

EVALUATION REPORT



Date of Inspection:
January 5th, 2018

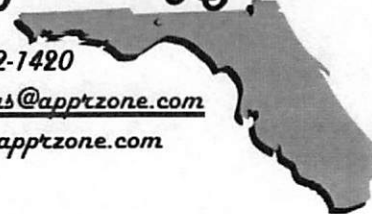
By
Jorge L Canellas
Cert Gen RZ3065

Jorge Luis Canellas

*Appraisal Zone Corp.
18062 NW 87th Court
Miami, Florida 33018*

Certified General # RZ 3065

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CERTIFICATION

January 5th, 2018

In accordance with your request, we have produced a valuation cost report of the above referenced property. The sole objective and purpose of this report is to establish a cost to the building with the Marshall and Swift cost estimator. This report is intended for sole use by the current owner in obtaining building permits.

This report is based on a physical analysis of the site and improvements. I certify I have no present or contemplated interest in the property evaluated. If any part of my report requires amplification or clarification, please do not hesitate to advise me. The cost estimates and conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached. The reported analyses, opinions, and conclusions are limited only by the accompanying assumptions and limiting conditions and are my personal, unbiased professional analyses, opinions, and conclusions. Our compensation is not contingent upon the reporting a predetermined value, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Based upon our analysis, it was concluded that the Estimated Replacement Cost for the subject property as of January 5th, 2018 to be as follows, please see page 15 and 16.

Respectfully submitted,

Jorge L. Canellas Cert Gen RZ 3065
Marshall & Swift Certified

SUMMARY OF SALIENT FACTS

Addresses:	343 Jefferson Ave, Miami Beach, FL 33139
Valuation Date:	January 5 th , 2018
Report Type:	Evaluation Report
Property Rights:	Fee Simple
Client:	Nathanael Cohen
Folio:	02-4203-009-5260
Units:	14
Story:	2 & 1
Description:	Multi-Family Building
Exterior:	CBS
Zoning:	RPS 2
Year Built:	1922
Cost Sources:	Swift Cost Estimator
Intended user:	City/Owner
ISO Construction:	Joisted Masonry, ISO 2
Front BLDG GLA:	2829 SF as per records
Rear BLDG GLA:	3185 SF As per records

SUMMARY OF SALIENT FACTS CONTINUED

Project Improvements: As per clients order the appraiser is to estimate this evaluation report cost with depreciation for a multi-family dwelling located at 343 Jefferson Avenue, Miami Beach, FL. The roof style is flat with wood decking and comp-roll covering. The buildings with over 5,000 SF of gross building area including the porches and staircases. The building with aluminum trimmed windows, wood and tile floors. The subject's foundation is concrete slab. The subject with HVAC consisting of cooled air conditioning. See page 12 for additional construction information.

The dimensions of the structures were derived from the tax records as well on site measurements. The various building parameters were entered into the cost estimator online service system, resulting in a current cost estimate for replacing the structures and amenities with modern construction materials and similar finishes.

Condition: The subject property is considered to be in good condition. There were no visible repair items noted by the appraiser.

Conditions: This report is subject to the *General Assumptions & Limiting Conditions, and Certificate* herein.

ASSUMPTION AND LIMITING CONDITIONS

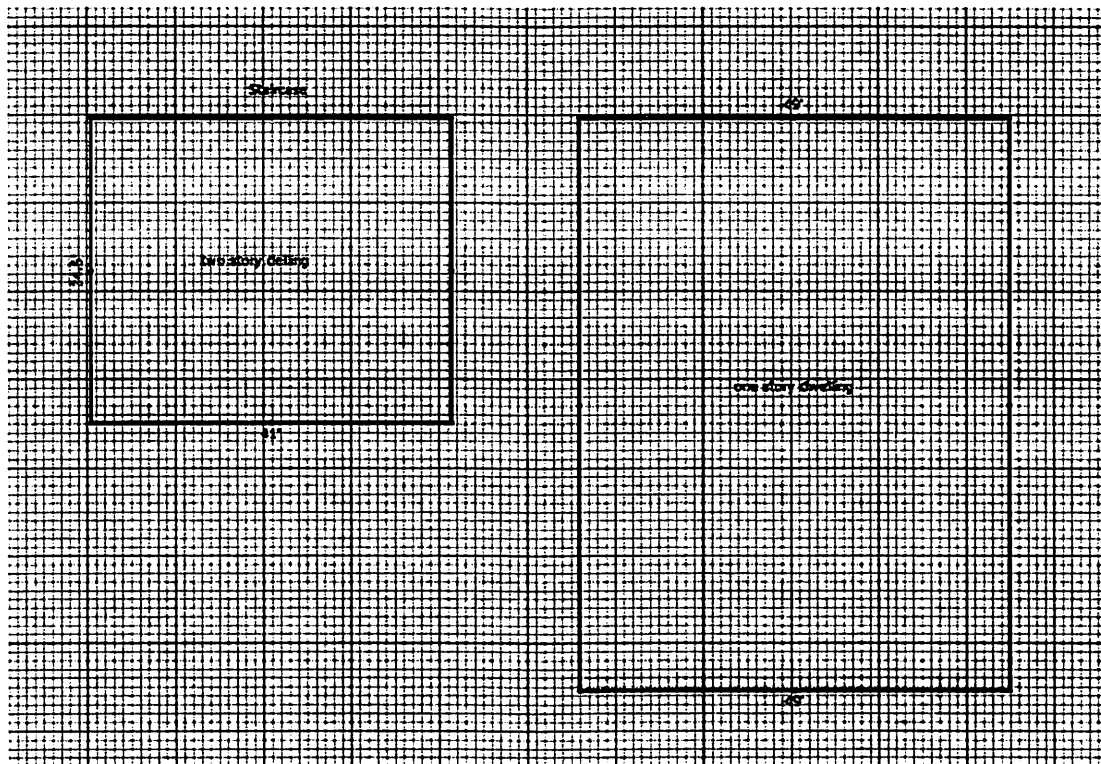
The value conclusions and the certification within this report are made expressly subject to the following assumptions and limiting conditions in this report, which are incorporated herein by reference.

1. No responsibility is accepted for matters legal in nature; titles is presumed to be good and assumed to be held in fee simple. All existing liens and encumbrances, if any, have been disregarded (unless otherwise stipulated within the report) and the property is appraised as though free and clear, under competent ownership and management.
2. The legal description and site drawings furnished (if provided) are assumed to be correct.
3. The maps and sketches are included to assist the reader (if provided). Unless a survey of the property has been provided, no responsibility, whatsoever, in connection with such matters will be recognized
4. It is assumed that the project herein set forth is an allowable use under the zoning, and is further considered its highest and bet use.
5. The land and soil of the area under the report appears firm and solid. The analyst was not supplied with an engineering survey and under this condition this report does not warrant this condition.
6. Existing buildings involved in this report have been inspected and damage, if any, by termites, dry rot, wet rot, or other infestations have been reported if discovered as a matter of information but no guarantee of the amount or degree of damage is intended.
7. In this report of existing improvements, the physical condition of the improvements was based on visual inspections. No liability is assumed for the soundness of structural members since no engineering tests were made.
8. All furnishings and equipment, except those specifically indicated and typically considered as part or real estate, have been disregarded. Only the real estate has been considered.
9. Information furnished by others including comparable sales data is believed to be reliable, but the appraiser assumes no responsibility for its accuracy.
10. The fees received for preparation of this report were not contingent upon the final value estimate.
11. The appraiser is not required to give testimony or attendance in court by reason of this report with reference to the property in question, unless arrangements have been made previously thereto.
12. Possession of the reports or copies thereof, does not carry with it the right to publications nor may be used for any purpose by any but the applicant, without the written consent of the appraiser and then with the proper qualifications.
13. The valuations may not be used in conjunction with any other report. The conclusions are based upon the program of utilization described herein and have not been separated into parts.
14. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the author, particularly as to the valuation conclusions, the identity of the appraiser or firms with which they are connected or any reference to the Appraisal Institute Inc., and /or the M.A.I. or S.R.A. designations.

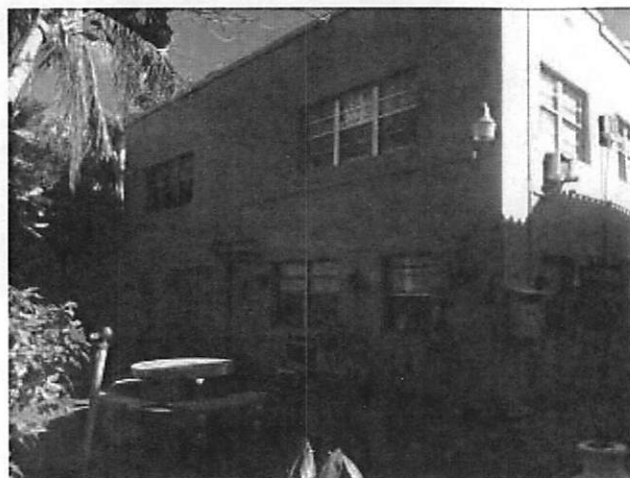
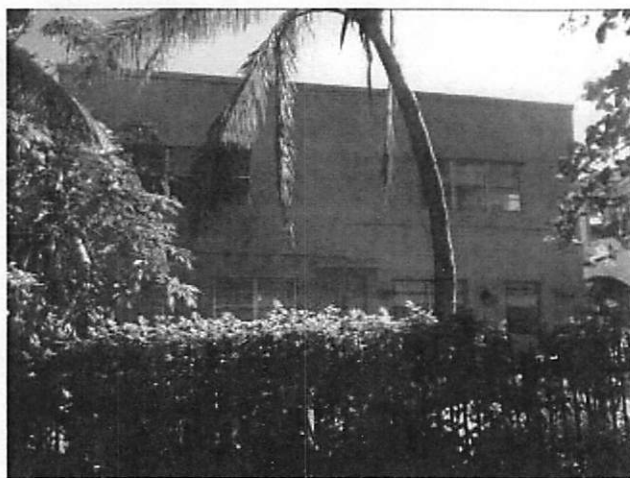
ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

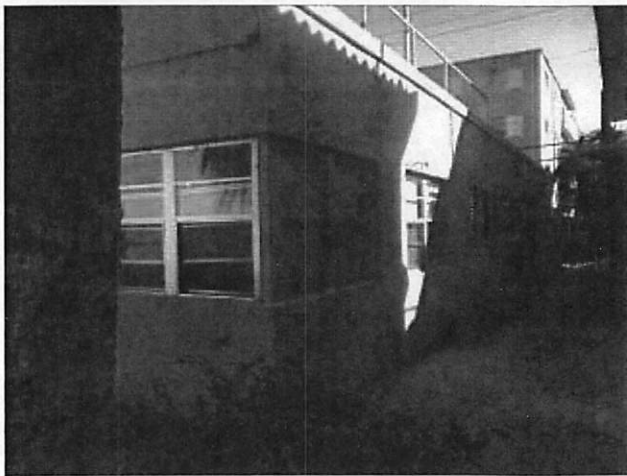
15. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, agricultural chemicals, urea formaldehyde foam insulation, toxic waste, other contents of environmental conditions, which may or may not be present on the property has not been considered, they were not called to the attention of the Appraiser, not did the appraiser become aware of such during the Appraiser's inspection. The Appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. The value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it 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. An expert in this field should be retained by the property owner if deemed appropriate.
16. No environmental impact study has been ordered or made. The property is assumed to be in compliance with all applicable regulations unless otherwise noted in the report.
17. The appraiser has not valued the cost of pilings or quantity/ type of pilings, and therefore they have not been calculated into the replacement cost. It is recommended that an engineer look at the property to determine, if pilings do in fact exist in the foundation, the type, and quantity. At that point a cost could be rendered, if needed.
18. The report contains a sketch, which is provided to show the approximate dimensions of the subject's improvements. All measurements of the improvements have been rounded and the appraiser has tried to determine actual measurements as accurately as possible. This is not a survey and is not to be interpreted as a survey of the subject property. The sketch is included only to assist the reader in visualizing the subject and understanding the appraiser's determination of its approximate size.
19. This cost report figure represents the average estimated cost to rebuild this building after a total loss and includes such things as labor and materials to meet current building codes and general contractor profit and overhead for your location. The actual reconstruction costs for this building may differ from this figure due to changes in economic conditions, power to negotiate, building contractor availability, and specific building contractor attributes. The estimate does not include costs for such items as excavation, land value or detached structures. This information is to be used for insurance purposes only and is provided on the condition and understanding that it represents only an estimate and that the provider is not responsible for good faith errors

Building Parameter



SUBJECT PHOTOS





SUBJECT NEIGHBORHOOD

The neighborhood is located in City of Miami Beach, Miami-Dade County, Florida and is surrounded by residential & commercial neighborhoods.

NEIGHBORHOOD MAP



Purpose and Function of the Evaluation

The purpose of the evaluation is to estimate the cost of the subject property with depreciation, specifically excluding the cost of the land.

The function of the evaluation is to provide the client with information relative to the cost of the property with depreciation.

Definition of the cost report

For purposes of this evaluation shall have the following meaning:

Evaluation Cost Report - The estimated cost to construct and or purchase and put into place at current prices as of the effective evaluation date, structures and equipment with utility equivalent to the structures and equipment being evaluated, using modern and current systems, materials, standards, design and layout.

Evaluation Methodology

The Methodology used in this report consists of the following:

The method of formulating the cost associated with the subject was to describe each building or component of the subject property and to apply applicable unit prices from recognized cost estimating sources common to the industry. These costs include all soft cost as well hard cost associated with the construction of the subject improvements. A summary of all costs is provided with a sum total of all costs deemed part of the cost of the improvements.

Scope of the Evaluation

The format for the reporting the analysis and conclusions of the consultant is that of a Summary Evaluation Report. It presents in an organized manner and summary format, those analysis and conclusions of the consultant.

The scope of the evaluation encompasses the necessary research and analysis as required to prepare a report in accordance with its intended use for the city.

Joisted Masonry (ISO Class 2)

1. Classification:

Joisted Masonry construction is ISO Class 2. ISO Class 2 encompasses IBC Type IIIA and IBC Type IIIB. Regardless of whether the IBC classification is A (protected) or B (unprotected) the ISO Class is 2. IBC Type IV is Heavy Timber construction and is considered ISO Class 2. The reason is that the heavy timbers perform well and do not fail early in a fire.

Building elements:

Joisted Masonry buildings are buildings with exterior walls of masonry or fire-resistive construction rated for not less than one hour and with combustible floors and roofs. There are several types of masonry used in the exterior bearing walls of joisted masonry buildings:

- brick
 - concrete — either reinforced or non reinforced
 - hollow concrete masonry units
 - tile
 - stone
 - note that exterior bearing walls may also be any noncombustible materials with fire-resistance ratings of not less than one hour
-

Variations:

There's one variation on joisted masonry construction that doesn't change the construction class — heavy timber or mill construction. Heavy timber construction uses wood members much larger than those found in frame (Construction Class 1) or other joisted masonry construction. If the building uses steel columns or beams for walls, the beams must be protected so they have a fire-resistance rating of not less than one hour. Heavy Timber Construction (IBC Type IV); ISO classifies the building as heavy timber construction if it meets these requirements:

- walls of masonry construction
 - floors of 3 inch wood plank or 4 inch laminated plank, both surfaced with 1 inch flooring
 - roof of 2 inch wood plank, 3 inch laminated plank, or 1-1/8 inch tongue-and-groove plywood deck
 - wood column supports not less than 8 inch x 8 inch, wood beams or girders not less than 6 inch x 6 inch, or protected metal
-

Advantages:

- harder to ignite
 - consumed more slowly by fire
 - more structural stability
 - greater salvage value
 - lack of concealed spaces (Heavy Timber)
-

Disadvantages:

- floors and roofs of combustible materials subject to damage by fire
- presence of concealed spaces

ISO CLASS 6 CONSTRUCTION DEFINITION

Fire Resistive construction is ISO Class 6. ISO Class 6 encompasses IBC Type IA.

1. Learn the elements of Fire Resistive Construction. The exterior bearing walls and load-bearing portions of exterior walls must be of noncombustible materials or of masonry, but exterior nonbearing walls and wall panels may be slow burning, combustible, or with no fire-resistance rating.
 - Walls:
 - solid masonry, including reinforced concrete not less than four inches thick
 - hollow masonry not less than 12 inches thick
 - hollow masonry less than 12 inches thick, but not less than eight inches thick with a listed fire-resistance rating of not less than two hours
 - assemblies with not less than a two-hour fire-resistance rating
 - Floors and roofs:
 - reinforced concrete not less than four inches thick
 - assemblies with not less than a two-hour fire-resistance rating
 - Structural metal supports:
 - Horizontal and vertical load-bearing protected metal supports — including pre stressed and post tensioned concrete units — with not less than a two-hour fire-resistance rating

Pre- and Post tensioned Concrete

Both pre- and post tensioned concrete units have steel cables installed in the concrete to provide tensile strength. With pre stressed concrete units, builders pull the cables tight before pouring the concrete and release them as the concrete cures. With post tensioned concrete units, builders pull one end of the cable tight after pouring the concrete.

1. Note the fire resistive advantages:
 - uses noncombustible materials
 - allows greater height and area than other construction classes
 - uses load-bearing members or assemblies that resist damage from fire
2. Note that fire-resistive construction has these disadvantages:
 - expensive to construct and repair
 - provides a false sense of security

COST APPROACH, FRONT BUILDING # 343

COST APPROACH TO VALUE (not required by Fannie Mae)						
Provide adequate information for lender/client to replicate the below cost figures and calculations.						
Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)				HIGH LAND TO VALUE RATIOS ARE TYPICAL TO THE SUBJECT'S MARKET SEGMENT DUE TO LIMITED AVAILABILITY OF BUILDABLE LOTS.		
ESTIMATED	<input type="checkbox"/> REPRODUCTION OR	<input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE			
Source of cost data	Marshall & Swift - Local Area Contractors		Dwelling	2,829	Sq.Ft. @ \$	220
Quality rating from cost service	Average		Effective date of cost data	01/2018		
Comments on Cost Approach (Gross living area calculations, depreciation, etc.)			Ext Covered Areas		= \$	11,800
COST ESTIMATES DERIVED FROM MARSHALL & SWIFT COST SERVICE.			Garage/Carport		Sq.Ft. @ \$	
ESTIMATED REMAINING ECONOMIC LIFE IS 50 YEARS.			Total Estimate of Cost-New		= \$	634,180
			Less	Physical	Functionl	External
			Depreciation			= \$ 0
			Depreciated Cost of Improvements		= \$	
			"As-is" Value of Site Improvements			
Estimated Remaining Economic Life (HUD and VA only)			Years	INDICATED VALUE BY COST APPROACH.....		
					= \$	634,180

FRONT BUILDING:

ESTIMATED REPLACEMENT COST FOR BUILDING IS \$634,180 DOLLARS

ESTIMATED DEPRECIATION FOR THE BUILDING IS:

(-15% \$) \$95,127 DOLLARS

TOTAL ESTIMATED REPLACEMENT COST WITH DEPRECIATION IS:

\$539,053 (DOLLARS)

COST APPROACH, REAR BUILDING #345

COST APPROACH TO VALUE (not required by Fannie Mae)						
Provide adequate information for lender/client to replicate the below cost figures and calculations.						
Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)						HIGH LAND TO VALUE RATIOS ARE TYPICAL TO THE
SUBJECT'S MARKET SEGMENT DUE TO LIMITED AVAILABILITY OF BUILDABLE LOTS.						
ESTIMATED	<input type="checkbox"/> REPRODUCTION OR	<input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE			
Source of cost data	Marshall & Swift - Local Area Contractors		Dwelling	3,185	Sq.Ft. @ \$	220 = \$ 700,700
Quality rating from cost service	Average	Effective date of cost data	01/2018		Sq.Ft. @ \$	
Comments on Cost Approach (Gross living area calculations, depreciation, etc.)						
COST ESTIMATES DERIVED FROM MARSHALL & SWIFT COST SERVICE.			Garage/Carport		Sq.Ft. @ \$	
ESTIMATED REMAINING ECONOMIC LIFE IS 50 YEARS.			Total Estimate of Cost-New			= \$ 700,700
	Less		Physical	Functionl	External	
	Depreciation					= \$ 0
	Depreciated Cost of Improvements					= \$
	"As-is" Value of Site Improvements					
Estimated Remaining Economic Life (HUD and VA only)			Years	INDICATED VALUE BY COST APPROACH.....		
				= \$ 700,700		

REAR BUILDING:

ESTIMATED REPLACEMENT COST FOR BUILDING IS \$700,700 DOLLARS

ESTIMATED DEPRECIATION FOR THE BUILDING IS:

(-20% \$) \$140,140 DOLLARS

TOTAL ESTIMATED REPLACEMENT COST WITH DEPRECIATION IS:

\$560,560 (DOLLARS)

QUALIFICATIONS OF JORGE LUIS CANELLAS

LICENSES

State Certified General Real Estate Appraiser No. RZ 3065
Real Estate Broker, State of Florida

APPRAISAL & REAL ESTATE EXPERIENCE

- May 2005 to Present: Appraisal Zone Corp. - Owner
- May 2005 to Present: Canellas Realty Group - Owner
- January 2001 to May 2005: MAC Appraisal Corp, Miami, Florida – Owner
- February 1999-2001: Residential Appraisers, Miami, Florida – Review Appraiser

Types of Appraisal Assignments

- Commercial
- Single Family Residence
- Condominium
- Multi-Family(1-4 Units)
- Vacant Land
- FHA Financed Properties
- REO Properties

SPECIALIZED EDUCATION

- Real Estate Sales Person : 1996
- Sales Performance Systems : 1996
- Real Estate Mortgage : 2001
- Real Estate Sales Person Continued Education : 1998
- Real Estate Sales Person Continued Education : 2000
- Real Estate Sales Person Continued Education : 2002
- Course 520 Highest and Best Use and Market Analysis :2000
- Uniform Standards of Professional Appraisal Practice : 2001:2004:2007:2010
- Investment Analysis for Appraisers:2004
- Valuation Analysis for Home Mortgage Insurance :2004
- Residential Appraiser (AB-2) 2001
- Residential Appraiser (AB2-B)2001
- Home Inspector : 2003 :2010
- Appraisal Board III: 2007
- Marshall & Swift trained Appraiser:2006
- Techniques of Income Property 2006

MEMBERSHIP IN PROFESSIONAL ORGANIZATIONS

- The foundation of Real Estate Appraisers
- The Realtor Association of Miami
- Residential Associate of the Appraisal Institute
- E & O Insurance up to \$1,000,000.00

APPRAISER'S LICENSE

RICK SCOTT, GOVERNOR

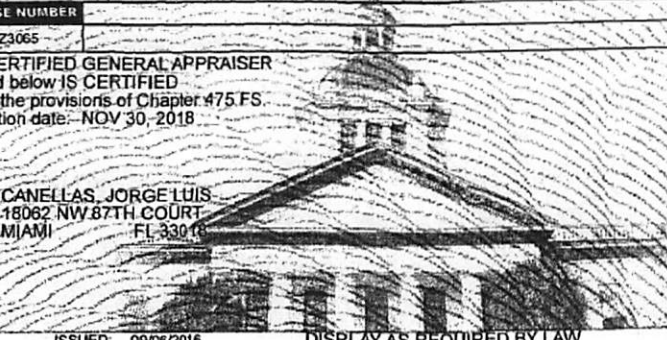


KEN LAWSON, SECRETARY

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

LICENSE NUMBER	RZ3065
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The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2018

CANELLAS, JORGE LUIS
18062 NW 87TH COURT
MIAMI FL 33041



ISSUED: 09/06/2016 DISPLAY AS REQUIRED BY LAW SEQ # L1609060002278