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State-Certified General Real Estate Appraisers

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June 20, 2016

Ms. Estelle Lens, AICP
 Land Rights Coordinator
 City of Gainesville-Public Works Department
 P.O. Box 490, Station 58
 Gainesville, Florida 32627-0490

RE: Market value estimate for fee simple value of Parking Lot #2.

Dear Ms. Lens:

This is a letter addendum to an analysis report dated June 3, 2016 that estimates the fair market rental of Parking Lot #2 subject to a licensing agreement where all of the spaces will be leased by one entity. This section of the report will address the fee simple market value of the site. This section of the report is considered an integral part of the analysis report dated June 3, 2016 concerning Parking Lot #2 which is located in the 200 Block of NW 2nd Avenue. In this Parking Lot #2 analysis report are details concerning who is the Client, the Market Area, the Site and its improvements, Zoning, and the definition of Market Value.

Appraisal Problem Proposed Solution Scope

The purpose of this section of the appraisal is to develop an opinion of market value of the fee simple value of the subject site as of June 3, 2016. The Land Sales Comparison Approach will be utilized to develop an opinion of value for the subject tract of land. The Cost Approach and the Income Capitalization Approach will not be used in the analysis of the site as these are two approaches are not considered applicable. The appraiser made a number of independent investigations and analyses. Vacant property transfers which were utilized in this report occurred from October 2013 through March 2016. Comparable sales are recorded at the Alachua County courthouse.

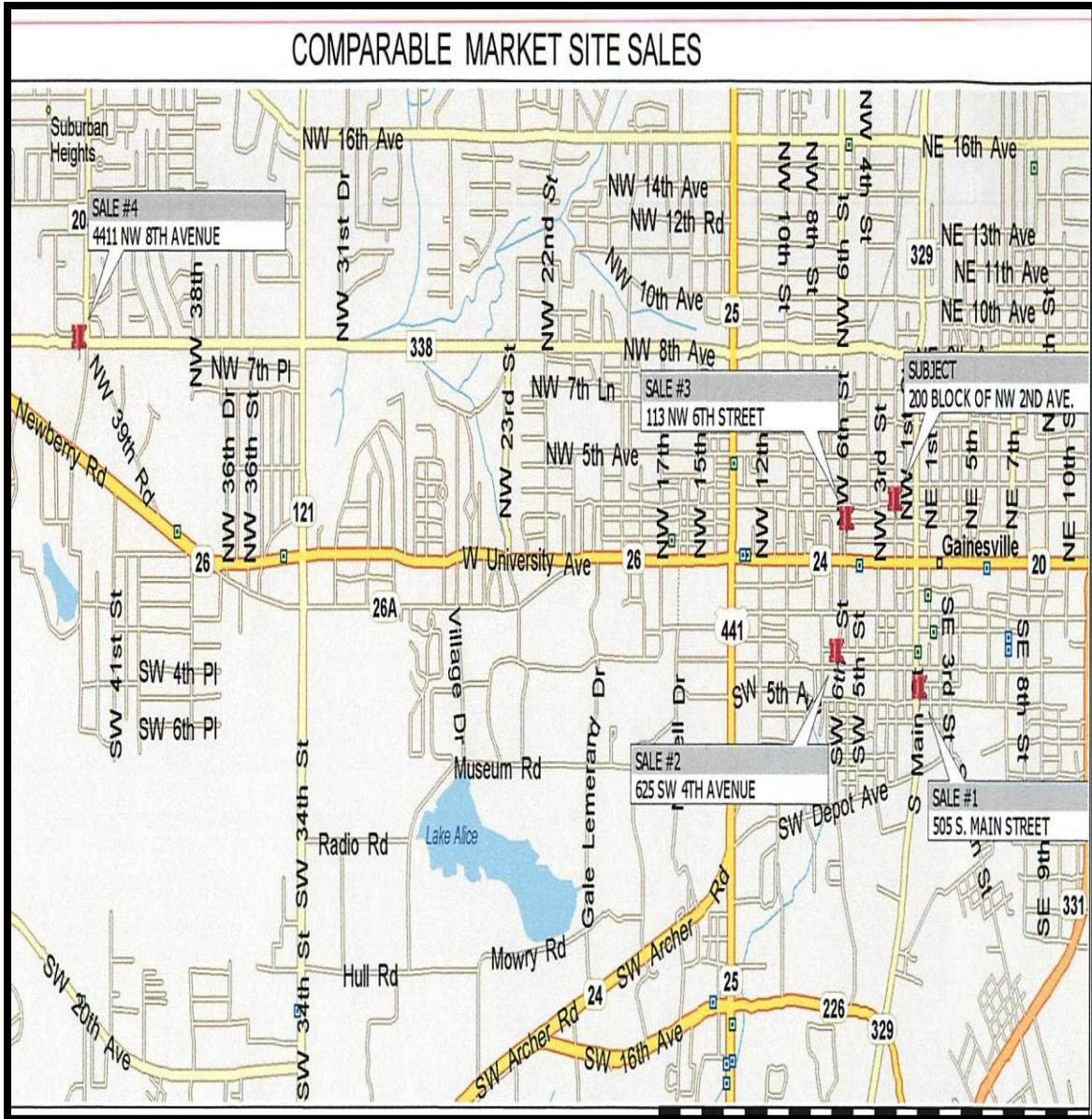
Highest and Best Use Analysis

The subject site is zoned CCD, Central City District. Gainesville Regional Utilities supplies the market area with electricity, water, and waste water disposal. This corner site is estimated to have a size of 30,000 square feet. The site is accessed via NW 2nd Avenue, but also has frontage on NW 2nd Street and NW 3rd Avenue. The site abuts the Pleasant Street Historical District, but is not located within this district. Surrounding sites within this area vary widely in size from as small as 5,000 square feet to over two acres. These sites are utilized for a variety of uses varying from single family home sites within the Pleasant Street Historical District, to multifamily usages including both apartments and condominiums, to professional offices. The subject site is of a size of others within this market area. All of the aforementioned uses are allowed under the CCD zoning. The subject in the past has been utilized as an asphalt paved parking lot. This usage has not been met with a great deal of success as the facility has not been utilized to its fullest, and has been basically vacant during the recent past. There are vacant residential lots available within the Pleasant Street District. Therefore this is not considered a realistic usage at the current time. There are both office and multifamily types of usages located within this market area that are located on secondary streets of this downtown market area. Many of these uses are located on sites of a similar size as the subject. The two most predominant uses of sites within the immediate area are for office and multifamily usage. Therefore, the appraiser is of the opinion that the highest and best use of the site is for an office or multifamily usage.

Sales Comparison Approach

The Sales Comparison Approach is based upon the principle of substitution which states that a prudent purchaser will pay no more for a property than the cost of acquiring a comparable, acceptable substitute. Recent sales of similar properties are needed in order to accurately reflect the interactions of buyers and sellers within the market. A common denominator unit of comparison is derived from these sales and then applied to the subject. The best common denominator unit of comparison was found to be the indicated price per square foot. A sales map included herein shows the location of the subject and also that of each of the comparable sales.

COMPARABLE MARKET SITE SALES





Sale #1 is located at 505 S. Main Street. This sale closed in October 2013 and is recorded in ORB 4234/2377-2380. This was the assemblage of two adjacent sites into a larger parcel containing 66,195 square feet. The property has 217' of frontage on the east side of S. Main Street, and 320' of frontage on the south side of SW 5th Avenue. There were three buildings on site at the time of sale: one was built in 1929 and contained 3,000 square feet and was of concrete block construction; another was built in 1979 as was a dock height warehouse building containing 4,143 square feet, and the final was a frame building on piers that contained 1,144 square feet. These buildings were subsequently removed by the grantee. The property sold for \$1,050,000 or \$15.86 per overall square foot for the parent site.



Sale #2 is located at 625 SW 4th Avenue. This sale closed in August 2014 and is recorded in ORB 4299/1503. This corner site has 282' of frontage on the south side of SW 4th Avenue and 300' of frontage on the west side of SW 6th Street. The estimated size of the site is 60,338 square feet. The property was improved at the time of sale with a 13,872 square foot two story contemporary frame office building and parking lot which were subsequently removed after the sale closed. The property sold for \$1,500,000 or \$24.86 per overall square foot of the site. Prior to this sale closing, the grantee owned approximately 1/3 of the block in which this site was located.



Sale #3 is located at 113 NW 6th Street. This sale closed in October 2015 and is recorded in ORB 4387/912. The corner site has 104' of frontage on the west side of NW 5th Terrace/6th Street, and 220' of frontage on the north side of NW 1st Avenue. The frame building on site was constructed in 1934 and contained 4,000 square feet. The grantor was an owner occupant. The grantee owns the adjacent property to the north and also one across 1st Avenue from this site. The property sold for \$1,000,000 or \$43.71 per overall square foot of the site.



Sale #4 is located at 4411 NW 8th Avenue. This sale closed in March 2016 and is recorded in ORB 4414/2139. This site has an estimated usable acreage of five acres or 217,800 square feet with 486' of frontage on the south side of NW 8th Avenue, 357' of frontage on the west side of NW 43rd Street, and 410' of frontage on the north side of NW 6th Place. The site has a dog legged shape and is a wooded tract of land with some wetlands areas on its western side. The total size of the site is seven acres. The site was improved with a single family residence built in 1930, a large detached garage, and several other detached buildings. No value was attributable to these improvements. The property sold for \$1,750,000 or \$8.03 per usable square foot.

No financing adjustment is made to the comparable sales. These sales represent the most recent sales of similar sites available to the appraiser. Due to a lack of recent sale/resale activity, no time adjustment is attempted. No site size adjustment is attempted due to limited and conflicting data. Each of the comparable sales is like the subject in that their original usage will be changed from this usage of the site into another by the grantee. Sale #1 was a sale that was an assemblage of two smaller sites into a larger one. Sales #2 and #3 were purchased by adjacent landowners. There is insufficient market data available to the appraiser to indicate that an adjustment is needed for either of these

characteristics. Therefore, none will be attempted. Each of the comparable sales is felt to be superior to the subject in their location; the subject does not have major road frontage and is located on the perimeter of the neighborhood. Sales #1 and #2 are adjusted downwards by 40%; Sale #3 is adjusted downwards by 60%; Sale #4 is adjusted downwards by 20%. After making these adjustments, per square foot values indicated by the comparable sales are as follows: Sale #1 \$9.52; Sale #2 \$14.92; Sale #3 \$17.48; Sale #4 \$6.43. Sales #2 and #3 will be deemphasized as they were purchased by adjacent owners who owned most of the rest of the block in which they were located. This leaves Sale #1 which indicates a value of \$9.52 per square foot, and Sale #4 which indicates a value of \$6.43 per square foot. Sale #1 was an assemblage of two sites into a larger one and is the older of the two sales. However it is located in the downtown market area. Sale #4 is the most recent sale, is a larger site and is located the most distant from the subject. In the final analysis greater emphasis is placed upon Sale #4 due to its more recent sale date. The appraiser would estimate the market value of the subject at \$7.00 per square foot. The subject is estimated to contain 30,000 square feet. Multiplying these two factors together indicates an estimated market value of the subject site of \$210,000.

Reconciliation

The purpose of this section of the appraisal was to develop an opinion of market value of the subject as of June 3, 2016. The only valuation method applicable was the Sales Comparison Approach. This approach relies upon recent sales of similar types of properties in order to replicate the interactions of buyers and sellers in the market place. Based upon data presented herein, the appraiser would estimate the market value of the subject as of June 3, 2016 at \$210,000.

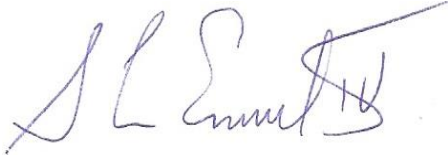
Exposure Time

In developing an applicable exposure time for the subject, the appraiser has analyzed comparable sale data, taken into account current market conditions, and the location of the subject. Taking into consideration all of this data would tend to indicate that the subject, once exposed to the market, could be sold within a time frame of in excess of one year.

Respectfully submitted,



Andrew V. Santangini, Jr., MAI
State-Certified General Real Estate Appraiser RZ563



G. L. Emmel, IV
State-Certified General Real Estate Appraiser RZ993

Assumptions and Limiting Conditions

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated. The services of an attorney are suggested regarding any issues legal in nature prior to use of the appraisal.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy. The appraiser assumes no responsibility for independently verifying this information. If the client has any question regarding this information, it is the client's responsibility to seek whatever independent verification is deemed necessary prior to use of the appraisal.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them. If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections prior to use of the appraisal. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is used.
10. This appraisal, unless otherwise noted, is not intended for third party use. Should any third party obtain a copy of this appraisal or any part thereof, it is the responsibility of that party to obtain the written permission of the appraisers prior

- to any use whatsoever of the appraisal. Should any third party use the appraisal without doing so, they do so at their own risk.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
 12. Possession of this report, or a copy thereof, does not carry with it the right of publication.
 13. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
 14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
 15. The client shall notify the appraiser of any error, omission, or invalid data herein within ten days of receipt and return the report along with all copies to the appraiser for revision prior to any use whatsoever.
 16. An appraisal is the product of a professionally trained mind but nevertheless is an opinion only, and not a provable fact. As such values may vary between appraisers based on the same facts. Thus, appraiser warrants only that the value conclusions are his best estimates as of the date or dates of value.
 17. The forecasts, projections, or operating estimates and value estimate (or estimates) are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts and market conditions, as is the value estimate or estimates are, therefore, subject to changes in future conditions.
 18. Sizes were obtained from the public records or from available surveys. Should a subsequent survey indicate different sizes, the value estimates herein may require changes.
 19. 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, radon, or other potentially hazardous materials may affect the 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.
20. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
 21. No non-public or confidential information provided by the client for the purpose of completing this appraisal report is released or made available to the public in compliance with the Gramm-Leach-Bliley (GLB) Act, a federal law.

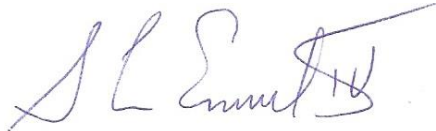
Certification of Value

We certify that, to the best of our knowledge and belief the statements of fact contained in this report are true and correct. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions. We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. Our engagement in this assignment was not contingent upon developing or reporting predetermined results. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Standards of Professional Practice of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice (USPAP) and the State of Florida for State-Certified Appraisers. Mr. Emmel made a personal inspection of the property that is the subject of this report. No one has provided significant professional assistance to the persons signing this report. The use of this report is subject to the requirements of the Institute relating to review by its duly authorized representatives. The use of this report is subject to the requirements of the State of Florida. Both the Appraisal Institute and the State of Florida conduct continuing education programs. The undersigned member participates in the State's program and in the Institute's voluntary program. As of the date of the report, the undersigned member has completed the requirements of the continuing education program of the Appraisal Institute. As required under the Competency Provision of the USPAP, the appraisers have appropriate knowledge and experience to complete the assignment competently. The appraisers have performed no services as an appraiser or in any other capacity, regarding the subject of this report within the three year period preceding acceptance of this assignment.

The real property which is the subject of this appraisal report has an estimated market value as of June 3, 2016 of \$210,000.



Andrew V. Santangini, Jr., MAI
State-Certified General Real Estate Appraiser RZ563



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State-Certified General Real Estate Appraiser RZ993