peter D. Armfield, published in the Appraisal Journal of the American Institute of Real Estate Appraisers, October, 1982.

"Computers in Appraising - Strategies for Success" by Peter D. Armfield and Stephen Armfield, winning article in the 1983 manuscript competition sponsored by the Society of Real Estate Appraisers Foundation.

APPRAISER'S LICENSES

RICK SCOTT, GOVERNOR



KEN LAWSON, SECRETARY

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

LICENSE NUMBER	
RZ897	

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

NELSON, DANIELA
1940 10TH AVE #C
VERO BEACH FL 32960



ISSUED: 09/14/2014 DISPLAY AS REQUIRED BY LAW SEQ # L1409140005816

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

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

LICENSE NUMBER	
RZ524	

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

ARMFIELD, PETER D
1940 10TH AVE #C
VERO BEACH FL 32960

