

**POMPANO BEACH
COMMUNITY REDEVELOPMENT AGENCY**

Meeting Date: April 17, 2018

Agenda Item 6

REQUESTED CRA BOARD ACTION:

Resolution(s) Consideration Approval Other

SHORT TITLE OR MOTION: A RESOLUTION OF THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE PROPER OFFICIALS TO EXECUTE A CONTRACT FOR SALE AND PURCHASE BETWEEN THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY AND FLOPRO, LLC FOR THE PURCHASE OF PROPERTY LOCATED AT 119 SOUTH FEDERAL HIGHWAY; PROVIDING AN EFFECTIVE DATE.

Summary of Purpose and Why:

This item is to approve a Contract for Sale and Purchase of the property located at 119 S. Federal Highway. This property is adjacent to the four other properties the Agency has purchased in the South Federal Highway area. This target acquisition area serves as a gateway to the beach and is severely affected by blight. The purchase of this property will help the CRA stabilize that area for future use. If purchased, this would bring the assemblage to just over 1 acre, which can attract a sizable development once the East Transit Oriented Corridor (ETOC) land use and zoning is fully codified, and increase the tax base for the East CRA district. Staff recommends approval of this agenda item.

QUESTIONS TO BE ANSWERED BY ORIGINATING DEPARTMENT:

- (1) Origin of request for this action: Pompano Beach CRA
- (2) Primary staff contact: Adriane Esteban, Project Manager Ext. 7841
- (3) Expiration of contract, if applicable: N/A
- (4) Fiscal impact and source of funding: \$1,025,000; Account 160-1920-539.65-09 Land Acquisition (Property Acquisition/Development)

DEPARTMENTAL COORDINATION	DATE	DEPARTMENTAL RECOMMENDATION	AUTHORIZED SIGNATURE OR ATTACHED MEMO NUMBER
<u>City Attorney</u>	<u>2/13/18</u>	<u>Approval</u>	<u>CAC #2018-473</u>

- CRA Executive Director
- CRA Attorney
- Finance Director

Claudia M. McKenna
A. Jean Pore

ACTION PREVIOUSLY TAKEN BY CRA BOARD:

<u>Resolution</u>	<u>Consideration</u>	<u>Other:</u>
Results: _____	Results: _____	Results: _____



P. O. Drawer 1300
Pompano Beach, FL 33060

Phone: (954) 786-5535
Fax: (954) 786-7836

MEMORANDUM

Date: March 20, 2018

To: Pompano Beach CRA Board

From: Adriane Esteban, Project Manager

Subject: 119 S. Federal Hwy. Property Acquisition

In September 2015, the CRA Board approved a Contract for Sale and Purchase of the property located at 103 S. Federal Highway. In 2017, acquisition of three more properties in the block were also approved. All of these properties are in an area that is susceptible to incompatible uses with redevelopment objectives, so it was in the best interest for the CRA take possession of these parcels and control the use for revitalization. The assemblage the CRA has is .84 acres, which is a good size to attract a mixed-use development. However recently CRA staff was alerted that the property owner of 119 South Federal Highway was interested in selling their neighboring property.

This property is owned by FLOPRO, LLC and is located on the northwest corner of Federal Highway and SE 2nd Street. The property owner is foreign, however Tiles of Pompano is the tenant in the building with a month-to-month arrangement. CRA staff is recommending the current tenant remain in the building as the tenant by entering into a lease agreement with the CRA. The property is 8,035 square feet (SF) with a 4,425 SF building. This parcel along with the other properties in the west S. Federal Hwy. block that the CRA already owns will bring this assemblage to just over 1 acre. This property is a key piece of a potential redevelopment site in this block because it a corner parcel and it would be in the best interest of the Agency to purchase 119 S. Federal Highway at this opportune time.

The appraisal done for the property concludes the market value is \$1,025,000 (see enclosure). This is the requested purchase price. The CRA's East District Finance Plan for FY 2018 included \$2 million for Property Acquisition/Development, therefore adequate funding is available for this acquisition. A Phase I Environmental Impact Analysis and other due diligence will be performed for the property before closing.

By combining this parcel with the property the CRA already owns in the area, the CRA can

CRA

POMPANO BEACH

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advertise a 1 acre assemblage for mixed-use development once the ETOC Land Use Amendment and Zoning is codified. For this assemblage, the ETOC regulations would allow for a maximum height of 105 feet for commercial or 80 feet for mixed use and a density of 90 units per acre with a 150 unit maximum if a bonus is applied. In the short term though, the purchase of this property can help stabilize that area for future use. The CRA is in a unique position, as developers may not be willing or able to assemble parcels over time; the CRA can sustain ownership to benefit in the long term. The acquisition of this property and subsequent redevelopment can help increase the taxable value, which right now is underperforming. There are commercial properties along Federal Highway and Atlantic Boulevard in Pompano Beach that have tax values of approximately up to \$2.90/SF, while the property at 119 S. Federal Hwy. is only yielding about \$1.47/SF. The taxable value for denser mixed-use developments have the potential to be even more favorable. The CRA is aggressively focused on redevelopment activity in this area, which serves as an entrance to the East Village and the redeveloped beach area. Therefore, CRA staff recommends that a Contract for Purchase and Sale in the amount of \$1,025,000 between the Pompano Beach CRA and the property owner be approved. The East CRA Advisory Committee voted 6-1 to recommend approval of this acquisition at their meeting held February 1, 2018.

Picture of 119 S. Federal Highway





East CRA Property Ownership Map

100 SE 20th Ave.

103 S. Federal Hwy.

111 S. Federal Hwy. &
104 SE 20th Ave.

119 S. Federal Hwy.
(Proposed Acquisition)

- Key
-  Properties owned by CRA
 -  Proposed CRA Acquisition



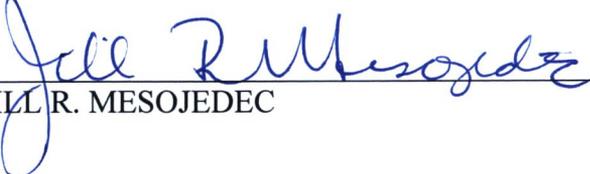
City Attorney's Communication #2018-473
February 13, 2018

TO: Adriane Esteban, Project Manager
FROM: Jill R. Mesojedec, FRP, Paralegal
VIA: Mark E. Berman, City Attorney 
RE: Resolution – Contract for Sale and Purchase / 119 South Federal Highway

As requested, the following form of Resolution, relative to the above-referenced matter, has been prepared and is attached:

A RESOLUTION OF THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE PROPER OFFICIAL TO EXECUTE A CONTRACT FOR SALE AND PURCHASE BETWEEN THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY AND FLOPRO, LLC FOR THE PURCHASE OF PROPERTY LOCATED AT 119 SOUTH FEDERAL HIGHWAY; PROVIDING AN EFFECTIVE DATE.

Please feel free to contact me if I may be of further assistance.


JILL R. MESOJEDEC

/jrm
l:cor/cra/2018-473

Attachment

ALLIED APPRAISAL SERVICES, INC.

NARRATIVE APPRAISAL REPORT

COMMERCIAL PROPERTY
119 SOUTH FEDERAL HIGHWAY
POMPANO BEACH, FLORIDA 33062

FOR

POMPANO BEACH CRA
100 W ATLANTIC BLVD, ROOM 276
POMPANO BEACH, FLORIDA 33060

DATE OF VALUE: JUNE 26, 2017
DATE OF INSPECTION: JUNE 26, 2017
DATE OF REPORT: JUNE 27, 2017

June 27, 2017

Pompano Beach CRA
100 W Atlantic Blvd, Room 276
Pompano Beach, Florida 33060

Attention: Adriane Esteban

Re: 119 South Federal Highway, Pompano Beach, Florida 33062

Dear Ms. Esteban,

In response to your request and our assignment we have appraised the subject for the purpose of reporting to you its "as is" fee simple estate market value.

The subject property is developed with a CBS commercial building that was constructed in 1970. The building contains 4,353 +/- square feet of enclosed building area. The subject has other site improvements that include asphalt paved yard area. The property is currently being used for retail showroom sales and design center business. The subject property is in overall good condition.

Our description of the property is based on limited observation of the building interior, because permission to appraise the property was requested, and the request was declined by the owners.

Based on our analyses, our opinion is that the subject property market value, fee simple estate, "as is" as of June 26, 2017 is:

(\$1,025,000)

(ONE MILLION TWENTY-FIVE THOUSAND DOLLARS)

The appraisers have not been provided with a title abstract on the property appraised, nor have they conducted a title search of their own. However, our research of the County public records indicates that no transfer of the subject occurred in the past three years. We are aware of no current listings, contracts for sale or options on the subject property.

We have not been provided with a contamination assessment report on the subject property. However, we have observed a fuel service station about 1,000 feet north of the subject property. We also observed fuel burning engines on site, and what appears to automotive repairs business on the property to the immediate south of the subject. We are not aware of site contamination. If more details and/or greater accuracy are required, the reader should consult an appropriate expert.

We have complied with the USPAP competency provision and Harvel W. Gray is a State-Certified General Real Estate Appraiser (Cert Gen) in the state of Florida. He also holds the professional designations of MAI, FRICS, and ASA.

The following presents a narrative appraisal report. This letter must remain attached to the report, which contains 62 pages, including related exhibits, in order for the value opinion set forth to be valid.

Your attention is directed to the ***Assumptions and Limiting Conditions***, which follow later in this report.

Respectfully submitted,

Allied Appraisal Services, Inc.



Harvel W. Gray, FRICS, MAI, ASA
Cert Gen RZ 2166

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EXECUTIVE SUMMARY

Property Name:	Commercial Property
Address:	119 South Federal Highway Pompano Beach, Florida 33062
Location:	Northwest corner of S. Federal Highway and SE 2 nd Street, south of E. Atlantic Blvd
Property Type:	Commercial Property
Current Use:	Commercial Property
Occupancy:	100% by owner
Proposed Use:	Commercial Property
Owner of Record (s):	Flopro LLC
Special Assumptions Reference:	See Assumptions and Limiting Conditions Numbers 16 - 20
Site Area:	
Gross Area	8,035 SF
Usable Area	8,035 SF
Building Area:	
Gross Area	4,353 SF
Leasable Area	4,353 SF
Year Built:	1970
Land to Bldg Ratio:	1.85
Floor Area Ratio (FAR):	0.54
Existing Improvements:	The subject consists of a commercial property building that contains 4,353 square feet of enclosed area.
Property Condition:	Good

AA FILE 1706-020

Flopro LLC Property

ALLIED APPRAISAL SERVICES, INC

Parking: Paved parking spaces in front of and on the property

Purpose of the Appraisal: Provide the client with our opinion of the market value of the fee simple estate of the subject property, as of June 26, 2017

Intended Use of The Appraisal: Assist in establishing valuation for possibly asset disposal or purchase and/or business decision making

Intended User of the Report: City of Pompano Beach CRA

County Property Control Number(s): 4842 36 01 2790

County Tax Values (2016):

Total Market Value	\$505,040
Total Assessed Value	\$479,310

Real Estate Taxes (2016): \$10,693, based on the County Records

Sales History: No sale observed within the past three years. We are not aware of active current listing for sale.

Assignment History: None in the past three years.

Hazardous Waste Conditions: See Assumptions and Limiting Conditions Numbers 14 – 20

Flood Zone & Map Reference: Zone "X", Panel Number 12011C0376H

Zoning: B-3: General Business, Pompano Beach

Flopro LLC Property

ALLIED APPRAISAL SERVICES, INC

Conforming/Nonconforming Use: Appears to be a legal non-conforming use

Highest & Best Use - Vacant: Hold for future development

Highest & Best Use – As Improved: Retail

Excess/Surplus Land: No

Property Rights Appraised: Fee simple estate

Exposure & Marketing Time: 12 months

Date of Inspection: June 26, 2017

Date of Value: June 26, 2017

Date of Report: June 27, 2017

Value Summary

Cost Approach: NA

Income Approach: \$1,020,000

Sales Comparison Approach: \$1,025,000

Market Value Opinion \$1,025,000

Appraiser(s):

Harvel W. Gray, FRICS, MAI, ASA

Cert Gen RZ2166

CERTIFICATION

I certify that, to the best of my knowledge and belief:

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

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

I 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.

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

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

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors that 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.

My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute, the American Society of Appraisers, and the Royal Institute of Chartered Surveyors Americas. .

The use of this report is subject to the requirements of the Appraisal Institute, American Society of Appraisers, and the Royal Institute of Chartered Surveyors Americas, and the State of Florida Division of Real Estate, Florida Real Estate Appraisal Board, relating to review by their duly authorized representatives.

As of the date of this report, Harvel W Gray, FRICS, MAI, ASA has completed the continuing education program of the Appraisal Institute, the American Society of Appraisers, and the Royal Institute of Chartered Surveyors Americas.

The appraiser has performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The appraiser has performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice.

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



Harvel W Gray, FRICS, MAI, ASA
Cert Gen RZ 2166

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise stated, the value appearing in this appraisal represents our opinion of the market value or the value defined **AS OF THE DATE SPECIFIED**. Values of real estate are affected by national and local economic conditions and consequently will vary with future changes in such conditions.
2. Possession of this report or any copy thereof does not carry with it the right of publication nor may it be used for other than its intended use. The physical report(s) remains the property of the appraiser for the use of the client. The fee is for the analytical services only. The report may not be used for any purpose by any person or corporation other than the client or the party to whom it is addressed or copied without the written consent of an officer of the appraisal firm of Allied Appraisal Services Inc. and then only in its entirety.
3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations efforts, news, sales or other media without written consent and approval of an officer of Allied Appraisal Services Inc.
4. The appraiser may not divulge the material contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee, as specified in writing except as may be required by the Appraisal Institute or the American Society of Appraisers, as they may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.
5. Liability of Allied Appraisal Services, Inc. and its employees is limited to the fee collected for the appraisal. There is no accountability or liability to any third party.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures, which make it more or less valuable. The appraiser assumes no responsibility for such conditions or the engineering, which might be required to discover these facts.
7. This appraisal is to be used only in its entirety. All conclusions and opinions concerning the analysis which are set forth in the report were prepared by the appraisers whose signatures appear on the appraisal report. No change of any item in the report shall be made by anyone other than the appraiser and the appraiser and firm shall have no responsibility if any such unauthorized change is made.
8. No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical or engineering nature. No opinion is rendered as to the title, which is presumed to be Average and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.
9. No responsibility is assumed for accuracy of information furnished by or from others, the clients, his designee or public records. We are not liable for such information or the work of subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit. All are considered appropriate for inclusion to the best of our knowledge and belief.

10. The contract for appraisal, consultation or analytical service is fulfilled and the total fee payable upon completion of the report. The appraiser or those assisting the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal in full or in part; nor engaged in post-appraisal consultation with client or third parties, except under separate and special arrangement and at an additional fee.

11. The sketches and maps in this report are included to assist the reader and are not necessarily to scale. Various photos, if any, are included for the same purpose and are not intended to represent the property in other than actual status, as of the date of the photos.

12. 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. The client is urged to retain an expert in this field, if desired.

13. The distribution of the total valuation of this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal, no matter how similar and are invalid if so used.

14. No environmental or impact studies, special market studies or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraiser reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates or conclusions upon any subsequent such study or analysis or previous study or analysis, subsequently becoming known to him.

15. The value estimated in this appraisal report is gross without consideration given to any encumbrance, restriction or question of title, unless specifically defined. The estimate of value in the appraisal report is not based in whole or in part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

16. This appraisal report has been prepared for the exclusive benefit of the Client. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his own risk. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of this assignment.

17. **SOIL/ENVIRONMENTAL CONDITIONS:** We have not been provided with a contamination assessment report on the subject property. However, we have observed a fuel service station about 1,000 feet north of the subject property. We also observed fuel burning engines on site, and what appears to be an automotive repairs business on the property to the immediate south of the subject. We are not aware of site contamination. If more details and/or greater accuracy are required, the reader should consult an appropriate expert. We assumed that no adverse environmental soil or sub-soil conditions are present on or near the subject site that would adversely affect the value or marketability of the property. Our opinion of value could be impacted, if this should prove to be incorrect.

18. **INSURANCE VALUE ESTIMATE DISCLAIMER** As part of the client's requested scope of work, an estimate of insurable value may be provided herein. In response to such a request, the appraisal firm and those appraiser(s) responsible for this assignment will follow traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry accepted publications such as the Marshall Valuation Service handbook. The methodology employed as a derivation of the cost approach which is primarily used as an academic exercise to help support the market value estimate and therefore is not reliable for Insurable Value estimates. Actual construction costs and related estimates can vary greatly from this estimate.

19. **WHEN A REPLACEMENT COST ESTIMATE IS INSERTED IN THE ADDENDUM** it should not be relied upon to determine proper insurance coverage which can only be properly estimated by consultants considered experts in cost estimation and insurance underwriting. It is provided to aid the client/reader/user as part of their overall decision-making process and no representations or warranties are made by the appraisal firm or any of its appraisers regarding the accuracy of this estimate and it is strongly recommended that other sources be utilized to develop any estimate of insurable value.

20. ACCEPTANCE OF, AND/OR USE OF THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE PRECEDING CONDITIONS.

SUBJECT PHOTOS



Front & east elevation



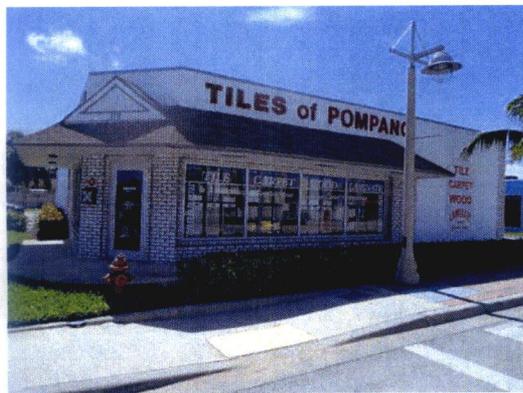
Front & east elevation



Rear & west elevation



Rear, west elevation & yard



Front



Side & south elevation



South side,
south elevation & landscaping



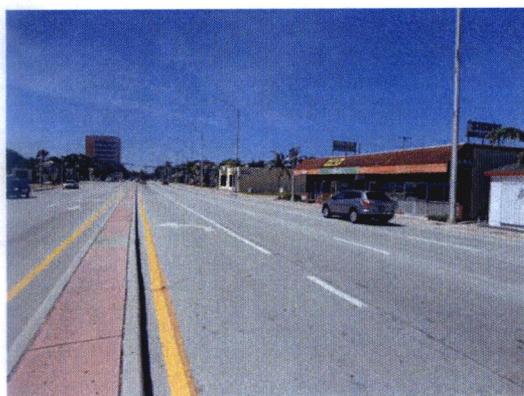
South side
entrance to design center



Interior



Interior



Street View



Street View

PURPOSE AND DATE OF APPRAISAL

The purpose of this appraisal is to provide the client with our opinion of the "as is" market value of the fee simple estate of the subject property, as of June 26, 2017. Harvel W. Gray visited the subject property on this date, and on June 27, 2017. On June 27, 2017, he visited the interior of the building and spoke to one of the owners about appraising the property for the City of Pompano Beach. She contacted her attorney about giving permission to appraise the property, and the request was declined.

DESCRIPTION OF SUBJECT PROPERTY

The subject property is developed with a CBS commercial building that was constructed in 1970. The building contains 4,353 +/- square feet of enclosed building area. The subject has other site improvements that include asphalt paved yard area. We assume that the structure, electrical and plumbing systems, etc. are adequate.

One of the owners stated that \$20,000 was recently spent to install impact glass windows and doors throughout the building. The subject improvements are situated on a 8,035 +/- square-foot site, which reflects a 1.85 to one land to building ratio. The property is currently being used for retail showroom sales and design center business. The subject property is in overall good condition.

Our description of the property is based on limited observation of the building interior, because permission to appraise the property was requested, and the request was declined by the owners.

LEGAL DESCRIPTION (FROM PUBLIC RECORDS)

PINEHURST 5-13 B LOT 24 S 25 LESS ST RD RW, LOT 25 LESS ST RD RW BLK 23

INTENDED USE AND INTENDED USER OF THE REPORT

The function of this report is to provide the client with a supportable opinion of the market value of the subject fee simple estate, in "as is" condition, as of June 26, 2017. It is our understanding that the intended use of this appraisal is to assist in establishing valuation for possibly asset disposal or purchase and/or business decision making. The intended users are the client, City of Pompano Beach CRA, and/or its real estate professionals, including City personnel. This is a Narrative Appraisal Report and only the authorized users may use or rely on its contents.

This report has been prepared utilizing generally accepted appraisal techniques, as contained within the current Uniform Standards of Professional Appraisal Practice (USPAP) and of the recognized professional organizations of which the appraisers are members.

This appraisal report has been prepared in a manner believed to be consistent with the guidelines contained in Title XI of the Financial Institution Reform Recovery and Enforcement Act of 1989 (FIRREA) and Federal Regulation 12CFR Part 34.43 (b).

CLIENT

Pompano Beach CRA
100 W Atlantic Blvd, Room 276
Pompano Beach, Florida 33060

Attention: Adriane Esteban

DEFINITION OF MARKET VALUE

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

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

SOURCE (S): Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA").
The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, Page 123.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of fee simple estate and lease fee interest.

"Fee Simple" is defined as absolute ownership unencumbered by any other interest or estate, subject only to the limitation imposed by governmental powers of taxation, eminent domain, police power, and escheat.

SOURCE: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, Page 78.

Leased Fee Interest is defined as "A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e. a lease).

SOURCE: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, Page 111.

TYPICAL BUYER PROFILE

An important part of an appraisal is the selection of comparable sales that can be used to reach an opinion of the market value of the subject property through the appraisal process. Comparable sales are selected based upon the highest and best use of a property. Sellers and buyers come together on the common ground of this highest and best use. This involves buyers that are attracted to the property being offered for sale based upon the criteria that a buyer uses to make this decision. Thus, comparable sales must be competitive alternatives in the eyes of typical buyers.

The subject is located at 119 South Federal Highway, Pompano Beach, Florida. It contains 4,353 square feet of commercial building area. Typically, properties of the subject size and location are owner occupied or rented to tenants. In our analysis of comparable sales, and in our experience with past sales of properties of this size and quality, the typical buyer is a private investor, or owner-user. The property is not of the quality and/or size to be of interest to the typical institutional buyers. We have considered the typical buyer in our analysis.

PERSONAL PROPERTY, FURNITURE, FIXTURES AND EQUIPMENT

This appraisal does not consider or value the business of the subject, nor personal property, furniture, or equipment.

SCOPE OF ASSIGNMENT

The scope of this real estate appraisal includes the following:

- A physical inspection of the property.
- A search of the public records relative to the subject. This search encompasses, among other things, tax and assessment information, easement, and other private, as well as public, deed restrictions, zoning, history of the property, etc.
- A discussion of neighborhood and regional area characteristics, as well as an analysis of supply and demand within the subject's market segment.
- Analysis of physically possible uses, legally permissible uses, and all feasible uses in order to estimate the highest and best use of the subject.

- Research of public records for comparable sales and listings. Telephone verification, where possible, of all the sales and listings with the buyer, seller, or their representative.
- A physical inspection of each of the comparable properties, as well as deed verification. Comparison of the comparable properties to the subject with consideration of such differences as legal encumbrances, financing terms, conditions of sale, market conditions, location, physical characteristics, availability of utilities, zoning, and highest and best use.
- The preparation of a narrative appraisal report in compliance with the USPAP and the Standards of the recognized professional organizations of which the appraisers are members. We have also followed the guidelines promulgated by the appropriate regulatory agency or agencies that are mentioned elsewhere in this report.

In keeping with the scope of the appraisal and the appraisal process, the appraisers have engaged in original research to provide a complete analysis for the client. Data for analysis has been gathered from various sources, such as the sales of similar properties found in the County through Realquest data, CoStar, Loopnet Real Estate, and the Multiple Listing Service, local realtors, property owners, and other appraisal offices. County and local planning and zoning departments and websites provided zoning and land use information.

The product of this research and analysis is formulated within this report for analysis of and direct comparison with the subject appraised. We have also used original research performed in preparation of other appraisals by this office, which is considered appropriate for the subject. This is a narrative summary appraisal.

APPRAISERS' COMPETENCY RULE COMPLIANCE

The Scope of the Assignment as outlined in the Appraisal Development and Reporting Procedures section is well within the range of experience and knowledge of the responsible appraiser(s). The appraiser(s) responsible for this appraisal report are (is) sufficiently experienced and knowledgeable to accept and complete this appraisal assignment. We (I) have previously prepared and delivered appraisal reports and have provided consultation for similar properties. For additional information about our experience please refer to our Appraisal Qualifications toward the rear of this report.

Harvel W. Gray has not appraised the subject property in the past three years.

NEIGHBORHOOD ANALYSIS

Boundaries And Analysis

The subject is located in eastern Pompano Beach. This neighborhood is bounded on the east by the Atlantic Intracoastal Waterway, on the west by Dixie Highway, on the north Copans Road (NE 23rd Street) and on the south by Southeast 15th Street.

Major north-to-south arteries are US 1 and Dixie Highway. Major east-to-west arteries are Copans Road and East Atlantic Boulevard. Federal Highway, East Atlantic Boulevard, Dixie Highway and Copans Road are six-lane median divided arterials. Fast north-to-south access is provided by Interstate 95 (I-95), which is within one mile west of Dixie Highway.

Interstate 95 gives the neighborhood excellent access to the entire metropolitan area. Downtown Fort Lauderdale, is just 20 minutes south by either I-95, or any of the local access arteries. Atlantic Boulevard and Copans Road have interchanges with I-95 and the Florida Turnpike that is approximately two miles west of the neighborhood.

The neighborhood is developed with mostly residential, industrial and/or commercial uses. Industrial uses can be found in a patchwork across the neighborhood, particularly around Dixie Highway and Copans Road. However, these arterials also have commercial uses, such as strip centers and other small commercial buildings.

Commercial uses include typical office buildings, retail strip and free standing buildings along the major arteries, as well as some retail/warehouse mixed use properties. Much of the land was developed before the advent of strict zoning codes, and there are a large number of properties with limited parking and a variety of non-conformities. The city's industrial and commercial property stock is particularly suited to small business. The location, is also accessible to major arteries in Broward County makes it ideal for small business serving the county-wide market. This is primarily a middle income neighborhood.

Conclusion

The neighborhood is a conveniently located with good urban access. It is well located, convenient to both beaches and the downtown Fort Lauderdale area where the County seat is located. The Pompano Airpark is located within the northern area of the neighborhood, and the Cypress Creek central business district is just to the south.

Because almost all sites have been developed, practically all new developments are on redeveloped lands. We believe that the neighborhood will remain middle income residential. With increasing demand for residential properties and no more land to build new dwellings, it is likely that the neighborhood will see re-gentrification in the future. We anticipate that the real estate and business activities in this neighborhood will get stronger as the economy continues to improve.

SUBJECT PROPERTY DATA

Taxpayer of Record

Flopro LLC

1255 Atlantic Blvd Ste 314

Pompano Beach FL 33069

Census Tract:

The subject is located in the 2017 Census Tract No. 0310.02

County Property Control Number(s): 4842 36 01 2790

Assessed Value and Real Estate Taxes (2016):

The 2016 just/market value for the subject is \$505,040, of which \$160,700 is attributed to the land and \$344,340 to the improvements. The assessed value is \$479,310. The total gross real estate taxes for 2016 were \$10,693, rounded, per the County Tax Collector. The values and taxes appear low, based on our opinion of value. The taxes are in paid status, per the County's Tax Collectors record.

Flood Zone Designation

The subject is located on the National Flood Insurance Program Map #12011C0376H, which was revised as of August 18, 2014. This map indicates that the subject is situated within the flood zone area, Zone "X". These are areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than one foot or with drainage areas less than one square mile; and areas protected by levees from 1% annual chance flood.

Zoning

The subject property is zoned B-3 for General Business District by the City of Pompano Beach. This zoning district allows office, financial institution, retail and other commercial uses. This zoning district calls for a minimum lot size of 10,000 square feet and minimum width of 100 feet. No site survey was provided, but the public records indicate

that the subject site does not meet the 10,000 feet minimum size required under zoning. Therefore, the subject appears to be a legal non-conforming use.

Comprehensive Land Use Plan

Each county, city, and town has been required by the State Legislature to have a Land Use Plan to organize and control growth. The subject Future Land Use map designates the subject's land use as defined by the City land use map as commercial.

Concurrency

The strongest growth control measure ever imposed on the County was passed by the Florida Legislature and became effective on February 1, 1990. This was mandated by Chapter 163, Florida Statutes, otherwise known as the "Growth Management Law." One provision of this law is referred to as "Concurrency" which dramatically limits the ability to develop real property. It is basically the requirement that adequate infrastructure be available to serve new development. Eight types of infrastructure are affected including; traffic, potable water, sewer, drainage, solid waste, recreation and open space, mass transit, and fire rescue. No concurrency issues are known to currently affect the subject. The improvements were built in 1970, prior to the law. Therefore, we presumed that they were grandfathered into the law. *Our opinion of value could be impacted if our presumption were proven to be incorrect.*

Utilities

The subject property is serviced with all the customary public utilities, including; water, sewer, electric, and telephone that proximate to the subject.

Sales History

The appraisers have not been provided with a title abstract on the property appraised, nor have they conducted a title search of their own. However, our research of the County public records indicates that no transfer of the subject occurred in the past three years. We are aware of no current listings, contracts for sale or options on the subject property.

. Site Analysis

Size and Shape

The subject site is a rectangular shaped parcel of land. It contains 8,035± square feet or 0.184 acre. The site has 65 ± feet frontage on the west side of South Federal Highway and is about 123.6 ± feet deep along SE 2nd Street. These dimensions are based on GIS measurements taken from the County Property Appraisers website.

Access

The site has access via the west side of South Federal Highway and the north side of SE 2nd Street.

Topography and Drainage

The improved site appears to be mostly above road grade. We observed stormwater catch basin on site.

Easements & Encroachments

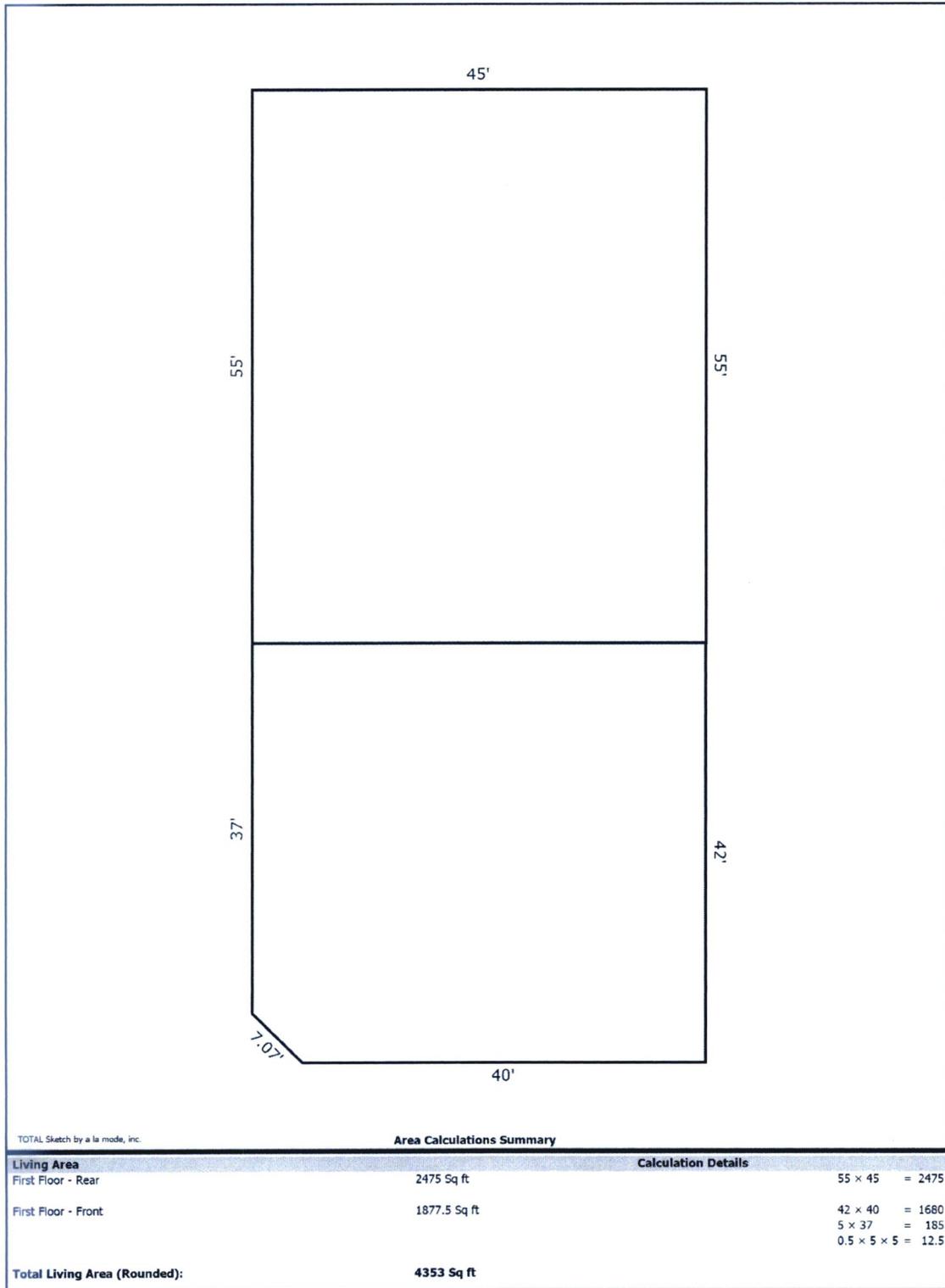
No site survey was provided to assist us analyze the subject for easements and encroachments. However, utility easements are typical in the area. They do not typically adversely affect value. We observe no encroachments.

Soil/Environmental Conditions

We have not been provided with a contamination assessment report on the subject property. However, we have observed a fuel service station about 1,000 feet north of the subject property. We also observed fuel burning engines on site, and what appears to automotive repairs business on the property to the immediate south of the subject. We are not aware of site contamination. If more details and/or greater accuracy are required, the reader should consult an appropriate expert.

We assumed that no adverse environmental soil or sub-soil conditions are present on or near the subject site that would adversely affect the value or marketability of the property. Our opinion of value could be impacted, if this should prove to be incorrect.

Description of the Improvements



Building Improvements

Building Type:	Commercial Building
Year Built:	1970
Basic Construction Shell:	Masonry
Foundation:	Poured Concrete
Roof Cover:	Built-up
Interior Walls:	Mostly painted drywalls and concrete
Ceiling:	Open ceiling with painted bar joists
Lighting:	Florescent inside
Floors:	Mostly tile and pergo
Windows:	Plate glass
HVAC:	Central system
Electricity:	Assumed to be adequate
Plumbing:	Restrooms, assumed to be adequate
Elevators:	None
Building Size:	4,353 square feet
Height:	Estimated 8-foot ceiling
Fire Protection:	No sprinkler observed
Condition:	Good
Effective Age:	20 years

Flopro LLC Property

ALLIED APPRAISAL SERVICES, INC

Remaining Economic Life:	25 years
Physical Depreciation:	55%
Actual Age:	47 years
Functional Obsolescence:	None
External Obsolescence:	None

The subject has other site improvements that include asphalt paved yard area. We assume that the structure, electrical and plumbing systems, etc. are adequate.

One of the owners stated that \$20,000 was recently spent to install impact glass windows and doors throughout the building. The property is currently being used for retail showroom sales and design center business. The subject building is in overall good condition.

Our description of the property is based on limited observation of the building interior, because permission to appraise the property was requested, and the request was declined by the owners.

HIGHEST AND BEST USE

The Dictionary of Real Estate Appraisal, Third Edition 1993, by the Appraisal Institute defines Highest and Best Use as follows:

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

In estimating the Highest and Best Use there are essentially four stages of analysis.

1. *Permissible Use (Legal)* -what uses of the site in question are legally permissible.
2. *Possible Use* -what uses of the site in question are physically possible.
3. *Feasible Use* -which possible and permissible use will produce a positive return to the owner of the site.
4. *Maximum Productivity* -among the feasible uses, which use will produce the highest net return.

The analysis of highest and best use normally applies these considerations in a three step process, involving the analysis of the highest and best use of the site as if vacant, determination of the ideal improvement, and a comparison of the existing improvement with the ideal improvement in order to estimate the highest and best use as improved. The highest and best use of the subject property was analyzed both "as if vacant" as well as in its present use, "as developed".

Legally Permissible Use:

The subject property is zoned B-3 for General Business District by the City of Pompano Beach. This zoning district allows office, financial institution, retail and other commercial uses. This zoning district calls for a minimum lot size of 10,000 square feet and minimum width of 100 feet. The public records indicate that the subject site does not meet the 10,000 feet minimum size and the 100 feet width required under zoning. Therefore, the subject appears to be a legal non-conforming use.

Physically Possible Use:

The subject contains 8,035+ square feet or 0.184 acre. The size, shape, and topography of this parcel would not accommodate some commercial permitted under this zoning requirement. Furthermore, it does not meet the minimum lot size of 10,000 square feet and minimum width of 100 feet. Therefore, it is not developable as is.

Conclusion

The subject is developed with a commercial building. This use type is a permitted under the zoning specifications, but the site is a legal non-conforming use. The improvements add value to the land. Therefore, the highest and best use is to continue the current use.

EXPOSURE TIME/MARKETING TIME

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

Source: Appraisal Standards Board ASB Advisory Bulletin Volume III, Number 4, November 1972.

Marketing time is defined in Advisory Opinion G-7 as "an estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal". The advisory opinion also states, "the request to estimate a reasonable marketing time exceeds the normal information required for the conduct of the appraisal process, and should be treated separately from that process."

The real estate market was in a steady expansion for several years and current exposure times were short. However, since 2008 the market has declined and exposure times are longer than several years ago. Average marketing time of nine months is typical for the subject property type. Further, the PWC/Korpacz Real Estate Investor Survey, an authoritative source, indicated that marketing (exposure) time runs from two to 12 months, with an average of 6.3 months for most property type in the first quarter of 2017. Furthermore, four of the comparable sales found during our research indicate marketing time of two to nine months. This supports our conclusion that the marketing time and exposure time for the subject is estimated to be 12 months.

THE VALUATION PROCESS

Generally, the appraiser uses three approaches to value in estimating the market value of a particular property. These approaches are the Cost Approach, the Income Approach, and the Sales Comparison Approach.

The Cost Approach is based upon the principle of substitution that affirms that a prudent purchaser will pay no more for a property than the cost of constructing an equally desirable substitution. This approach is most applicable for new properties that represent the highest and best use and for special purpose properties when no comparisons are available. In this case the Cost Approach is not applicable. The subject building is an average of 47 years old and suffers from physical depreciation that is very difficult to estimate. This approach considers developing the subject property as an alternative to purchasing a similar substitute. A typical investor would not make a buying decision based on this approach. Therefore, the Cost Approach to Value is not utilized. The omission of this approach is not considered misleading to the client.

The Income Approach is based upon capitalization of the net income attributable to the real estate into an estimate of the present worth of the anticipated future benefits. This approach views the property through the eyes of the typical rational investor and is most applicable for investment type properties. We used this approach in our appraisal.

The Sales Comparison Approach requires that the appraisers locate recent sales of similar properties and through an adjustment process, arrive at an indication of what these properties would have sold for if they possessed all of the salient characteristics of the subject property. These adjusted sales prices are then correlated into an estimate of the market value of the property via the Sales Comparison Approach to Value. We used this approach in our appraisal.

The final step in the appraisal process is the reconciliation or correlation of the value indications. In the reconciliation or correlation, the appraisers consider the relative applicability of each of the three approaches used, examines the range between the value indications, and places major emphasis on the approach that appears to produce the most reliable solution to the specific appraisal problem.

The applicable approaches are described in the following section of the report.

INCOME CAPITALIZATION APPROACH

The premise behind the income capitalization approach is that typical investors value a property based upon its ability to generate anticipated net income or future benefits.

The *Dictionary Of Real Estate Appraisal*, Fifth Edition, 2010, by the Appraisal Institute, defines income capitalization approach as follows:

"A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate."

The definition indicates that there are two methods, which may be applied under this approach: Direct Capitalization and Discounted Cash Flow (DCF).

Direct capitalization involves estimating the market rent, vacancy and collection losses, and expenses by comparing the subject property, with comparable properties, in order to arrive at an estimate of net operating income. The estimated net operating income is then capitalized at a market-oriented rate to estimate value.

According to the Appraisal Institute's definition, one year's income expectancy can be capitalized at a rate, which reflects a specific income pattern.

We derived capitalization rates both from national survey data, and from local comparable property sales, based on an analysis of the sale property's actual income and expenses at the time of sale, or on the buyer's estimate of income and expenses, when it could be ascertained.

We then applied an appropriate cap rate, derived from the sales data, to an estimate of the subject's net operating income, as if leased at market rent.

Direct capitalization has the advantage of showing, in a simple format, all that is currently known and expected about a subject investment. In the direct cap, the income, expense, and occupancy projections are based on actual property performance, and current market data, thereby narrowing the appraiser's field of subjectivity, and reducing the probability of error.

The capitalization rate, properly estimated, reflects everything which can be reasonably surmised about future performance, without requiring the forecasting of a wide variety of measures, 10 or 11 years into the future, as is done in the DCF.

In selecting the cap rate, we evaluate the reasonableness of the subject's estimated income and expenses, in the context of current and reasonably foreseeable market factors, as one of the risk factors. We consider other risk factors, as well as the growth potential of the investment.

Most institutional investors use discounted cash flow analysis as a valuation method, particularly where a substantial portion of the property is encumbered by long term leases at fixed rates or specific fixed increases. However, many private investors do not use discounted cash flow, particularly for smaller properties like the subject, and the USPAP advises that the method be used with extreme care, and primarily as a reasonableness test.

In the discounted cash flow the appraiser applies investment assumptions based on national surveys of investors, and whatever local data is available.

The investor surveys cover expectations as to initial and terminal capitalization rates, future growth of income and expenses, and desired internal rate of return (discount rate). Survey results are reported in ranges and as averages.

The application of specific individual assumptions to any one property usually cannot be directly supported from local market evidence. Such data is rarely available, particularly in the case of smaller properties where investors do not use this method.

In order to estimate market rent we surveyed rents in the subject's and similar proximate neighborhoods. Rental rates in this market are quoted on both net and gross bases, although some are net, with the tenant paying a base rent plus a pro rata share of operating expenses.

A summary table of the rental comparables is on the next page.

INCOME CAPITALIZATION APPROACH

RENT COMPARABLES SUMMARY TABLE						
Description	Subject	Rent 1	Rent 2	Rent 3	Rent 4	Rent 5
Address	119 S Federal Hwy	2050 N Federal Hwy	139 N Federal Hwy	1800 N Federal Hwy	1304-1320 N Federal Hwy	437 E Atlantic Blvd
City	Pompano Beach	Pompano Beach	Pompano Beach	Pompano Beach	Pompano Beach	Pompano Beach
Rental Rate/SF/Year	NA	\$25.00	\$15.85	\$24.00	\$15.00	\$15.00
Rental/CAM Expenses/SF	NA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Gross Rent/SF	NA	\$25.00	\$15.85	\$24.00	\$15.00	\$15.00
Leasing Basis	Gross	NNN	NNN	NNN	NNN	NNN
Occupancy	100%	68%	100%	74%	92%	100%
Bldg Size (sf)	4,353	8,000	3,200	40,508	46,276	22,191
Leased Size (sf)	4,353	2,800	3,200	4,680	2,500	4,680
Year Built	1970	1988	1961	1968	1957	1985
Land Size (ft)	8,035	27,007	12,650	108,464	111,480	66,211
Land to Bldg Ratio	1.85	3.38	3.95	2.68	2.41	2.98
No Stories	1	1	1	2	1	1
Property Condition	Good	Good	Average	Good	Average to good	Average to good
Tenant Expenses	NA	All	All	All	All	All



Rent Comparables Map

Rental Comparables Discussion

The subject is currently 100 per cent occupied by the owners. All of our income and expenses data are from the market. The rental comparables consist of industrial properties. Owners, realtors and leasing agents, quoted rental rates on gross, modified gross, and triple net bases. The gross lease is typical for the subject type that has multiple bays.

Income and Expense Analysis

The rent comparables ranged from \$15.00/square foot, triple-net, to \$25.00/square foot, triple-net. We estimated the subject rent to be \$18.50/square foot, triple-net, with tenants paying all expenses. We applied this rate to the subject 4,353-square-foot and it equates to a potential gross income of \$80,531.

Vacancy and Collection Loss

It is unrealistic to assume that 100% occupancy can be achieved and maintained over the long run. Therefore, it is concluded that a stabilized occupancy rate of 90% is a realistic reflection of the market for the subject size and type. This is reasonable in a local where the current predominant occupancy is 80% to 100%. The subject is a 4,353-square-foot building which is occupied as of the date of our site visit. The estimated income and expense data are listed in the table ahead in this report.

Total Expenses

The total expense for the subject is \$6,162 or \$1.42/square foot. This equates to about 8.5% of the effective gross income; and compares well with properties of this type that. The income and expense formulation is in a table ahead in this report.

Overall Capitalization Rate Selection

Capitalization is the process of converting income into value. The estimated net operating income is capitalized by dividing it by an appropriate rate (overall cap rate). The cap rate is an expression of the ratio between net operating income and the value of a property. This rate typically reflects an investor's expectations from the anticipated net income as well as future appreciation.

Generally, the stronger a property's growth prospects are, the lower is the capitalization rate. Likewise, the lower the quality of the risk, the higher the rate. Since properties such as the subject are typically leveraged, the availability and cost of mortgage funds can have a significant impact on the overall rate.

The overall rate is normally derived via four methods; a) extraction from the local market; b) investor surveys (national publications); c) debt coverage formula; and d) band of investment. The methods used in this appraisal are summarized below.

Market Extraction

MARKET EXTRACTED CAPITALIZATION RATE - RETAIL							
No.	Address	City	Year Built	Building Size (sf)	Sale Date	Price	Cap Rate (OAR)
1	15 SW. 7th St.	Fort Lauderdale	1956	1,485	Apr-16	\$1,000,000	7.50%
2	2769 E Atlantic Blvd	Pompano Beach	1956	6,970	Jun-16	\$1,200,000	6.90%
3	3313 NE. 33rd St.	Fort Lauderdale	1971	3,988	Jun-16	\$835,000	5.30%
4	3321 NE. 33rd St.	Fort Lauderdale	1975	4,445	Jul-16	\$850,000	5.80%
5	2457 E. Commercial Blvd.	Fort Lauderdale	1961	4,597	Aug-16	\$475,000	6.50%
6	5100 W Commercial Blvd	Tamarac	1975	21,070	Mar-17	\$1,200,000	6.50%
7	401 S. Dixie Hwy. E	Pompano Beach	1965	8,703	May-16	\$510,000	7.23%
8	418 N. Federal Hwy.	Pompano Beach	1953	3,375	May-16	\$830,000	7.80%
9	515 W Oakland Pk Blvd	Oakland Park	1974	11,160	Nov-16	\$1,300,000	5.00%
10	600 N State Rd 7	Hollywood	1950	3,668	Jun-16	\$600,000	5.63%
Subj	Average Rate						6.57%

National Publication

In addition to both the market abstraction and band of investment, the appraisers have consulted a national real estate survey publication known as *PWC Real Estate Investor Survey*, published by Price Waterhouse Coopers.

PWC Real Estate Investor Survey Data (Published Data)

The Overall Cap Rate (OAR) range for the National Strip Shopping Market (First Quarter 2017), is from 4.00% to 9.50%, with the average rate being 6.32% for institutional grade properties. The rates for non-institutional grade properties increase between 25 to 500 basis points with an average increase of 134 basis points. Local properties indicated a range from 5.00% to 7.80%, with the average rate being 6.57%. We estimated a cap rate of 6.50% from the local data. *The PWC rates support our market-extracted average rate of 6.50%.*

Debt Coverage Formula Method

Another method of determining an overall rate is the debt coverage formula. This formula states that $R_O = DCR \times R_M \times M$, where R_O is the overall capitalization rate, DCR is the debt coverage ratio, R_M is the mortgage constant and M is the loan to value ratio. This method is mostly used by real estate lenders. The debt coverage formula estimates an overall rate by multiplying the debt coverage ratio, the mortgage constant and the loan to value ratio.

The debt coverage ratios ranged from 1.20 – 1.30, while typical interest rates ranged from 5.00% to 6.00%. The amortization period is estimated to be 25 years, based on typical market; and loan to value ratios were quoted at 70% to 80%. Based on financing survey, and the subject type, the components of the debt coverage formula are:

Debt Coverage Ratio (DCR):	1.20
Amortization Period:	25
yrs.	
Loan to Value Ratio (M):	80%
Equity Ratio (E):	20%
Interest Rate:	5.50%
The resultant annual mortgage constant (R_M) is:	0.073690

$$R_o = DCR \times R_M \times M = 1.20 \times 0.073690 \times 0.80 = 7.00\%$$

Therefore, the indicated overall cap rate via this method is 7.00%, rounded.

Band of Investment Method

Available Loan Interest Rate =	5.50%
M =	80%
Amortization Period (Yrs)	25
R _m =	7.37%
E =	20%
Re =	8.00%
 R _o = (M x R _m) + (E x Re)	 7.50%

Capitalization Rate Summary

<i>Method</i>	<i>Conclusion</i>
Local Market Extraction	6.50%
Market Survey – Published Rates	6.50%
Band of Investment (R _o)	7.50%
Debt Coverage Formula	7.00%

We estimated 6.50% capitalization rate for the subject property. We estimated a rate towards the lower end of the four rates above.

Capitalization into Market Value, As Is, As Of June 26, 2017:

PROFORMA OPERATING STATEMENT BASED ON 10% V & C

Description	Column2	Column3	Column4
Income			
Leasable Size of Building: 4,353 sf			
4,353		\$18.50 x 4,353 =	\$80,531
Other Income: @		\$0	\$0
Potential Gross Income:			\$80,531
Less Vacancy & Collection Loss @ 10%			-\$8,053
Effectivel Gross Income:			\$72,477
Expenses			
Real Estate Taxes			\$0
Property Insurance			\$0
Maintenance & Repairs			\$1,088
Management & Leasing			\$3,624
Utilities			\$0
Janitorial & Garbage			\$0
Administrative: Office, Professional, Legal, Etc			\$1,449.55
Total Expenses:			\$6,162
Net Operating Income:			\$66,316
Capatialization Into Value:	Value Indication @ 6.25% Cap Rate		\$1,061,052
	Value Indication @ 6.50% Cap Rate		\$1,020,243
	Value Indication @ 6.75% Cap Rate		\$982,456

The net income of \$66,316 capitalized at an overall rate of 6.50% yields a value of \$1,020,243. Based on this, our opinion of the **fee simple estate market value**, “as is” as of June 26, 2017, via the Income Capitalization Approach is, rounded to:

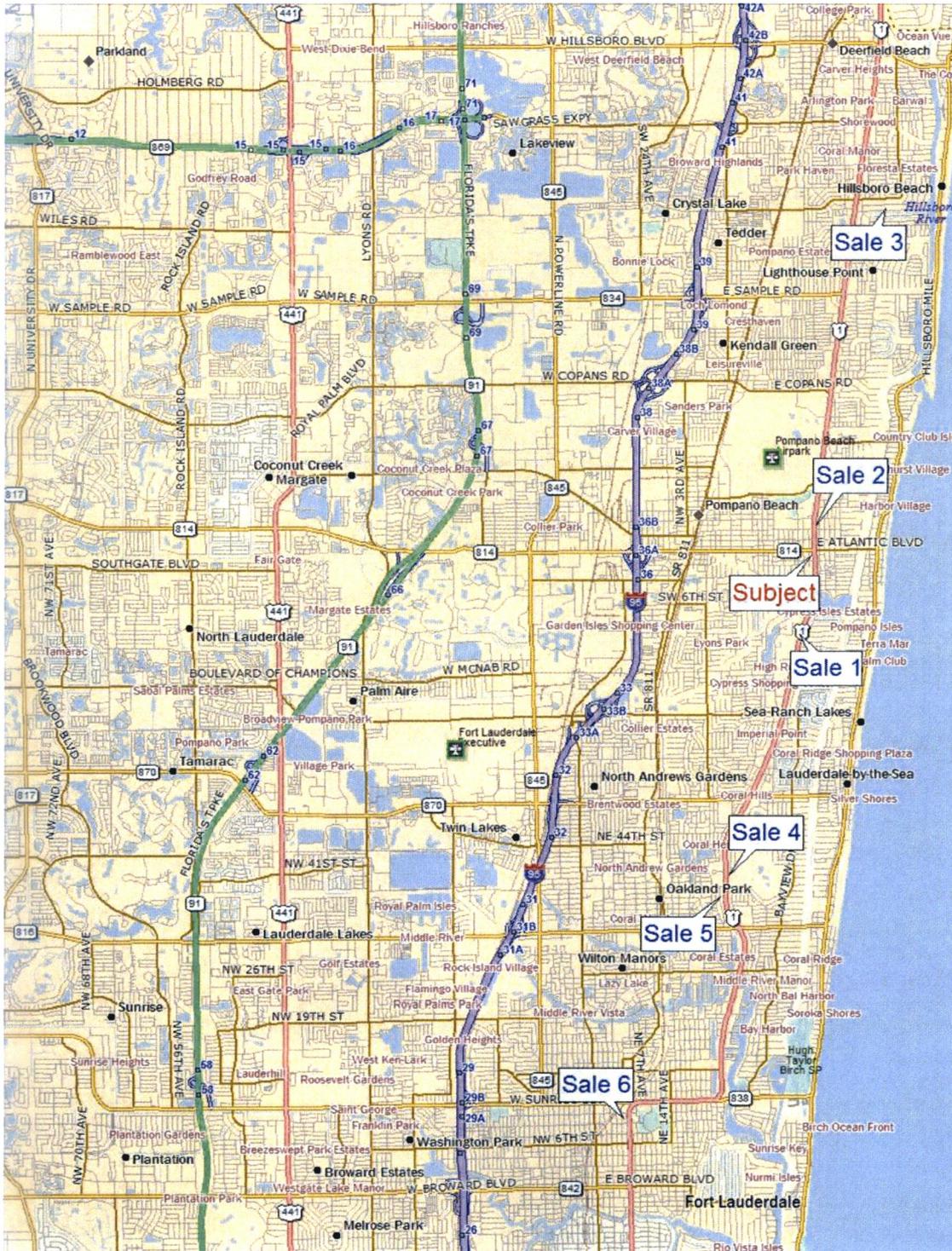
Market Value “As Is” Via The Income Approach: \$1,020,000.

SALES COMPARISON APPROACH

A search of the County Official Records, local multiple listing service records, discussions with local brokers and appraisers and a personal inspection of the subject area produced several sales of similar property types as the subject. The sales used in the analysis were the best comparables that we were able to verify with a party to the transaction.

We compared the selected sales with the subject, considering differences and possible adjustments. We utilized a qualitative process to compare the subject property with the comparables to reflect a value for the subject property.

SALES SUMMARY TABLE							
Description	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
418 - 420 N Federal							
Address	119 S. Federal Hwy.	1101 S. Federal Hwy.	Hwy	2131 - 2149 NE 48 St	3950 N Federal Hwy	3661 N Federal Hwy	817-819 N Federal Hwy
City	Pompano Beach	Pompano Beach	Pompano Beach	Lighthouse Point	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale
Sales Price	\$0	\$1,550,000	\$830,000	\$890,000	\$913,000	\$2,400,000	\$825,000
Sale Date	N/A	12/17/2015	5/4/2016	10/21/2015	3/4/2016	8/23/2016	1/3/2017
O R Book/Page or CIN	N/A	113422475	113706963	113306781	113560324	113939373	114194636
Building Size (SF)	4,353	6,924	3,375	3,800	3,500	10,236	2,539
Price/SF (\$)	0	\$223.86	\$245.93	\$234.21	\$260.86	\$234.47	\$324.93
Land Size (SF)	8,035	14,184	12,037	15,713	7,337	19,001	3,439
Land to Building Ratio	1.85	2.05	3.57	4.14	2.10	1.86	1.35
Year Built	1970	1959	1953	1964	1960	1960	1958
No. Stories	1	1	1	1	1	1	1
Property Condition/Quality	Good	Average to good	Average to good	Average	Good	Average to good	Average to good
Floor Area Ratio	0.54	0.49	0.28	0.24	0.48	0.54	0.74
Zoning	B-3	B-3	B-3	B-3	B-1	B-1	RAC-UV



Sales Comparables Map

SALE NO. 1 – 1101 South Federal Highway, Pompano Beach, Florida

Our File No. 1612-022



Comments:

This information was obtained from Costar MLS, the Public Records and Deed. This is a single user retail property that was purchased in average to good condition/quality and is being occupied by the owner. The buyer received 71% of the purchase price in mortgage financing from two sources including 30% from financial institution.

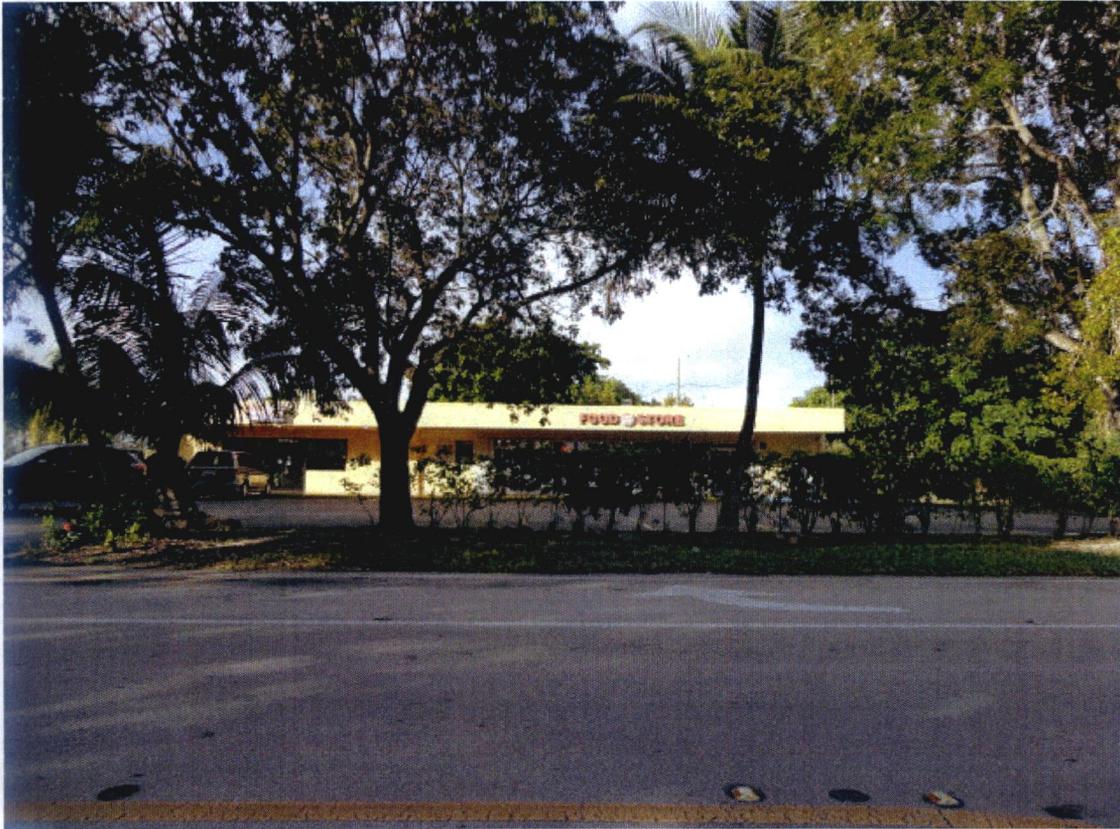
SALE NO. 2 – 418 -420 North Federal Highway, Pompano Beach, Florida
Our File No. 1307024



Comments:

This information was obtained from Costar MLS, the Public Records and Deed. This is a single user retail property that was purchased in average to good condition/quality. This property was on the market for about nine months and sold for about 75% of the asking price.

SALE NO. 3 – 2131 -2149 NE. 48th St., Lighthouse Point, Florida
Our File No. 1612-022



Comments:

This information was obtained from Costar MLS, the Public Records and Deed. This is a retail property that was purchased in average condition/quality. This property was on the market for about five months and sold for about 81% of the asking price.

SALE NO. 4 – 3950 N. Federal Hwy., Fort Lauderdale, Florida

Our File No. 1612-022



Comments:

This information was obtained from Costar MLS, the Public Records and Deed. This is a single user retail property that was purchased in good condition/quality. This property was on the market for about eight months and sold for about 73% of the asking price.

SALE NO. 5: – 3361 N. Federal Hwy., Fort Lauderdale, Florida

Our File No. 1706-020



Comments:

This information was obtained from Costar MLS, the Public Records and Deed. This is a single user retail property that was purchased in average to good condition/quality for owner occupancy. The buyer received financing from Bank of America.

SALE NO. 6: 917-819 N. Federal Hwy., Fort Lauderdale, Florida

Our File No. 1706-020



Comments:

This information was obtained from Costar MLS, the Public Records and Deed. This is a retail property that was purchased in average to good condition/quality. It is being offered for lease.

Discussion of Adjustment Considerations

In this analysis, we considered differences between the sales and the subject in terms of property rights sold, financing, conditions of sale, market conditions (trend or time adjustment), location, size, quality and condition of the improvements and land to building ratio.

Because the sales vary in size, we based the comparisons on a standardized unit of measure, the price per square foot of building area. The per square foot of building area unit of measure is typically used by investors in this type of analysis.

All of the sales were fee simple since they were either purchased by an owner-user or were leased at market rent. No adjustments were warranted to these sales.

Conditions of Sale

All sales were market oriented. Because of this, no adjustments were necessary.

Financing

We considered an adjustment for any indication of favorable financing. All sales were either on a cash basis, or had market oriented financing, and, therefore, no adjustments were necessary.

Market Conditions

The South Florida real estate market has indicated mostly upward movement in this market for the subject property type. We adjusted the sales upward for this factor by 3% per year.

Land to Building Ratio

All the sales have different land to building ratios, compared to the subject. Appropriate adjustments were made for this.

Location/Access

The location consideration involves traffic volume, access to arterial roads, and quality of the surrounding neighborhood. Sale 4, Sale 5, and Sale 6 are situated at superior locations compared to the subject property. These comparables warrant downward adjustments for this factor. Sale 3 is situated at an inferior location compared to the subject property. This comparable warrants upward adjustment for this factor. All the other comparables are situated at a similar location to the subject and warrant no adjustment.

Age/Condition And Quality

The subject was built in 1970 and is of good condition/quality. Comparable Sale 4 was of similar condition/quality compared to the subject property and warrants no adjustment. The other comparables were inferior to the subject and warrant upward adjustments.

Site Condition

No adjustments were warranted.

Building Size

Comparable Sale 6 was significantly smaller than subject property and warrants downward adjustment. No other adjustments were warranted.

Analysis and Correlation

Considering all of these differences we developed the following quantitative and qualitative comparison table listing the sales as they compare to the subject property. Not all categories considered are depicted. Those omitted reflect no differences between the sale and the subject property. The table is on the next page.

SALES ADJUSTMENT TABLE							
Description	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Address	119 S. Federal Hwy.	1101 S. Federal Hwy.	418 - 420 N Federal Hwy	2131 - 2149 NE 48 St	3950 N Federal Hwy	3661 N Federal Hwy	817-819 N Federal Hwy
Sales Price	\$0	\$1,550,000	\$830,000	\$890,000	\$913,000	\$2,400,000	\$825,000
Sale Date	N/A	12/17/2015	5/4/2016	10/21/2015	3/4/2016	8/23/2016	1/3/2017
Building Size (SF)	4,353	6,924	3,375	3,800	3,500	10,236	2,539
Land to Building Ratio	1.85	2.05	3.57	4.14	2.10	1.86	1.35
Year Built	1970	1959	1953	1964	1960	1960	1958
Elements of Comparison							
Property Rights	Fee Simple	Fee Simple.	Fee Simple.	Fee Simple.	Fee Simple.	Fee Simple.	Fee Simple.
Adjustments for Property Rights	0	0	0	0	0	0	0
Adjusted Price	0	1,550,000	830,000	890,000	913,000	2,400,000	825,000
Financing	0	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Adjustment for Financing	0	0	0	0	0	0	0
Adjusted Price	0	1,550,000	830,000	890,000	913,000	2,400,000	825,000
Condition of Sale	0	0	0	0	0	0	0
Adjustment for Condition of Sale	0	0	0	0	0	0	0
Adjusted Price	0	1,550,000	830,000	890,000	913,000	2,400,000	825,000
Expenditures after Sales	0	0	0	0	0	0	0
Adj for Expenditures after Sales	0	0	0	0	0	0	0
Adjusted Price	0	1,550,000	830,000	890,000	913,000	2,400,000	825,000
Market Conditions	Current	Inferior	Inferior	Inferior	Inferior	Inferior	Inferior
Adjustment for Market Conditions	0	70,990	28,469	44,856	35,881	60,720	11,880
Total Adjusted Price	0	1,620,990	858,469	934,856	948,881	2,460,720	836,880
Total Adjusted Price/Square Foot	0.00	234.11	254.36	246.01	271.11	240.40	329.61
Adjustments/SF for:							
Land To Building Ratio	0	-7.09	-60.22	-80.12	-8.77	-0.37	17.20
Location/Exposure	0	0.00	0.00	36.92	-36.92	-36.92	-92.29
Age/Condition & Quality	0	15.00	15.00	25.00	0.00	15.00	15.00
Site Condition	0	0.00	0.00	0.00	0.00	0.00	0.00
Building Size	0	0.00	0.00	0.00	0.00	0.00	-20.00
Overall Rating	\$0.00	\$242.02	\$209.14	\$227.81	\$225.43	\$218.12	\$249.52
		Mean	\$229	Median	\$227		
		Min	\$209	Max	\$250		

We consider the sales price per square foot of enclosed building area. All of the comparable sales are similar office properties compared to the subject. The comparables in the table above reflect an unadjusted price range of \$224/square foot to \$324/square foot, rounded. The adjusted price range from a minimum \$209 per square foot to a maximum of \$250 per square foot. Our final value opinion is based on placing weight on all the sales, except Sale 1 that was purchased by a tenant. We also considered the mean and median adjusted sale price. The mean of the comparable sales is \$229 per square foot, rounded. The median is \$227 per square foot, rounded.

Based on the preceding data and analysis, we have formed the opinion that the market value for the subject property in good condition is @ \$235/square foot of building area, as of June 26, 2017.

The market value, fee simple estate, for the 4,353 square feet in good condition @ \$235/square foot: = \$1,022,955, rounded to:

Market Value, Fee Simple Estate, As Is:

\$1,025,000.

CORRELATION AND FINAL VALUE OPINION

Value Via Cost Approach:	NA
Value Via Income Approach, As Is:	\$1,020,000
Value Via Sales Comparison Approach, As Is:	\$1,025,000

Since the subject appraisal assignment involves an industrial property with a building that was built in 1970. In this case the Cost Approach is not applicable. The subject building is an average of 47 years old and suffers from physical depreciation that is very difficult to estimate. This approach considers developing the subject property as an alternative to purchasing a similar substitute. A typical investor would not make a buying decision based on this approach. Therefore, the Cost Approach to Value is not used. The omission of this approach is not considered misleading to the client. And this does not adversely affect the reliability of the appraisal.

The Income Approach to Value was based upon a review of the market based lease of the subject as well as comparable rentals, deductions for reasonably anticipated vacancies and expenses and capitalization of the net income into an indication of value. This approach to value is a good indicator of value for straight investment type properties where sufficient rental and expense information is available and capitalization rates were of a sufficient number to indicate an appropriate rate. We researched reliable rent comparables from the market that we used in this approach. This approach is typically given more weight by the investor than by the owner-user. The subject is a small property of the small-investor or owner-user type. We placed about half the total weight on this approach.

The Sales Comparison Approach is a good indicator of value when there is an active market and there are sales for comparison to the subject property. This was the case with our sales research. This approach reflects what buyers and sellers are actually doing in the open market. We were able to develop a value from a variety of sales that compared well with the subject property.

Both owner-user purchasers and investors give considerable weight to this approach. The subject is a small property of the small-investor or owner-user type. We used this approach and placed most of the total weight on it.

Based on the preceding and placed most weight on the sales comparison approach, our opinion of the market value of the subject, in "as is", as of June 26, 2017 is:

(\$1,025,000)

(ONE MILLION TWENTY-FIVE THOUSAND DOLLARS)

QUALIFICATIONS FOR HARVEL W. GRAY, FRICS, MAI, CCE, Leed APEXPERIENCE

Harvel Gray has been actively engaged in property valuation since 1983 on a part-time Machinery and Equipment (Personal Property) Appraiser and since 1993 has been full-time Real Estate, and Machinery and Equipment Appraiser, and part-time Business Appraiser. Prior to full-time valuation practice Harvel was a consulting engineer.

His valuation experience for real estate include: office building, **green office building**, office warehouse, mixed use commercial, warehouse, strip shopping center, shopping mall, yacht building/repair facility, mini-storage warehouse, retail property, golf course, hotel/motel, cold storage facility, produce packing plant, restaurant, automotive dealership, automotive repair facility, apartment building, gas service station, veterinary hospital, vacant land including environmentally sensitive land, wetlands, agricultural acreages and subdivision analysis; condemnation, feasibility study, market study, agricultural farms, and residential property.

Machinery and equipment experience include: cement processing equipment, sugar manufacturing plant, food processing plant, bauxite mining equipment, water treatment facility, wastewater treatment facility, construction equipment, gas service station, automotive repairs and servicing, medical office, retail trades, steel fabrication shop, machine shop, metal plating, night clubs, restaurant, produce packing plant, broadcast services equipment, water well, and brick manufacturing.

He has performed real estate appraisals for buy-sell agreements, estate and gift tax purpose, loan transactions, proposed commercial development, insurance placements, and city zoning compliance purposes. Machinery and equipment appraisals have been performed for buy-sell agreements, eminent domain, loan transactions, insurance claims, insurance placements, property tax appeal, liquidation, and estate and gift tax purposes.

Special Magistrate: Harvel Gray served as special master for property tax appeal in Broward County and Fort Lauderdale-Dade County. He has presided over cases in both real estate and machinery and equipment tax appeals cases since 1996.

License: *Florida State-Certified General Appraiser, License #RZ2166*

Professional Designations

- **M.A.I.** *Designated a Member of the Appraisal Institute , Real Estate, by the Appraisal Institute*
- **F.R.I.C.S** *Designated a Fellow of the Royal Institute of Chartered Surveyors, by the RICS Americas*
- **A.S.A.** *Designated an Accredited Senior Appraiser, Real Estate, by the American Society of Appraisers*
- **A.S.A.** *Designated an Accredited Senior Appraiser, Machinery & Equipment by the American Society of Appraisers*
- **LEED AP** Accredited Professional - United States Green Building Council (USGBC)
- **C.C.E.** *Designated a Certified Cost Engineer by The American Association of Cost Engineers*

Education

Diploma of Membership of Imperial College, Engineering, Imperial College, London, England

Master of Science Degree, Mechanical Engineering – University of London

Bachelor of Science, Industrial-Mechanical Engineering, Kingston Polytechnic University, London, England

Graduate Diploma in Management Studies – University of the West Indies, Kingston, Jamaica

Appraisal and Related Education

- *Residential Real Estate Appraising 1*, Gold Coast School of Real Estate
- *Residential Real Estate Appraising 2*, Gold Coast School of Real Estate
- *Residential Income Property Appraising*, Gold Coast School of Real Estate
- *Income (Commercial) Property Appraising*, Gold Coast School of Real Estate
- *Uniform Standard of Professional Appraisal Practice*, Gold Coast School of Real Estate
- *Uniform Standard of Professional Appraisal Practice, A and B*, The Appraisal Institute
- *Advanced Income Capitalization - 510*, The Appraisal Institute
- *Market Analysis and Highest and Best Use - 520*, The Appraisal Institute
- *Sales Comparison (Market) and Cost Approaches - 530*, The Appraisal Institute
- *Report Writing and Valuation Analysis - 540*, The Appraisal Institute
- *Advanced Applications – 550*, The Appraisal Institute
- *Condemnation Appraising: Basic Principles & Applications*, - 710, The Appraisal Institute
- *Condemnation Appraising: Advanced Topics & Applications*, - 720, The Appraisal Institute
- *Separating Real & Personal Property from Intangible Business Assets*, - 800, The Appraisal Institute
- *Report Writing Seminar*, The Appraisal Institute
- *Effective Appraisal Writing Seminar*, The Appraisal Institute
- *Lease Abstracting and Analysis*, The Appraisal Institute
- *Introduction to Appraising & Analysis of Proposed Subdivisions & Condominiums*, The Appraisal Institute
- *Machinery and Equipment Appraising, Level 4 (Audit)*, American Society of Appraisers
- *Inventory Appraising*, American Society of Appraisers
- *Advanced Cost Approach: Machinery & Equipment*, American Society of Appraisers
- *Introduction to Computer Valuation*, American Society of Appraisers
- *Business Valuation Level 1* American Society of Appraisers
- *Business Valuation Level 2 (Audit)* American Society of Appraisers
- *Appraisers as Expert Witnesses Seminar*, American Society of Appraisers
- *Mastering Appraisal Skills for Valuing Closely-Held Business*, 8000 Institute of Business Appraisers
- *The Valuation of Health Care Entities*, 1011 Institute of Business Appraisers
- *Fundamentals & Direct Market Data Methods*, 1012 Institute of Business Appraisers
- *Report Writing and Analysis*, 1010 Institute of Business Appraisers
- *Litigation Support*, 1019 Institute of Business Appraisers

- *Valuing Intangibles*, 1035 Institute of Business Appraisers
- *Advanced Financial Statement Analysis*, 1039 Institute of Business Appraisers
- *Forecasting Net Cash Flow*, 1040 Institute of Business Appraisers
- *Critiquing Business Valuation Report*, 1044 Institute of Business Appraisers
- *Advanced Application Of The Market Approach*, 1045 Institute of Business Appraisers
- *Investment and Security Analysis*, Fort Lauderdale Adult Institute
- *Regression Analysis for Appraisers*, McKissock Data Systems
- *Environmental Auditing*, Lincoln Graduate Center
- *Fundamentals Skills of Cost Engineering*, Iowa State University – Continuing Education
- *Construction Cost Estimating 1*, Florida International University
- *Construction Cost Estimating 2*, Florida International University
- *Construction Unit Cost Estimating*, RS Means Construction
- *Construction Cost Segregation Analysis*, RS Means Construction
- *Construction Cost Works*, RS Means Construction
- *Construction Estimating*, Xactimate Construction Data
- *Energy Conservation Course*, College of Arts Science & Technology
- *An Introduction to Valuing Green Buildings Seminar*, The Appraisal Institute
- *LEED for New Construction & Major Renovations Technical Review Workshop*, USGBC
- *Elements of Green Leases Webinar*, BOMA
- *Energy Star & The Appraisal Process Seminar*, Energy Star & The Appraisal Institute 11/2008, 3 hours
- *The Canary in the Coal Mine Seminar*, Energy Star & The Appraisal Institute 10/2006, 3 hours
- *LEED 101: Green Building Basics Online Seminar*, USGBC 09/2008, 1 hour
- *Introduction to LEED for Homes, Online Seminar*, USGBC 10/2008, 2.5 hours
- *Mediation/Mediator Training – 20 Hours*, National Association of Realtors

Professional Organizations

- Appraisal Institute
- American Society of Appraisers (Past Chapter President, 1st Vice President, 2nd Vice President, Secretary, Treasurer – South Florida Atlantic Chapter)
- Institute of Business Appraisers, Inc.
- The American Association of Cost Engineers
- United States Green Building Council (USGBC), South Florida Chapter
- The Institution of Mechanical Engineers – UK

Community Organizations

- Kiwanis Club of Lauderdale lakes/West Sunrise

Conferences

- American Association of Cost Engineers: 1997
- Institute of Business Appraisers: 2002 Business Valuation Conference
- American Society of Appraisers: 2004 and 2005

RESOLUTION NO. _____

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

A RESOLUTION OF THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE PROPER OFFICIALS TO EXECUTE A CONTRACT FOR SALE AND PURCHASE BETWEEN THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY AND FLOPRO, LLC FOR THE PURCHASE OF PROPERTY LOCATED AT 119 SOUTH FEDERAL HIGHWAY; PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY:

SECTION 1. That a Contract for Sale and Purchase between the Pompano Beach Community Redevelopment Agency and FLOPRO, LLC, a copy of which is attached hereto and incorporated by reference as if set forth in full, is hereby approved.

SECTION 2. That the proper officials are hereby authorized to execute said Contract for Sale and Purchase between the Pompano Beach Community Redevelopment Agency and FLOPRO, LLC.

SECTION 3. This Resolution shall become effective upon passage.

PASSED AND ADOPTED this _____ day of _____, 2018.

LAMAR FISHER, CHAIRPERSON

ATTEST:

MARSHA CARMICHAEL, SECRETARY

CONTRACT FOR SALE AND PURCHASE

THIS CONTRACT FOR SALE AND PURCHASE ("Contract") is made as of this 23th day of February, 2018, by and between

FLOPRO, LLC of 1255 W. Atlantic Boulevard, #314,
Pompano Beach, Florida 33069, a Florida Limited Liability
Company, hereinafter referred to as "SELLER,"

and

**POMPANO BEACH COMMUNITY REDEVELOPMENT
AGENCY**, of 100 West Atlantic Boulevard, Pompano Beach,
Florida 33060, hereinafter referred to as the "CRA,"

collectively referred to as the Parties.

SELLER and CRA hereby agree that SELLER shall sell and CRA shall purchase the following described property, situate, lying and being in Broward County, Florida, and more particularly described as follows:

LEGAL DESCRIPTION

Real property as described in Exhibit "A" attached hereto and made a part of this Contract (the "Real Property"), together with all tenements, hereditaments, privileges, rights of reverter, servitudes, and other rights appurtenant to Real Property, all buildings, fixtures, and other improvements existing thereon, all fill and top soil thereon, all oil, gas, and mineral rights possessed by SELLER, all right, title and interest of SELLER in and to any and all streets, roads, highways, easements, drainage rights, or rights of way, appurtenant to the Real Property and all right, title and interest of SELLER in and to any and all covenants, restrictions, agreements and riparian rights benefiting the Real Property (all of the foregoing being referred to as the "Property").

ARTICLE 1 TERMS, DEFINITIONS AND IDENTIFICATIONS

For the purposes of this Contract and the various covenants, conditions, terms and provisions which follow, the definitions and identifications set forth below are assumed to be true and correct and are, therefore, agreed upon by the Parties.

1.1 DIRECTOR: Whenever the term Director is used herein, it is intended to mean the CRA Director or his appointee. In the administration of this Contract, as contrasted with



matters of policy, all Parties may rely upon instructions or determinations made by the Director or the Director's deputy or designee.

- 1.2 COMMISSIONERS: The Pompano Beach City Commissioners, which are also the governing body of the City of Pompano Beach, as the governing body of the Pompano Beach Community Redevelopment Agency.
- 1.3 CONVEYANCE: Whenever the term Conveyance is used herein, it shall mean a warranty deed in statutory form properly executed, witnessed and acknowledged.
- 1.4 POMPANO BEACH CRA: A body corporate and politic created pursuant to Chapter 163 of the Florida Statutes.
- 1.5 EFFECTIVE DATE: The date upon which this Contract is last executed by the Parties hereto.
- 1.6 PUBLIC RECORDS: Whenever the term Public Records is used herein, it shall mean the Public Records of Broward County, Florida.
- 1.7 SELLER: Whenever the term Seller is used herein, it shall mean the person or entity owning fee simple title to the Real Property and any agent or designee to whom SELLER has delegated authority to negotiate or administer the terms and conditions of this Agreement.
- 1.8 SPECIAL ASSESSMENT LIENS: Whenever the term Special Assessment Liens is used herein, it shall mean all liens on the property which is the subject matter of this Contract arising out of a special improvement or service by any city, town, municipal corporation, CRA or other governmental entity pursuant to any general or special act of the legislature providing a special benefit to land abutting, adjoining or contiguous to the special improvement. Said special improvement shall include, but is not limited to, paving, repaving, hard surfacing, rehard surfacing, widening, guttering, and draining of streets, boulevards, alleys and sidewalks; construction or reconstruction of sanitary sewers, storm sewers, drains, water mains, water laterals, water distribution facilities and all appurtenances thereto.

For the purpose of closing or settlement of this purchase, such special assessment liens shall be designated as either "certified" or "pending."

A "certified" lien is hereby defined as a lien which has been certified, confirmed or ratified pursuant to the statute, special act, ordinance, or resolution creating same and for which the exact amount of same has been determined.

A "pending" lien is a lien which has been created or authorized by an enabling resolution adopted by the appropriate governmental entity, causing said lien to attach to and become an encumbrance upon the subject Real Property but for which there has been no determination of the final amount of same.

- 1.9 SURVEY: Whenever the term Survey is used herein, it shall mean a survey certified to "Pompano Beach Community Redevelopment Agency" by a professional land surveyor registered in and licensed by the State of Florida.
- 1.10 TITLE: Whenever the term Title is used herein, it shall mean fee simple title, free and clear of all liens, charges and encumbrances, other than matters specified in Section 4.1 of this Contract, if any.
- 1.11 TITLE BASE: Either an existing prior Owner's or First Mortgagee Title Insurance Policy, qualified for use as a title base for reissue of coverage on the Real Property at the Purchase Price, from a reputable title company acceptable to CRA. If a prior policy is unavailable as a title base, then any alternate title base that is acceptable to CRA's title insurance underwriter.
- 1.12 TITLE COMMITMENT: A commitment or binder for an owner's policy of title insurance written on a company acceptable to CRA, in the amount of the purchase price, covering the Real Property and having an effective date subsequent to the full execution of this Contract, listing and attaching copies of all instruments of record affecting title to the Real Property and listing the requirements, as of the date of the commitment, for conveyance of marketable fee simple title to the Real Property.
- 1.13 TITLE INSURANCE: An owner's policy of title insurance issued on the Title Commitment, having an effective date as of the recording of the conveyance insuring title in accordance with standards set forth in Section 4.1.

ARTICLE 2
TERMS AND CONDITIONS OF PURCHASE AND SALE

2.1 PURCHASE PRICE:

CRA, as purchaser, agrees to pay as and for the total purchase price for the Property in the manner and at the times hereinafter specified the total sum of One Million Twenty-Five Thousand dollars (\$1,025,000), subject to the prorations, credits, and adjustments hereinafter specified.

2.2 PROCEEDS OF SALE; SATISFACTION OF ENCUMBRANCES:

2.2.1 The proceeds of sale, adjusted for prorations, credits or other closing related charges, if any, shall be disbursed by the closing agent at closing in the form of a trust or escrow account check drawn locally from a bank in Broward County and payable to SELLER.

2.2.2 Any and all mortgages, liens and encumbrances or claims or any other debts, affecting the title to the Property ("Encumbrances"), which are outstanding on the date of closing shall be discharged and satisfied from the proceeds of the sale at closing and such additional amounts paid by SELLER as may be necessary. CRA or CRA's designated closing agent or attorney shall cause to be issued separate



checks payable to the respective mortgagors, lienees, lienors or encumbrancers, the aggregate of which shall not exceed the purchase price less proration or other credits. The closing agent or attorney shall arrange to exchange such checks for the instruments necessary to satisfy such Encumbrances.

- 2.2.3 The SELLER hereby acknowledges and agrees that any payments due as provided in this Section 2.2 shall not be paid from ad valorem taxes nor shall such taxes be pledged or committed for any payment due SELLER. Further, there shall be no pledge of CRA property or otherwise to secure said payments to SELLER nor any mortgage or right to foreclose on the Property to be conveyed by SELLER to CRA or on any property owned by CRA.
- 2.2.4 SELLER constitutes a foreign person disposing of United States real property interests and pursuant to I.R.S. requirements, per Forms 8288 and 8288-A, shall have the appropriate withholding retained by CRA for filing with and submission to the I.R.S.

2.3 ADDITIONAL OBLIGATIONS OF SELLER

- 2.3.1 SELLER agrees to deliver possession of the Property to CRA on the date of closing. CRA acknowledges there is a tenant in the Property. The tenant shall enter into a lease with the CRA prior to and effective upon, closing so it can remain, or vacate the Property by closing.
- 2.3.2 SELLER hereby grants to CRA the right to enter on the Property to perform, or have performed, such inspections, surveys and studies of the Property as CRA may elect including, without limitation, an environmental audit of the Property, and SELLER agrees to provide CRA with such information as may reasonably be requested which is in the possession of SELLER in connection with such investigations. CRA shall have forty-five (45) days from the Effective Date of this Contract ("Inspection Period") within which to have such inspections and studies of the Property performed as CRA shall desire and utilities shall be made available by SELLER during the Inspection Period. In the event that the results of such investigations reveal conditions affecting the Property which are not acceptable to CRA, in its sole and absolute discretion, CRA may terminate this Contract by giving written notice to SELLER within thirty (30) days of the expiration of the Inspection Period.
- 2.3.3 Between the Effective Date and the date of closing, SELLER covenants and warrants to keep and maintain the Property in the same condition as it exists on the Effective Date, normal wear and tear excepted, and agrees that SELLER shall not enter into any contract for the Property, including without limitation any lease or tenancy thereof, without the prior written consent of Director, which consent may be granted or withheld by CRA in its sole discretion.



2.4 REPRESENTATIONS AND WARRANTIES OF SELLER: In addition to the representations and warranties contained elsewhere in this Contract, SELLER hereby represents and warrants to CRA, as of the date SELLER executes this Contract and as of the closing date, as follows:

- 2.4.1 SELLER warrants and represents to CRA that SELLER is the owner of fee simple title to the Property, and that no consents of any third party are required in order for SELLER to convey title to the Property to CRA as provided herein.
- 2.4.2 SELLER warrants and represents to CRA that there are no contracts or agreements, whether written or oral, regarding the use, development, maintenance, or operation of the Property which will survive the closing, other than the contracts or agreements listed in Exhibit "B" hereto, and further that SELLER has provided CRA with true and correct copies of each such written contract or agreement, and any modifications and amendments thereof, or with written summaries of any such oral agreements. If CRA, in its sole and absolute discretion, determines that said contracts or agreements are unsatisfactory, CRA may at its option: (1) terminate this Contract by written notice to the SELLER within thirty (30) days of the delivery of such contracts or agreements to CRA; (2) request that the SELLER modify the terms and conditions of the existing contracts or agreements to a form and content acceptable to CRA; or, (3) proceed to close accepting the contracts or agreements as they are.
- 2.4.3 SELLER covenants and warrants that there is ingress and egress to the Property over public roads, and title to the Property is insurable in accordance with Section 3.2 without exception for lack of legal right of access.
- 2.4.4 SELLER warrants that there are no facts known to SELLER materially affecting the value of the Property that are not readily observable by CRA or that have not been disclosed to CRA.

ARTICLE 3
EVIDENCE OF TITLE AND TITLE INSURANCE

3.1 EVIDENCE OF TITLE:

- 3.1.1 SELLER shall, at SELLER's expense, on or before fifteen (15) days from the Effective Date, deliver an existing prior Owner's or First Mortgagee Title Insurance Policy qualified for use as a title base for reissue of coverage on the Real Property at the Purchase Price of the Real Property ("Prior Policy") together with copies of all exceptions thereto, if requested. SELLER shall, at SELLER's option, pay for either: (1) an abstract continuation or; (2) a computer title search, from the effective date of the prior Owner's Policy or in the case of a First Mortgagee Title Insurance Policy from the date of recording the deed into the mortgagor. The abstract continuation or title search shall be ordered or performed by CRA's closing agent; or



- 3.1.2 If a prior policy described in Paragraph 3.1.1 above is not available, then SELLER shall, at SELLER's option, provide and pay for either: (1) an alternative title evidence which is acceptable to CRA's title insurance underwriter; or (2) a title insurance commitment issued by a Florida licensed title insurer agreeing to issue to CRA, upon recording of the deed to CRA, an Owner's Policy of Title Insurance in the amount of the Purchase Price, insuring CRA's title to the Real Property, subject only to liens, encumbrances, exceptions or qualifications provided in this Contract and those to be discharged by SELLER at or before Closing.
- 3.2 INSURANCE OF TITLE: CRA may obtain, at CRA's expense and in reliance on the Evidence of Title referred to in Paragraph 3.1.1 of Section 3.1, a Title Commitment from a title agent selected by CRA, pursuant to which the title insurer agrees to issue to CRA, upon the recordation of the deed hereafter mentioned, an owner's policy of title insurance in the amount of the purchase price, insuring CRA's marketable title to the Property, subject only to matters contained in Section 4.1 and those to be discharged by SELLER at or before closing.
- 3.3 CRA shall have thirty (30) days from the date of receiving the Evidence of Title to examine the Title Base, the computer title search update, or the Title Commitment. If title is found to be defective, CRA shall within said period notify the SELLER in writing, specifying the defects. If the said defects render the title unmarketable, SELLER shall have a period of thirty (30) days from the receipt of such notice to cure or remove such defects, and SELLER agrees to use diligent efforts to cure or remove same. If, at the end of said period, SELLER has been unable to cure or remove the defects, CRA shall deliver written notice to SELLER either:
- (1) accepting the title as it then is; or
 - (2) extending the time for a reasonable period not to exceed 120 days within which SELLER shall use diligent effort to cure or remove the defects; or
 - (3) terminating this Contract, whereupon the CRA and SELLER shall be released of all further obligations under this Contract.
- 3.3.1 If CRA elects to proceed pursuant to Section 3.3(2), then SELLER shall, use diligent effort to correct defect(s) within the extended time provided. If SELLER is unable to timely correct the defect(s), CRA shall, within 5 days after expiration of the extended time provided, deliver written notice to seller either:
- (1) accepting the title as it then is; or
 - (2) terminating this Contract, whereupon the CRA and SELLER shall be released of all further obligations under this Contract.
- 3.4 SELLER shall convey marketable title subject only to liens, encumbrances, exceptions, or qualifications as contained in Section 4.1. Marketable title shall be determined



according to applicable Title Standards adopted by authority of the Florida Bar and in accordance with law.

ARTICLE 4
CONVEYANCES

4.1 SELLER shall convey marketable title to the Property by statutory warranty, trustee's, personal representative's or guardian's deed, as appropriate to the status of SELLER, subject only to the following matters ("Acceptable Exceptions") and those otherwise accepted by CRA:

- (1) Comprehensive land use plans, zoning, restrictions, prohibitions and other requirements imposed by governmental authority;
- (2) Restrictions and matters appearing on the plat or otherwise common to the subdivision;
- (3) Outstanding oil, gas and mineral rights of record without right of entry;
- (4) Unplatted public utility easements of record;
- (5) Real property taxes for the year of Closing and subsequent years; and,
- (6) Provided, that there exists at Closing no violation of the foregoing and none prevent use of the Property.

4.2 At closing SELLER shall also deliver to CRA the following documents:

- (1) Mechanic's Lien Affidavit;
- (2) Such other documents as shall be reasonably requested by CRA (including, but not limited to, bill of sale, certificate of title, construction lien affidavit, owner's possession affidavit, assignment of leases, tenant and mortgagee estoppel letters, and corrective instruments) in order for SELLER to convey marketable title to CRA and properly transfer all of the rights being sold in accordance with this Contract;
- (3) Evidence of authority to Convey the Property satisfactory to CRA; and,
- (4) The public disclosure certificate required by Section 13.1 hereof.

ARTICLE 5
PRORATION AND ADJUSTMENT

5.1 PRORATION OF TAXES:



- 5.1.1 Real estate and personal property taxes applicable to the Property shall be prorated based on the official tax bill(s) for the current year. If not paid, SELLER shall pay or provide for payment of all real estate and personal property taxes applicable to the Property for the calendar years preceding the year of closing by or at closing.
- 5.1.2 In the event the date of closing shall occur between January 1 and November 1, SELLER shall, in accordance with Florida Statute Section 196.295, place in escrow with the Broward County Revenue Collection Division an amount equal to current taxes prorated to the date of transfer of title, based upon the current assessment and millage rates on the Property.
- 5.1.3 All governmental assessments certified prior to the closing date, general or special, shall be paid by SELLER prior to or at closing, and CRA shall not be obligated to pay such assessments.

5.2 GENERAL PRORATIONS:

Any rents, revenues, and liens, or other charges to be prorated, shall be prorated as of the date of closing, provided that in the event of an extension of the date of closing, at the request of or through the fault of either party, such date of proration shall be the date upon which the other party indicated its readiness to close.

ARTICLE 6
EXISTING MORTGAGES, LEASES AND CONTRACTS

6.1 MORTGAGES: SELLER shall obtain and furnish at SELLER's expense, not less than fifteen (15) days prior to closing, a statement or letter of estoppel from the holder of any mortgage, lien, or encumbrance affecting the title to the Property. Any estoppel letter or statement shall set forth the amount of principal, interest, and/or penalties necessary to be paid to fully discharge such mortgage, lien, or encumbrance, or to release the Property from the lien of such mortgage.

6.2 LEASES, OPTIONS, CONTRACTS AND OTHER INTERESTS:

6.2.1 SELLER represents and warrants to CRA that there are no party(ies) in possession other than SELLER, leases (written or oral), options to purchase or contracts for sale covering all or any part of the Property, no party(ies) having ownership of any improvements located on the Property and no party(ies) having any interest in the Property or any part hereof except as set forth on Exhibit "B." If there are none, then Exhibit "B" shall state "NONE." SELLER represents and warrants that SELLER has previously furnished to CRA copies of all written leases, options and contracts for sale, estoppel letters from each tenant specifying the nature and duration of said tenant's occupancy, rental rate, advance rents, or security deposits paid by tenant and estoppel letters from each optionee, contract vendors and all others listed on Exhibit "B" (if any) describing in such detail as



requested by CRA the nature of their respective interests. In the event SELLER is unable to obtain said estoppel letters, SELLER represents and warrants that SELLER has furnished the same information, true and correct, to CRA in the form of a SELLER's affidavit.

- 6.2.2 From the date of SELLER's execution hereof, SELLER represents and warrants to CRA that SELLER shall not enter into any lease (oral or written), option to purchase, contract for sale or grant to any person(s) (natural or artificial) any interest in the Property or any part thereof or any improvement thereon or encumber or suffer the Property or any part thereof to be encumbered by any mortgage or other lien, without the prior written consent of CRA which consent may be granted or withheld by CRA in its sole discretion.
- 6.2.3 SELLER agrees that it will take all necessary action, including the expenditure of all reasonable sums of money, to terminate any and all leases, rights of occupancy, options to purchase, contracts for sale and interest(s) of any other person(s) (natural or artificial) in and to the Property, so that at closing the SELLER will convey the Property to the CRA free and clear of any such items and furnish to the CRA written evidence of such termination, and provide to CRA at closing an affidavit in the form attached hereto as Exhibit "C." Further, SELLER's obligation hereunder shall be a condition precedent to the closing of this transaction.

ARTICLE 7 **TIME AND PLACE OF CLOSING**

- 7.1 It is agreed that this transaction shall be closed and the CRA shall pay the purchase price, as adjusted as provided herein, and execute all papers or documents necessary to be executed by CRA, and SELLER shall execute all papers or documents necessary to be executed by SELLER under the terms of this Contract, on or before the 90th day after the Effective Date, at the Pompano Beach City Attorney's Office, located at 100 West Atlantic Blvd., Pompano Beach, Florida, or at such earlier time or other place as CRA may designate. However, nothing contained in this Article shall act or be construed as a limitation of any sort upon CRA's rights under this Contract, including without limitation its rights under paragraph 7.2 hereof, its right to examine the Title Base and computer title search update, Title Commitment, and Survey, or as a limitation of other time established herein for CRA's benefit.
- 7.2 CRA shall have no obligation to close this transaction unless the following conditions hereinafter have been satisfied or have been waived in writing by CRA:
- (1) All representations, warranties and covenants of the SELLER herein shall be true and correct as of the closing date.
 - (2) Between the date of this Contract and the closing date, there shall have been no notice of intention to condemn the Property or any portion thereof.



- (3) SELLER shall have obtained any consents, special exceptions, variances, etc. that may be required as a matter of law to permit CRA to own and occupy the Property for its intended purposes, and the same shall be final, binding, not subject to appeal, and in all other respects satisfactory to CRA.
 - (4) There shall be no environmental hazards on the Property which would require CRA to treat, remove, or otherwise incur any expense relative to meeting current environmental standards as of date of closing.
 - (5) The status of title to the Property shall not have changed in a manner which adversely affects the use of the Property for CRA's intended use or renders the title unmarketable from date of approval of same by title agent and/or CRA's counsel in accordance with this Contract.
 - (6) An affidavit of SELLER regarding environmental matters in the form attached as Exhibit "D" hereto is delivered at closing.
 - (7) All security codes and keys, if any, are turned over to CRA at closing.
- 7.3 In the event that at the time of closing any of SELLER's representations and warranties hereunder shall not be true or any condition exists which would allow CRA to terminate this Contract, CRA may deliver to SELLER written notice thereof, and SELLER, using reasonable diligence, shall have thirty (30) days from receipt of such notice to cure such defects. The closing shall, if necessary, be adjourned for a period of thirty (30) days to provide SELLER time within which to render such warranties and representations true and/or cure and remove such other matters so affecting the Premises, as the case may be. If such warranties and representations shall not be rendered true and/or such other matters shall not be cured and removed, CRA may, by notice to SELLER, elect to (a) cancel and terminate this Contract, or (b) accept title to the Property as is.

ARTICLE 8
DOCUMENTARY STAMPS, TANGIBLE TAXES AND OTHER COSTS

- 8.1 SELLER shall cause to be placed upon the warranty deed conveying the Property state surtax and documentary stamps as required by law. SELLER shall further pay all tangible personal property taxes and the cost of recording any corrective instruments which CRA deems necessary to assure good and marketable title. CRA shall pay for the cost of recording the warranty deed.
- 8.2 Except as specifically provided in Section 8.1 hereof, all state, county and municipal transfer taxes, documentary stamps taxes, recording charges, taxes, and all other impositions on the conveyance, shall be paid in full by the SELLER. CRA is in no manner responsible for any state, federal or other income, excise, or sales tax liabilities of SELLER.
- 8.3 Unless otherwise provided by law or rider to this Contract, charges for the following related title services, namely title examination, and closing fee (including preparation of



closing statement), shall be paid by the party responsible for furnishing Insurance of Title in accordance with Section 3.2.

ARTICLE 9
SPECIAL ASSESSMENT LIENS

- 9.1 Liens for Special Assessment shall be paid by SELLER prior to closing or credited to CRA, as hereinafter provided.

The amount of certified, confirmed, and ratified special assessment liens imposed by public bodies as of Closing shall be discharged by SELLER prior to closing, and SELLER shall exhibit appropriate receipts, satisfactions, or releases proving such payment, or in the alternative SELLER shall cause said lien(s) to be satisfied out of the proceeds of sale received by SELLER at closing.

Pending liens as of Closing shall be assumed by CRA with an appropriate credit given to CRA against the purchase price. At such time as the final amount of said lien is determined or certified and said amount is less than the amount of the pending lien, the difference in amounts shall be refunded to SELLER; if the final amount is greater than the amount of the pending lien, SELLER shall upon demand pay to CRA the difference in amounts.

ARTICLE 10
SURVEY

- 10.1 CRA, at CRA's expense, within the time allowed to deliver Title Base and review same, may have the Property surveyed and certified by a registered Florida surveyor. If the survey discloses encroachments on the Property or that improvements located thereon encroach on setback lines, easements, or lands of others, or violate any restrictions, Contract covenants, or applicable governmental regulations, the same shall constitute a title defect.

ARTICLE 11
MECHANICS' LIENS

- 11.1 SELLER hereby represents and warrants to CRA that as of the date hereof and as of closing, there are no claims or potential claims for mechanics' liens, either statutory or at common law, and that neither SELLER nor SELLER's agent has caused to be made on the Property within ninety (90) days immediately preceding the date of this Contract any improvement which could give rise to any Mechanics' Lien. In addition, SELLER represents and warrants to CRA that neither SELLER nor SELLER's agent shall cause any improvement to be made on the Property between the date of full execution of this Contract and closing which could give rise to any Mechanic's Lien for which any bills shall remain unpaid at closing. SELLER shall furnish to CRA at time of closing an affidavit, in the form attached as Exhibit "C," attesting to the absence, unless otherwise provided for herein, of any financing statement, claim of lien, or potential lienors known



to seller, and further attesting that there have been no improvements or repairs to the Property for 90 days immediately preceding date of Closing.

- 11.2 If any improvements have been made within said ninety (90) day period, SELLER shall deliver releases or waiver of all mechanics' liens executed by all general contractors, subcontractors, suppliers and material persons in addition to SELLER's mechanic lien affidavit setting forth the names of all such general contractors, subcontractors, suppliers and material persons, further affirming that all charges for improvements or repairs, which could serve as a basis for a construction lien or a claim for damages, have been paid or will be paid at the Closing on this Contract.

ARTICLE 12
TIME OF THE ESSENCE

- 12.1 Time is of the essence throughout this Contract. In computing time periods of less than six (6) days, Saturdays, Sundays, and state or national legal holidays shall be excluded. Any time periods provided for herein that end on a Saturday, Sunday, or a legal holiday shall extend to 5 p.m. of the next business day.

ARTICLE 13
PUBLIC DISCLOSURE

- 13.1 SELLER hereby represents and warrants the names and addresses of every person or firm having a beneficial interest in the Property is as follows:

Seller, please list names and addresses here

Lydie Galasso
c/o Beighley, Myrick Udell & Lynne, P.A.
1255 W Atlantic Blvd #314
Pompano Beach, FL 33069

SELLER further agrees that at least ten (10) days prior to closing, in accordance with Section 286.23, Florida Statutes, SELLER shall make a public disclosure in writing, under oath and subject to the penalties prescribed for perjury, which shall state the name and address of SELLER and the name and address of every person having any beneficial interest in the Property.

ARTICLE 14
BROKER'S COMMISSION

- 14.1 SELLER and CRA hereby represent and warrant that each has dealt with no broker other than John McQueston, respectively, and SELLER agrees to hold CRA harmless from any claim or demand for commissions made by or on behalf of any broker



or agent of SELLER in connection with this sale and purchase. SELLER agrees to pay all real estate commissions in connection with this transaction.

ARTICLE 15
ASSIGNMENT

- 15.1 This Contract, or any interest herein, shall not be assigned, transferred or otherwise encumbered under any circumstances by SELLER or CRA without the prior written consent of the other and only by a document of equal dignity herewith.

ARTICLE 16
DEFAULT

- 16.1 If SELLER refuses to carry out the terms and conditions of this Contract, then this Contract may be terminated at CRA's election, upon written notice, or the CRA shall have the right to seek specific performance against SELLER. In the event the CRA refuses to carry out the terms and conditions of this Contract, SELLER shall have the right to terminate this Contract or to seek specific performance against CRA.

ARTICLE 17
PERSONS BOUND

- 17.1 The benefits and obligations of the covenants herein shall inure to and bind the respective heirs, personal representatives, successors and assigns (where assignment is permitted) of the Parties hereto. Whenever used, the singular number shall include the plural, the plural, the singular, and the use of any gender shall include all genders.

ARTICLE 18
SURVIVAL OF COVENANTS AND SPECIAL COVENANTS

- 18.1 The covenants and representations in this Contract shall survive delivery of deed and possession.

ARTICLE 19
WAIVER, GOVERNING LAW AND VENUE AND ATTORNEY'S FEES

- 19.1 Failure of either party to insist upon strict performance of any covenant or condition of this Contract, or to exercise any right herein contained, shall not be construed as a waiver or relinquishment for the future of any such covenant, condition or right; but the same shall remain in full force and effect. None of the conditions, covenants or provisions of this Contract shall be waived or modified except by the Parties hereto in writing.
- 19.2 This Contract shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Venue for litigation concerning this Contract shall be in Broward County, Florida. SELLER and CRA hereby waive their right to a trial by jury.

19.3 In any litigation, including breach, enforcement, or interpretation, arising out of this Contract, the prevailing party in such litigation, which, for purposes of this Section, shall include SELLER, CRA, and any brokers acting in agency or non-agency relationships authorized by Chapter 475, Florida Statutes, as amended, shall be entitled to recover from the non-prevailing party reasonable attorney's fees, costs, and expenses. This section shall survive delivery of deed and possession.

ARTICLE 20
MODIFICATION

20.1 This Contract incorporates and includes all prior negotiations, correspondence, conversations, agreements or understandings applicable to the matters contained herein, and the Parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Contract that are not contained in this document. Accordingly, it is agreed that no deviation from the terms hereof shall be predicated upon any prior representations or agreements whether oral or written.

20.2 It is further agreed that no modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document executed with the same formality and of equal dignity herewith.

ARTICLE 21
CONTRACT EFFECTIVE

21.1 This Contract or any modification, amendment or alteration thereto, shall not be effective or binding upon any of the Parties hereto until it is approved by the CRA Commissioners and executed by the Chairman or Secretary of said Board.

ARTICLE 22
ENVIRONMENTAL CONTAMINATION

22.1 In the event that the environmental audit provided for in Section 2.3.2 hereof results in a finding that environmental contamination of the Property is present or suspected or a recommendation that a Phase 2 audit be conducted, or if there has been environmental contamination of the Property between the Effective Date and the closing, the CRA, at its sole option, may: (1) elect to terminate this Contract without further liability; or, (2) obtain a cost estimate from a reputable licensed environmental consultant as to the cost of cleanup of any environmental contamination and notify SELLER of the cost estimate in writing, in which event the SELLER shall have the option of:

- (1) cleaning up the environmental contamination itself; or
- (2) reducing the purchase price of the Property by the amount of the cost estimate; or
- (3) terminating the contract with no further liability on the part of either party.



- 22.2 In the event that SELLER undertakes any environmental remediation pursuant to Sections 22.1, all such remediation shall be done in a manner consistent with all applicable laws, rules, regulations and ordinances and at SELLER's sole cost and expense, and SELLER shall indemnify and save harmless and defend CRA, its officers, servants, agents and employees from and against any and all claims, suits, actions, damages, liabilities, expenditures or causes of action of whatsoever kind arising from the environmental contamination. SELLER shall defend, at its sole cost and expense, any legal action, claim or proceeding instituted by any person against the CRA as a result of any claim, suit, or cause of action for injuries to body, life, limb or property for which the environmental contamination is alleged to be a contributing legal cause. SELLER shall save the CRA harmless from and against all judgments, orders, decrees, attorney's fees, costs, expenses and liabilities in and about any such claim, suit, investigation, or defense thereof, which may be entered, incurred or assessed as a result of the foregoing. If it is determined post-closing that any environmental remediation undertaken by SELLER as a result of Phase I or Phase II findings was not completely remedied by the SELLER, then SELLER shall remain obligated to diligently pursue and accomplish the cleanup of the environmental contamination per the Phase I or Phase II findings.
- 22.3 SELLER represents and warrants to CRA that as of the Effective Date and as of closing that neither SELLER, nor to the best of SELLER's knowledge any third party, has used, produced, manufactured, stored, disposed of, or discharged any hazardous wastes or toxic substances in, under, or about the Property.

ARTICLE 23
RADON GAS

- 23.1 Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risk to persons who are exposed to it over time. Levels of radon that exceed Federal and State Guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your County public health unit.

ARTICLE 24
FURTHER UNDERTAKING

- 24.1 The Parties agree that each shall cooperate with the other in good faith and shall correct any mathematical errors, execute such further documents and perform such further acts as may be reasonably necessary or appropriate to carry out the purpose and intent of this Contract.

ARTICLE 25
NOTICES

- 25.1 Whenever either party desires to give notice unto the other, it must be given by written notice, sent by certified United States mail, with return receipt requested, addressed to the party for whom it is intended, at the place last specified, as the place for giving of notice in compliance with the provisions of this paragraph. The party(ies) may change the



addresses at which notice is to be given by notice given as provided in this Article. Notices shall be deemed given when mailed properly addressed with postage prepaid.

FOR CRA Before and After Closing:

Executive Director
100 West Atlantic Blvd.
Room 276
Pompano Beach, Florida 33360

FOR SELLER Before and After Closing:

Edward L. Myrick, Jr., Esq.
Beighley, Myrick, Udell & Lynne, P.A.
1255 W. Atlantic Blvd., #314
Pompano Beach, FL 33069

ARTICLE 26
EXECUTION

- 26.1 This document, consists of twenty-six (26) pages including Exhibits "A," "B," "C," and "D" The Contract for Sale and Purchase shall be executed in at least three (3) counterparts, (excluding the exhibits) each of which shall be deemed an original.

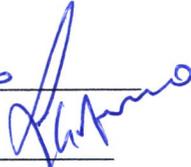


IN WITNESS WHEREOF, the Parties have made and executed this Agreement on the respective dates under each signature: FLOPRO, LLC, signing by and through its Managing Member, duly authorized to execute same, and CRA, through its Commissioners, signing by and through its Chairman or Secretary, authorized to execute same by Board action on the _____ day of _____, 20____.

SELLER

FLOPRO, LLC, a Florida limited liability company

ATTEST:

By Lydie Galasso 

Secretary

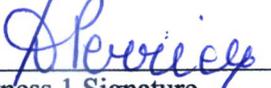
Lydie Galasso, Managing Member

(SEAL)

23 day of February, 2018.

OR

WITNESSES:


Witness 1 Signature

Perrier Danielle
Witness 1 Print/Type Name


Witness 2 Signature

Maryvonne Marot
Witness 2 Print/Type Name



“CRA”

Signed, sealed and delivered
in the presence of:

POMPANO BEACH COMMUNITY
REDEVELOPMENT AGENCY

BY: _____
LAMAR FISHER, CHAIRMAN

ATTEST: _____
CATHY TRENKLE, SECRETARY

DATED: _____

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this _____ day of _____, 20__ by LAMAR FISHER, as Chairman of the Pompano Beach Community Redevelopment Agency, who is personally known to me.

NOTARY’S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this _____ day of _____, 20__ by CATHY TRENKLE as Secretary of the Pompano Beach Community Redevelopment Agency, who is personally known to me.

NOTARY’S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

LOT 25 AND THE SOUTH 25 FEET OF LOT 24, BLOCK 23, OF PINEHURST,
ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 5, PAGE 13, OF
THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA.

Address: 119 South Federal Highway, Pompano Beach, Florida 33062



EXHIBIT "B"

**LEASES, OPTIONS, CONTRACTS
AND OTHER INTERESTS**

Lease to Tiles of Pompano, Inc.

A handwritten signature in blue ink, appearing to be "R. H.", located in the bottom right corner of the page.

EXHIBIT "C"

(No-Lien, Non-Foreign Status, 1099)

STATE OF FLORIDA:
COUNTY OF BROWARD:

DATE OF CLOSING: _____, 20__

FILE:

BEFORE ME, the undersigned authority personally appeared the undersigned Affiant(s), who after being duly sworn, depose on oath and say:

1. That the undersigned is/are the owner(s) of the following described property, to wit:
2. Said property is the principal residence of the Affiant; or
- Affiant presently resides at:

and the property is not the homestead of Affiant, and the said property is not occupied by tenants or any other parties except as follows: Tiles of Pompano, Inc..

3. That the above-described property is free and clear of all liens, taxes, encumbrances and claims of every kind, nature and description whatsoever, including real estate and personal property taxes for the year 20__; and except for the mortgage(s), if any, as follows: NONE.

4. That there have been no improvements, alterations or repairs to the above-described property for which the costs thereof remain unpaid, and that there are no claims for labor or materials furnished for repairing or improving the same which remain unpaid, except the following: NONE.

5. That there are no mechanic's, materialmen's or laborer's liens against the above-described property.

6. That the personal property on the said premises, and which if any, is being sold to the purchaser mentioned below, is also free and clear of all liens, encumbrances, claims and demands whatsoever.



7. The Affiant knows of no violations of county or municipal ordinances pertaining to the above-described property.

8. (X) That this affidavit is made for the purpose of inducing the Pompano Beach Community Redevelopment Agency to exchange property with Affiant for a gross sale price of \$1,025,000.00.

(X) That this affidavit is also made for the purpose of inducing Title Partners of South Florida, Inc. and/or its Underwriter to issue a policy of title insurance on said property.

9. That no judgment or decree has been entered in any court of the states of the United States against said Affiant, and which remains unsatisfied, and that Affiant has no present plan to file proceedings against him/her under the bankruptcy laws, nor are there any other claims of any kind filed, or fileable that would adversely affect the title to the subject real estate.

10. Subsequent to _____. Affiant has not and hereby agrees and represents that Affiant will not execute any instrument or do any act whatsoever that in any way would or may affect the title to the property, including but not limited to, the mortgaging or conveying of the property or any interest therein, or causing any liens to be recorded against the property of Affiant.

11. That none of the restrictions, agreements, covenants, easements, declarations or other matters affecting title to the property have been violated or encroached upon as of the date of this affidavit, and that there are no outstanding taxes, levies, assessments, maintenance charges, utility bills or other charges, or liens against the property, other than the following: NONE.

12. Affiant is a non-resident alien for purposes of United States income taxation, (as those terms are defined in the Internal Revenue Code and Income Tax Regulations).

13. Affiant's Social Security Number(s) or United States Employer Identification Number(s) is/are:

Tax ID No. _____

14. Affiant understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punishable by fine, imprisonment, or both.

15. Section 5045 of the Internal Revenue Code, as amended by the Tax Reform Act of 1986, requires the reporting of certain information on every real estate transaction. From the information you provide below, a Form 1099 will be produced, and a copy of it will be furnished to the Internal Revenue Service and to you no later than January 31 of the next year, and a copy may be sent to third parties. If you fail to furnish adequate information (in particular, a taxpayer identification number), then you will be subject to all Internal Revenue Service regulations, including the possible withholding of twenty percent (20%) of the current sales price.

As to paragraph numbers 2, 8 and 12, only those portions marked by an "X" are applicable. "Affiant" is used for the singular or plural.

Affiant agrees to indemnify and hold the Pompano Beach Community Redevelopment Agency, Title Partners of South Florida, Inc. and First American Title Insurance Company harmless from all liability, including reasonable attorney's fees and costs, for any and all false statements and/or misrepresentations contained herein, or in the event of any liability imposed on the Pompano Beach Community Redevelopment Agency based upon its reliance upon this affidavit. In the event the Pompano Beach Community Redevelopment Agency is required to use the services of an attorney to defend itself in any claim made against it, Affiant agrees to pay all attorney's fees and costs, whether or not suit is brought.

Under penalties of perjury, I/we declare that I/we have examined this certification and to the best of my/our knowledge and belief it is true, correct, and complete, and I/we further declare that I/we understand that the taxpayer identification number above, will appear on a Form 1099 that will be sent to me/us and the Internal Revenue Service.

AFFIANT:

_____ (SEAL)

The foregoing instrument was acknowledged before me on the _____ day of _____, 20____, by _____, who is personally known to me or who has produced _____ (type of identification) as identification.

NOTARY SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

Print Name

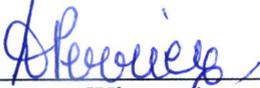
(Commission Number)

FURTHER AFFIANT SAYETH NAUGHT.

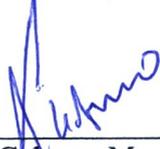
SELLER

Signed, sealed and delivered
in the presence of:

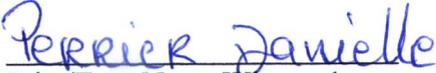
FLOPRO, LLC, a Florida limited liability company



Signature Witness 1



Lydie Galasso, Managing Member



Print/Type Name Witness 1



Signature Witness 2



Print/Type Name Witness 2

23 day of February, 2018.



STATE OF FLORIDA)
) SS.
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by Lydie Galasso as Managing Member of FLOPRO, LLC, a Florida limited liability company, who is personally known to me or who has produced _____ as identification and who did/did not take an oath.

WITNESS my hand and official seal, this _____ day of _____, 20_____.

(SEAL)

My Commission Expires:

Signature of Notary Public

(Typed or printed name)

Commission Number