INSURANCE APPRAISAL

LAKE TOWER CONDOMINIUM ASSOCIATION, INC.

As Of: March 15, 2021

SPECIALTY PROPERTY APPRAISALS, LLC

Dedicated to Excellence

March 17, 2021

Lake Tower Condominium Association, Inc.
765 Crandon Boulevard
Key Biscayne, FL 33149

RE: Property Appraisal – Lake Tower Condominium Association, Inc.

To Whom it May Concern:

We have made an appraisal of certain designated property of interest to Lake Tower Condominium Association, Inc. and submit our findings in this report.

The purpose of our appraisal investigation was to express our opinion of the cost of reproduction new and the insurance exclusion for insurance purposes.

Cost of Reproduction New, an appraisal term synonymous with "new replacement cost" in the insurance industry, and Insurance Exclusion are defined as follows:

> Cost of Reproduction New is the amount required to reproduce property in like kind and materials at one time in accordance with current market prices for materials, labor and manufactured equipment, contractor's overhead, profit, and fees, but without provisions for overtime or bonuses for labor and premiums for materials.
>
> Insurance Exclusion is a provision in an insurance contract describing property, or types of property, that are not covered by the contract. The insurance exclusion amount is deducted from the new replacement cost to arrive at an insurable value. Insurance exclusions include basement excavation, foundation below ground and piping below ground.

In estimating the cost of reproduction new, we did not consider costs associated with conforming with local ordinances or other legal restrictions, the cost of demolition in connection with reconstruction, or the cost to remove destroyed property.

In the event of partial loss, the amount of loss may be based upon the repair cost, which is usually proportionately higher than the cost of reproduction new for the entire property as defined and included in this report.

Standard Hazard Policy - does not include finishes in units but does include common area finishes

Exclusions have been calculated according to our experience with property that is typically excluded for insurance purposes. We accept no responsibility of liability for the excluded property. It is our recommendation that you consult with your insurance agents so that these figures may be compared to those in your current coverage.

Condominium Florida Law Exclusions

By reason of Florida condominium regulatory legislation, "Florida Statute Ch. 0718 Section 111" effective January 1, 2004 and revised 2008, condominium associations have the option to exclude from insurance coverage of a condominium building certain items described as follows:

Unit floor, wall and ceiling coverings, electrical fixtures, appliances, water heaters, water filters, built-in cabinets, countertops, window treatments including curtains, drapes, blinds, hardware and other window treatment components, or replacements of any of these items which are located within the boundary of the unit and serve only one unit.

Natural Disaster Disclaimer

Recovery and reconstruction from widespread natural disasters such as hurricane or flood will create abnormal shortages of labor and materials which, in turn, will cause price increases as much as 50 percent or more above normal costs prior to the event. These increases, while temporary, may last for a year or more before returning to normal market conditions.

The values as reported herein are estimated based on normal market conditions and are considered appropriate for various purposes including insurance coverage. Some or all of the estimated values as reported herein may be inadequate for reconstruction or repair in periods after a widespread natural disaster.

The appraisal report includes the following:

This letter, which summarizes the appraisal procedures applied in the appraisal process;

The following appraisal reports:
- Insurance Summary Report
- Insurance Detail Report with Color Photographs
- Marshall and Swift Building Valuation Worksheets

Our appraisal investigation included the following:
- Buildings and their related service systems

Excluded from our consideration were the following:

Land
Land Improvements
Contents
Infrastructure
Licensed Vehicles

Also excluded were assets of an intangible nature, records and drawings, inventory items, personal property of employees and leased property.

Based upon our appraisal investigation and analysis, and the premises outlined above, it is our opinion of value that as of March 15, 2021, the Cost of Reproduction New is:

Cost of Reproduction New:	$49,151,100
Exclusions:	$ 1,131,100
Cost of Reproduction New Less Exclusions:	$48,020,000

Respectfully submitted:

SPECIALTY PROPERTY APPRAISALS LLC

William N. Jaeger

William N. Jaeger, ASA
President and Responsible Appraiser

Addendum: Citizen's Insurance Certificate
Professional Qualifications

INSURANCE SUMMARY REPORT

Building		Cost of Reproduction New	Exclusions	Cost of Reproduction New Less Exclusions
CONDOMINIUM - 75 UNITS	765 CRANDON BOULEVARD KEY BISCAYNE, FL 33149	$49,151,100	$1,131,100	$48,020,000
TOTALS:		$49,151,100	$1,131,100	$48,020,000

INSURANCE DETAIL REPORT

LAKE TOWER CONDOMINIUM ASSOCIATION, INC.

Owner:	LAKE TOWER CONDOMINIUM ASSOCIATION, INC.
Building:	CONDOMINIUM - 75 UNITS
Address:	765 CRANDON BOULEVARD KEY BISCAYNE, FL 33149
County:	MIAMI DADE
Year Built	2002
No. Of Stories	7 AND 1 LEVEL PARKING
Sq. Ft. Area	204,520 CONDOMINIUM UNIT AREA 36,206 CONDOMINIUM COMMON AREA 44,729 BALCONIES / TERRACES 83,578 PARKING GARAGE 6,500 RECREATION DECK / POOL TERRACE 1,100 POOL HOUSE 960 PORTE COCHERE 1,760 TRELLIS / PARK AREA 1,182 POOL 22,000 MOTOR COURT 402,536 GROSS SQ. FT.
Framing:	REINFORCED CONCRETE
ISO Class:	(6) FIRE RESISTIVE
Fire Safety:	SPRINKLER SYSTEM, AUTO FIRE ALARM WITH PULL STATIONS, ANNUNCIATORS, STROBE, SMOKE DETECTORS (HARD WIRED), FIRE EXTINGUISHER, EXIT SIGNS, EMERGENCY LIGHTING, DOOR ACCESS CONTROLS, SECURITY CAMERAS, STORM SHUTTERS
Building Service Systems:	ELECTRICAL, PLUMBING, HEATING, AIR CONDITIONING
Foundation:	REINFORCED CONCRETE FOOTINGS, FOUNDATION WALLS, SLAB
Exterior Walls:	STUCCO ON CONCRETE BLOCK, POURED CONCRETE, GLASS AND ALUMINUM CURTAIN WALLS, TERRACE DOORS, BALCONY DOORS AND MAIN LOBBY ENTRANCE DOOR (EXTERIOR PAINTING 2015)
Roofing:	SPANISH CONCRETE BARREL TILE ON PREFABRICATED METAL TRUSSES OVER CONCRETE ROOF DECK
Structural Floor:	POST TENSION CONCRETE
Flooring:	CONCRETE, MARBLE, CERAMIC TILE, STONE, CARPETING, (UNIT FINISHES BY OWNER)
Ceiling:	DRYWALL, CONCRETE, PLASTER (UNIT FINISHES BY OWNER)
Partitions:	MASONRY, DRYWALL ON STUDS, WALL COVERING (UNIT FINISHES BY OWNER)
Additional Features:	(12) ELEVATORS, BALCONIES / TERRACES, 1 LEVEL PARKING, POOL, MOTOR COURT (PAVERS BRICK FINISH), PORTE COCHERE, TRELLIS, POOL RESTROOMS, ROLL-UP METAL GARAGE DOORS, DECORATIVE VENEER CONCRETE COLUMNS, STORAGE UNITS, MEDITERRANEAN ARCHITECTURAL STYLE, 2 STORY LOBBY, BIKE STORAGE AREAS, RECEPTION / SECURITY DESK, AUTO DOOR OPENERS

VALUATION CONCLUSIONS	
COST OF REPRODUCTION NEW:	$49,151,100
EXCLUSIONS:	$ 1,131,100
COST OF REPRODUCTION NEW LESS EXCLUSIONS:	$48,020,000

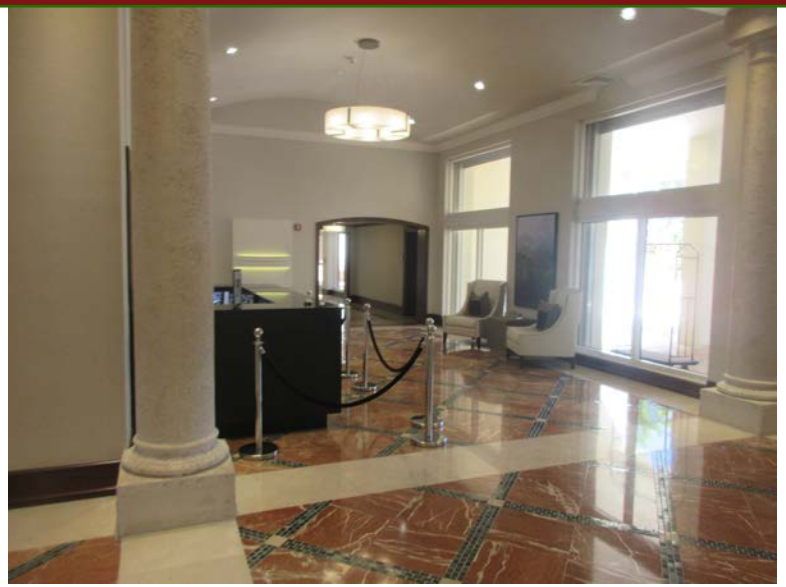
FRONT

BACK

SIDE

LOBBY

LOBBY HALL



LOBBY

LOBBY HALL

LOBBY HALL

CARD ROOM

OFFICE

POOL (RENOVATION)

POOL (RENOVATION)

GARAGE

PORTE COCHERE

STORAGE LOCKERS

BIKE STORAGE

TRELLIS

SIGN

POOL RESTROOMS

POOL HOUSE

EXHIBITS -

MARSHALL & SWIFT BUILDING VALUATION WORKSHEETS

PROFESSIONAL PROFILES - WILLIAM N. JAEGER, ASA

CITIZENS PROPERTY INSURANCE CERTIFICATION

Valuation Standard Report

Property Express

5/7/2021

VALUATION

Valuation Number:	ESTIMATE-0003039	Effective Date:	03/15/2021
Value Basis:	Reconstruction	Expiration Date:	03/15/2022
		Estimate Expiration Date:	06/13/2021
		Cost as of:	12/2020

BUSINESS

Lake Tower Condominium

765 Crandon Blvd

Key Biscayne, FL 33149-2566 USA

LOCATION 1 - Lake Tower Condominium

Lake Tower Condominium

765 Crandon Blvd

Key Biscayne, FL 33149-2566 USA

Location Adjustments

Climatic Region:	3 - Warm
High Wind Region:	3 - Major Damage
Seismic Zone:	1 - No Damage

BUILDING LTC - Condominium - 75 Units

Section 1

SUPERSTRUCTURE

Occupancy:	100% Condominium, w/o Interior Finishes	Story Height:	9 ft.
Construction Type:	100% Reinforced Concrete Frame (ISO 6)	Number of Stories:	7
Gross Floor Area:	240,726 sq.ft.	Irregular Adjustment:	None
Construction Quality:	2.5 - Average/Superior		
Year Built:	2002		

Adjustments

Hillside Construction:	Degree of Slope: Level	Site Accessibility:	Excellent
	Site Position: Unknown	Soil Condition:	Excellent

Fees

Architect Fees:	7% is included

CoreLogic costs include labor and material, normal profit and overhead as of date of report. Costs represent general estimates which are not to be considered a detailed quantity survey. These costs include generalities and assumptions that are common to the types of structures represented in the software.

The commercial contents values CoreLogic publishes in this report are estimates only and the values CoreLogic produce should not be considered the actual value of commercial contents insurance coverage that should be underwritten for the insured.

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Overhead and Profit: 20% is included

SUMMARY OF COSTS	Reconstruction	Exclusion
SUPERSTRUCTURE		
Site Preparation		$11,734
Foundations	$299,823	$134,358
Foundation Wall, Interior Foundations, Slab On Ground		
Exterior	$15,176,165	
Framing, Exterior Wall, Exterior Wall, Structural Floor, Roof		
Interior	$8,526,488	
Floor Finish, Ceiling Finish, Partitions		
Mechanicals	$15,853,350	$770,459
Heating, Cooling, Fire Protection, Plumbing, Electrical, Elevators		
Built-ins	$3,150,851	
SUBTOTAL RC	$43,006,678	$916,550
ADDITIONS		
Building Items	$1,845,742	
Custom Items		
Motor Court Paving	$281,000	
Pool	$123,500	
Pool House	$224,700	
Porte Cochre	$95,000	
Trellis	$58,500	
Total Additions	$2,628,442	
TOTAL RC Section 1	**$45,635,120**	**$916,550**

Section 2

SUPERSTRUCTURE

Occupancy:	100% Parking Structure	Story Height:	10 ft.
Construction Type:	100% Reinforced Concrete Frame (ISO 6)	Number of Stories:	1
Gross Floor Area:	83,578 sq.ft.	Irregular Adjustment:	None
Construction Quality:	2.0 - Average		
Year Built:	2002		

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Adjustments

Hillside Construction:	Degree of Slope: Level	Site Accessibility:	Excellent
	Site Position: Unknown	Soil Condition:	Excellent

Fees

Architect Fees:	7% is included
Overhead and Profit:	20% is included

SUMMARY OF COSTS	Reconstruction	Exclusion
SUPERSTRUCTURE		
Site Preparation		$20,806
Foundations	$576,393	$178,527
Foundation Wall, Interior Foundations, Slab On Ground		
Exterior	$285,272	
Framing, Exterior Wall, Exterior Wall, Structural Floor, Roof		
Interior	$165,845	
Floor Finish, Ceiling Finish, Partitions		
Mechanicals	$1,177,047	$15,211
Heating, Cooling, Fire Protection, Plumbing, Electrical, Elevators		
Built-ins	$180,345	
TOTAL RC Section 2	**$2,384,902**	**$214,545**
TOTAL RC BUILDING LTC Condominium - 75 Units	**$48,020,022**	**$1,131,096**

	Reconstruction	Sq.Ft.	$/Sq.Ft.
LOCATION TOTAL, Location 1	**$48,020,022**	**324,304**	**$148**
	Reconstruction	**Sq.Ft.**	**$/Sq.Ft.**
VALUATION GRAND TOTAL	**$48,020,022**	**324,304**	**$148**

CoreLogic costs include labor and material, normal profit and overhead as of date of report. Costs represent general estimates which are not to be considered a detailed quantity survey. These costs include generalities and assumptions that are common to the types of structures represented in the software.

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Valuation Standard Report

Property Express

EQUIPMENT REPORT

Policy Number: ESTIMATE-0003039 5/7/2021

VALUATION

Valuation Number:	ESTIMATE-0003039	Effective Date:	03/15/2021
Value Basis:	Reconstruction	Expiration Date:	03/15/2022
		Estimate Expiration Date:	06/13/2021
		Cost as of:	12/2020

BUSINESS

Lake Tower Condominium

765 Crandon Blvd

Key Biscayne, FL 33149-2566 USA

LOCATION 1 - Lake Tower Condominium

Lake Tower Condominium

765 Crandon Blvd

Key Biscayne, FL 33149-2566 USA

Equipment: Building items and site improvements

	Replacement	Depreciated
Building LTC, Section 1		
Building Items		
Balconies		
(1) Balconies, Reinforced concrete frame	$1,845,742	$1,845,742
Custom Items		
(1) Motor Court Paving	$281,000	$281,000
(1) Pool	$123,500	$123,500
(1) Pool House	$224,700	$224,700
(1) Porte Cochre	$95,000	$95,000
(1) Trellis	$58,500	$58,500
LOCATION 1 - Lake Tower Condominium TOTAL	**$2,628,442**	**$2,628,442**
TOTAL	**$2,628,442**	**$2,628,442**

CoreLogic costs include labor and material, normal profit and overhead as of date of report. Costs represent general estimates which are not to be considered a detailed quantity survey. These costs include generalities and assumptions that are common to the types of structures represented in the software.

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Valuation Standard Report

Property Express

SUMMARY REPORT

Policy Number: ESTIMATE-0003039 5/7/2021

VALUATION

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BUSINESS

Lake Tower Condominium

765 Crandon Blvd

Key Biscayne, FL 33149-2566 USA

LOCATION 1 - Lake Tower Condominium

Lake Tower Condominium

765 Crandon Blvd

Key Biscayne, FL 33149-2566 USA

BUILDING LTC: SUPERSTRUCTURE			Reconstruction	Sq.Ft.	$/Sq.Ft.	
Section 1	100%	Condominium, w/o Interior Finishes	$43,006,678	240,726	$179	
Section 2	100%	Parking Structure	$2,384,902	83,578	$29	
Section Totals			**Reconstruction**	**Sq.Ft.**	**$/Sq.Ft.**	
Section 1	100%	Condominium, w/o Interior Finishes	$43,006,678	240,726	$179	
Total Additions:			$2,628,442			
Section 2	100%	Parking Structure	$2,384,902	83,578	$29	
BUILDING TOTAL, Building LTC			**$48,020,022**	**324,304**	**$148**	

BUILDING INSURANCE SUMMARY

Total Insured Amount	$0	
Percent of Insurance to Value	0%	
100% Co-insurance Requirement	$48,020,022	$48,020,022
-100% Variance	($48,020,022)	

	Reconstruction	Sq.Ft.	$/Sq.Ft.
LOCATION TOTAL, Location 1	**$48,020,022**	**324,304**	**$148**
	Reconstruction	**Sq.Ft.**	**$/Sq.Ft.**
VALUATION GRAND TOTAL	**$48,020,022**	**324,304**	**$148**

End of Report

CoreLogic costs include labor and material, normal profit and overhead as of date of report. Costs represent general estimates which are not to be considered a detailed quantity survey. These costs include generalities and assumptions that are common to the types of structures represented in the software.

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Citizens Property Insurance Corporation

Minimum Requirements for Non-licensed Commercial Residential and Commercial Nonresidential Inspections/Valuations

Certification

Name of the firm or key personnel completing the inspection/valuation:

Specialty Property Appraisals, LLC

I, William N. Jaeger, ASA, certify that I, or the entity listed above, have/has at least three years experience in the field of commercial property inspections, commercial risk assessment, and commercial property replacement cost evaluation.

Date March 15, 2021 Position William N. Jaeger Principal

License # (if applicable): _____

William N. Jaeger, ASA, Chief Executive Officer, Specialty Property Appraisals, LLC
930 Washington Avenue #210, Miami Beach, FL 33139

William N. Jaeger, ASA, is a senior accredited designated appraiser, certified by the American Society of Appraisers with his designation in Machinery & Technical Specialties with a specialty in Machinery & Equipment. Highlights include:

Senior Accredited Appraiser Certificate #005398

American Society of Appraisers – Senior Accredited Member
Recertified through December 31, 2021

Special Magistrate - Appraisal

Miami-Dade County, Value Adjustment Board

Designated Expert – State of Florida

Designated Expert in the state of Florida relative to replacement cost development for structures, use of computerized building modeling systems, actual cash value determination and ISO rating. Currently serving as Expert Witness in Court Case in Miami-Dade County relating to Coinsurance Clause Requirements for Replacement Cost on 16 commercial buildings.

USPAP (Uniform Standards of Professional Appraisal Practice)

Completion of USPAP Course and Testing (Uniform Standards of Professional Appraisal Practice) 2003 with retest 2006, 2009, 2010, 2013, 2015, 2017, 2019, 2020

With over 35 years of experience conducting inventory, tagging and valuation projects, Mr. Jaeger has successfully performed and managed thousands of appraisals for the private and public sectors. A sampling of properties appraised by Mr. Jaeger follows:

State Capitols
Utah
Alabama
New York State
Arizona

Major Cites/Counties Served
City of Sarasota
City of Fort Lauderdale
City of Orlando
City of Wellington
City of St. Petersburg
City of Vero Beach
City of Miami
City of Chicago

Utility Districts
Metropolitan Council Wastewater (MN)
Metropolitan Water Reclamation (CO)
Milwaukee Metropolitan Sewerage District (WI)
City of Lima Water & Sewer
CA Sanitation Risk Management Authority

Hospitals/University/Schools
New Orleans Public Schools
Tulane University
University of Chicago
Loyola University
Carnegie Melon University
Albert Einstein College of Medicine
Broward General Hospital

City of Tallahassee
City of Newark
Chatham County
Lake County
City of San Antonio
City of Lakeland
City of Houston
District of Columbia
City of San Francisco
State of Arizona
City of Detroit
City of Minneapolis

Nursing Homes
Appraisal of 400 Nursing Homes for the State of Wisconsin over a 3-year period.

Children's Hospital of LA
Brown University

Historical Structures
Mount Vernon Complex
Montpelier
Waldorf Astoria Hotel, New York
100 Historical Structures for the State of AZ

Machinery and Equipment Appraisals
North Broward Hospital
Children's Hospital (Los Angeles)
Florida Medical Center
Wellington Regional Hospital

Appraised over 40 Diocese throughout the United States and Canada

Designations and Continuing Education

Mr. Jaeger was designated an Accredited Senior Appraiser (ASA) by the American Society of Appraisers. The ASA designation is the highest appraisal designation attainable from the Appraisal Society.

Mr. Jaeger is an active member of the National and International American Society of Appraisers and is committed to attending specialty appraisal classes to retain his ASA Certification. Classes attended include:

- Valuation of Electric Generation Facilities
- Valuation of Broadcasting Facilities
- Normal/Useful Life Studies
- 2009 Current Legislative & Regulatory Changes
- Valuation for Ad Valorem Hearings
- Auction Valuation

Additional achievements include:

- Recognized Expert Witness in valuation in several states including the State of Colorado on fair rental value conclusions, construction cost estimating, building depreciation analysis. Testimony established the current guidelines and procedures used in appraising nursing homes for the state.

- Appraised 400 nursing homes for the state of Wisconsin, Department of Health and Human Services from 2011-2014.

- Appraised over 35 Dioceses throughout the United States and Canada

- Appraised over 220 condominium associations in Florida including Apogee, Murano at Portofino, Trump Towers, Trump Plaza, Acqualina, and One Miami.

- Engagement Manager and review appraiser for 30 buildings owned by the National Historic Trust including Mt. Vernon, Woodrow Wilson House, Montpelier, National Historic Trust Headquarters located in Washington, DC

- Engagement Manager for the appraisal of all designated historical structures owned by the State of Arizona including the State Capitol and several historic university buildings.

- Appraisal of all structures owned by the City of Houston including stadiums, concert halls, auditoriums, police and fire, parks and court buildings.

- Appraisal of healthcare facilities including North Broward Hospital, Children's Hospital (Los Angeles), Florida Medical Center and Wellington Regional Hospital and several nursing homes.

- Engagement Manager and lead appraiser for the appraisal of buildings for the District of Columbia including prisons, schools, police stations, fire stations, health department, court buildings.

- Appraised contents of the United States Embassy located at the Waldorf Towers, NYC. Included in the valuation of John F. Kennedy's Rocking Chair and General MacArthur's Desk.

- Over 100 Hilton hotels located throughout the United States including the Hawaiian Hilton Village, the SF Hilton, the Chicago Hilton Towers, the Palmer House and the NY Hilton.

Published Articles / Speeches

- Published Author
  --"Establishing a Fixed Asset Management System," Governmental Finance Review
  --- "Establishing Insurable Values Utilizing a Model Approach," American City and County
  --- "Appraising the capital assets of the State of New York", State of New York

- Speaker on reproduction / replacement cost analysis, depreciation, fixed asset valuations, insurable value considerations and property management issues to several organizations including GFOA, ASBO, RIMS, PRIMA

Work History

- President --- Specialty Property Appraisals, Miami, FL, opened in 2006
  Specializing in valuation for insurance cost replacement for all types of properties

- President -- MAXIMUS, Asset Valuation / Appraisal Division 2000-2004
  Responsibilities included overseeing all valuations of properties for insurance/property records for 23 offices nationwide.

- President and Owner -- Valuation Resource Management, Inc., Beverly Hills, CA 1989---2000 Responsibilities included overseeing all valuations of properties for insurance/property records for 23 offices nationwide. Sold firm to MAXIMUS in 2000.

- National Appraisal Manager, Governmental Insurance/Healthcare Division American Appraisal Associates 1979---1989
  Responsibilities included the appraisal of property for governmental, insurance and healthcare areas.

- Lead Assessor – Newburg, Wisconsin 1977-1979

Professional Affiliations / Designations
American Society of Appraisers (ASA), Senior Member International Society of Appraisers (IASA)