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**North Beach Parking Plaza**

Seven-story parking garage  
490 Poinsettia Avenue  
Clearwater, Florida 33755

BBG File #0122015171

**Prepared For**

Mr. William Bould  
CBRE Capital Markets  
222 2nd Avenue South, Suite 1800  
Nashville, TN 37201

**Report Date**

July 8, 2022

**Prepared By**

BBG, Inc., Houston Office  
4615 Southwest Freeway  
Houston, TX 77027  
713-942-8980

Client Manager: Robert Ryan, MAI  
rryan@bbgres.com



July 8, 2022

Mr. William Bould  
CBRE Capital Markets  
222 2nd Avenue South, Suite 1800  
Nashville, TN 37201

Re: Appraisal of Real Property  
**North Beach Parking Plaza**  
490 Poinsettia Avenue  
Clearwater, Florida 33755  
**BBG File #0122015171**

Dear Mr. Bould:

In accordance with your authorization (per the engagement letter found in the *Addenda* of this report), an Appraisal Report of the above-referenced property has been prepared.

The subject property is a seven-story parking structure with ground floor retail built in 2016 totaling 251,789 square feet. The garage consists of 702 parking spaces above 11,789 square feet of multi-tenant retail space. The retail is 100% leased. The garage is master leased to UPP Florida, LLC through May 2032. Note, the subject is comprised of five condo units under one ownership. The adjacent retail center (separated by an alley) is also part of the condo association under separate ownership and is not part of the collateral.

As of the valuation date of this report, SCI Pelican Walk LLC owns the subject property. Ownership purchased the first portion of the property (252 spaces and ground floor retail) from PV Pelican Walk LLC in August 2021 for \$20.7 million. They purchased the remainder (450 spaces) from the City of Clearwater in May 2022 for \$12.5 million. Market participants have noted that the majority of the garage was owned by the City of Clearwater who was not operating the garage for maximum profit. The assemblage of the broken ownership and the new long-term lease to UPP has created value. As such, the most recent sales price is below market. The subject is not currently listed for sale, nor is it under a sales contract.

This Appraisal Report was prepared to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP). This report has been written in accordance with the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. In addition, this report is intended to be in compliance with additional requirements of CBRE Capital Markets (client) as applicable. This report is intended to be used by the intended user(s) named herein; no other party may rely upon the opinions presented in this report.

#### EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions might have affected the assignment results.

<b>Extraordinary Assumption(s)</b>	This appraisal employs no extraordinary assumptions.
<b>Hypothetical Condition(s)</b>	This appraisal employs no hypothetical conditions.

Mr. Bould  
July 8, 2022  
Page 2

Based on the analysis undertaken, the following value opinion(s) have been developed.

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is	Leased Fee	June 28, 2022	\$48,700,000

This letter must remain attached to the report, which should be transmitted in its entirety, in order for the value opinion(s) set forth above to be relied upon by the intended user(s).

BBG, Inc. appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact the Client Manager.

Sincerely,



Robert Ryan, MAI  
FL Certified General Appraiser  
License #: RZ3435  
678-690-1048  
rryan@bbgres.com



Laura A. Curry  
FL Temp Certified General Appraiser  
License #: TP9507  
713-335-9651  
lcurry@bbgres.com

# TABLE OF CONTENTS

Subject Property .....	1
Summary of Salient Facts.....	3
Property Transaction History .....	7
Scope of Work .....	8
Regional Overview.....	10
Neighborhood Overview.....	17
Site Description .....	22
Improvements Description .....	27
Property Assessment and Tax Analysis .....	30
Retail Market Analysis .....	32
Garage Market Analysis .....	42
COVID-19 & Broader Economic Overview .....	53
Highest and Best Use .....	54
Valuation Process .....	56
Sales Comparison Approach .....	57
Income Capitalization Approach .....	65
Reconciliation and Final Value .....	83
Certification .....	85
Standard Assumptions and Limiting Conditions.....	87
Addenda .....	91

# SUBJECT PROPERTY



AERIAL PHOTOGRAPH



# SUMMARY OF SALIENT FACTS

## APPRAISAL INFORMATION

<b>Client</b>	CBRE Capital Markets 222 2nd Avenue South, Suite 1800, Nashville, TN 37201
<b>Intended User(s)</b>	This appraisal report may only be relied upon by the client and intended user(s) named herein.
<b>Intended Use</b>	This appraisal is to be used for refinance purposes.
<b>Property Rights Appraised / Premise</b>	•Market Value of the Leased Fee interest in the subject property, As Is as of June 28, 2022
<b>Date of Inspection</b>	June 28, 2022
<b>Marketing Time</b>	12 months
<b>Exposure Time</b>	12 months
<b>Owner of Record</b>	SCI Pelican Walk LLC
<b>Property Contact(s)</b>	William Bould (william.bould@cbre.com)
<b>Most Probable Purchaser</b>	Investor
<b>Highest and Best Use</b>	
<b>If Vacant</b>	Commercial Development
<b>As Improved</b>	Parking Garage with Ground Floor Retail

## PROPERTY DATA

<b>Property Name</b>	North Beach Parking Plaza	
<b>Address</b>	490 Poinsettia Avenue Clearwater, Florida 33755	
<b>Location</b>	Between Mandalay Ave. and Poinsettia Ave south of Baymont Street	
<b>Property Description</b>	Specialty (Parking) Seven-story parking garage <i>and</i> Retail (Mixed-Use) Multi-tenant retail space	
<b>County</b>	Pinellas	
<b>Parcel Number</b>	08-29-15-60417-000-1000 08-29-15-60417-000-7000 08-29-15-60417-000-2000 08-29-15-60417-000-0200 08-29-15-60417-000-3000	
<b>Census Tract No.</b>	0260.03	
<b>Legal Description</b>	Lots 2 through 8, Block "A", as appearing on the plat named A RE-PLAT OF BLOCK "A" AND LOTS 1 TO 15 INCL. BLOCK "B" OF CLEARWATER BEACH PARK FIRST ADDITION, according to the map or plat thereof recorded in Plat Book 21, Page(s) 21, Public Records of Pinellas County, Florida, together with the entire 15 foot vacated alley lying adjacent along the West boundary of Lots 2 through 7; and together with the Easterly 1/2 of the 15 foot vacated alley lying adjacent to Lot 8 along the West boundary thereof.	
<b>Site Area</b>		
<b>Primary Site</b>	73,014 square feet	(1.68 acres)
<b>Total</b>	<b>73,014 square feet</b>	<b>(1.68 acres)</b>
<b>Zoning</b>	T; Tourist	
<b>Flood Status</b>	Zone AE is a Special Flood Hazard Area (SFHA) where base flood elevations are provided. AE Zones are now used on new format Flood Insurance Rate Maps (FIRM) instead of A1-A30 Zones. In communities that participate in the National Flood Insurance Program (NFIP), mandatory flood insurance purchase requirements apply to this zone.	
<b>Year Built</b>	2016	
<b>Year Renovated</b>	N/A	
<b>Type of Construction</b>	Reinforced concrete	
<b>Number of Buildings</b>	1	
<b>Gross Building Area (Parking and Retail)</b>	251,789 square feet	
<b>Net Rentable Area (Retail)</b>	11,789 square feet	
<b>Total Number of Spaces</b>	702	
<b>Total Number of Tenants</b>	6	
<b>Occupancy</b>	100.0%	
<b>Overall Condition</b>	Good/Excellent	
<b>Overall Quality</b>	Average/Good	
<b>Overall Design/Functionality</b>	Average/Good	



FINANCIAL INDICATORS AND PRO FORMA OPERATING DATA		
Financial Indicators		
Current Occupancy		100.00%
Stabilized Occupancy		90.00%
Overall Capitalization Rate		5.00%
Pro Forma Operating Data	Total	Per Space
Effective Gross Income	\$2,558,268	\$3,644.26
Operating Expenses	\$123,201	\$175.50
Expense Ratio	5%	
Net Operating Income	\$2,435,067	\$3,468.76

#### RISK SUMMARY

<b>Advantages</b>	<p>The demographics of the area are relatively strong in comparison to nearby submarkets.</p> <p>The area is mature, which impedes new competitive development due to in-fill construction costs.</p> <p>The subject has been well-maintained and is constructed of good quality building materials.</p> <p>The subject parking is master leased through May 2032.</p> <p>The subject ground floor retail space is 100% leased.</p> <p>The subject is located in a beach-oriented community with demand drivers including transient beach parking, dining, holiday traffic, local business and hotel staff.</p> <p>There is limited competitive product.</p> <p>The subject master parking lease has annual rent steps.</p>
<b>Challenges</b>	<p>The subject has no noted challenges.</p>

#### VALUE INDICATIONS

As Is as of June 28, 2022

<b>Sales Comparison Approach</b>	\$48,260,000	\$	68,746.44	Per Space
<b>Income Capitalization Approach</b>				
<b>Direct Capitalization</b>	\$48,700,000	\$	69,373.22	Per Space
<b>Approach Reliance</b>	<b>Direct Capitalization</b>			
<b>Value Conclusion - As Is</b>	<b>\$48,700,000</b>	<b>\$</b>	<b>69,373.22</b>	<b>Per Space</b>
<b>Exposure Time (Months)</b>	12			
<b>Marketing Time (Months)</b>	12			

**EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)**

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions might have affected the assignment results.

**Extraordinary Assumption(s)** This appraisal employs no extraordinary assumptions.

**Hypothetical Condition(s)** This appraisal employs no hypothetical conditions.

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## PROPERTY TRANSACTION HISTORY

As of the valuation date of this report, SCI Pelican Walk LLC owns the subject property. Ownership purchased the first portion of the property (252 spaces and ground floor retail) from PV Pelican Walk LLC in August 2021 for \$20.7 million. They purchased the remainder (450 spaces) from the City of Clearwater in May 2022 for \$12.5 million. Market participants have noted that the majority of the garage was owned by the City of Clearwater who was not operating the garage for maximum profit. The assemblage of the broken ownership and the new long-term lease to UPP has created value. As such, the most recent sales price is below market. No other transactions have occurred within the past three years to our knowledge. Please note, however, that this information is included only to satisfy the requirements of USPAP. It is not intended as a guarantee to the change of title, and a title search should be performed by a title company should a definitive abstract be desired. The property is not currently listed for sale or under contract.

## SCOPE OF WORK

The scope of work best defines the needs of the client(s) and intended user(s) of the report and dictates what factors an appraiser considered during the valuation process. The scope of work summarized below has been deemed acceptable as it meets or exceeds both the expectations of parties who are regularly intended users for similar assignments and what an appraiser's peers' actions would be in performing the same or a similar assignment. As such, the scope of work summarized below is deemed appropriate for this assignment based on its parameters and will produce credible assignment results. Additional scope details are included in appropriate sections of this report.

SCOPE OF THE INVESTIGATION																							
<b>General and Market Data Analyzed</b>	<ul style="list-style-type: none"> <li>▪ Regional economic data and trends</li> <li>▪ Market analysis data specific to the subject property type</li> <li>▪ Published survey data</li> <li>▪ Neighborhood demographic data</li> <li>▪ Comparable cost, sale, rental, expense, and capitalization rate data</li> <li>▪ Floodplain status</li> <li>▪ Zoning information</li> <li>▪ Assessor's information</li> <li>▪ Interviewed professionals knowledgeable about the subject's property type and market</li> </ul>																						
<b>Inspection Details</b>	Eric Hoening, MAI inspected the subject property on June 28, 2022.																						
<b>Property Specific Data Requested and Received</b>	<table border="1"> <thead> <tr> <th colspan="2">PROPERTY DATA RECEIVED</th> </tr> </thead> <tbody> <tr><td>Historical operating statements</td></tr> <tr><td>Current year operating statement</td></tr> <tr><td>Rent roll</td></tr> <tr><td>Leases</td></tr> <tr><td>Site plan</td></tr> <tr><td>Sale contract</td></tr> <tr><td>Proforma</td></tr> <tr><td>ALTA survey</td></tr> </tbody> </table>	PROPERTY DATA RECEIVED		Historical operating statements	Current year operating statement	Rent roll	Leases	Site plan	Sale contract	Proforma	ALTA survey												
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**VALUATION METHODOLOGY**

<b>Most Probable Buyer</b>	To apply the most relevant valuation methods and data, the appraiser must first determine the most probable buyer of the subject property. Based on the analyses presented, the most probable buyer of the subject property would be a(n) Investor
<b>Valuation Methods Utilized</b>	This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Investors do not typically rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not employed the Cost Approach to develop an opinion of market value.

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**DEFINITIONS**

Pertinent definitions, including the definition of market value, are included in the glossary, located in the *Addenda* of this report. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

<b>Market Value</b>	<p>The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:</p> <ul style="list-style-type: none"> <li>• Buyer and seller are typically motivated;</li> <li>• Both parties are well informed or well advised, and acting in what they consider their best interests;</li> <li>• A reasonable time is allowed for exposure in the open market;</li> <li>• Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and</li> <li>• The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. <sup>[1]</sup></li> </ul>
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**LEVEL OF REPORTING DETAIL**

Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report.

This report is prepared as an **Appraisal Report**. An Appraisal Report must at a minimum summarize the appraiser's analysis and the rationale for the conclusions.

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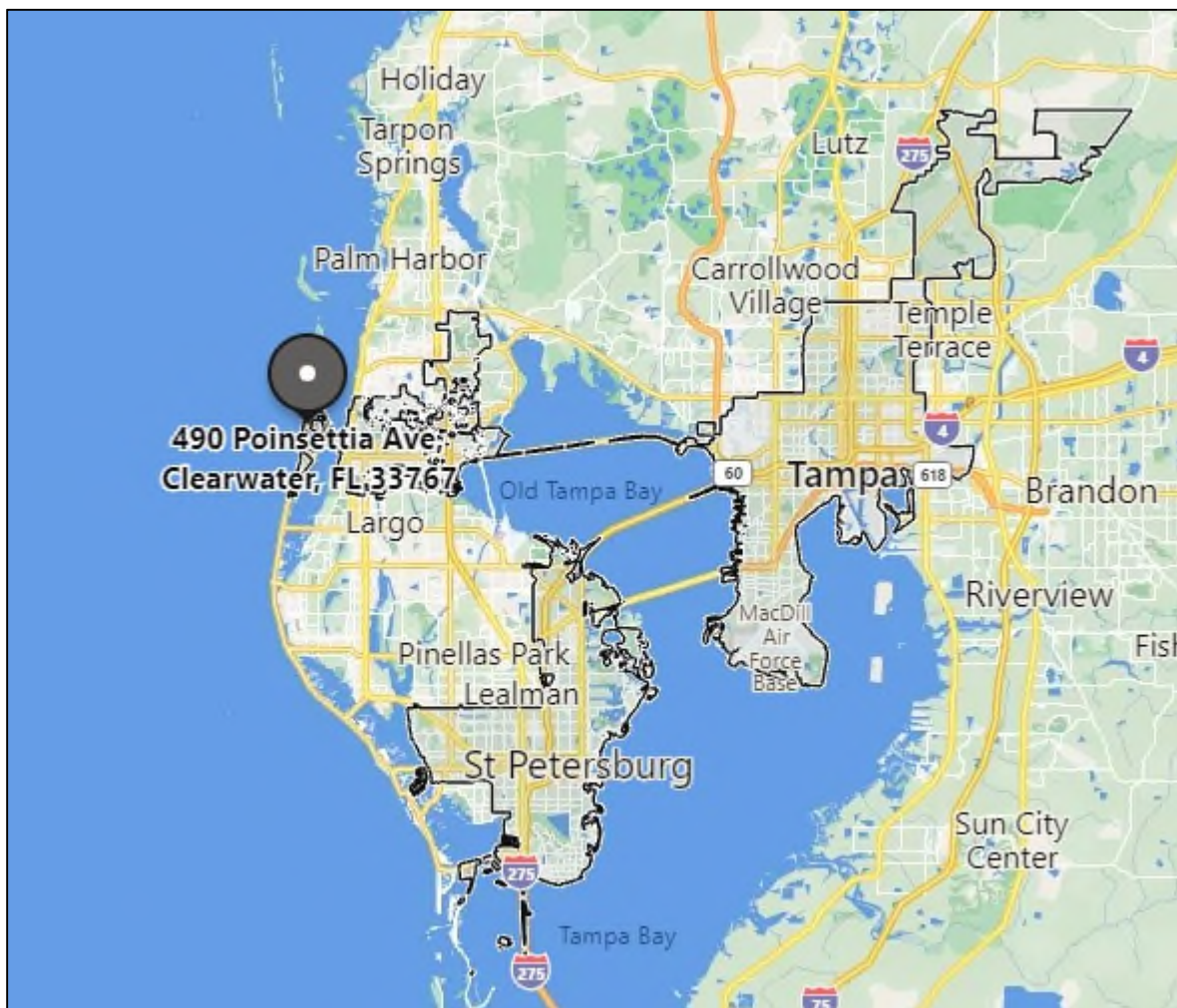
<sup>[1]</sup> (Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

## REGIONAL OVERVIEW

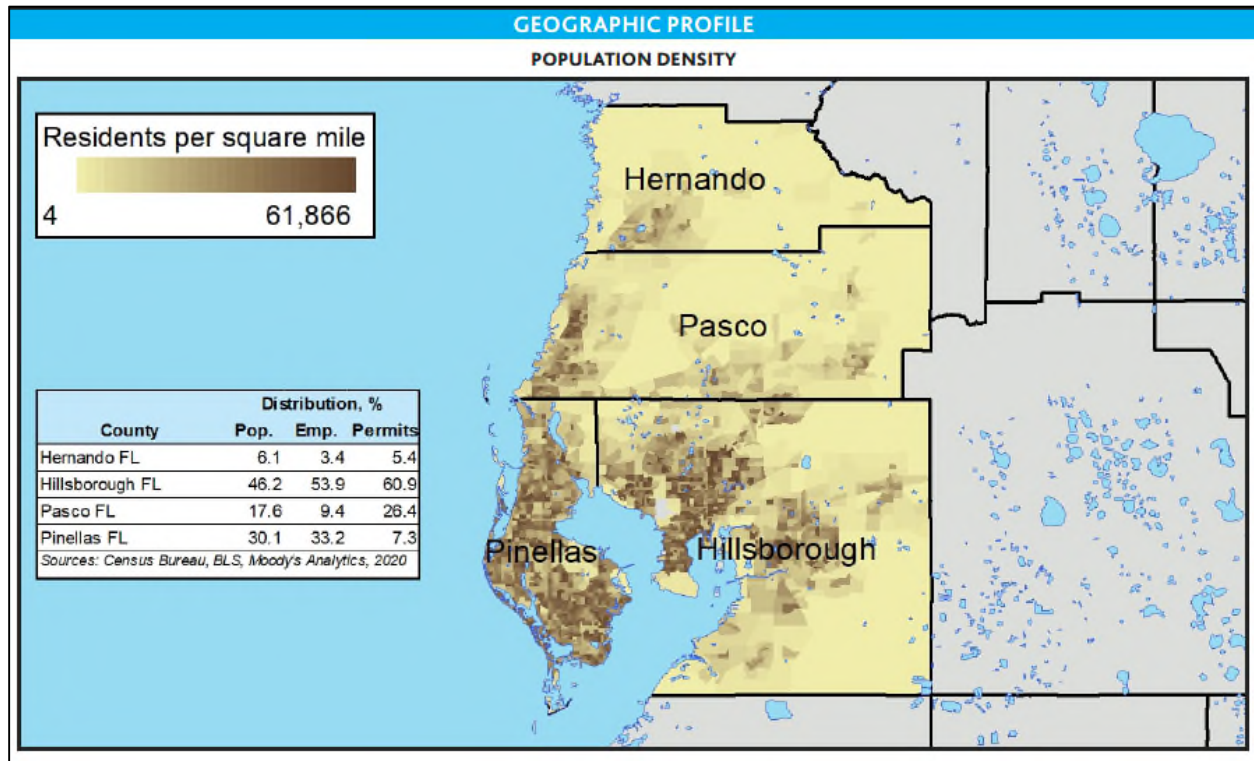
### INTRODUCTION

The subject is located in the City of Clearwater which is in the Tampa Bay, St. Petersburg and Clearwater MSA. The Tampa Bay, St. Petersburg and Clearwater MSA is the eighteenth largest metropolitan area in the United States, with a population of 3,175,275 as of the 2020 U.S. Census. The United States Census Bureau defines the Tampa–St. Petersburg–Clearwater Metropolitan Statistical Area (MSA) as including Hernando, Hillsborough, Pasco, and Pinellas counties; and it is the 18th-most populated MSA in the country. Unlike most large metropolitan areas, Tampa is not part of any combined statistical area and is the second-most populated MSA in the United States to not be part of one. This wider area may also be known as West Central Florida as part of Central Florida.

### REGIONAL MAP



## GEOGRAPHIC FORCES



**POPULATION & HOUSING CHARACTERISTICS**

	Units	Value	Rank*
Total area	sq mi	3,331.3	95
Total water area	sq mi	816.7	22
Total land area	sq mi	2,513.4	125
Land area - developable	sq mi	2,286.8	44
Land area - undevelopable	sq mi	227.9	258
Population density	pop. to developable land	1,353.0	28
Total population	ths	3,244.0	12
U.S. citizen at birth	% of population	81.8	347
Naturalized U.S. citizen	% of population	7.9	54
Not a U.S. citizen	% of population	6.6	88
Median age		42.2	66
Total housing units	ths	1,450.7	11
Owner occupied	% of total	56.5	242
Renter occupied	% of total	28.2	246
Vacant	% of total	15.3	87
1-unit; detached	% of total	55.3	357
1-unit; attached	% of total	6.0	106
Multifamily	% of total	28.2	77
Median year built		1984	

\* Areas & pop. density, out of 410 metro areas/divisions, including metros in Puerto Rico; all others, out of 403 metros.

Sources: Census Bureau, Moody's Analytics, 2019 except land area 2010

## MOODY'S ECONOMY.COM METROPOLITAN SUMMARY

The subject is in an area which is included within the Tampa Bay Metropolitan Statistical Area (MSA). The following information is taken from Moody's Economy.com February 2022 (the most recent) Metropolitan Summary of the MSA.

## RECENT PERFORMANCE

Recent Performance. Tampa-St. Petersburg-Clearwater's expansion is barreling ahead. The metro area regained its prerecession job count in September and has continued to add to payrolls since then. This rebound places TAM's recovery well ahead of Florida's and among the top 10% of metro areas nationally. Reflecting the diversity of TAM's economy, a broad range of services—including professional and business services, finance, and logistics—have fueled growth. The tourism industry has rebounded with record hotel tax revenue in 2021, but leisure/hospitality payrolls are still shy of their 2019 level. Exceptionally strong growth in TAM's labor force has kept the unemployment rate slightly further above its prerecession level than nationally.

2015	2016	2017	2018	2019	2020	INDICATORS	2021	2022	2023	2024	2025	2026
136.5	141.5	146.6	152.0	157.6	156.6	Gross metro product (C12\$ bil)	168.0	175.4	183.6	190.7	197.5	203.9
4.7	3.7	3.6	3.7	3.7	-0.6	% change	7.3	4.4	4.7	3.9	3.6	3.2
1,251.1	1,295.0	1,321.1	1,351.8	1,385.3	1,342.1	Total employment (ths)	1,392.7	1,472.0	1,514.9	1,537.2	1,552.0	1,565.4
3.5	3.5	2.0	2.3	2.5	-3.1	% change	3.8	5.7	2.9	1.5	1.0	0.9
5.3	4.6	4.1	3.6	3.3	7.3	Unemployment rate (%)	4.2	3.2	2.8	3.1	3.4	3.6
5.8	3.6	5.9	5.5	5.2	7.8	Personal income growth (%)	9.3	2.9	6.6	5.9	5.5	5.2
49.0	50.7	52.7	55.0	57.9	57.0	Median household income (\$ ths)	56.7	57.2	59.3	61.5	63.6	65.8
2,983.9	3,049.0	3,106.9	3,154.6	3,194.8	3,216.2	Population (ths)	3,235.6	3,266.6	3,301.1	3,331.5	3,360.2	3,390.1
1.9	2.2	1.9	1.5	1.3	0.7	% change	0.6	1.0	1.1	0.9	0.9	0.9
54.4	62.9	56.6	48.7	41.8	26.4	Net migration (ths)	27.9	34.9	39.2	35.8	34.7	36.6
9,739	10,685	12,732	14,228	14,670	16,088	Single-family permits (#)	19,420	22,428	22,561	20,255	19,243	17,805
5,914	7,067	5,536	3,224	8,870	4,260	Multifamily permits (#)	5,553	8,826	8,455	7,894	7,391	6,383
215.4	237.4	261.1	284.7	304.1	326.7	FHFA house price (1995Q1=100)	383.1	408.3	398.8	385.9	376.5	369.9

## PROFESSIONAL SERVICES

TAM will outperform the nation in professional services as recent entrants continue to expand and the metro area attracts new firms from across the country. Last year was TAM's best ever for professional services as companies such as Pfizer, Id.me and Rapid7 expanded into the metro area. A growing specialization in high-value-added areas such as cybersecurity and financial technology has funneled high-wage positions into TAM and given the metro area Florida's highest concentration of high-tech positions outside of aerospace-heavy Brevard County. TAM's rapidly growing population of prime-age workers, moderately priced office rents, low taxes, and skill-building potential through the University of South Florida will keep industry payrolls climbing.

## INCOMES

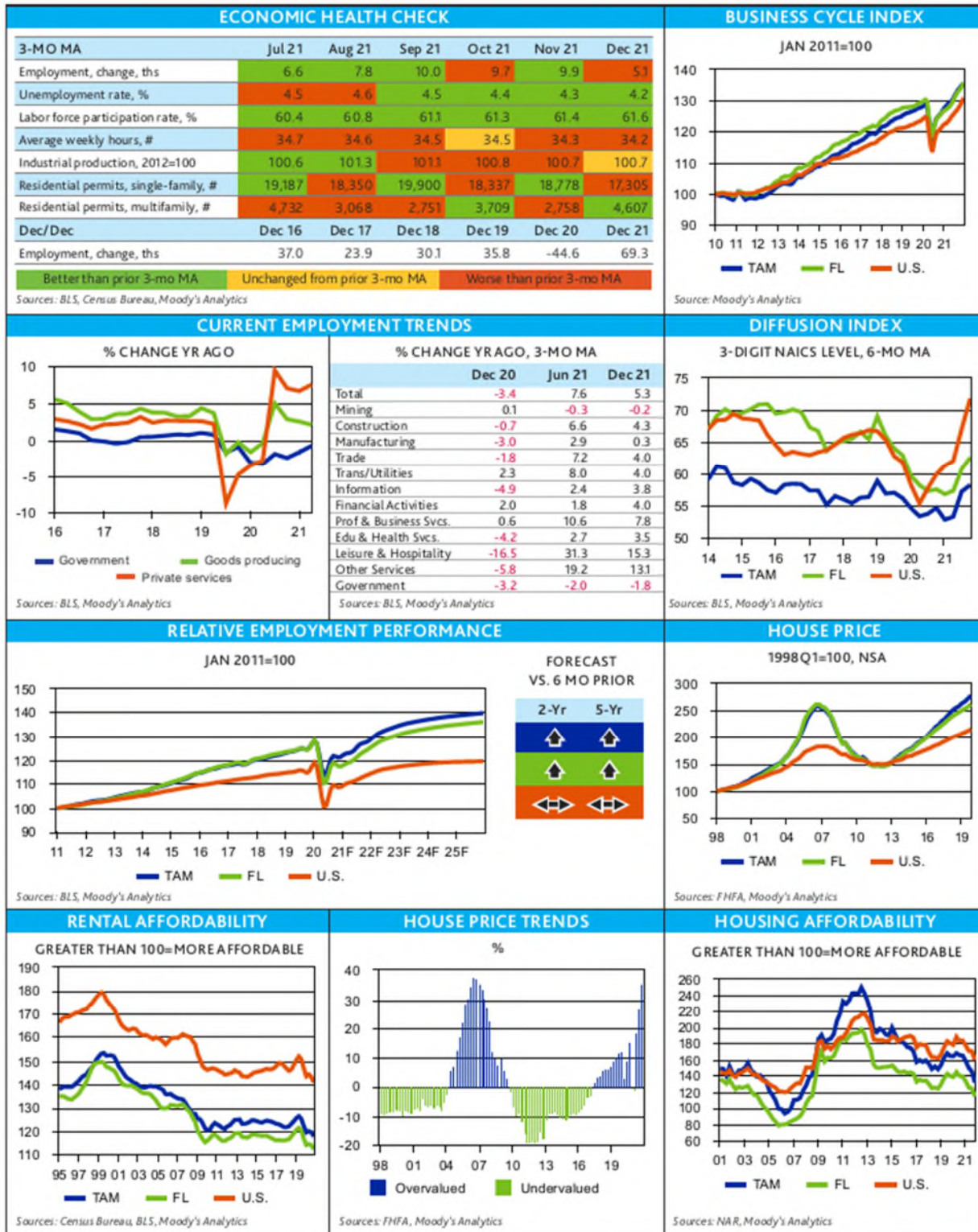
Rapidly rising incomes will keep TAM residents' finances stable, but higher prices will cut into real gains. Personal income grew at the fastest clip among Florida's large metro areas in 2020, and TAM's booming economy will ensure that income growth outperforms in the near term. The metro area's average hourly wage is rising at an above-average clip thanks to both strong growth in high-paying professional services and competition for labor in lower-wage services such as leisure/hospitality. Higher prices will force some difficult choices, however. TAM's sprawling footprint and limited public transport will heighten the sting of high gas prices. Housing costs have also soared. Single-family house prices have climbed more than 40% in the past two years, and rents have clocked some of the fastest growth nationally.

## RETIREES

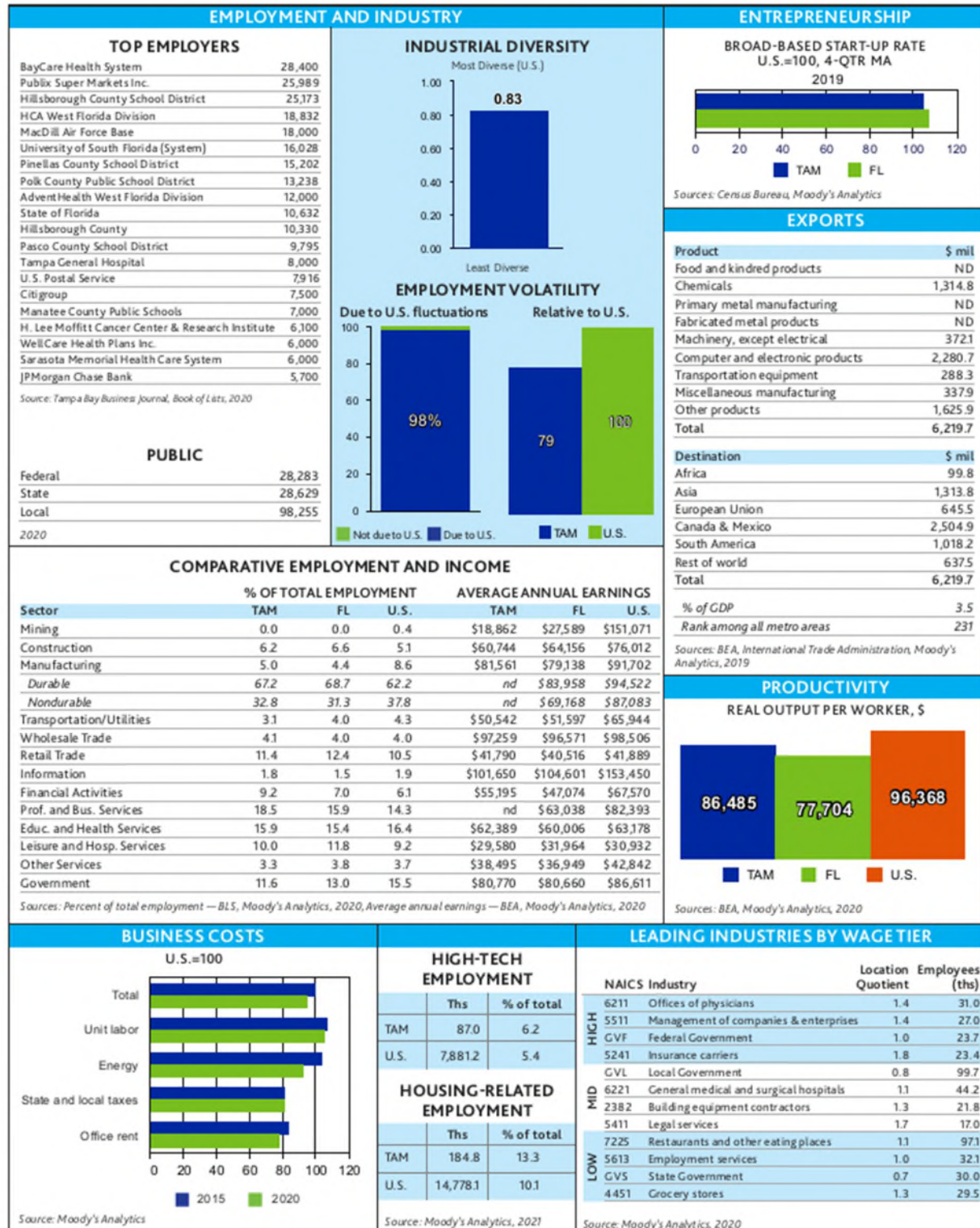
TAM has long benefited from its large cohort of retirees, but the metro area's rising cost of living threatens to slow inflows. TAM's warm weather, plentiful attractions, and lack of a state income tax have been powerful draws for seniors looking to relocate from the colder climates of the Northeast and Midwest. Retirees' huge reliance on fixed incomes from Social Security and pension payments will limit their ability to absorb rising housing costs. While housing remains more affordable than in South Florida, TAM's affordability advantage over the state average has shrunk to its narrowest level in more than a decade. As this gap closes, more retirees may forgo TAM in favor of metro areas such as Lakeland, Homosassa Springs and Ocala—smaller, cheaper areas that have increasingly drawn residents from TAM.



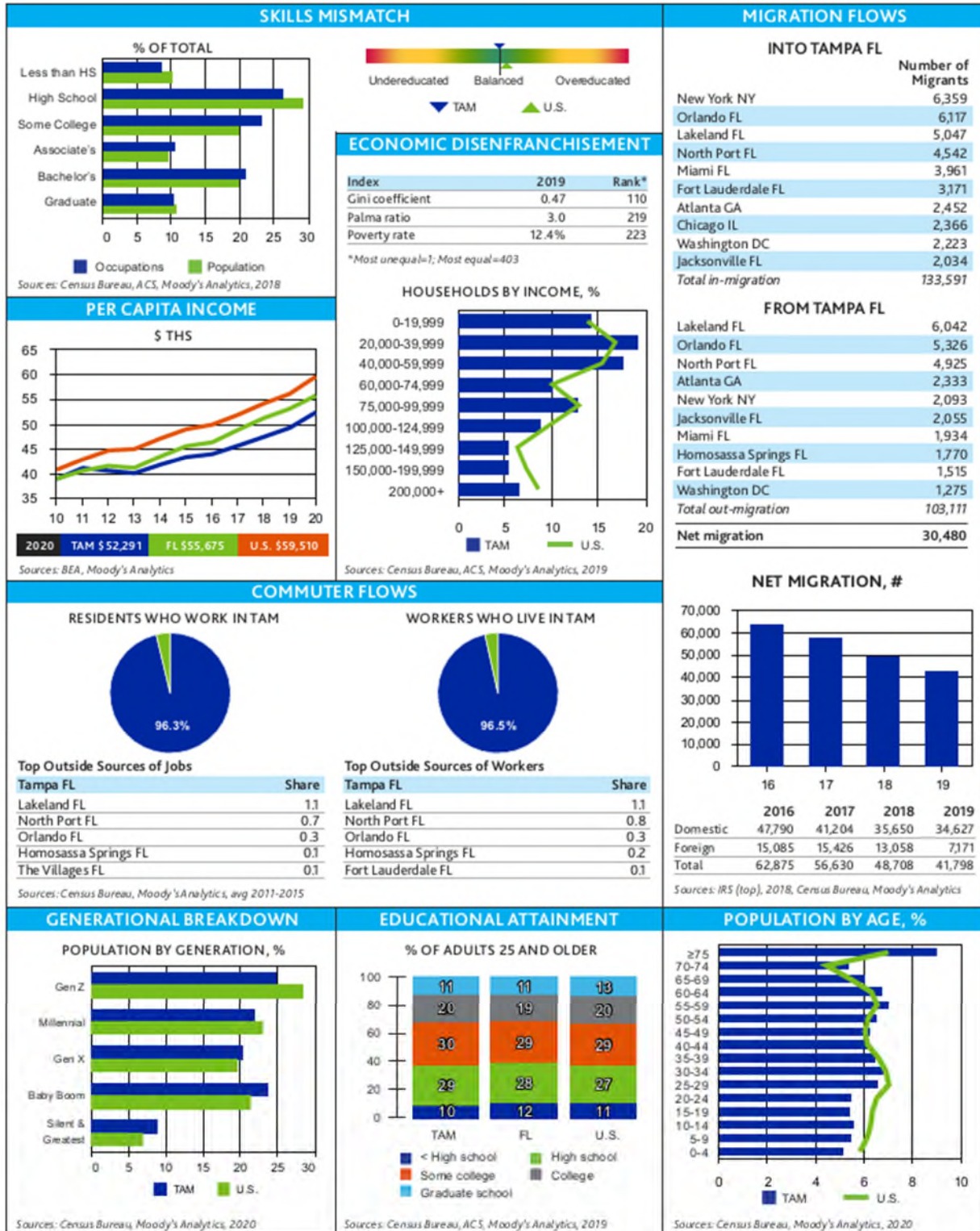
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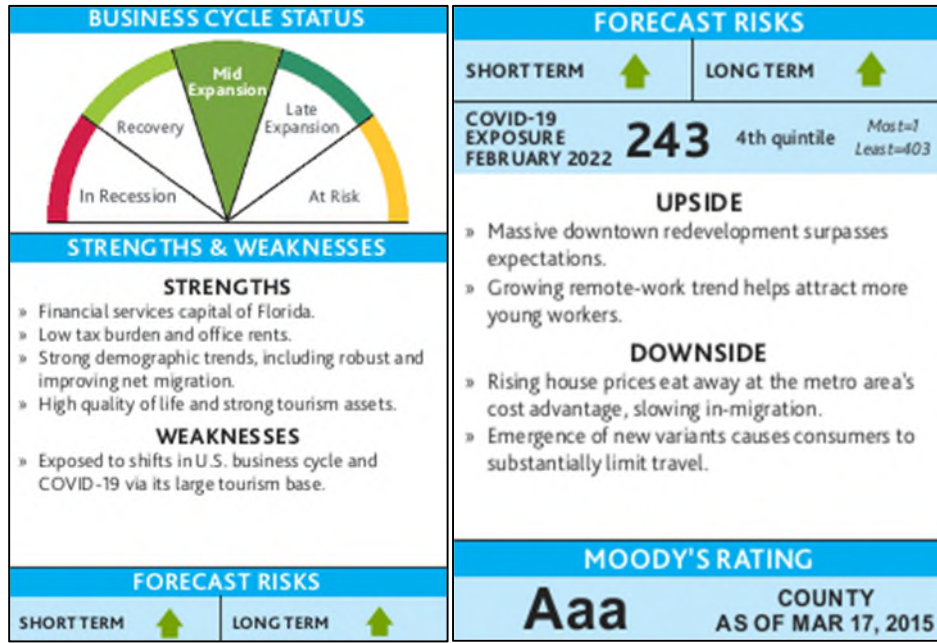


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## CONCLUSION

Growth in Tampa-St. Petersburg-Clearwater will match Florida’s speedy pace in the next several years as new jobs are added faster than the national rate. High-wage positions in professional services will support income growth and help compensate for rising costs. Longer term, the area’s diverse economy and rapidly growing population will secure the metro area’s long-term prospects.



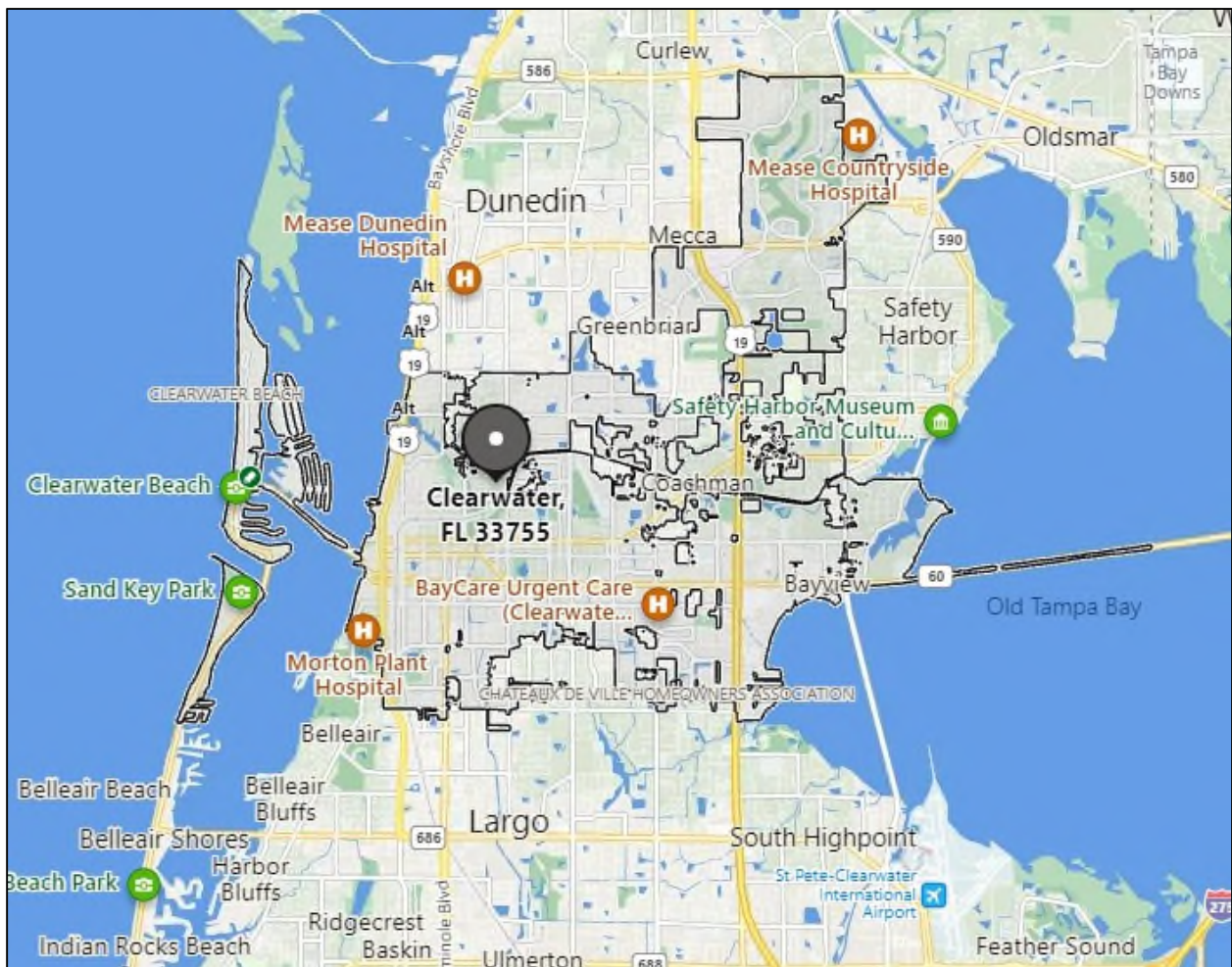
# NEIGHBORHOOD OVERVIEW

## INTRODUCTION

A neighborhood is “the defined geographic area in which the subject property competes for the attentions of market participants; the term broadly defines an area containing diverse land uses.” Neighborhoods are defined by a combination of factors including physical features, the demographic and socioeconomic characteristics of the residents or tenants, the condition of the improvements, and land use trends. Neighborhood analysis focuses on the identification of a neighborhood’s boundaries and the social, economic, governmental and environmental influences that affect the value of real property within those boundaries. In conducting a neighborhood analysis, the competitive supply and demand for the subject property is more directly addressed.

The purpose of a neighborhood analysis is to provide a bridge between the study of general influences on all property values and the analysis of a particular subject. Neighborhood boundaries are identified by determining the area in which the four forces that affect value (social, economic, governmental, and environmental) operate in the same way they affect the subject property.

## NEIGHBORHOOD MAP



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## GENERAL DESCRIPTION

The neighborhood area is defined as that area bounded by Honeymoon Island State Park to the north, Gulf of Mexico to the west, Belleair Shore to the south and Clearwater Airpark to the east. The subject is located on the Clearwater Beach peninsula, which is approximately 3 miles west of Clearwater's Central Business District (CBD). These boundaries have been defined as such because the properties within them tend to exhibit similar characteristics insofar as land use, physical features, price, and desirability, and they are affected by similar physical, economic, governmental and social forces.

## ACCESS

The neighborhood is accessible via U.S. Route 19 Alternate and the Clearwater Memorial Causeway.

U.S. Route 19 Alternate is a 37.1-mile, former section of U.S. Route 19, from St. Petersburg, Florida to Holiday, Florida. The route begins at the intersection of 4th Street N and 5th Avenue N in St. Petersburg, Florida and runs west of US 19 near the Gulf coast. The route passes through the cities of Seminole, Clearwater, Dunedin and Tarpon Springs before ending at US 19 in Holiday, Florida. The route also runs along much of the Pinellas Trail.

The Clearwater Memorial Causeway is a six-lane road between downtown Clearwater and Clearwater Beach, Florida. It includes a bi-fixed-span bridge across the Intracoastal Waterway. It carries the State Road 60 designation and is known for its greenways and pedestrian walkways. The road is also a major evacuation route during hurricane season.

Additional access to the neighborhood is provided by a number of primary roadways which includes Virginia St., Union St., Sunset Point Rd., Palmetto St., Drew St., Cleveland St., S MLK Jr. Ave., S. Myrtle Ave., S Ft. Harrison Ave., and Druid Rd. S. The area is also serviced by numerous secondary roadways.

Overall accessibility to the neighborhood is considered average as there are a limited number of high-speed traffic carriers and primary roadways.

## LAND USE PATTERNS

Land use patterns typically follow traditional development trends with the more intense commercial and retail uses located along major traffic carriers and at major intersections while residential uses are located on interior streets. Multifamily developments tend to be concentrated in various parts of the neighborhood and to function as transitional uses between residential and commercial/retail development on the major thoroughfares.

The subject is located 3 miles west of downtown Clearwater. Clearwater Downtown District and surrounding area has experienced revitalization in the past few years and is anchored by the Cleveland District, which overlooks the Clearwater Harbor and Marina. The Clearwater Harbor and Marina is accessed via Drew Street. This revitalization is an attempt to improve the business mix of downtown with a focus on retail, restaurants, and entertainment. The city is also encouraging residential development within this district. Restaurants, offices, and retail space in the central Downtown area are continuing to excel. In late 2016 the City of Clearwater unveiled to redesign the waterfront park area along Clearwater Harbor called "Imagine Clearwater". This \$55 million plan includes overhauling 60 acres of land by Fall 2023. The Church of Scientology is a major landowner within the City of Clearwater, and they own numerous office buildings, churches, and hotels. The largest building in Clearwater is owned by the Church of Scientology and it is known as the Flag Building which was completed in 2011 at a cost of \$145,000,000 (127,000 square feet).

The world-famous Clearwater Marine Aquarium, home of Winter the dolphin is located on Clearwater Beach. The aquarium is dedicated to the rescue, rehabilitation, and release of sick and injured marine animals, public education, and animal assisted research. In 2011, Winter the dolphin, a bottlenose dolphin, was the star in the film A Dolphin Tale.

The subject is in proximity to Clearwater Airpark which is a city-owned public use airport. Landings and takeoffs are allowed from 7 a.m. to 11 p.m. The terminal is open seven days a week from 7 a.m. to 9 p.m. Runway 16/34 is a 4108 ft long, 75 feet wide asphalt surface with a 50-foot-wide parallel taxiway. The airpark daily operation is leased to a Fixed Base Operator which is currently Clearwater Airpark, Inc.

Honeymoon Island State Park is located north of the subject. Prior to the Hurricane of 1921, Honeymoon Island and nearby Caladesi Island were one large island known as Hog Island. The hurricane split the island in half and created Hurricane Pass. The park offers more than four miles of beach to explore along with a three-mile trail through one of the last remaining virgin slash pine forests. The island is home to eagles, osprey and great horned owls, gopher tortoises, raccoons, and armadillos. The park provides activities such as swimming, fishing, shelling, hiking and bicycling. The park is also the ferry terminal for access to another unspoiled state park, Caladesi Island.

Belleair Beach is located south of the subject. Belleair Beach was chartered in 1950 and is two miles long. The population is approximately 1630 full time residents. It borders Clearwater and Sand Key Park on the North and Indian Rocks Beach on the South. The City of Belleair Beach is an upscale residential community; home to families with children, empty nesters, retirees, and seasonal residents. The beach has a relaxed peaceful atmosphere with all the advantages of waterfront living and the charm of an old-fashioned friendly neighborhood. Belleair Beach residents are justifiably proud to have preserved one of the last strictly residential beach neighborhoods in Pinellas County. The city provides many park facilities to their residents, including 4500 feet of beach with four beach accessways and three resident-only beach parking areas, eleven public parks including Morgan Beach Park, the Causeway beach area, two tennis courts, and a municipal Marina.

Major hospitals in the area include Morton Plant Hospital and Mease Dunedin Hospital. Morton Plant Hospital was founded in 1916, Morton Plant Hospital was the first hospital built in northern Pinellas County. In 2021, Morton Plant Hospital continues to be a leader in its field, having been nationally recognized by IBM Watson Health as one of the Top 100 Hospitals in the country for the 8th time.

Mease Dunedin Hospital was established in 1937, Mease Dunedin Hospital is a 120-bed facility committed to improving the health of everyone it serves. In recent years, the facility completed a \$19-million multi-phase expansion renovating 33,000-square-feet of the hospital's main building and adding 4,000-square-feet of new construction. This latest expansion project included a new Critical Care Unit, the new surgical center with four operating suites, an endoscopy suite, pre-operative holding unit, post-anesthesia care unit that provides functionality, accessibility, and peace of mind for patients, visitors, and staff.

## **LIFE STAGES AND TRENDS**

The defined neighborhood is in stable stage of its life cycle and has a good reputation with respect to most types of real estate. Most of any new development has been the redevelopment of older and outdated commercial and residential uses. Residential and commercial improvements in the area are in average to good condition, and the overall appearance of the neighborhood is average to good condition. Improved property values are generally rising as demand continues to grow for well-located sites and properties with good access.

## **DEMOGRAPHIC DATA**

The data below summarizes the neighborhood area demographics for the 1, 3, and 5-mile radii from the address of the subject, as provided by Claritas, Inc.

POPULATION AND HOUSEHOLD CHANGES			
	490 Poinsettia - 1 mi.	490 Poinsettia - 3 mi.	490 Poinsettia - 5 mi.
Projected Population Change (2022 - 2027)	2.2%	2.6%	2.9%
Estimated Population Change (2010 - 2022)	4.0%	6.1%	6.7%
Actual Population Change (2000 - 2010)	-6.0%	1.7%	-0.3%
Projected Households Change (2022 - 2027)	2.5%	2.8%	3.1%
Estimated Households Change (2010 - 2022)	5.0%	6.8%	7.2%
Actual Households Change (2000 - 2010)	-5.3%	0.7%	0.2%

Source: 2022 Claritas, Inc.

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA			
	490 Poinsettia - 1 mi.	490 Poinsettia - 3 mi.	490 Poinsettia - 5 mi.
Description	Totals	Totals	Totals
<b>Population</b>			
2027 Projection	15,143	106,805	234,019
2022 Estimate	14,815	104,099	227,454
2010 Census	14,249	98,095	213,138
2000 Census	15,159	96,430	213,833
2022 Est. Median Age	39.00	47.48	49.96
2022 Est. Average Age	39.54	46.02	47.48
<b>Households</b>			
2027 Projection	5,942	47,986	109,777
2022 Estimate	5,799	46,666	106,523
2010 Census	5,525	43,698	99,349
2000 Census	5,837	43,402	99,123
2022 Est. Average Household Size	2.54	2.16	2.09
<b>2022 Est. Households by Household Income (%)</b>			
Income < \$15,000	16.6	12.0	10.5
Income \$15,000 - \$24,999	10.6	10.2	9.2
Income \$25,000 - \$34,999	11.6	9.9	9.6
Income \$35,000 - \$49,999	16.7	15.1	15.1
Income \$50,000 - \$74,999	<b>16.8</b>	<b>17.5</b>	<b>17.4</b>
Income \$75,000 - \$99,999	9.0	10.8	11.6
Income \$100,000 - \$124,999	6.3	8.1	8.7
Income \$125,000 - \$149,999	4.1	5.3	5.6
Income \$150,000 - \$199,999	3.8	5.3	5.5
Income \$200,000 - \$249,999	1.9	2.6	2.8
Income \$250,000 - \$499,999	1.8	2.2	2.6
Income \$500,000+	0.7	1.0	1.4
2022 Est. Average Household Income	\$65,983	\$77,388	\$82,991
2022 Est. Median Household Income	\$44,689	\$53,315	\$56,749
<b>2022 Est. Tenure of Occupied Housing Units (%)</b>			
Owner Occupied	58.3	60.7	63.2
Renter Occupied	41.7	39.3	36.8
2022 Est. Median All Owner-Occupied Housing Value	\$240,229	\$247,066	\$256,211

Source: 2022 Claritas, Inc.



## CONCLUSION

In summary, the subject is a stable, middle-class, infill community with average linkages to the region. The neighborhood exhibits moderate growth in both population and households and these growth rates are expected to continue in the future. The neighborhood will likely continue to attract new residents that appreciate the convenience, lifestyle and relative affordability offered by housing in the immediate area. The subject appears to conform well to the surrounding developments and the neighborhood appears to be balanced and well planned.

# SITE DESCRIPTION

## GENERAL SITE DESCRIPTION OVERVIEW

<b>Location</b>	Between Mandalay Ave. and Poinsettia Ave south of Baymont Street		
<b>Parcel Number</b>	08-29-15-60417-000-1000 08-29-15-60417-000-7000 08-29-15-60417-000-2000 08-29-15-60417-000-0200 08-29-15-60417-000-3000		
<b>Legal Description</b>	Lots 2 through 8, Block "A", as appearing on the plat named A RE-PLAT OF BLOCK "A" AND LOTS 1 TO 15 INCL. BLOCK "B" OF CLEARWATER BEACH PARK FIRST ADDITION, according to the map or plat thereof recorded in Plat Book 21, Page(s) 21, Public Records of Pinellas County, Florida, together with the entire 15 foot vacated alley lying adjacent along the West boundary of Lots 2 through 7; and together with the Easterly 1/2 of the 15 foot vacated alley lying adjacent to Lot 8 along the West boundary thereof.		
<b>Site Area</b>			
<b>Primary Site</b>	73,014 square feet	(1.68 acres)	
<b>Total</b>	<b>73,014 square feet</b>	<b>(1.68 acres)</b>	
<b>Configuration</b>	Generally Rectangular		
<b>Topography</b>	Generally level		
<b>Drainage</b>	Appears adequate		
<b>Utilities/Municipal Services</b>	Typical utilities and municipal services available to site.		
<b>Floodplain</b>	<b><u>Zone</u></b>	<b><u>Map</u></b>	<b><u>Date</u></b>
	Zone AE	12103C0102H	August 24, 2021
	Zone AE is a Special Flood Hazard Area (SFHA) where base flood elevations are provided. AE Zones are now used on new format Flood Insurance Rate Maps (FIRM) instead of A1-A30 Zones. In communities that participate in the National Flood Insurance Program (NFIP), mandatory flood insurance purchase requirements apply to this zone.		
<b>Census Tract No.</b>	0260.03		
<b>Soil/Subsoil Conditions</b>	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property.		
<b>Environmental Concerns</b>	No unusual conditions observed. No studies provided. Site is assumed to be free of any environmental concerns.		
<b>Land Use Restrictions</b>	A title report was not provided, however, we are unaware of any detrimental easements, encroachments or other restrictions that would adversely affect the site's use or marketability.		
<b>Hazards Nuisances</b>	None noted		
<b>Frontage</b>	Poinsettia Ave. and Mandalay Ave.		
<b>Access</b>	The subject parking improvements have one point of ingress and two points of egress from Poinsettia Ave.		
<b>Visibility</b>	Average/Good		
<b>Surrounding Land Uses</b>	Retail		
<b>Comments</b>	The subject site is located on a peninsula between the Clearwater Beach and Mandalay Channel. It is considered typical for the neighborhood area and has average/good visibility and access. The subject is functional for its current use and is consistent with the surrounding development in the area.		

**ZONING**

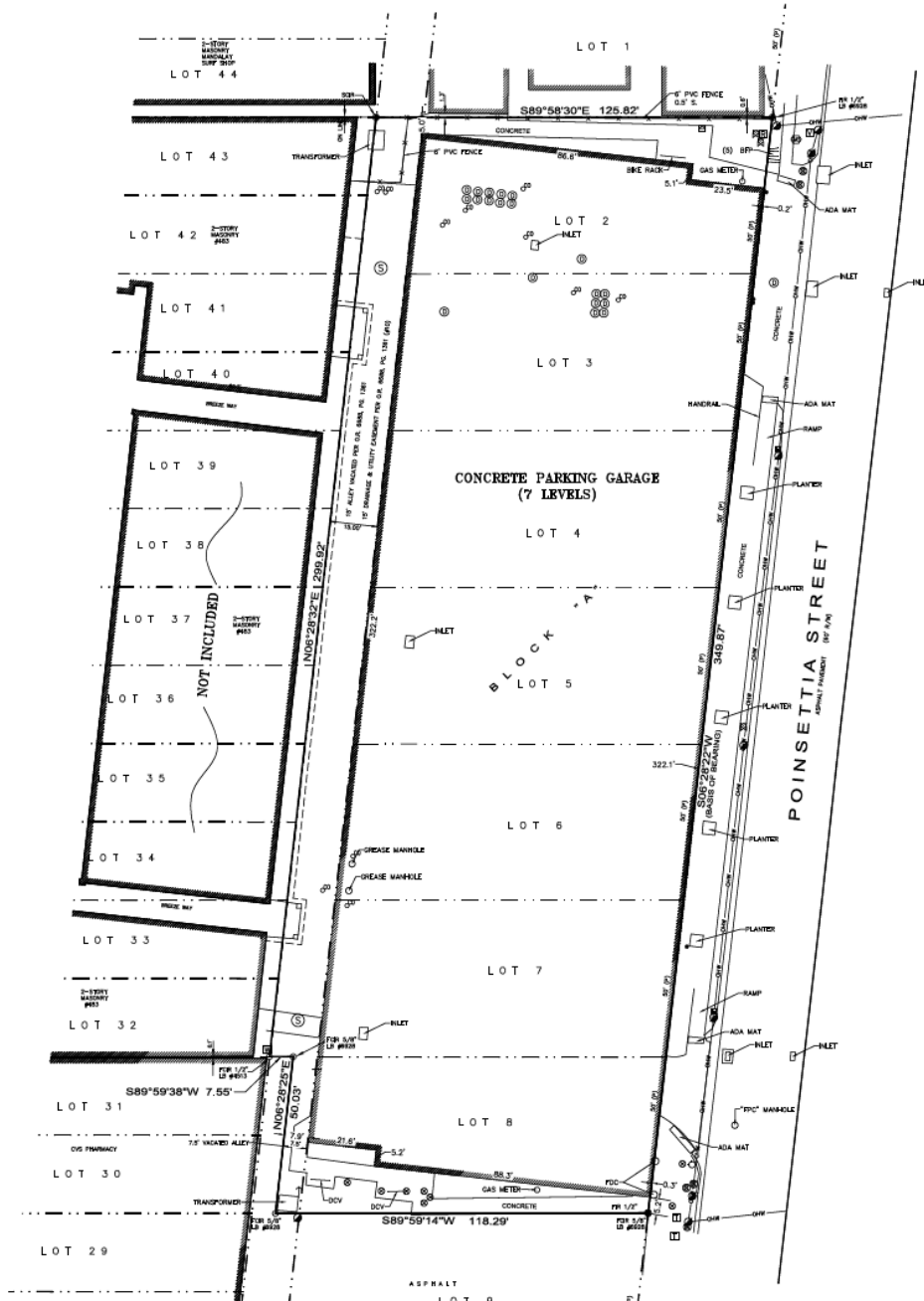
<b>Designation</b>	T
<b>Description</b>	Tourist
<b>Zoning Intent</b>	The uses and development potential are flexible and include resort facilities, bars, recreation, medical, offices, parking, restaurants and retail.
<b>Compliance</b>	The subject is a legal conforming use in this zoning district.

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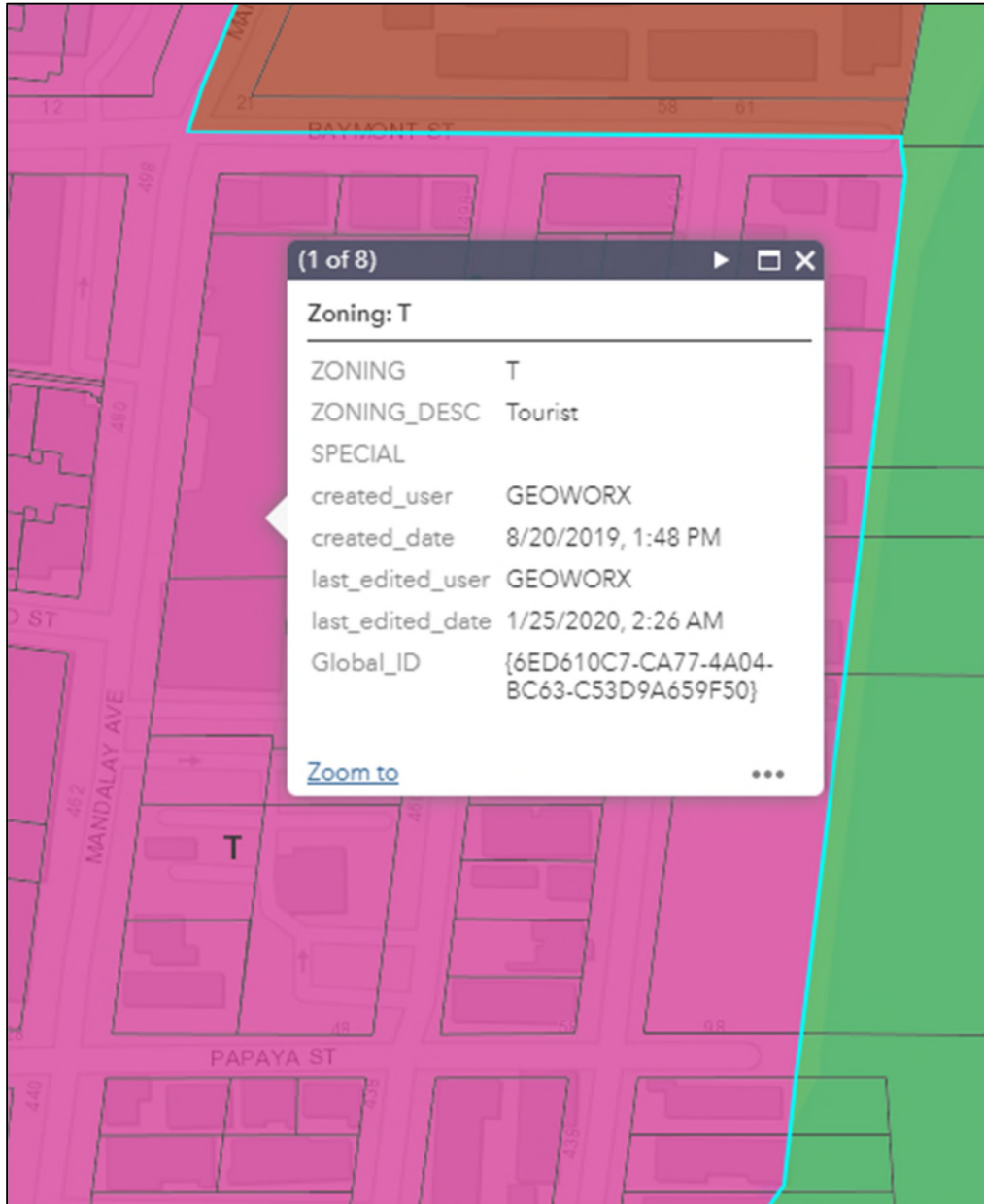
SITE SURVEY

SECTION 8 TOWNSHIP 29 SOUTH RANGE 15 EAST

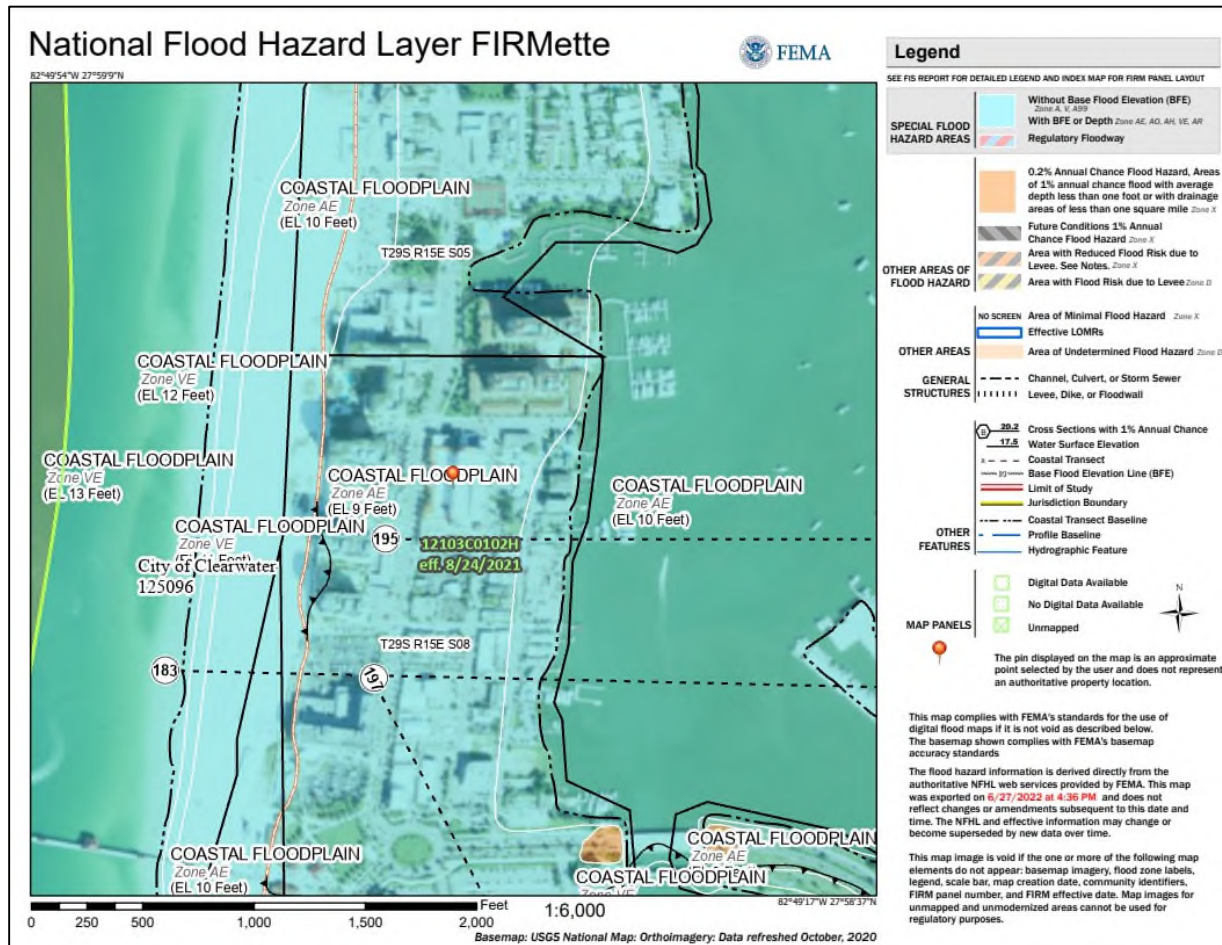
CITY OF CLEARWATER BEACH PINELLAS COUNTY FLORIDA



## ZONING MAP



# FLOOD MAP



# IMPROVEMENTS DESCRIPTION

## GENERAL IMPROVEMENT DESCRIPTION OVERVIEW - RETAIL

<b>Address</b>	490 Poinsettia Avenue Clearwater, Florida 33755
<b>Property Description</b>	Specialty (Parking) Seven-story parking garage
<b>Year Built</b>	2016
<b>Year Renovated</b>	N/A
<b>Number of Buildings</b>	1
<b>Number of Stories</b>	7
<b>Building Construction Class</b>	Class B
<b>Net Rentable Area</b>	11,789 square feet
<b>Gross Building Area</b>	251,789 square feet
<b>Land-to-Building Ratio</b>	0.29 : 1
<b>Ingress/Egress</b>	The subject parking improvements have one point of ingress and two points of egress from Poinsettia Ave.
<b>Parking</b>	
<b>Garages</b>	702
<b>Total Parking Spaces</b>	702
<b>ADA Compliance</b>	The property is assumed to be fully ADA compliant.

## CONSTRUCTION DETAIL

<b>General Layout</b>	The subject is a seven-story parking garage with ground-floor retail demised for multiple tenants.
<b>Foundation</b>	Reinforced concrete slab
<b>Construction</b>	Reinforced concrete
<b>Floor Structure</b>	Reinforced concrete
<b>Exterior Walls</b>	Concrete block and stucco

## INTERIOR DETAIL

<b>Interior Walls</b>	Drywall
<b>Ceilings</b>	Exposed
<b>Floor Coverings</b>	Vinyl tile, stained concrete and manufactured wood
<b>Lighting</b>	Fluorescent and Incandescent

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**MECHANICAL DETAIL**

<b>Heating</b>	Assumed to code and adequate
<b>Cooling</b>	Assumed to code and adequate
<b>Plumbing</b>	Assumed to code and adequate
<b>Electrical</b>	Assumed to code and adequate
<b>Fire Protection</b>	No sprinkler system observed.

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**SITE IMPROVEMENTS**

<b>Parking Type</b>	Garage
<b>Landscaping</b>	A variety of trees, shrubbery and grass
<b>Signage</b>	Building mounted

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**RENOVATION/DEFERRED MAINTENANCE**

<b>Recent Renovations or Replacements</b>	None noted
<b>Deferred Maintenance</b>	None noted
<b>Cost to Cure</b>	0

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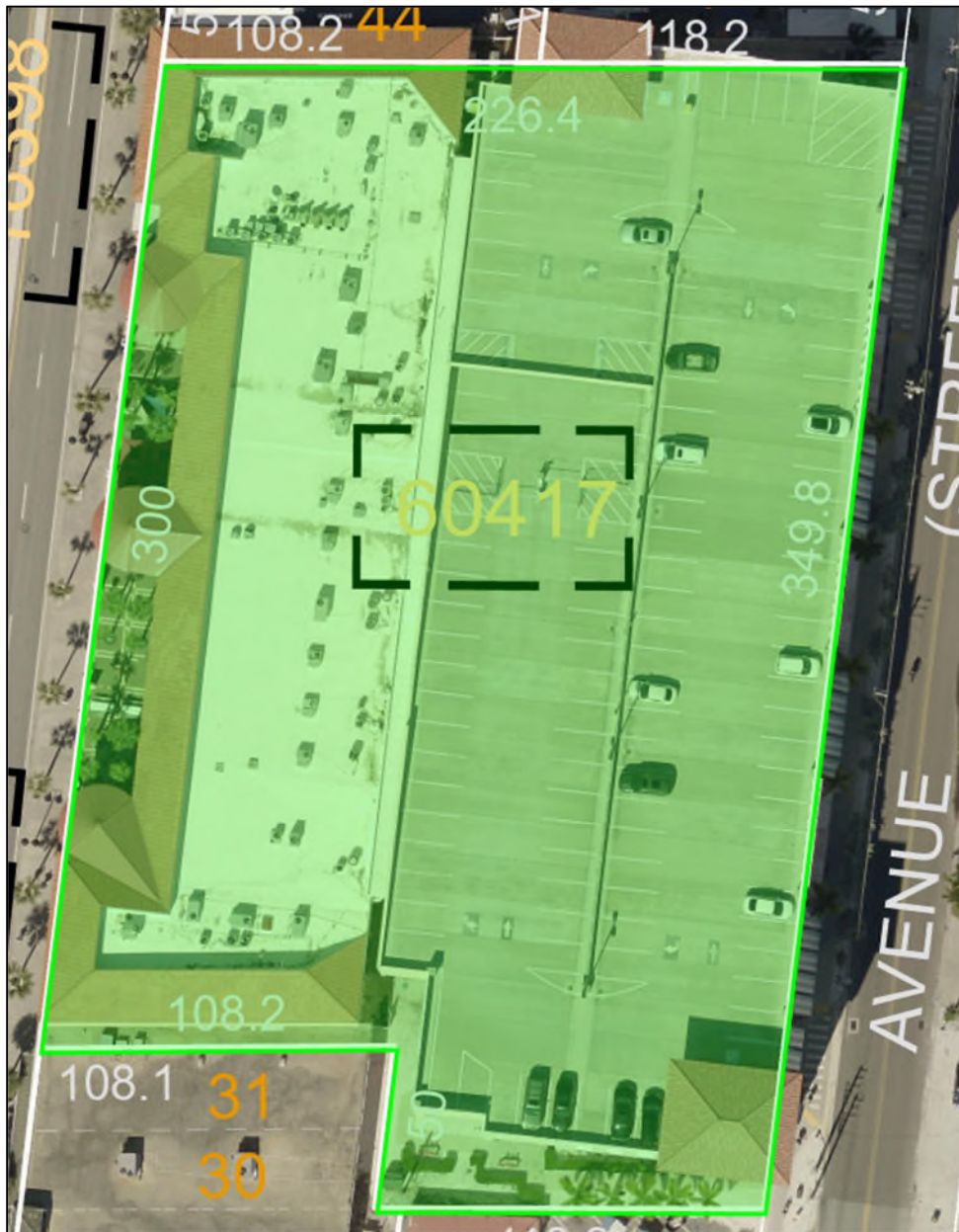
**SUMMARY**

<b>Building Condition</b>	Good/Excellent We did not inspect the roof of the building(s) nor make a detailed inspection of the mechanical systems. We are not qualified to render an opinion as to the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed about the adequacy and condition of mechanical systems.
<b>Building Quality</b>	Average/Good
<b>Design and Functionality</b>	Average/Good
<b>Actual Age</b>	6 years
<b>Expected Economic Life</b>	50 years
<b>Effective Age</b>	6 years
<b>Remaining Economic Life</b>	44 years
<b>Comments</b>	The subject property has been well maintained and competes well relative to other properties of the same vintage in the neighborhood.

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PLAT



# PROPERTY ASSESSMENT AND TAX ANALYSIS

## PROPERTY ASSESSMENT AND TAX DATA

Counties in Florida set the millage rate to be used in calculating the tax bill in September or October of each year. The County Tax Collector issues the tax bills providing a 4% discount for payment in November, a 3% discount for payment in December, a 2% discount for payment in January, and a 1% discount for payment in February.

The following table summarizes the subject's real property taxation and our projection of real property taxes:

REAL ESTATE ASSESSMENT AND TAXES				
Tax ID No.		2021	2022 Pro Forma	BBG Pro Forma
R490608 (114 spaces)	Unit PUA	\$2,072,637	\$5,485,119	
R490609 (450 spaces)	Unit PUB	\$6,515,000	\$9,375,000	
R490610 (110 spaces)	Unit PUC	\$1,897,296	\$5,292,659	
R490607 (28 spaces)	Unit PUG	\$505,628	\$1,347,222	
R490606 (Retail)	Unit RUB	\$2,695,001	\$3,400,000	\$3,400,000
Tax Value Subtotal		\$13,685,561	\$24,900,000	\$3,400,000
Assessed Value @	100.00%	\$13,685,561	\$24,900,000	\$3,400,000
General Tax Rate	per \$1,000	20.3216	20.3216	20.3216
<b>Property Taxes</b>		<b>\$278,113</b>	<b>\$506,008</b>	<b>\$69,093</b>
Special/Direct Assessments		\$0	\$0	\$0
<b>Total Taxes</b>		<b>\$278,113</b>	<b>\$506,008</b>	<b>\$69,093</b>
<b>Total Taxes PSF</b>		<b>\$23.59</b>	<b>\$42.92</b>	<b>\$5.86</b>

The County Appraiser re-assesses real estate within the county on an annual basis. Based on our conversations with the Property Appraiser's Office, after the sale of a property the assessment, and consequently taxes, are anticipated to be more in line with the sale price.

The re-assessment after a sale typically is in the range of 75% to 85% of the sale price and/or market levels. The subject's most recent assessed value is below the estimated market value within this report and the most recent purchase prices. We have estimated the taxes for the subject based on a reassessment ratio equal to 75%. Note, there were two transactions totaling \$33.2 million.

Unit PUB sold for \$12.5 million. As such our pro forma is based on 75%, or \$9,375,000.

Units PUA, PUB, PUC, PUG and RUB sold together for \$20.7 million. The total re-assessment at 75% is \$15,525,000. We have estimated an allocation to the various condo units. We have utilized a pro forma value for the retail (RUB) in line with the pro forma provided by ownership. The remainder of the value is allocated amongst the parking spaces based on a value of \$48,115 per space.

## DELINQUENCY

We assume there are no delinquent real property taxes.

## **CONCLUSION**

Note, the master parking lease has an absolute net structure wherein the tenant is responsible for all expenses. As such, ownership's pro forma expenses are for the retail portion of the property only. The BBG pro forma follows the same methodology.

Note, all of the leases are NNN and the property is currently 100% leased; although there is some loss via stabilized vacancy and collection loss on the retail portion, the risk of tax increases is largely mitigated.

# RETAIL MARKET ANALYSIS

## TAMPA RETAIL MARKET

Costar is the source for the following data. The data reflects conditions of 2022 Q1, the most recent data available. The initial discussion provides information on the overall Tampa Retail market, followed by the subject's submarket. The subject is located within the North Pinellas submarket, which will be discussed later in this report.

CoStar's 2021Q4 Base Case forecast is based on the Oxford Economics Baseline scenario published on December 21, 2021, which incorporates the strong growth experienced in the fourth quarter despite the emergence of the Omicron variant. The outlook for the first quarter of 2022 envisions a moderate pullback in activity because of the variant followed by some recovery in the early spring, driving economic growth in the first quarter to about 3.4% annualized. Economic growth in 2022 is expected to reach a relatively strong 4.4%. After losing roughly 9.1 million jobs in 2020 and recovering about 6.2 million jobs in 2021, about 1.1 million jobs are added in the first quarter and about 3.5 to 4 million by year end. The unemployment rate falls below 4% in the second quarter. Employment returns to its pre-COVID peak in the fourth quarter of 2022. Thereafter, job growth slows gradually to about 0.3% per year in 2024 before returning to its long run growth rate of 0.6%. Solid aggregate demand amid lingering supply constraints led to inflation rising sharply in the fourth quarter of 2021. Headline and core PCE rose to their highest rates in decades but are expected to peak in the first quarter of 2022 as supply constraints ease, with core PCE falling to about 3.0% before mid-year. In response to higher prices, the Federal Reserve is expected to raise its policy rate four times in 2022, beginning in March after its asset purchases end. Further, the Fed has signaled that it is prepared to begin quantitative tightening by mid-year. Capital markets remain calm as spreads settle below 200 basis points through the end of the forecast period.

Costar provides statistics related to the retail market based on the following subtypes: Mall, Neighborhood Center, Power Center, Strip Center, General Retail and Other.

### KEY INDICATORS AT A GLANCE

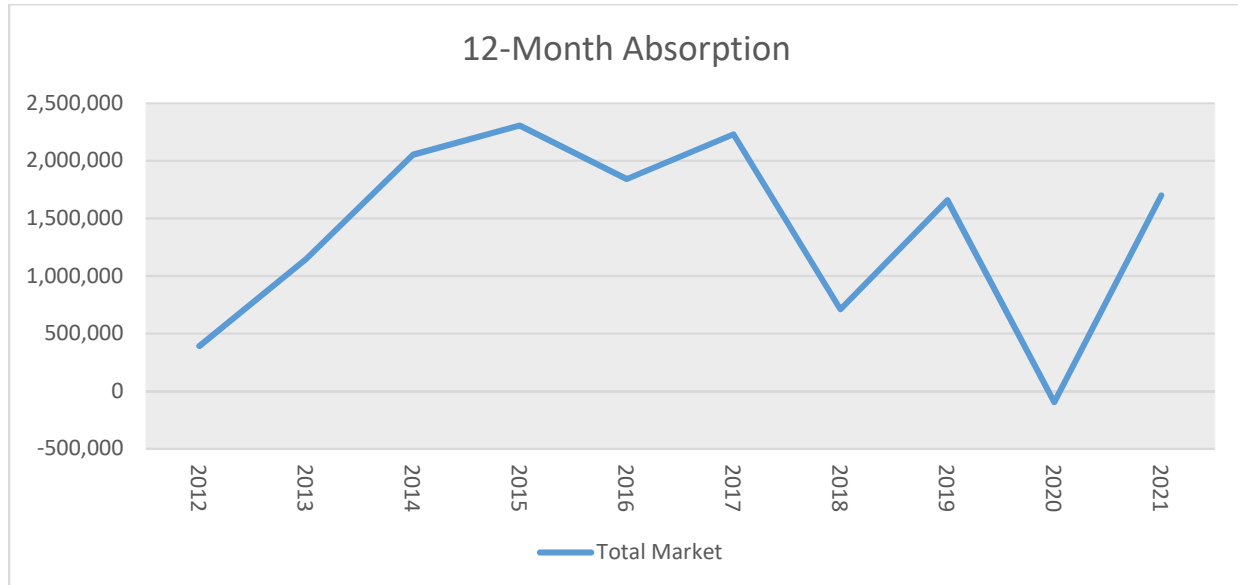
	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	3.78%	3.54%	decreased 24 Basis Points
Absorption (SF)	266,733	419,574	increased 152,841 SF
Quoted Rental Rates (\$/SF/Year)	\$21.62	\$22.05	increased \$0.43 PSF
Inventory (SF)	171,810,774	171,828,786	increased 18,016 SF
Net Deliveries (SF)	91,916	18,012	decreased 73,904 SF
Under Construction (SF)	651,405	804,869	increased 153,464 SF

## TAMPA RETAIL MARKET STATISTICS

PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES (\$/SF/YEAR)
2022 Q1	171,828,786	3.54%	419,574	18,012	804,869	\$22.05
2021 Q4	171,810,774	3.78%	266,733	91,916	651,405	\$21.62
2021 Q3	171,718,858	3.88%	1,170,849	495,774	524,006	\$21.08
2021 Q2	171,223,084	4.29%	232,928	96,628	873,214	\$20.83
2021	171,810,774	3.78%	1,699,812	892,910	651,405	\$21.62
2020	170,915,749	4.27%	-95,819	269,944	806,311	\$20.20
2019	170,620,184	4.06%	1,659,247	1,047,154	966,572	\$19.28
2018	169,566,911	4.45%	712,471	1,085,211	1,142,012	\$18.25
2017	168,453,457	4.26%	2,230,521	1,558,858	1,205,862	\$17.33
2016	166,881,553	4.67%	1,843,637	869,521	1,418,021	\$16.45
2015	166,012,032	5.28%	2,306,543	1,335,923	1,079,551	\$15.83
2014	164,676,109	5.91%	2,052,965	1,020,658	1,053,223	\$15.39
2013	163,648,451	6.58%	1,148,611	623,022	1,129,723	\$15.06

The Tampa Retail market ended the first quarter with a vacancy rate of 3.54%. The vacancy rate decreased over the previous quarter, with net absorption totaling 419,574 square feet in the first quarter. Rental rates increased compared to the previous quarter, ending first quarter at \$22.05. A total of 18,012 square feet was delivered to the market, with 804,869 square feet still under construction at the end of the quarter.

### ABSORPTION



Net absorption for the overall Tampa Retail market was 419,574 square feet in the first quarter 2022. That compares to 266,733 square feet in the fourth quarter 2021, 1,170,849 square feet in the third quarter 2021, and 232,928 square feet in the second quarter 2021. Net absorption in the market over the prior 12 months totaled 2,090,084 square feet.

The Mall subtype recorded net absorption of -93,237 square feet in the first quarter 2022, compared to -43,626 square feet in the fourth quarter 2021, -124,412 square feet in the third quarter 2021, and -14,729 square feet in the second quarter 2021.

Neighborhood Centers recorded net absorption of 203,913 square feet in the first quarter 2022, compared to 140,998 square feet in the fourth quarter 2021, 463,929 square feet in the third quarter 2021, and -68,430 square feet in the second quarter 2021.

Power Centers recorded net absorption of 51,727 square feet in the first quarter 2022, compared to -56,243 square feet in the fourth quarter 2021, 22,810 square feet in the third quarter 2021, and 21,156 square feet in the second quarter 2021.

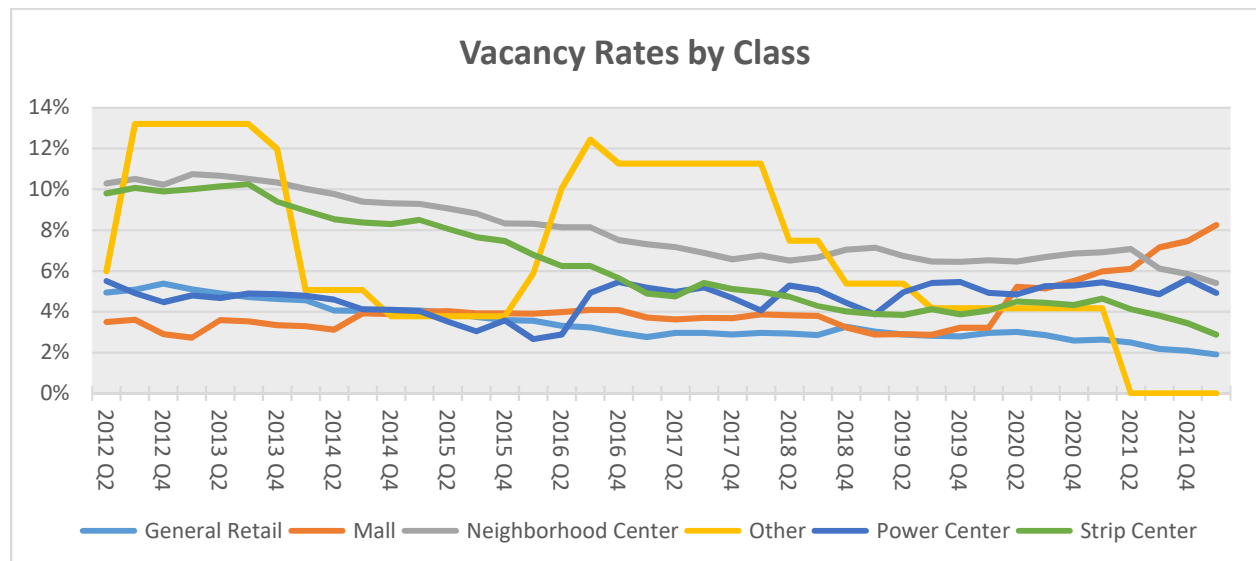
Strip Centers recorded net absorption of 77,603 square feet in the first quarter 2022, compared to 73,110 square feet in the fourth quarter 2021, 66,476 square feet in the third quarter 2021, and 72,055 square feet in the second quarter 2021.

General Retail recorded net absorption of 179,783 square feet in the first quarter 2022, compared to 150,614 square feet in the fourth quarter 2021, 392,046 square feet in the third quarter 2021, and 214,404 square feet in the second quarter 2021.

Finally, Other retail subtypes recorded net absorption of 0 square feet in the first quarter 2022, compared to 0 square feet in the fourth quarter 2021, 0 square feet in the third quarter 2021, and 3,485 square feet in the second quarter 2021.

Net absorption for the North Pinellas submarket was 16,384 square feet in the first quarter 2022. That compares to 45,866 square feet in the fourth quarter 2021, 52,526 square feet in the third quarter 2021, and 54,781 square feet in the second quarter 2021.

**VACANCY**



Vacancy for the overall Tampa Retail market was 3.54% in the first quarter 2022. That compares to 3.78% in the fourth quarter 2021, 3.88% in the third quarter 2021, and 4.29% in the second quarter 2021.

The Mall subtype recorded vacancy of 8.25% in the first quarter 2022, compared to 7.46% in the fourth quarter 2021, 7.15% in the third quarter 2021, and 6.10% in the second quarter 2021.

Neighborhood Centers recorded vacancy of 5.41% in the first quarter 2022, compared to 5.85% in the fourth quarter 2021, 6.12% in the third quarter 2021, and 7.07% in the second quarter 2021.

Power Centers recorded vacancy of 4.93% in the first quarter 2022, compared to 5.60% in the fourth quarter 2021, 4.87% in the third quarter 2021, and 5.17% in the second quarter 2021.

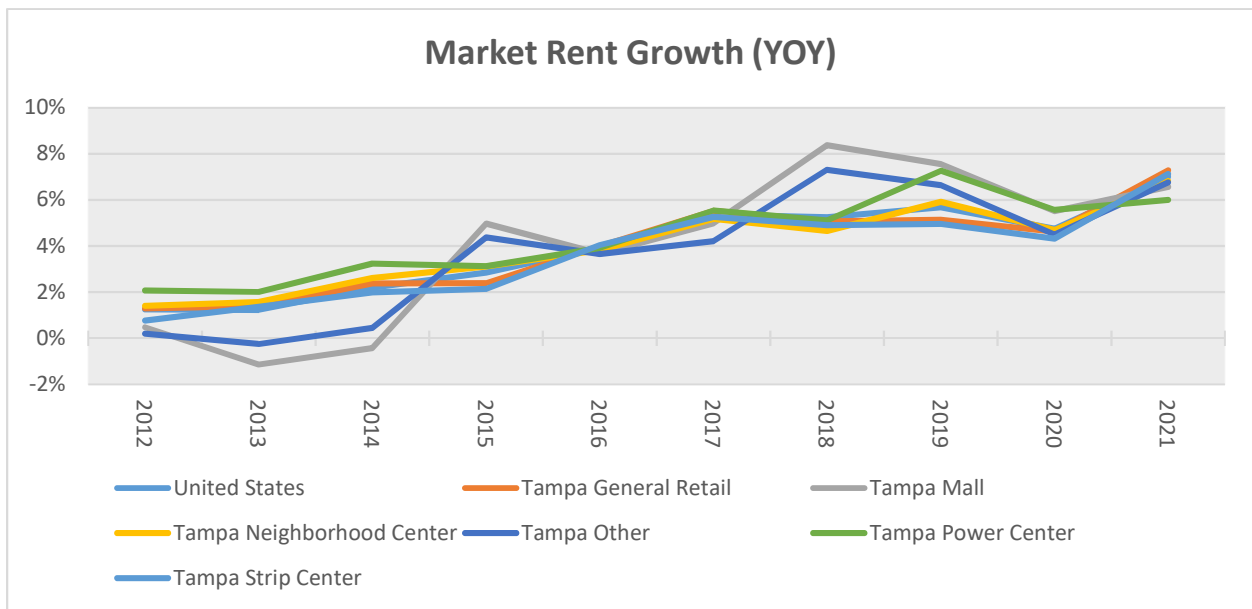
Strip Centers recorded vacancy of 2.88% in the first quarter 2022, compared to 3.43% in the fourth quarter 2021, 3.81% in the third quarter 2021, and 4.12% in the second quarter 2021.

General Retail recorded vacancy of 1.91% in the first quarter 2022, compared to 2.09% in the fourth quarter 2021, 2.18% in the third quarter 2021, and 2.49% in the second quarter 2021.

Finally, Other retail subtypes recorded vacancy of 0.00% in the first quarter 2022, compared to 0.00% in the fourth quarter 2021, 0.00% in the third quarter 2021, and 0.00% in the second quarter 2021.

Vacancy for the North Pinellas submarket was 3.71% in the first quarter 2022. That compares to 3.81% in the fourth quarter 2021, 4.11% in the third quarter 2021, and 4.42% in the second quarter 2021.

**RENTAL RATES**



The rental rates shown below are per square foot per year on a NNN basis.

The average asking rental rate for available Retail space, all subtypes, was \$22.05 psf at the end of the first quarter 2022 in the Tampa market area. Average asking rental rates reported a 2.0% increase from the end of the fourth quarter 2021, when rents were reported at \$21.62.

The average quoted rate within the Mall subtype was \$31.18 at the end of the first quarter 2022, while Neighborhood Center rates stood at \$21.07, Power Center rates at \$26.79, Strip Center rates at \$20.39, General Retail rates at \$21.22, and Other retail rates at \$27.37. At the end of the fourth quarter 2021, Mall subtype rates

were \$30.53, Neighborhood Center rates stood at \$20.67, Power Center rates at \$26.30, Strip Center rates at \$20.02, General Retail rates at \$20.80, and Other retail rates at \$26.84.

The average quoted asking rental rate in Tampa's North Pinellas submarket was \$22.06 at the end of the first quarter 2022. In the fourth quarter 2021, quoted rates were \$21.60.

## INVENTORY & CONSTRUCTION

During the first quarter 2022, a total of 18,012 square feet was completed in the Tampa market area. This compares to a total of 91,916 square feet completed in the fourth quarter 2021, a total of 495,774 square feet completed in the third quarter 2021, and 96,628 square feet completed in the second quarter 2021.

There was 804,869 square feet of Retail space under construction at the end of the first quarter 2022.

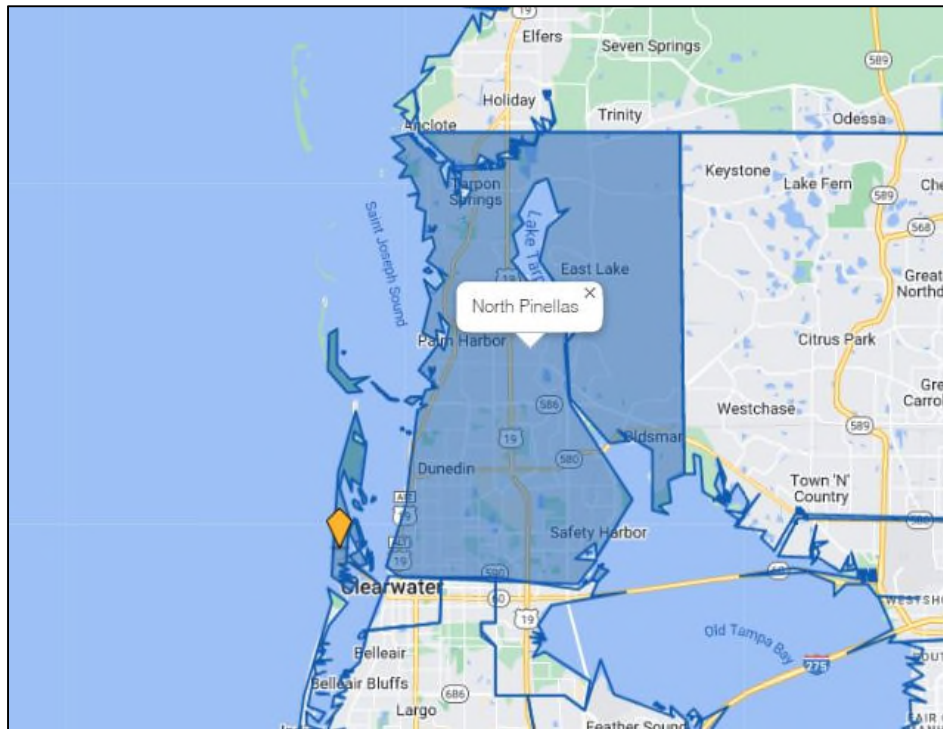
SUBTYPE	EXISTING INVENTORY (SF)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (SF)
Mall	11,806,710	-8,200	0
Neighborhood Center	48,494,912	6,885	182,299
Power Center	7,671,510	0	0
Strip Center	13,993,369	45,571	17,412
General Retail	89,296,492	304,874	605,158
Other	83,554	0	0
<b>Total</b>	<b>171,828,786</b>	<b>702,330</b>	<b>804,869</b>

## MARKET OUTLOOK

The Tampa Retail market ended the first quarter 2022 with a vacancy rate of 3.54%. The vacancy rate decreased over the previous quarter, with net absorption totaling 419,574 square feet in the first quarter 2022. Rental rates increased \$0.43 PSF over the previous quarter and ended at \$22.05. A total of 18,012 square feet was delivered in the quarter, with 804,869 square feet still under construction at the end of the quarter.



**SUB MARKET MAP**



**NORTH PINELLAS RETAIL MARKET**

**KEY INDICATORS AT A GLANCE**

	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	3.81%	3.71%	decreased 10 Basis Points
Absorption (SF)	45,866	16,384	decreased 29,482 SF
Quoted Rental Rates (\$/SF/Year)	\$21.60	\$22.06	increased \$0.46 PSF
Inventory (SF)	15,400,345	15,400,345	no change SF
Net Deliveries (SF)	0	0	no change SF
Under Construction (SF)	21,928	44,428	increased 22,500 SF

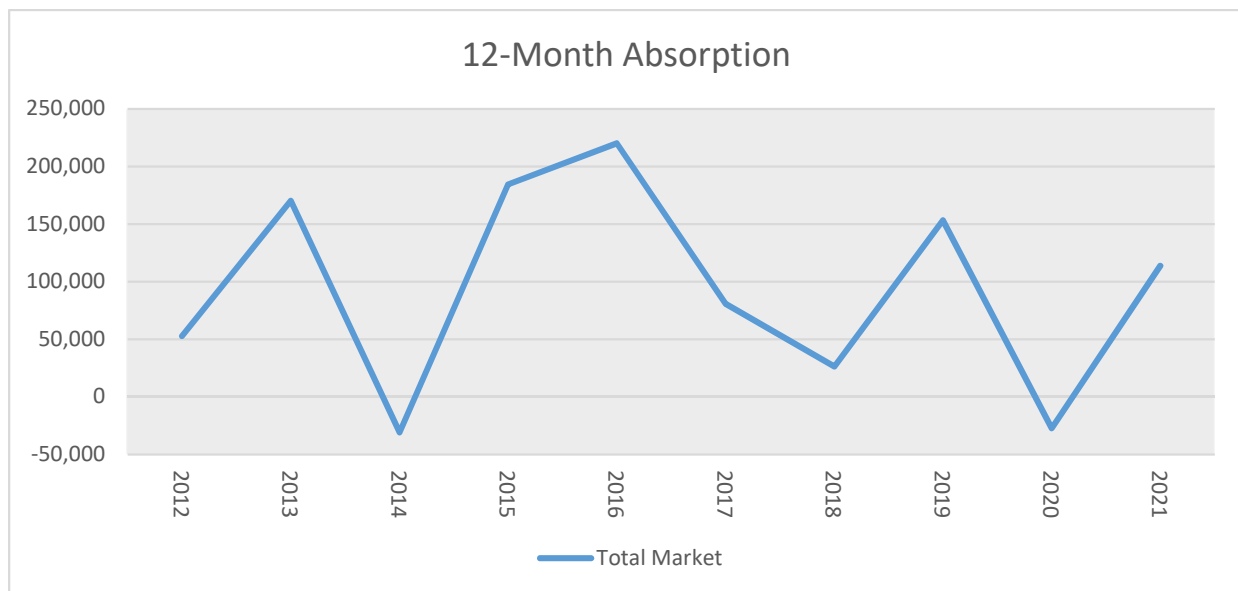
**NORTH PINELLAS RETAIL MARKET STATISTICS**

PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES (\$/SF/YEAR)
2022 Q1	15,400,345	3.71%	16,384	0	44,428	\$22.06
2021 Q4	15,400,345	3.81%	45,866	0	21,928	\$21.60
2021 Q3	15,400,345	4.11%	52,526	4,511	10,446	\$20.99
2021 Q2	15,395,834	4.42%	54,781	19,200	7,511	\$20.72
2021	15,400,345	3.81%	114,015	23,711	21,928	\$21.60
2020	15,376,634	4.40%	-27,291	578	23,711	\$20.15
2019	15,376,056	4.22%	153,262	114,810	4,500	\$19.36

2018	15,261,246	4.51%	26,392	83,875	129,274	\$18.40
2017	15,177,371	4.20%	80,740	20,789	13,777	\$17.52
2016	15,156,582	4.61%	220,214	100,038	11,528	\$16.56
2015	15,056,544	5.44%	184,597	67,818	94,238	\$15.87
2014	14,988,726	6.24%	-30,804	19,544	31,564	\$15.39
2013	14,969,182	5.92%	170,167	56,205	15,150	\$15.03

The North Pinellas Retail market ended the first quarter with a vacancy rate of 3.71%. The vacancy rate decreased over the previous quarter, with net absorption totaling 16,384 square feet in the first quarter. Rental rates increased compared to the previous quarter, ending first quarter at \$22.06. A total of 0 square feet was delivered to the market, with 44,428 square feet still under construction at the end of the quarter.

## ABSORPTION



Net absorption for the overall North Pinellas Retail market was 16,384 square feet in the first quarter 2022. That compares to 45,866 square feet in the fourth quarter 2021, 52,526 square feet in the third quarter 2021, and 54,781 square feet in the second quarter 2021. Net absorption in the market over the prior 12 months totaled 169,557 square feet.

The Mall subtype Retail market recorded net absorption of -61,682 square feet in the first quarter 2022, compared to 0 square feet in the fourth quarter 2021, 0 square feet in the third quarter 2021, and 10,200 square feet in the second quarter 2021.

The Neighborhood Center subtype Retail market recorded net absorption of 30,612 square feet in the first quarter 2022, compared to 22,585 square feet in the fourth quarter 2021, 9,246 square feet in the third quarter 2021, and 9,595 square feet in the second quarter 2021.

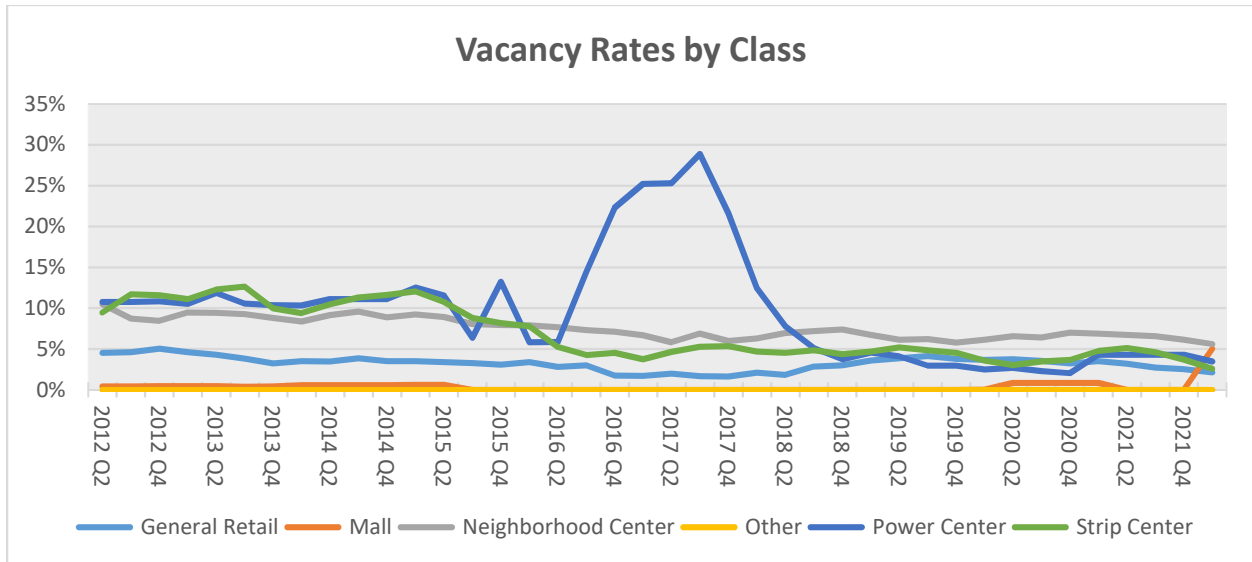
The Power Center subtype Retail market recorded net absorption of 5,005 square feet in the first quarter 2022, compared to 0 square feet in the fourth quarter 2021, 0 square feet in the third quarter 2021, and 0 square feet in the second quarter 2021.

Strip Centers recorded net absorption of 14,540 square feet in the first quarter 2022, compared to 11,138 square feet in the fourth quarter 2021, 6,485 square feet in the third quarter 2021, and -4,384 square feet in the second quarter 2021.

General Retail recorded net absorption of 27,909 square feet in the first quarter 2022, compared to 12,143 square feet in the fourth quarter 2021, 36,795 square feet in the third quarter 2021, and 39,370 square feet in the second quarter 2021.

Finally, Other retail subtypes recorded net absorption of 0 square feet in the first quarter 2022, compared to 0 square feet in the fourth quarter 2021, 0 square feet in the third quarter 2021, and 0 square feet in the second quarter 2021.

**VACANCY**



Vacancy for the overall North Pinellas Retail market decreased to 3.71% in the first quarter 2022. That compares to 3.81% in the fourth quarter 2021, 4.11% in the third quarter 2021, and 4.42% in the second quarter 2021.

Mall subtype projects reported a vacancy rate of 5.01% at the end of the first quarter 2022, 0.00% at the end of the fourth quarter 2021, 0.00% at the end of the third quarter 2021, and 0.00% at the end of the second quarter 2021.

Neighborhood Center subtype projects reported a vacancy rate of 5.60% at the end of the first quarter 2022, 6.15% at the end of the fourth quarter 2021, 6.55% at the end of the third quarter 2021, and 6.72% at the end of the second quarter 2021.

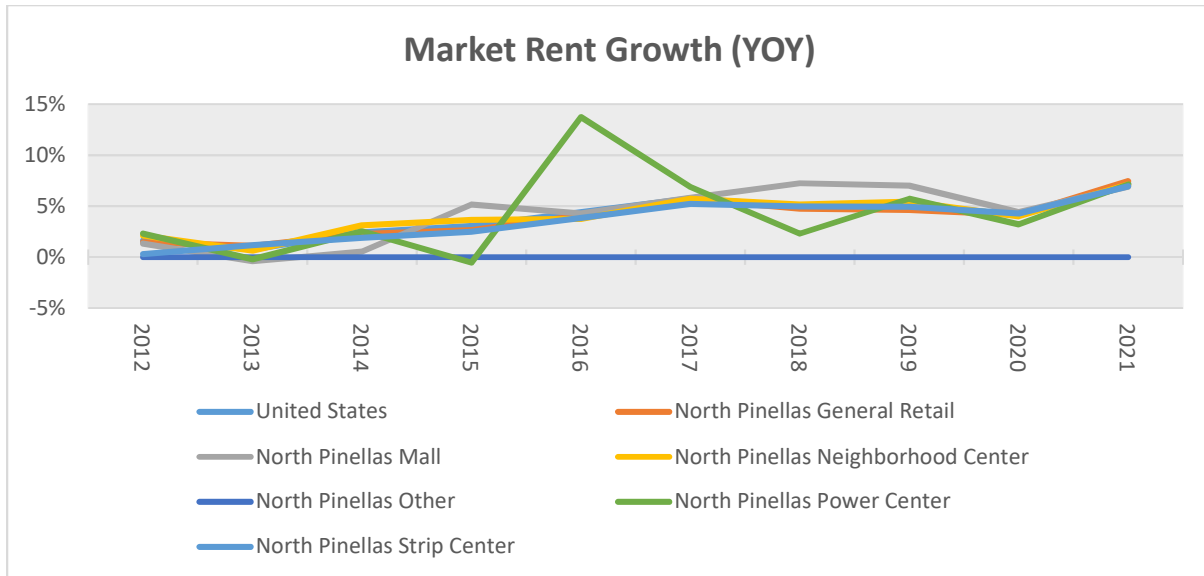
Power Center subtype projects reported a vacancy rate of 3.48% at the end of the first quarter 2022, 4.31% at the end of the fourth quarter 2021, 4.31% at the end of the third quarter 2021, and 4.31% at the end of the second quarter 2021.

Strip Centers recorded vacancy of 2.57% in the first quarter 2022, compared to 3.72% in the fourth quarter 2021, 4.61% in the third quarter 2021, and 5.12% in the second quarter 2021.

General Retail recorded vacancy of 2.13% in the first quarter 2022, compared to 2.54% in the fourth quarter 2021, 2.72% in the third quarter 2021, and 3.21% in the second quarter 2021.

Finally, Other retail subtypes recorded vacancy of 0.00% in the first quarter 2022, compared to 0.00% in the fourth quarter 2021, 0.00% in the third quarter 2021, and 0.00% in the second quarter 2021.

**RENTAL RATES**



The rental rates shown below are per square foot per year on a NNN basis.

The average asking rental rate for available Retail space, all classes, was \$22.06 psf at the end of the first quarter 2022 in the North Pinellas market area. This represented a 2.1% increase in quoted rental rates from the end of the fourth quarter 2021, when rents were reported at \$21.60.

The average quoted rate within the Mall subtype sector was \$24.58 at the end of the first quarter 2022, while Neighborhood Center subtype rates stood at \$22.98, Power Center subtype rates at \$28.12, Strip Center rates at \$18.82, General Retail rates at \$20.92, and Other retail rates at \$0.00. At the end of the fourth quarter 2021, Mall subtype rates were \$24.11, Neighborhood Center rates were \$22.45, Power Center rates were \$27.66, Strip Center rates were \$18.47, General Retail rates were \$20.49 and Other Retail rates were \$0.00

**INVENTORY & CONSTRUCTION**

During the first quarter 2022, a total of 0 square feet was completed in the North Pinellas market area. This compares to a total of 0 square feet completed in the fourth quarter 2021, a total of 4,511 square feet completed in the third quarter 2021, and 19,200 square feet completed in the second quarter 2021.

There were 44,428 square feet of Retail space under construction at the end of the first quarter 2022.

SUBTYPE	EXISTING INVENTORY (SF)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (SF)
Mall	1,232,121	0	0
Neighborhood Center	5,580,969	0	0
Power Center	602,276	0	0
Strip Center	1,261,445	0	0
General Retail	6,723,534	23,711	44,428
Other	0	0	0

**NORTH PINELLAS MARKET OUTLOOK**

The North Pinellas Retail market ended the first quarter 2022 with a vacancy rate of 3.71%. The vacancy rate decreased over the previous quarter, with net absorption totaling 16,384 square feet in the first quarter 2022. Rental rates increased \$0.46 PSF over the previous quarter and ended at \$22.06. A total of 0 square feet was delivered in the quarter, with 44,428 square feet still under construction at the end of the quarter.

# GARAGE MARKET ANALYSIS

*It is noted that the following market data, which is the most recent available, is prior to the recent coronavirus health crisis. Due to the pandemic, financial markets, the stock market and macroeconomic indicators are changing rapidly. Real estate is however by nature an illiquid asset and drastic economic shifts can't be measured in a day, week, month or maybe not even a few months.*

The following is a summary of Parking Lot and Garage trends in the US as reported by IBISWorld (November 2021).

## **COVID-19 (Coronavirus) Impact Update**

IBISWorld's analysts constantly monitor the industry impacts of current events in real-time – here is an update of how this industry is likely to be impacted as a result of the global COVID-19 pandemic:

- The Parking Lots and Garages industry contracted significantly in 2020 due to declines in retail activity, air travel and the hospitality sector activity amid the COVID-19 (coronavirus) pandemic. In 2021, it is expected to remain relatively stagnant despite an economic recovery. For more detail, refer to the Current Performance chapter.
- The industry's recovery will likely be slowed by declining nonresidential construction activity in 2021. Commercial businesses make up the industry's largest market segment. For more information, see the Current Performance and Major Markets chapters.
- An anticipated increase in residential construction in 2020 and 2021 has helped mitigate some of the negative economic impacts of the coronavirus pandemic on the industry. For more information, see the Current Performance chapter.

## Industry at a Glance

### Key Statistics

**\$9.6bn**  
Revenue



**\$921.4m**  
Profit



**9.6%**  
Profit Margin



**8,605**  
Businesses



**149k**  
Employment



**\$3.5bn**  
Wages



### Key External Drivers

% = 2016–21 Annual Growth

**8.1%**  
World price of crude oil

**0.5%**  
Number of businesses

**0.7pp**  
National unemployment rate

**-2.1%**  
Value of private nonresidential construction

**3.2%**  
Total retail sales

### Industry Structure

#### POSITIVE IMPACT

Capital Intensity Low	Concentration Low
Regulation & Policy Light / Steady	Technology Change Low
Industry Globalization Low / Steady	

#### MIXED IMPACT

Life Cycle Mature	Revenue Volatility Medium
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#### NEGATIVE IMPACT

Industry Assistance Low / Steady	Barriers to Entry Low / Steady
Competition High / Steady	

### Key Trends

- Growth in nonresidential construction in urban areas has bolstered the popularity of management contracts
- E-commerce activity spiked and the total number of vehicle miles dropped, resulting in decreased demand for parking garages and services
- To maintain healthy profit, most industry players have raised their service rates during the period
- The industry is highly dependent on consumers engaging in shopping, travel and hospitality services
- The desire for more locations will likely result in the continued consolidation of major companies
- Operators are expected to adapt to the increasing prevalence of ride-sharing platforms
- Existing market saturation for industry operators will likely limit opportunities for further expansion for the industry

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**Executive Summary** **Free space: Low interest rates and declining investor uncertainty are expected to return the industry to growth**

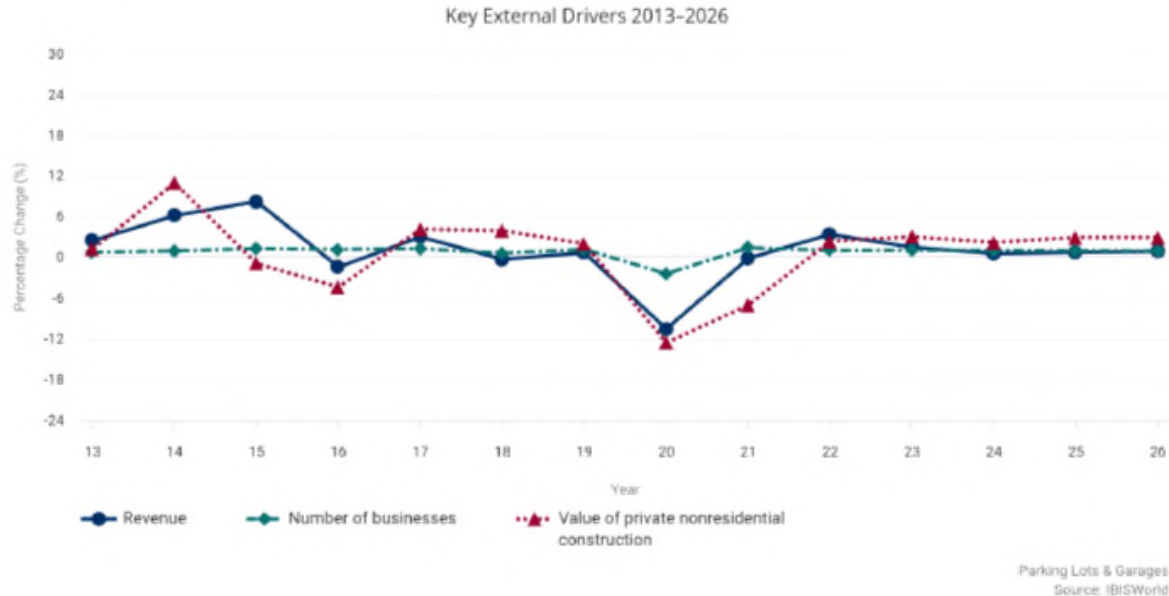
The Parking Lots and Garages industry has contracted over the five years to 2021 as tepid growth during the period was offset by sharp declines in economic activity in 2020 amid the COVID-19 (coronavirus) pandemic. Prior to 2020, an increased value of residential construction, particularly mixed-use developments, bolstered demand for industry services, such as management contracts and valet services. Additionally, favorable economic conditions, such as low interest rates and unemployment, encouraged commercial developments that served as important downstream markets for the industry, including central shopping districts, airports and stadiums. However, the dramatic reversal of these trends in 2020 precipitated a fall in industry revenue during the period. Over the five years to 2021, industry revenue is expected to fall an annualized 1.5% to \$9.6 billion, including a decline of 0.1% in 2021 alone.

Increased urbanization was a key driver of demand for the industry during the period. Strong growth in the value of residential construction has boosted demand for industry services; however, this growth has been offset by declines in the value of nonresidential construction. The coronavirus pandemic in 2020 resulted in a decline in consumer spending at retail, dining and entertainment establishments due to social distancing guidelines. Similarly, remote work arrangements increased the office rental vacancy rate. These negative trends curtailed nonresidential construction as heightened economic uncertainty reduced the level of investment, thus hindering industry demand and putting downward pressure on profit. The value of nonresidential construction is expected to continue falling in 2021, inhibiting the industry's recovery.

Over the five years to 2026, industry revenue is expected to return to growth as commercial development gradually reemerges amid low interest rates and declining investor uncertainty. Existing market saturation will likely limit opportunities for further expansion for industry operators as competition grows. Merger and acquisition activity is expected to continue over the next five years as operators seek to cut costs and combat rising competition. Additionally, the growing popularity of ride sharing will likely affect the industry landscape, as operators seek to accommodate the increased use of ride-sharing services. Overall, IBISWorld expects industry revenue to increase an annualized rate 1.4% to \$10.3 billion over the five years to 2026.



## Industry Performance



### Key External Drivers

#### Number of businesses

The number of businesses is a determinant of demand for commercial office and retail establishments. Consequently, as the number of businesses increases, demand for parking lots and garages increases as more companies rent out office space or storefronts. The number of businesses is expected to increase in 2021.

#### Value of private nonresidential construction

The value of private nonresidential construction represents the dollar value of investment and net purchases of office buildings, sports stadiums, hospitals and other commercial structures. As the value of private nonresidential construction increases, the number of parking lots and garages also increases as many nonresidential structures require large parking structures and attract consumers. The value of private nonresidential construction is expected to decrease in 2021, posing a potential threat to the industry.

#### National unemployment rate

Work commuters comprise a large portion of daily drivers. Consequently, a rise in unemployment decreases the number of drivers that commute to work, adversely affecting demand for parking services. Additionally, higher unemployment results in lower consumer spending and less demand for industry services. The national unemployment rate is expected to decrease in 2021, representing a potential opportunity for the industry.

#### Total retail sales

Total retail sales measures the value of all retail sales transacted in the United States. Since shopping centers and urban city centers near retail outlets and restaurants are some of the most important and profitable locations for industry operators, an increase in retail sales usually correlates with an increase in industry revenue. Total retail sales are expected to increase in 2021.

#### World price of crude oil

Gasoline is a key cost for private and commercial drivers. As the price of oil increases, gas prices increase and vehicle use tends to decline. As a result, an increase in the world price of crude oil hurts demand for parking services. The world price of crude oil is expected to increase in 2021.



### Current Performance

**The Parking Lots and Garages industry provides temporary parking spaces on an hourly, daily, weekly or monthly basis to consumers and commercial clients.**

Although the industry is highly fragmented, consisting of many small, private companies that operate a single parking lot or garage, there are several large companies operating thousands of facilities on a national scale. Operators in this industry may own or lease parking facilities from which they collect revenue for parking services. More often, however, companies operate under management contracts and receive a base monthly fee for managing a parking facility that they neither own nor lease. Operators then pass on revenue and most costs to owners while receiving payment for managing facilities, significantly reducing industry capital intensity. For example, industry leader SP Plus Corporation (SP Plus) operates more than 80.0% of its locations under management contracts, according to its most recent annual report. Moreover, management contracts have become increasingly popular in recent years due to the associated cost benefits.

Over the five years to 2021, the industry benefited from favorable economic conditions that boosted demand from key downstream markets, such as airlines, hotels and central commercial districts. However, the COVID-19 (coronavirus) pandemic in 2020 severely disrupted demand for industry services as consumers were encouraged to stay home and avoid social gatherings, reducing travel and the overall level of consumer spending. Over the five years to 2021, industry revenue declined an annualized 1.5% to \$9.6 billion, including an additional decline of 0.1% in 2021 alone.

#### COVID-19

**The unique conditions associated with the coronavirus pandemic in 2020 were particularly harmful to the Parking Lots and Garages industry, which relies on activity in the commercial, hospitality and aviation markets.**

In 2021, commercial businesses, including hospitals, municipalities, hotels, restaurants and sports and entertainment venues, are expected to account for 55.6% of industry revenue. An additional 17.1% of revenue is derived from airlines and airports. The coronavirus pandemic and associated health and safety measures curbed demand for several of these markets, as unemployment rates surged and consumer confidence and consumer spending fell. Furthermore, temporary stay-at-home orders inhibited consumers from traveling, attending in-person events and even shopping in-person. Consequently, e-commerce activity spiked and the total number of vehicle miles dropped, resulting in decreased demand for parking garages and services. Additionally, work-from-home policies led to a decline in commuting, further curbing demand for industry services. Overall, industry revenue fell an estimated 10.5% in 2020. Although activity in key downstream markets is expected to increase in 2021 as the economy reopens, additional declines in the value of private nonresidential construction is expected to slow the industry's recovery.

## INCREASED CONSTRUCTION AND MANAGEMENT CONTRACTS

### **Industry operators have increasingly relied on management contracts for parking garages as stable sources of revenue during the period.**

Due to the considerable costs of construction and ownership of parking garages, long-term management contracts have become an attractive arrangement for industry operators. On average, management contracts are renewed on a seven- to ten-year basis and typically involve a fixed recurring management fee for the corresponding time period.

Growth in nonresidential construction in urban areas has bolstered the popularity of management contracts. In particular, the trend toward mixed-use developments, in which a development serves as residential, retail and commercial space, has proven beneficial for the industry because such developments typically require large parking garages. Moreover, the principals behind these developments, typically large real estate magnates, seek to outsource ancillary services, such as parking garage management, in an effort to keep costs low and stable. The outsourcing of parking services has become an increasingly prevalent trend in the industry as operators seek to specialize in the services they provide without being burdened by the costs and workload associated with ownership or construction. However, declining private nonresidential construction activity amid the coronavirus pandemic negatively affected demand in 2020, although this decline was partially mitigated by a sharp increase in residential construction activity. High real estate prices, low interest rates and a general undersupply of housing, have increased demand for housing during the coronavirus pandemic, leading to heightened construction activity. This is expected to drive an increase in industry revenue in 2021 as well since more parking capacity is required to accommodate higher housing supply.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### **The negative economic effects of the coronavirus pandemic, compounded by heightened merger and acquisition activity during the period, has resulted in a decline in the number of operators over the past five years.**

IBISWorld estimates the number of industry operators has declined at an annualized rate of 1.7% to 8,605 enterprises over the five years to 2021. Industry employment has also fallen, albeit at a slower rate. Although the steady expansion of larger operators has tempered the decline in industry employment, the total number of employees is anticipated to fall an annualized 0.3% to 149,034 works over the five years to 2021.

To maintain healthy profit, most industry players have raised their service rates during the period. Beyond that, operators have also expanded their services and lowered costs to boost profit. For example, SP Plus provides their service offerings at parking centers to include emergency repair, traffic report updates and audiobooks for monthly parkers. LAZ Parking Ltd. LLC, one of the largest parking companies in the United States, has made an effort to make its facilities more environmentally friendly by providing recycling facilities and electric vehicle charging stations. In doing so, the company appeals to growing eco-consciousness among consumers. Moreover, operators have increased investments in data analytics and internet of things technologies to increase the efficiency of their operations and optimize consumer convenience. Consequently, industry profit has grown during the period. In 2021, profit, measured as earnings before interest and taxes, is anticipated to account for 9.6% of industry revenue, up from 8.0% in 2016.

## Industry Outlook

### Outlook

**Over the five years to 2026, revenue for the Parking Lots and Garages industry is expected to increase due to growth in the industry's key markets.**



In particular, increased consumer spending is anticipated to boost demand from central business districts, the hospitality sector and airlines. A general economic recovery from the COVID-19 (coronavirus) pandemic is expected to contribute to increased demand for parking garages and services as the economy reopens and health and safety mandates ease amid widespread vaccination. Additionally, the construction of urban, mixed-used development, in addition to other commercial and residential construction, is expected to increase, further driving growth in demand for parking services.

The industry's anticipated recovery during the outlook period is also likely attributable to an increasing share of revenue being derived from management contracts, in which industry operators are paid a fixed fee for a predetermined period of time. In these arrangements, industry operators are not expected to benefit from increases in parking rates as they pass along revenue to clients, but they will likely be less exposed to downside demand risks. Overall, IBISWorld expects industry revenue to increase an annualized 1.4% to \$10.3 billion over the five years to 2026.

### ECONOMIC OUTLOOK

**Demand for the Parking Lots and Garages industry is highly dependent on consumers engaging in shopping, travel and hospitality services.**

Over the five years to 2026, IBISWorld expects consumer activity to rebound as the economy recovers and the coronavirus pandemic subsides. A rebound in consumer confidence levels is expected to drive the industry's return to growth as consumers resume shopping and entertainment activities that often involve parking facilities. However, the shift in consumer preferences towards online shopping that characterized consumer activity during the coronavirus pandemic will likely continue to influence consumer behavior over the next five years, resulting in a loss of business from brick-and-mortar outlets. Moreover, remote work conditions amid the pandemic are expected to partially continue, leading to potentially slower growth from the office market segment as commuter rates are muted. As a result, demand from consumers and commuters is expected to resume, but at a slower rate. Moreover, a rebound in commercial and nonresidential construction activity is forecast to increase the need of industry facilities and therefore the overall market size, likely benefiting revenue growth.

### MARKET TRENDS

**Increasing demand will likely encourage operators to expand, resulting in the continued consolidation of major companies.**

Major players are expected to engage in acquisitions as they continue to purchase smaller independent lots that are located in areas with high growth potential. Additionally, a heightened focus on value-added services, such as electric vehicle charging stations, in addition to increased use of data and automation will likely reduce the frictions associated with parking, streamline operator efficiency and ultimately increase the appeal of industry services to consumers. As a result, industry operators will likely continue to expand their businesses. For example, industry employment is forecast to grow an annualized 0.9% to 155,498 individuals over the next five years, mainly as a

result of expansion among larger operators.

The industry's barriers to entry are low, and most operations are small sole proprietorships or partnerships. However, due to anticipated industry consolidation, the number of industry operators is expected to decrease, falling an annualized 0.3% to 8,476 enterprises over the next five years. This further consolidation of the industry will likely remove some regional competition while intensifying competition between larger operators. Industry expenditures on electric vehicle charging stations are also anticipated to increase. Consequently, industry profit is expected to recover from the contraction caused by the coronavirus pandemic, but not to historically high levels that were experienced prior to the pandemic. Moreover, parking service providers are expected to continue to focus on management contracts that pay a fixed monthly fee. While these contracts limit costs for operators, they also limit the potential for exercising pricing power, further hurting potential growth in industry profit. However, use of big data technologies may increase operational efficiency, reduce costs and allow some exercise of pricing power during peak demand times.

#### **FUTURE OBSTACLES**

**Many issues that have limited industry revenue growth over the five years to 2021 will likely continue to threaten operators during the outlook period.**

In major cities, the use of public transportation (IBISWorld report 48511) and ride-sharing companies, such as Uber Technologies Inc., are expected to increase over the next five years, representing a potential threat to industry operators that derive most of their revenue through lot or garage ownership. However, operators are expected to adapt to the increasing prevalence of ride-sharing platforms and adjust their business models to accommodate the changing technological landscape. The gradual integration of self-driving cars may further accelerate this trend, as it is expected to increase reliance on ridesharing.

## **SUBMARKET ANALYSIS**

The subject is located on the Clearwater Beach peninsula. The neighborhood area is defined as that area bounded by Honeymoon Island State Park to the north, Gulf of Mexico to the west, Belleair Shore to the south and Clearwater Airpark to the east. Clearwater Beach has over 4 million annual visitors and has been named one of Florida's best beaches by USA Today and TripAdvisor. As a beach destination, the immediate area is primarily comprised of retail, dining and hospitality. As such the demand drivers for parking are transient beach visitors, dining, and holiday traffic, as well as local business and hostel staff.

Within a half-mile radius of the subject there are:

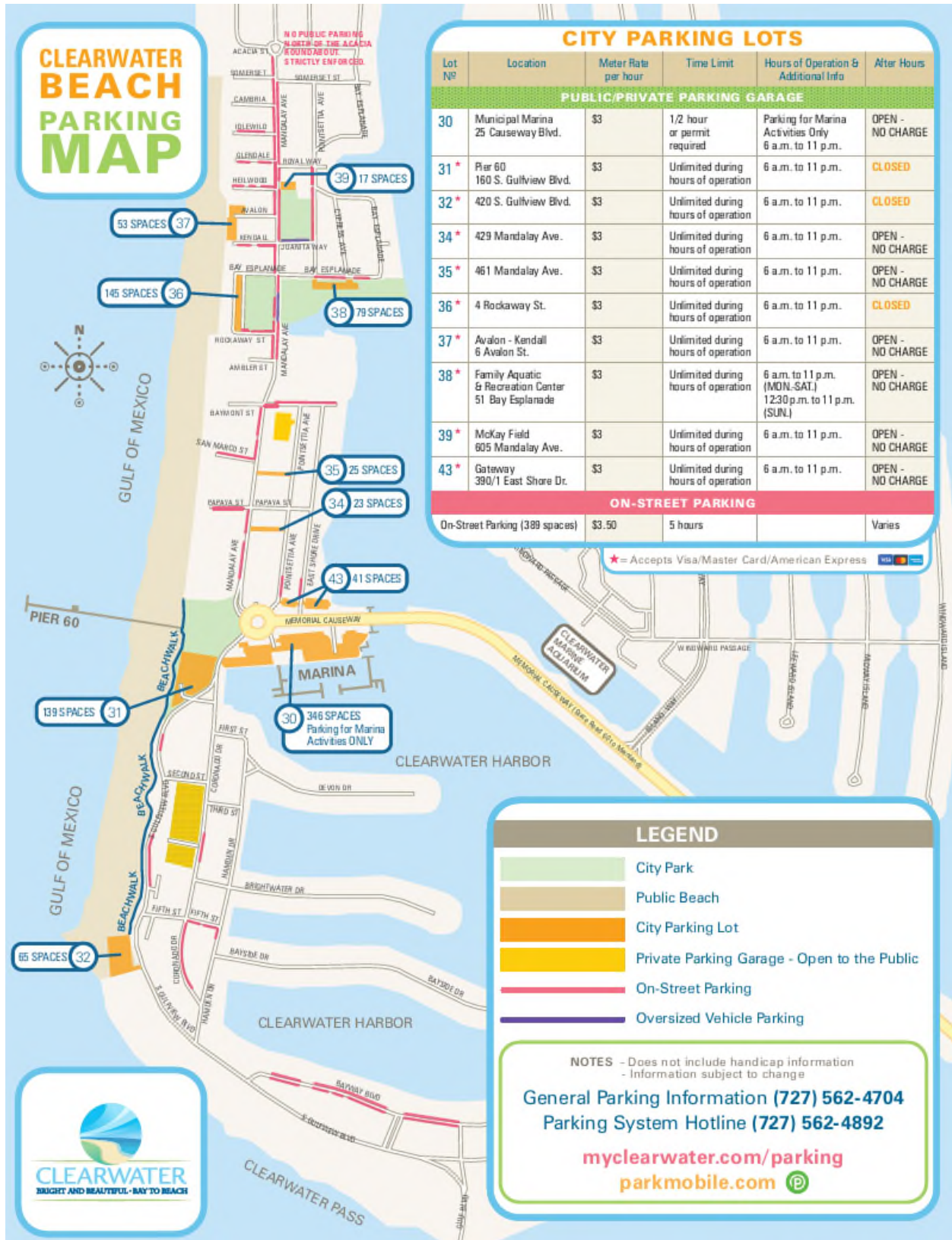
- 229,000 square feet of retail space
- 15,700 square feet of office space
- 1,286 hotel rooms

#### **PARKING RATES**

A survey of representative parking facilities is summarized in the following table.

PARKING GARAGE RENT SURVEY				
	Location	Monthly Rate	Hourly Rate	Daily Max
1	311 S Gulfview Blvd	N/A	\$15	\$30
2	28 N Garden Ave (City owned)	\$48	\$0.50	\$5
3	500 Mandalay Ave (customers only)	N/A	N/A	\$25
4	400 Manadalay Ave (customers only)	N/A	N/A	\$29
<b>SUBJECT</b>		<b>\$40</b>	<b>\$6</b>	<b>\$30</b>

A review of available parking indicated that the subject is one of two public parking garage in the area. The available parking inventory is comprised primarily of surface lots and resort-owned garages that are for customers only. The appraisers are noting that a number of properties are owned by the City of Clearwater which charges below-market rates.



Although increased rates by new ownership has the possibility of decreasing demand, there is limited supply of garage parking and the ground floor retail provides additional demand.

Below is a summary of daily off-street prices as reported by the most recent Parkopedia Parking Index report.

## 3.6 Top 50 Cities for Daily Off-Street Prices



Rank	Country	State	City	Average daily price USD	Rank	Country	State	City	Average daily price USD
1	United States	NY	New York	\$47.34	26	United States	CA	Irvine	\$17.55
2	United States	MA	Boston	\$33.71	27	United States	NC	Charlotte	\$17.41
3	United States	IL	Chicago	\$31.27	28	United States	MD	Baltimore	\$17.40
4	United States	HI	Honolulu	\$29.77	29	United States	WA	Bellevue	\$17.35
5	United States	CA	San Francisco	\$27.06	30	United States	CA	La Jolla	\$17.29
6	United States	PA	Philadelphia	\$24.90	31	Canada	AB	Calgary	\$17.11
7	United States	FL	Miami	\$24.36	32	United States	MD	Alexandria	\$17.00
8	United States	CA	Los Angeles	\$23.99	33	United States	CT	New Haven	\$16.97
9	United States	CA	San Jose	\$23.71	34	United States	MI	Grand Rapids	\$16.79
10	United States	WA	Seattle	\$23.16	35	United States	RI	Providence	\$16.68
11	United States	DC	Washington	\$22.99	36	United States	SC	Charleston	\$16.17
12	United States	MI	Detroit	\$22.04	37	United States	CA	Long Beach	\$16.17
13	United States	CA	Santa Monica	\$22.03	38	United States	LA	New Orleans	\$16.12
14	United States	CA	Oakland	\$21.03	39	United States	FL	Fort Lauderdale	\$16.12
15	United States	CO	Denver	\$20.49	40	United States	CA	Berkeley	\$16.00
16	United States	TX	Corpus Christi	\$20.00	41	United States	NY	Niagara Falls	\$15.75
17	United States	CA	San Diego	\$19.96	42	United States	FL	Orlando	\$15.67
18	United States	TX	Austin	\$19.76	43	Canada	ON	Toronto	\$15.48
19	United States	TN	Nashville	\$19.56	44	United States	TX	Dallas	\$15.40
20	United States	NJ	Jersey City	\$19.54	45	United States	PA	Pittsburgh	\$15.39
21	United States	TX	Houston	\$19.39	46	United States	OR	Portland	\$15.25
22	United States	CA	Sacramento	\$19.00	47	United States	WI	Madison	\$15.15
23	United States	IN	Indianapolis	\$18.59	48	United States	VA	Virginia Beach	\$15.00
24	United States	CT	Hartford	\$18.37	49	United States	NJ	Newark	\$14.98
25	United States	FL	Miami Beach	\$17.77	50	United States	MN	Minneapolis	\$14.85

The same 3 cities that rank most expensive for 2-hour off-street pricing - New York, Boston and Chicago - are also the most expensive for daily parking, as was the case in 2017.

Honolulu, which ranks 23rd for 2-hr parking, moves up to 4th when looking at daily prices, and San Francisco moves from 8th to 5th. These two cities were in 5th and 4th position for North American daily parking rates in 2017.

Overall, the subject’s current rates are supported by the previous data.

**GARAGE MARKET ANALYSIS CONCLUSION**

With respect to the subject in particular, we believe the subject is relatively well located for a parking garage project. It is located on the Clearwater Beach Peninsula with a number of demand drivers.

Paid parking is common in the area with on-street parking meters and paid parking in surface and structured parking garages. Overall, the subject should continue to experience average demand by the paid parking market due to its location.



## COVID-19 & BROADER ECONOMIC OVERVIEW

COVID-19 was first identified in the United States in early March 2020 and caused upheaval in the US economy through early 2021 when vaccines were rolled out in large scale. Since then, COVID-19 vaccines in the US have been successful in reducing death and new case rates. Recent data indicates hospitalization rates for vaccinated adults have remained low compared with hospitalizations for unvaccinated individuals. Americans are traveling once again, and mobility continues to increase as consumers are spending. However, given continued rises in the inflation rate, the consumer index has increased noticeably as they worry about future inflationary pressures. Investors have expressed worries over upward pressure on interest rates although interest rates remain well below historical levels. Strong economic growth has been experienced in 2021 and continues in the early part of 2022.

Notwithstanding the above, the recent events in Ukraine have pushed the price of oil-related products in the U.S. to all-time highs. As a result, economists and many pundits are suggesting a slowdown in GDP is likely commencing in the 2Q-2022 and beyond, with a national recession looming if the near-term forecasts come to pass. Real estate activity prior to, during, and now has remained extremely robust. However, recent concerns have surfaced over the negative impact of the foregoing events in many real estate sectors. The medium and long-term outlook by investors may result in a more cautious approach to investing due to the foregoing impacts on the broader economy of inflation, however a slowing of investment pace has yet to occur.

In late 2021, the Federal Reserve initially suggested modest increases in interest rates during 2022 and possibly beyond. However, as inflation forecasts moved from transitory to permanent and became more robust in recent months, the FED forecast a possible greater number of rate increases during 2022 and possibly beyond. Most recently, The FED announced planned rate increases commencing in the Q2-2022 and during the year to curtail inflationary trending. The number of rate increases and the magnitude of each remains unknown, as well as the impact on commercial real estate. The FED is in a precarious spot because if they raise rates too fast this may cause a recession and if they limit these rate increases, it likely will not reduce inflationary pressures.

As we monitor the real estate markets and the impact of COVID-19 and the Variants to date, it appears that the pandemic is now largely in the rear-view mirror. Lockdown states have moved toward unmasking and other steps to open their states and allow for a more robust economy to continue. Going forward, we will attempt to address key indicators within the appropriate sections of our reports as necessary, mindful of the foregoing elements impacting CRE. As always, we will remain vigilant in monitoring the national, state, and local economies as they relate to commercial real estate and the subject property. Should conditions change and elements impacting the markets and subject property become clearer, such that a full analysis may be warranted, we may have to adjust our conclusions and forecasts.

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# HIGHEST AND BEST USE

## INTRODUCTION

The highest and best use is the reasonable, probable, and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible and that results in the highest value. These criteria are often considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests of financial feasibility and maximal productivity. A financially feasible use is precluded if it is legally prohibited or physically impossible. If a reasonable possibility exists that one of the prior, unacceptable conditions can be changed, is it appropriate to proceed with the analysis with such an assumption.

## HIGHEST AND BEST USE CRITERIA

The site's highest and best use is analyzed both as vacant and as improved, and if improvements are proposed then an as proposed analysis is required. In all cases, the property's highest and best use must meet four criteria: (1) legally permissible; (2) physically possible; (3) financially feasible; and (4) maximally productive.

## HIGHEST AND BEST USE AS VACANT

### LEGALLY PERMISSIBLE

Legal restrictions include deed restrictions, CC&R's, lease encumbrances, zoning requirements, building codes, historic district controls and environmental regulations, and were previously analyzed to determine legally permitted uses. Legally, the subject is zoned T. No other legal restrictions have been identified that would limit development of the property beyond the development standards stipulated by municipal code.

### PHYSICALLY POSSIBLE

Size, shape, topography, soil condition, availability of utilities, transportation access, surrounding uses, and locational characteristics were previously analyzed to determine which legal land uses are physically possible and which are best to conform to the physical and locational aspects of the site and its setting with respect to the neighborhood and community. Overall, the physical site attributes result in adequate utility, and the property could be developed with a variety of legally-conforming uses. Given the surrounding uses and location, the site is best suited for commercial property use.

### FINANCIALLY FEASIBLE

Financial feasibility is determined by the relationship of supply and demand for the legally probable land uses versus the cost to create them. The market analysis section reveals that parking and retail uses in the subject's market are generally stabilized. Recent and planned retail developments in the market area serve as direct evidence that new retail development is financially feasible. Comparisons of rental rates, operating expenses and construction costs indicate the property is capable of providing an adequate return on investment to warrant new retail development in the current market. This assertion is supported by the fact that the property has the potential to generate rental income as shown in the income approach. Therefore, parking and retail use is considered financially feasible.

### MAXIMALLY PRODUCTIVE

The final test of highest and best use of the site as vacant is that the use be maximally productive, yielding the highest return to the land. In order to determine the maximally productive use, a comparison of rental rates, occupancy, operating expenses, and rates of return for the financially feasible uses have been made. Based on this analysis, parking and retail (mixed-use) use renders the highest residual land value; therefore, parking and retail (mixed-use) development on the subject's site is the maximally productive use of the subject as vacant.

## **HIGHEST AND BEST USE As Improved**

### **LEGALLY PERMISSIBLE**

The subject is a legal conforming use in this zoning district.

### **PHYSICALLY POSSIBLE**

The subject is currently improved with a 702-space parking garage with ground floor retail property on a 1.68-acre site that conforms to its surrounding uses. Continued use of the improvements for parking and retail use is physically possible.

### **FINANCIALLY FEASIBLE**

Financial feasibility as an income-producing investment is based on the amount of rental income it can generate net of the required operating expenses. If the resulting net operating income motivates continued operation, then the land is being put to a productive and financially feasible use. The subject is capable of producing positive net cash flow to an investor. The existing improvements provide contributory value to the site, and there is no alternate use that would result in a greater value. Therefore, utilization of the existing improvements is financially feasible.

### **MAXIMALLY PRODUCTIVE**

The maximally productive use should conform to neighborhood trends and be consistent with existing nearby land uses. The single use that produces the greatest return on investment and usually the highest price and value is typically the highest and best use. As shown in the applicable valuation sections, properties like the subject have been acquired and continue to be used for retail use. None of the comparable properties were acquired for conversion to an alternative use. This provides evidence suggesting that the current parking and retail use is maximally productive.

## VALUATION PROCESS

Valuation in the appraisal process generally involves three techniques, including the Cost Approach, Sales Comparison Approach and the Income Capitalization Approach.

These three valuation methods are defined in the following table:

VALUATION METHODS	DEFINITION
<b>Cost Approach</b>	In this approach, value is based on adding the contributing value of any improvements (after deductions for accrued depreciation) to the value of the land as if it were vacant based on its highest and best use. If the interest appraised is other than fee simple, additional adjustments may be necessary for non-realty interest and/or the impact of existing leases or contracts.
<b>Sales Comparison Approach</b>	In this approach, recent sales of similar properties in the marketplace are compared directly to the subject property. This comparison is typically accomplished by extracting "units of comparison", for example, price per square foot, and then analyzing these units of comparison for differences between each comparable and the subject. The reliability of an indication found by this method depends on the quality of the comparable data found in the marketplace.
<b>Income Capitalization Approach</b>	In this approach, a property is viewed through the eyes of a typical investor, whose primary objective is to earn a profit on the investment principally through the receipt of expected income generated from operations and the ultimate resale of the property at the end of a holding period.

### VALUATION METHODS UTILIZED

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Investors do not typically rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not employed the Cost Approach to develop an opinion of market value.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

# SALES COMPARISON APPROACH

## METHODOLOGY

In the Sales Comparison Approach, we developed an opinion of value by comparing similar, recently sold properties in the surrounding or competing area to the subject property. In order to determine the value of the subject property, these comparable sales and/or listings are then evaluated and adjusted based on their differences when compared to the subject property. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The Sales Comparison Approach to value requires the following sequential steps:

<b>Unit of Comparison</b>	A unit of comparison (i.e. price per square foot, price per dwelling unit) must be selected for comparable analysis of the sales and the subject. The selected unit of comparison must be consistent with market behavior.
<b>Search for Sales</b>	Research must be done to locate comparable sales, listings and contracts of properties that are similar to the subject. Similarities may include property type, size, physical condition, location and the date of the sale.
<b>Confirmation</b>	All sales must be confirmed to verify that the data used is accurate, and that all of the sales, listings or contracts represent arm's-length transactions.
<b>Comparison</b>	Each of the improved sales that is chosen for this valuation is considered generally similar to the subject. Therefore, each difference between the comparables and the subject must be identified, and then adjusted for the various differences. All adjustments are made to the comparables as they relate to the subject property.
<b>Reconciliation</b>	Once the comparables have been adjusted, a value must be concluded based on the indications produced from the analysis of the comparables.

## UNITS OF COMPARISON

Based on market behavior observed, the most appropriate unit of comparison for this analysis is price per space.

## SALE OF THE SUBJECT PROPERTY

As of the valuation date of this report, SCI Pelican Walk LLC owns the subject property. Ownership purchased the first portion of the property (252 spaces and ground floor retail) from PV Pelican Walk LLC in August 2021 for \$20.7 million. They purchased the remainder (450 spaces) from the City of Clearwater in May 2022 for \$12.5 million. Market participants have noted that the majority of the garage was owned by the City of Clearwater who was not operating the garage for maximum profit. The assemblage of the broken ownership and the new long-term lease to UPP has created value. As such, the most recent sales price is below market. No other transactions have occurred within the past three years to our knowledge. Please note, however, that this information is included only to satisfy the requirements of USPAP. It is not intended as a guarantee to the change of title, and a title search should be performed by a title company should a definitive abstract be desired. The property is not currently listed for sale or under contract.

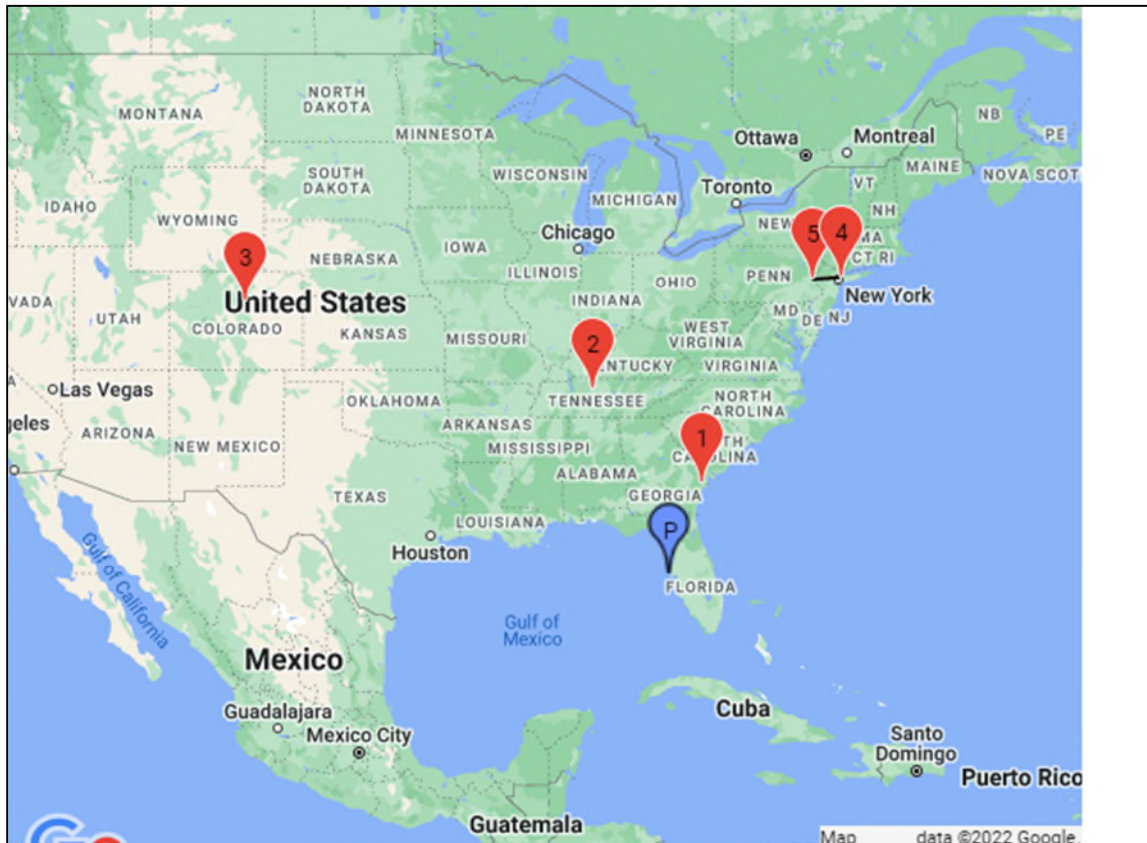
## COMPARABLE IMPROVED SALES

Due to a lack of similar parking sales in the area, we have utilized sales of facilities on a national basis. We have conducted a nationwide search for comparable sales including discussing transactions with brokers, owners/operators, and appraisers.

As illustrated, the comparable sales provide an extremely wide range per parking space. It is impossible to properly adjust these sales for differences in location and income characteristics due to the difficulty in accounting for the divergence in land values and economic profiles. We have included these sales as a basis of comparison and not as a final value determinant. This approach has primarily been utilized to provide support for the Income Capitalization Approach conclusion.

On the following pages, we present a summary of the improved properties that we compared to the subject property, a map showing their locations, and the adjustment process.

## COMPARABLE IMPROVED SALES MAP



**COMPARABLE IMPROVED SALES SUMMARY**

SUMMARY OF IMPROVED SALES										
Comp No.	Property / Location	Property Use	Date of Sale	Transaction Status	Year Built/ Renovated	Parking Spaces	Sale Price	\$/Space	NOI Per Space	Overall Rate
1	20 Lincoln Street 22 Lincoln Street Savannah, GA	Parking	Apr-22	Closed	1955	281	\$16,000,000	\$56,940	\$2,847	5.00%
2	Virgin Hotel Garage 1 Music Square West Nashville, TN	Parking	Feb-22	Closed	2020	190	\$12,173,913	\$64,073	\$3,684	5.75%
3	Residence Inn Garage 1725 Champa Denver, CO	Parking	Nov-21	Closed	2005	450	\$16,100,000	\$35,778	\$1,789	5.00%
4	Flushing Commons South Garage 138-35 39th Avenue Flushing, NY	Parking	Sep-21	Closed	2017	982	\$16,000,000	\$16,293	\$815	5.00%
5	Hudson Tea Parking Garage 1450 Bloomfield Street Hoboken, NJ	Parking	Nov-20	Closed	2004	1250	\$36,000,000	\$28,800	\$1,498	5.20%
<b>Subj.</b>	North Beach Parking Plaza 490 Poinsettia Avenue Clearwater, Florida		-----	-----	2016	702		-----	\$3,469	5.00%

## COMPARABLE IMPROVED SALES ADJUSTMENT GRID

COMPARABLE SALE SUMMARIES AND ADJUSTMENTS						
Property / Location	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Property / Location	North Beach Parking Plaza 490 Poinsettia Avenue Clearwater, Florida	20 Lincoln Street 22 Lincoln Street Savannah, GA	Virgin Hotel Garage 1 Music Square West Nashville, TN	Residence Inn Garage 1725 Champa Denver, CO	Flushing Commons South Garage 138-35 39th Avenue Flushing, NY	Hudson Tea Parking Garage 1450 Bloomfield Street Hoboken, NJ
Transaction Status	-----	Closed	Closed	Closed	Closed	Closed
Date of Sale	-----	Apr-22	Feb-22	Nov-21	Sep-21	Nov-20
No. Spaces	702	281	190	450	982	1,250
Sale Price	-----	\$16,000,000	\$12,173,913	\$16,100,000	\$16,000,000	\$36,000,000
NOI Per Space	-----	\$2,847	\$3,684	\$1,789	\$815	\$1,498
Overall Rate	-----	5.00%	5.75%	5.00%	5.00%	5.20%
Unadjusted Price per Space	-----	\$56,939.50	\$64,073.23	\$35,777.78	\$16,293.28	\$28,800.00
<b>Transactional Adjustments</b>						
<b>Property Rights Conveyed</b>	<b>Leased Fee</b>	<b>Fee Simple</b>	<b>Leased Fee</b>	<b>Fee Simple</b>	<b>Leased Fee</b>	<b>Fee Simple</b>
Adjustment		5%	0%	5%	0%	5%
Subtotal		\$59,786.48	\$64,073.23	\$37,566.67	\$16,293.28	\$30,240.00
<b>Financing</b>						
Adjustment		0%	0%	0%	0%	0%
Subtotal		\$59,786.48	\$64,073.23	\$37,566.67	\$16,293.28	\$30,240.00
<b>Terms/Conditions of Sale</b>						
Adjustment		0%	0%	0%	0%	0%
Subtotal		\$59,786.48	\$64,073.23	\$37,566.67	\$16,293.28	\$30,240.00
<b>Expenditures After Sale</b>						
Adjustment		0%	0%	0%	0%	0%
Subtotal		\$59,786.48	\$64,073.23	\$37,566.67	\$16,293.28	\$30,240.00
<b>Market Conditions</b>	<b>Jun-22</b>	<b>Apr-22</b>	<b>Feb-22</b>	<b>Nov-21</b>	<b>Sep-21</b>	<b>Nov-20</b>
Adjustment		0%	0%	0%	0%	0%
Subtotal		\$59,786.48	\$64,073.23	\$37,566.67	\$16,293.28	\$30,240.00
<b>Total Transactional Adjustments</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Adjusted Price per SF (Net)</b>		<b>\$59,786.48</b>	<b>\$64,073.23</b>	<b>\$37,566.67</b>	<b>\$16,293.28</b>	<b>\$30,240.00</b>
<b>Property Adjustments</b>						
<b>Location</b>		<b>10%</b>	<b>10%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>
<b>Property Size (Spaces)</b>		<b>281</b>	<b>190</b>	<b>450</b>	<b>982</b>	<b>1,250</b>
		<b>-10%</b>	<b>-10%</b>	<b>-5%</b>	<b>5%</b>	<b>5%</b>
<b>Year Built / Renovated</b>	<b>2016</b>	<b>1955</b>	<b>2020</b>	<b>2005</b>	<b>2017</b>	<b>2004</b>
		<b>5%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Quality</b>	<b>Average/Good</b>	<b>Average</b>	<b>Good/Excellent</b>	<b>Average/Good</b>	<b>Average/Good</b>	<b>Average</b>
		<b>5%</b>	<b>-5%</b>	<b>0%</b>	<b>0%</b>	<b>5%</b>
<b>NOI/SF (Net)</b>	<b>\$3,468.76</b>	<b>\$2,846.98</b>	<b>\$3,684.21</b>	<b>\$1,788.89</b>	<b>\$814.66</b>	<b>\$1,497.60</b>
<b>Economics / Tenancy</b>		<b>5%</b>	<b>0%</b>	<b>10%</b>	<b>15%</b>	<b>10%</b>
<b>Total Property Adjustments</b>		<b>15%</b>	<b>-5%</b>	<b>20%</b>	<b>35%</b>	<b>35%</b>
<b>Indication for Subject</b>		<b>\$68,754.45</b>	<b>\$60,869.57</b>	<b>\$45,080.00</b>	<b>\$21,995.93</b>	<b>\$40,824.00</b>



## **ADJUSTMENT PROCESS**

The sales that we have utilized represent the best available information that could be compared to the subject property. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

## **DISCUSSION OF ADJUSTMENTS**

### **TRANSACTIONAL ADJUSTMENTS**

#### **PROPERTY RIGHTS CONVEYED**

This adjustment accounts for any impact that the property rights transferred to the buyer may have on sale price. For leased fee properties, the length of leases in place and the relationship of market to contract rent could impact value. Some properties may have stronger appeal to an owner-user or an investor, resulting in a premium or discount associated with fee simple property rights. If a buyer acquires the leasehold interest in a comparable, then an adjustment may be necessary that accounts for the impact to the of ground rent and/or risk associated with the expiration of the ground lease to the sale price.

Comparable No. 1, Comparable No. 3 and Comparable No. 5 were adjusted for fee simple property rights.

#### **FINANCING TERMS**

This category accounts for differences in financing terms associated with the transaction. Financing arrangements that may require an adjustment include mortgage assumptions (at favorable interest rates), seller buydowns, installment sales, wrap-around loans, or any other atypical financing arrangements that do not represent cash-equivalent terms.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

#### **TERMS/CONDITIONS OF SALE**

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. This may include such factors as seller distress (short sale, REO, auction) or buyer motivation (assemblage, etc.). In some situations, the conditions of sale may significantly affect transaction prices. Properties that are listed for sale may require adjustments herein to account for any disparity between asking prices and the achievable sale price anticipated.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

#### **EXPENDITURES IMMEDIATELY AFTER SALE**

In order to arrive at the effective sale price, the actual sale price of each comparable is adjusted to account for any expenditures planned by the buyer immediately after sale, such as capital expenditures, cost to cure deferred maintenance, or lease-up costs.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

## **MARKET CONDITIONS**

This time-adjustment category accounts for differences in economic conditions between the effective date of appraisal and the transaction date of the comparable, such as may be caused by changing supply and demand factors, rental rates, vacancy rates and/or capitalization rates.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

## **SUMMARY OF TRANSACTIONAL ADJUSTMENTS**

Comparable No. 1 was judged inferior to the subject and received an upward adjustment of 5%. Comparable No. 3 was judged inferior to the subject and received an upward adjustment of 5%. Comparable No. 5 was judged inferior to the subject and received an upward adjustment of 5%.

## **PROPERTY ADJUSTMENTS**

### **LOCATION**

The appeal of a property's location to users of and/or investors in a particular property type can influence value significantly. This factor broadly considers the impact of demographics, geographical attributes, access to transportation networks and local land use trends on pricing. Comparisons of location can often be derived, or even quantified, by examining rent, vacancy, capitalization rate, and land value trends in the subject and directly competitive areas.

Comparable No. 1 was judged inferior to the subject and received an upward adjustment of 10%. Comparable No. 2 was judged inferior to the subject and received an upward adjustment of 10%. Comparable No. 3 was judged inferior to the subject and received an upward adjustment of 15%. Comparable No. 4 was judged inferior to the subject and received an upward adjustment of 15%. Comparable No. 5 was judged inferior to the subject and received an upward adjustment of 15%.

### **PROPERTY SIZE (SPACES)**

Normally, all other characteristics being equal, the unit value of a property is affected by its size. Building size and price per square foot typically have an inverse relationship. Larger buildings tend to achieve lower pricing on a per-unit basis due to their economies of scale, and smaller pool of prospective buyers.

Comparable No. 1 was regarded superior to the subject and received a downward adjustment of 10%. Comparable No. 2 was regarded superior to the subject and received a downward adjustment of 10%. Comparable No. 3 was regarded superior to the subject and received a downward adjustment of 5%. Comparable No. 4 was judged inferior to the subject and received an upward adjustment of 5%. Comparable No. 5 was judged inferior to the subject and received an upward adjustment of 5%.

### **YEAR BUILT / RENOVATED**

The absolute physical/chronological age differences between properties can impact achievable pricing. This category may reflect such differences, irrespective of other related differences in property condition and/or effective age, which considers maintenance and renovations that have occurred since the property's original construction date.

Comparable No. 1 was judged inferior to the subject and received an upward adjustment of 5%.

## QUALITY

Quality adjustments reflect differences in the quality and durability of construction materials, design, building classification, finish-out, et cetera.

Comparable No. 1 was judged inferior to the subject and received an upward adjustment of 5%. Comparable No. 2 was regarded superior to the subject and received a downward adjustment of 5%. Comparable No. 5 was judged inferior to the subject and received an upward adjustment of 5%.

## ECONOMICS / TENANCY

The quality of a property's tenancy at time of sale for investment properties plays a substantial role in a property's sale price, as properties with higher NOIs generally command premiums.

Comparable No. 1 was judged inferior to the subject and received an upward adjustment of 5%. Comparable No. 3 was judged inferior to the subject and received an upward adjustment of 10%. Comparable No. 4 was judged inferior to the subject and received an upward adjustment of 15%. Comparable No. 5 was judged inferior to the subject and received an upward adjustment of 10%.

## SUMMARY OF PROPERTY ADJUSTMENTS

Comparable No. 1 was judged inferior to the subject and received an upward adjustment of 15%. Comparable No. 2 was regarded superior to the subject and received a downward adjustment of 5%. Comparable No. 3 was judged inferior to the subject and received an upward adjustment of 20%. Comparable No. 4 was judged inferior to the subject and received an upward adjustment of 35%. Comparable No. 5 was judged inferior to the subject and received an upward adjustment of 35%.

## SALES COMPARISON APPROACH CONCLUSION

SALES SUMMARY	UNADJUSTED	ADJUSTED
Minimum	\$16,293.28	\$21,995.93
Maximum	\$64,073.23	\$68,754.45
Average	\$40,376.76	\$47,504.79
Median	\$35,777.78	\$45,080.00
Standard Deviation	\$17,725.87	\$16,317.96

After adjustments, the comparable improved sales reflect a range from \$21,995.93 to \$68,754.45 per space, with an average of \$47,504.79 per space.

As illustrated, the comparable sales provide an extremely wide range per parking space. It is impossible to properly adjust these sales for differences in location and income characteristics due to the difficulty in accounting for the divergence in land values and economic profiles. We have included these sales as a basis of comparison and not as a final value determinant. This approach has primarily been utilized to provide support for the Income Capitalization Approach conclusion.

Given the subject's location, superior NOI driven by retail tenants and limited competition, the indicated value of the subject property by the Sales Comparison Approach is \$68,750.00 per space, calculated in the following table.

<b>SALES COMPARISON APPROACH VALUE CONCLUSION</b>	
Indicated Value per Space	\$68,750.00
per Space	x 702
<b>Indicated Stabilized Value</b>	<b>\$48,262,500</b>
<b>Rounded to nearest \$10,000</b>	<b>\$48,260,000</b>
Less: Capital Expenditures/Deferred Maintenance	0
Less: Lease Up Adjustment	0
<b>Indicated As Is Value</b>	<b>\$48,262,500</b>
<b>Rounded to nearest \$10,000</b>	<b>\$48,260,000</b>
<b>per Space</b>	<b>\$68,746.44</b>

# INCOME CAPITALIZATION APPROACH

## GENERAL PROCESS

In the Income Capitalization Approach, the appraiser concludes to a value indication for the subject by converting a projected net operating income into a single present value by using either the direct capitalization or yield capitalization method.

In direct capitalization, the estimated net operating income is divided by a market-driven capitalization rate to provide an indication of value. In yield capitalization, a series of income streams are discounted over a holding period to estimate a present value. The yield capitalization approach is referred to as a discounted cash flow analysis, and is most useful for properties that are not stabilized or expect to have large fluctuations in the income stream over a holding period.

The Income Capitalization Approach to value requires the following sequential steps:

<b>Estimate Economic Gross Income</b>	Estimate the economic gross income for the subject's space based on existing leases and market data.
<b>Estimate Effective Gross Income</b>	Estimate a proper vacancy and credit loss for the subject's market, then deduct this rent loss from the estimated economic gross income to arrive at an effective gross income.
<b>Estimate the Net Operating Income</b>	Calculate the net operating income by deducting the estimated operating expenses (fixed and variable) and a provision for replacement of short-lived building components from the estimated effective gross income.
<b>Value Indication</b>	Convert the net operating income into a value indication by using a market-derived capitalization rate in the case of direct capitalization and/or a market-derived discount rate in the yield capitalization analysis (discounted cash flow analysis). The yield capitalization approach also forecasts the anticipated future income streams and estimates a reversion price at the end of a presumed holding period. These future income streams are then discounted to a present value using a market-extracted discount rate based on investor expectations based on the risks associated with a property.

Note, the master parking lease has an absolute net structure wherein the tenant is responsible for all expenses. As such, ownership's pro forma expenses are for the retail portion of the property only. The BBG pro forma follows the same methodology. As such, the following discussion pertains to the retail space and is calculated on a per square foot to the space for income and expenses. A discussion of the parking lease/income follows.

## INCOME ANALYSIS – RETAIL

Following is a reconstructed rent roll for the subject property.

RENT ROLL										
Tenant Name	Suite	Area (SF)	Start Date	End Date	Mos. Remain	Contract Rent/SF	Annual Rent	Expense Structure	Tenancy Type	Capitalized Rent
Alati Food & Drink	486	2,691	Feb-21	Feb-31	104	\$29.00	\$78,039	NNN	Retail	\$78,039
Clearwater Wine Bar	482	1,245	Jan-19	Jan-29	79	\$31.50	\$39,218	NNN	Retail	\$39,218
Noire the Nail Bar	478	1,941	Nov-17	Oct-27	64	\$35.00	\$67,935	NNN	Retail	\$67,935
Surf Wheels and Drones	474	1,410	Oct-19	Oct-22	4	\$31.00	\$43,710	NNN	Retail	\$43,710
Dippin Dots	472	1,276	Mar-21	Mar-24	21	\$28.00	\$35,728	NNN	Retail	\$35,728
Another Broken Egg Café	470	3,226	Apr-17	Apr-27	57	\$33.00	\$106,458	NNN	Retail	\$106,458
<b>Totals/Avg.</b>	<b>Occupied</b>	<b>11,789</b>	<b>100.0%</b>			<b>\$31.48</b>	<b>\$371,088</b>			<b>\$371,088</b>
	<b>Vacant</b>	<b>0</b>	<b>0.0%</b>							
	<b>Total</b>	<b>11,789</b>	<b>100.0%</b>							

**TENANCY BY SPACE TYPE**

Following is a summary of leases at the subject property, categorized by space type.

Tenancy Type	Total Area (SF)	POTENTIAL GROSS RENTAL INCOME			
		Contract Rent *		Market Rent	
		\$/SF	Annual \$	\$/SF	Annual \$
Retail	11,789	\$31.48	\$371,088	\$31.50	\$371,354
<b>Total/Avg.</b>	<b>11,789</b>	<b>\$31.48</b>	<b>\$371,088</b>	<b>\$31.50</b>	<b>\$371,354</b>

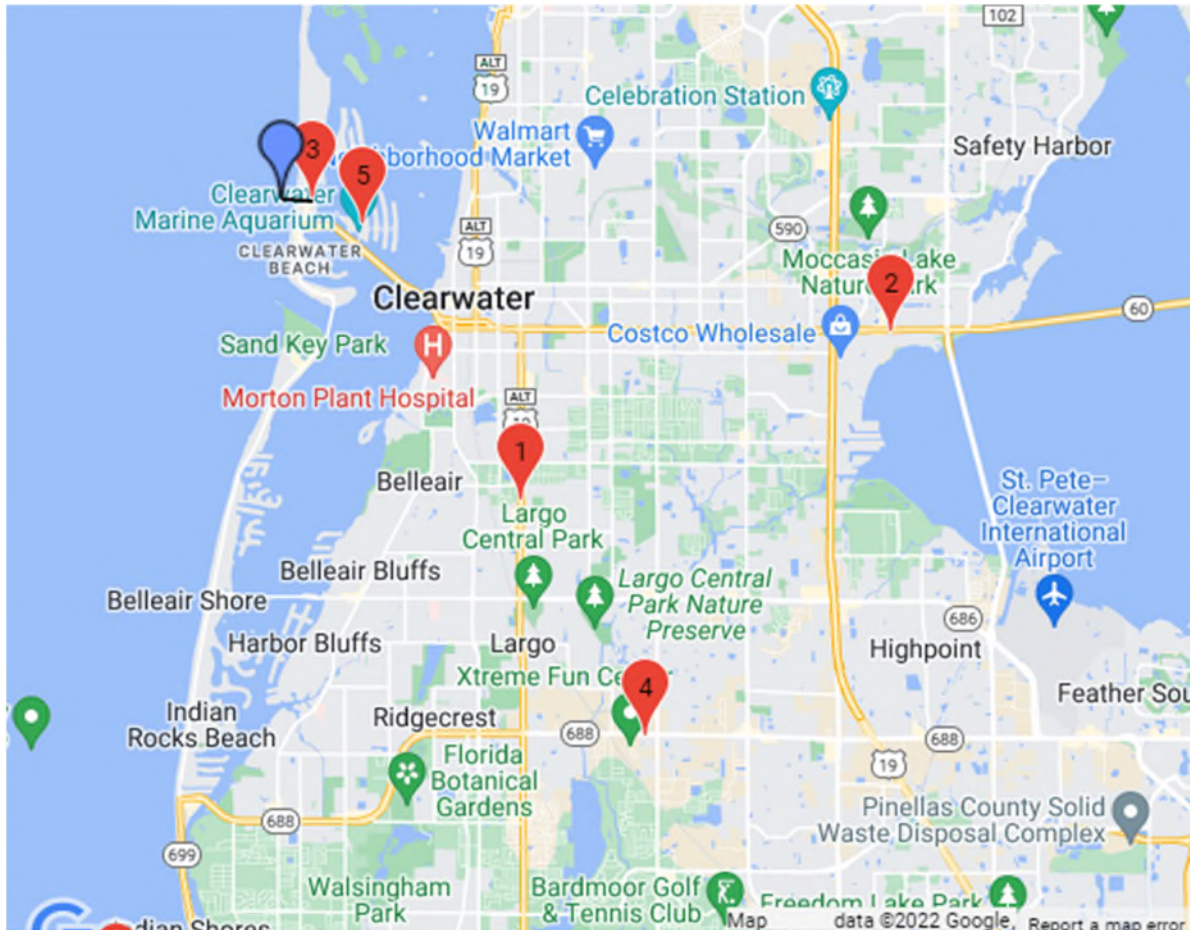
\* Includes vacant suites at market rates

**MARKET RENT**

**COMPETING RETAIL CENTERS**

To estimate the market rental rate of the retail space in the subject, the rental rates of similar centers in the subject and surrounding areas have been analyzed. These rental rates are summarized below, and the pertinent details of each are located in the Exhibits section of this report.

**COMPARABLE LEASE MAP AND LEASE SURVEY**



COMPARABLE LEASE SURVEY													
Comp No.	Property Name / Location	Property Use	Bldg. Size (SF Net)	Bldg. Size (SF Gross)	Year Built	Overall Occ. %	Tenant	Lease Start	Lease End Date	Lease Term	Unit Size (SF)	Lease Rate (\$/SF/Yr)	Expense Structure
Lease 1	Towncenter Plaza 1702 Missouri Avenue North Largo, FL	Shopping Center	45,370	45,370	1960	84.0%	Mister Pickle	Apr-2022	Mar-2032	0 mos.	1,155	\$25.00	NNN
Lease 2	Solaris Plaza 2849 Gulf to Bay Boulevard Clearwater, FL	Strip Center	6,373	6,373	2018	100.0%	Heights Meat Market	Jun-2021	Jun-2026	60 mos.	1,473	\$27.00	NNN
Lease 3	53 Baymont LLC 53 Baymont Street Clearwater, FL	Strip Center	10,506	8,756	1958	100.0%	Laughing Grass	Jan-2020	Jan-2023	36 mos.	680	\$29.00	NNN
Lease 4	Ulmerton Retail 9040 Ulmerton Road Largo, FL	Strip Center	6,881	6,881	2019	100.0%	AFC Urgent Care & Willie Jewel's BBQ	Mar-2019	Mar-2029	120 mos.	6,881	\$32.00	NNN
Lease 5	Island Village Shopping Center 104 Island Way Clearwater, FL	Neighborhood/Community Center	49,615	49,615	1974	68.0%	Quoted				-	\$30.00	NNN
	Minimum				1958	0.0%						\$25.00	
	Maximum				2019	100.0%						\$32.00	
	Average				1986	50.2%						\$28.60	
	<b>Subject</b>		11,789	251,789	2016	100.0%							



## LEASE COMPARABLE ADJUSTMENT GRIDS

LEASE ADJUSTMENT GRID - RETAIL					
0.9	Lease 1	Lease 2	Lease 3	Lease 4	Lease 5
Property Name	Towncenter Plaza	Solaris Plaza	53 Baymont LLC	Ulmerton Retail	Island Village Shopping Center
Property Address	1702 Missouri Avenue North Largo, 33770	2849 Gulf to Bay Boulevard Clearwater, 33759	53 Baymont Street Clearwater, 33767	9040 Ulmerton Road Largo, 33771-3845	104 Island Way Clearwater, 33767-2216
<b>Representative Lease</b>	Mister Pickle	Heights Meat Market	Laughing Grass	AFC Urgent Care & Willie Jewel's BBQ	Quoted
Tenant					
Unit Size (SF)	1,155	1,473	680	6,881	
Lease Start Date	Apr-2022	Jun-2021	Jan-2020	Mar-2019	
Lease Term (mos)	N/A	60	36	120	
Lease Rate (\$/SF/Yr)	\$25.00	\$27.00	\$29.00	\$32.00	\$30.00
Expense Structure	NNN	NNN	NNN	NNN	NNN
\$ Adjustment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Conditions of Lease					
\$ Adjustment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions	Apr-2022	Jun-2021	Jan-2020	Mar-2019	Jan-00
% Adjustment	0%	0%	0%	0%	0%
<b>Cumulative Adjusted Rent</b>	<b>\$25.00</b>	<b>\$27.00</b>	<b>\$29.00</b>	<b>\$32.00</b>	<b>\$30.00</b>
Location	10%	10%	0%	5%	0%
Access/Exposure	-5%	-5%	0%	-5%	0%
YOC	10%	0%	10%	0%	5%
Quality/Appeal	10%	5%	0%	0%	0%
<b>Subtotal Net Adjustments</b>	<b>25%</b>	<b>10%</b>	<b>10%</b>	<b>0%</b>	<b>5%</b>
<b>Adjusted Lease Rate per Sq.Ft.</b>	<b>\$31.25</b>	<b>\$29.70</b>	<b>\$31.90</b>	<b>\$32.00</b>	<b>\$31.50</b>

Lease Summary - Retail	Adjusted
Minimum	\$29.70
Maximum	\$32.00
Average	\$31.27
<b>Concluded Market Rent</b>	<b>\$31.50</b>
<b>Concluded Expense Structure</b>	<b>NNN</b>

## MARKET RENT CONCLUSIONS

Based upon the preceding data and analysis, a summary of the concluded market rents utilized within the following analysis is presented within the following table.

MARKET RENT CONCLUSION	
	Retail
Net Rentable Area (SF)	11,789
Percent of Total Area	100%
Comparable Lease Rate Range	\$25.00 - \$32.00
<b>Concluded Market Rent (\$/SF)</b>	<b>\$31.50</b>
Expense Structure	NNN

## VACANCY AND COLLECTION LOSS

Occupancy data for the market, submarket, lease comparables and the subject, as well as the concluded occupancy/vacancy for the subject, is shown in the following table.

VACANCY CONCLUSION	
Market Occupancy	96%
Submarket Occupancy	96%
Lease Comparables Occupancy Range	0%–100%
Lease Comparable Average Occupancy	50%
Subject's Current Occupancy	100%
<b>Subject's Stabilized Occupancy</b>	<b>90.0%</b>
<b>Subject's Stabilized Vacancy Loss</b>	<b>10.0%</b>

A total vacancy and collection loss for the subject property of 10.0% is projected. Note, the vacancy and collection loss has been applied only to the retail space and reimbursement income.

### OTHER INCOME

The subject reportedly has \$30,000 annually in billboard income.

### EXPENSE RECOVERIES

Expense recoveries (reimbursements), or pass-through income, is a charge to tenants for specified operating expenses, usually without limitation of the amount. The subject's lease rates are structured on a triple net basis, and the landlord will recover most expenses related to the leased space. Recoveries for each tenant is detailed in the table below.

Tenant Name	Suite	Area (SF)	Pro-Rata Complex	Expense Structure	EXPENSE RECOVERIES						Total Expenses	Recoverable Expenses
					Real Estate Taxes	Insurance	CAM	Management	Replacement Reserves			
Alati Food & Drink	486	2,691	23%	NNN	\$15,772	\$1,372	\$6,997	\$3,578	\$404	\$28,122	\$27,719	
Clearwater Wine Bar	482	1,245	11%	NNN	\$7,297	\$635	\$3,237	\$1,655	\$187	\$13,011	\$12,824	
Noire the Nail Bar	478	1,941	16%	NNN	\$11,376	\$990	\$5,047	\$2,581	\$291	\$20,284	\$19,993	
Surf Wheels and Drones	474	1,410	12%	NNN	\$8,264	\$719	\$3,666	\$1,875	\$212	\$14,735	\$14,524	
Dippin Dots	472	1,276	11%	NNN	\$7,478	\$651	\$3,318	\$1,697	\$191	\$13,335	\$13,143	
Another Broken Egg Café	470	3,226	27%	NNN	\$18,907	\$1,645	\$8,388	\$4,290	\$484	\$33,713	\$33,229	
<b>Total</b>		<b>11,789</b>	<b>100%</b>	<b>-----</b>	<b>\$69,093</b>	<b>\$6,012</b>	<b>\$30,651</b>	<b>\$15,676</b>	<b>\$1,768</b>	<b>\$123,201</b>	<b>\$121,433</b>	

## SUBJECT'S HISTORICAL INCOME AND EXPENSES

The subject's historical income and expenses are detailed in the table on the following page.

HISTORICAL & PRO FORMA OPERATING ANALYSIS		
	Budget Total	BBG Projection* Total
<b>INCOME</b>		
Garage Master Lease	\$2,085,000	\$2,085,000
Retail Recoveries	130,247	121,433
Miscellaneous	30,000	30,000
Retail Income	375,441	371,088
<b>Potential Gross Income</b>	<b>\$2,620,688</b>	<b>\$2,236,433</b>
<b>Vacancy &amp; Collection Loss</b>	<b>(37,544)</b>	<b>0</b>
<b>EFFECTIVE GROSS INCOME (EGI)</b>	<b>\$2,583,144</b>	<b>\$2,558,268</b>
<b>EXPENSES</b>		
<b>Real Estate Taxes</b>	\$65,000	\$69,093
<b>Insurance</b>	\$6,041	\$6,012
<b>CAM</b>	\$30,416	\$30,651
<b>Management</b>	\$26,098	\$15,676
<b>Replacement Reserves</b>	\$0	\$1,768
<b>TOTAL EXPENSES</b>	<b>\$127,555</b>	<b>\$123,201</b>
<b>NET OPERATING INCOME (NOI)</b>	<b>\$2,455,589</b>	<b>\$2,435,067</b>

\* Fiscal Year Beginning Jun-22

## COMPARABLE EXPENSE DATA

Each of the respective expense items is projected in consideration of actual historical operations and market data. The following table summarizes the expenses from other multi-tenant retail properties in the market area. Although an attempt was made to categorize expenses on a similar basis to the subject, the nature of the raw data prevented such in some categories, especially with regard to the level of detail. The management fee for a property is typically based upon a percentage of the EGI, which is denoted separately.

EXPENSE COMPARABLES								
Comparable No.	1		2			3		
<b>Property Name</b>	Tampa Retail		Tampa Retail			Tampa Retail		
Rentable Area	23,909		18,270			20,079		
<b>EXPENSES</b>								
Real Estate Taxes	\$89,181	\$3.73	\$37,454	\$2.05		\$76,702	\$3.82	
Insurance	\$23,909	\$1.00	\$17,539	\$0.96		\$20,481	\$1.02	
CAM	\$197,488	\$8.26	\$99,023	\$5.42		\$61,843	\$3.08	
Management	\$26,061	\$1.09	\$20,645	\$1.13	---	\$22,288	\$1.11	---
Replacement Reserves	\$0	\$0.00	\$0	\$0.00		\$0	\$0.00	
<b>Total Expenses</b>	<b>\$336,639</b>	<b>\$14.08</b>	<b>\$174,661</b>	<b>\$9.56</b>	<b>---</b>	<b>\$181,313</b>	<b>\$9.03</b>	<b>---</b>

## OPERATING EXPENSE ANALYSIS AND PROJECTIONS

Typically, the best source of information to estimate pro forma operations for the property is the actual historical performance of the subject. However, since the subject property was recently acquired, the pro forma operations for the subject were estimated according to comparable operations within the market. Each of the respective expense items is estimated in the following analysis with consideration given to comparable expense data from the local market.

OPERATING EXPENSE COMPARISON AND CONCLUSION				
Expense Item	Expense Comps			BBG
	Range	Average	Budget	Forecast
Real Estate Taxes	\$2.05–\$3.82	\$3.20	\$5.51	\$5.86
	\$37,454–\$89,181	\$67,779	\$65,000	\$69,093
Insurance	\$0.96–\$1.02	\$0.99	\$0.51	\$0.51
	\$17,539–\$23,909	\$20,643	\$6,041	\$6,012
CAM	\$3.08–\$8.26	\$5.59	\$2.58	\$2.60
	\$61,843–\$197,488	\$119,452	\$30,416	\$30,651
Management	\$1.09–\$1.13	\$1.11	\$2.21	\$1.33
	\$20,645–\$26,061	\$22,998	\$26,098	\$15,676
Replacement Reserves	-	\$0.00	\$0.00	\$0.15
	\$000	\$0	\$0	\$1,768
<b>Total Operating Expenses Per SF</b>	<b>\$9.03–\$14.08</b>	<b>\$10.89</b>	<b>\$10.82</b>	<b>\$10.45</b>
<b>Total Operating Expenses</b>	<b>\$174,661–\$336,639</b>	<b>\$230,871</b>	<b>\$127,555</b>	<b>\$123,201</b>

**COMMENTS**

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<b>Real Estate Taxes</b>	Taxes were previously concluded in the tax section of this report.
<b>Insurance</b>	This category includes property and casualty insurance that is required or typical at the subject and similar properties. We conclude within the subject's pro forma range.
<b>CAM</b>	CAM typically includes common area lighting, water for irrigation, landscaping, parking lot maintenance and administrative fees. Our conclusion is within the range of the comparables. We conclude within the subject's pro forma range.
<b>Management</b>	This category accounts for off-site management performed by the owner or third-party management company. Note the management fee has been applied to the retail and other income only.
<b>Replacement Reserves</b>	Based on typical broker and lender practices.

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## INCOME ANALYSIS – PARKING GARAGE

### LEASE ABSTRACT

As noted, the subject parking improvements are master leased to UPP on a long-term basis. In the following table we present the lease abstract.

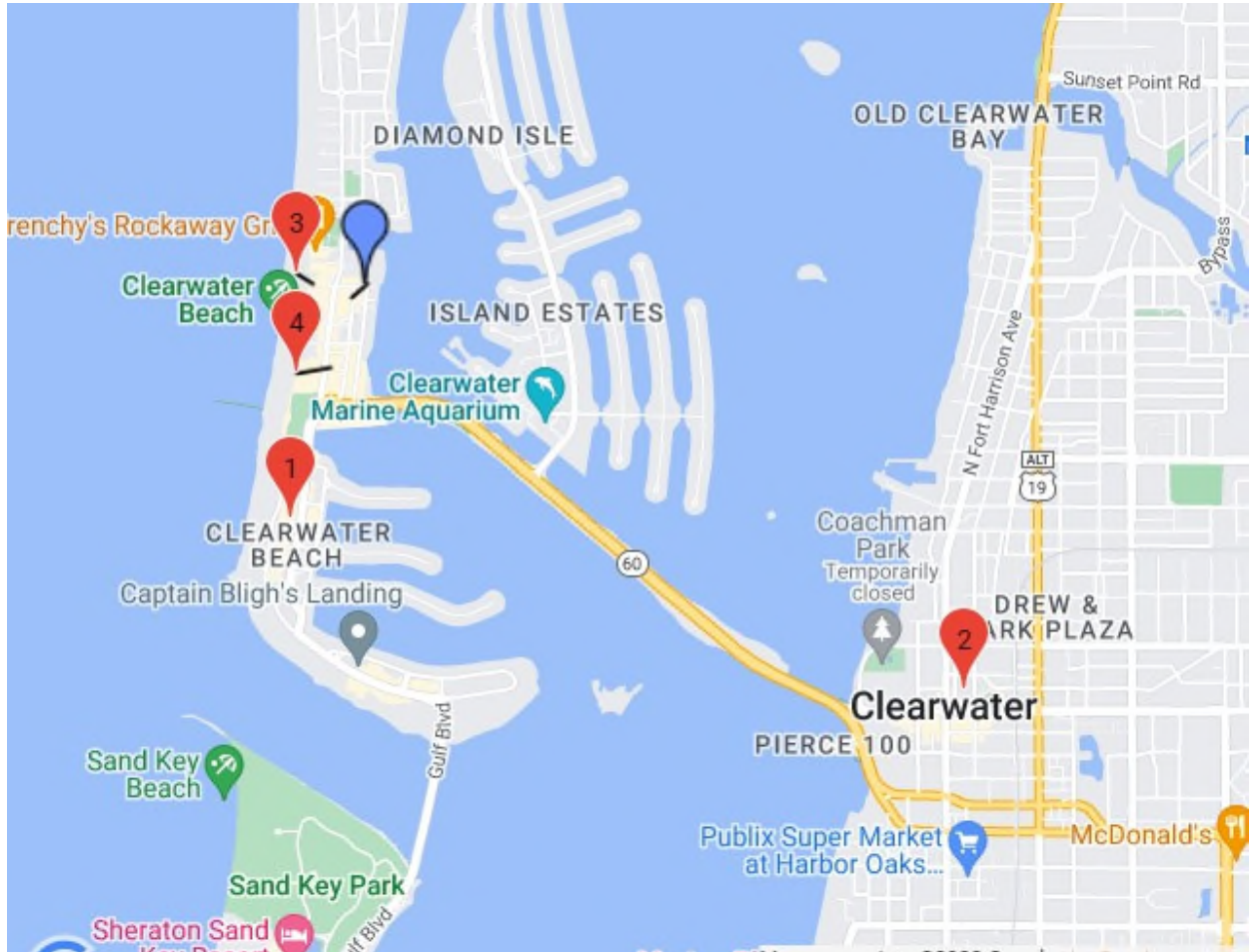
LEASE ABSTRACT - UPP	
Lessor	SCI Pelican Walk LLC
Lessee	UPP
Base Lease Term	120 months
Lease Commencement Date	May-22
End Date	May-32
Remaining Lease Term	118 months
Base Rents	
Year 1	\$2,085,000.00
Year 2	\$2,147,550.00
Year 3	\$2,233,452.00
Year 4	\$2,345,124.60
Year 5	\$2,462,380.83
Year 6	\$2,585,499.87
Year 7	\$2,714,774.87
Year 8	\$2,850,513.61
Year 9	\$2,993,039.29
Year 10	\$3,142,691.25
Expense Structure	Absolute Net
Landlord Expense Responsibilities	None
Tenant Expense Responsibilities	Absolute Net
Renewal Options	One, five-year term
Guarantor	UPP Global, LLC
Source	Lease

As noted, the economics related to parking garages are highly variable and location specific. The appraisers reached out to ownership for comparable master leases, but none were available. The lease is guaranteed by UPP, as such there is limited risk to ownership of non-payment. UPP is a national full-service parking management company.

FIRM HIGHLIGHTS	
<b>Founded:</b>	2012
<b>Corporate Address</b>	496 Congress Street Portland, Maine . 04101
<b>Number of Locations:</b>	312
<b>Number of Parking Spaces:</b>	135,000
<b>Number of Employees:</b>	525
<b>States   Cities:</b>	9   22
<b>Portfolio Mix:</b>	Managed, Leased and Owned
<b>Market Segments:</b>	Hospitality & Valet, Office Buildings, Medical & Hospital, Government & Municipal, Retail & Mixed-Use, Event Parking, Residential Buildings and Shuttle Services
<b>Regional Offices:</b>	Burlington, VT   Portland, ME (Corporate Headquarters)   Portsmouth, NH   Providence, RI   Wilmington, NC   Madeira Beach, FL

As a test of reasonableness, we have surveyed parking garages for daily and monthly rates and looked at the historical data available. In previous years the garage had fractured ownership and was operated by a third-party management company (ParkSimple).

**RENT COMPARABLES- GARAGE**



PARKING GARAGE RENT SURVEY				
	Location	Monthly Rate	Hourly Rate	Daily Max
1	311 S Gulfview Blvd	N/A	\$15	\$30
2	28 N Garden Ave (City owned)	\$48	\$0.50	\$5
3	500 Mandalay Ave (customers only)	N/A	N/A	\$25
4	400 Manadalay Ave (customers only)	N/A	N/A	\$29
<b>SUBJECT</b>		<b>\$40</b>	<b>\$6</b>	<b>\$30</b>

A review of available parking indicated that the subject is one of two public parking garage in the area. The available parking inventory is comprised primarily of surface lots and resort-owned garages that are for customers only. The appraisers are noting that a number of properties are owned by the City of Clearwater which charges below-market rates.

Each of the rent comparables is considered to compete directly with the subject for prospective parking customers. While we note that some of the comparables may be similar, slightly superior or slightly inferior to the subject with regard to specific characteristics, each comparable represents a unique combination of specific location, ingress/egress, access to office buildings/retail, etc. which drives the daily and hourly parking rates at each property. Thus, the subject's market rental rates are expected to be generally within the range of the competitive set. Although we have not assigned an overall qualitative adjustment to each comparable as a whole, we have considered the unique factors of each comparable in our analysis.

The following is a summary of income and expenses as reported by ParkSimple in 2021 under fractured ownership.

<b>ParkSimple - North Beach Plaza Parking 2021</b>		
<b>Income</b>		
<b>Monthly Parking</b>	\$	191,309.05
<b>Transient Parking</b>	\$	2,109,462.00
<b>Misc. Income</b>	\$	4,641.00
<b>Taxes</b>	\$	<u>(150,464.07)</u>
<b>Total</b>	\$	2,154,947.98
<b>Expenses</b>		
<b>Operating</b>	\$	266,172.77
<b>Credit Card Fees</b>	\$	70,613.99
<b>Insurance</b>	\$	60,912.00
<b>Management</b>	\$	32,832.34
<b>Repairs &amp; Maintenance</b>	\$	<u>43,008.63</u>
<b>Total</b>	\$	473,539.73
<b>NOI</b>	\$	<u>1,681,408.25</u>

According to the ParkSimple YE 2021 report, there were approximately 384 monthly parkers. The remaining spaces were transient parking. During peak transient parking times, the number of vehicles ranged from 1,219 to 2,076. As such, the garage is running above 100%, which is typical of high traffic locations.

This reported historical data is not sufficient to cover the current UPP master lease payment. However, the majority of the spaces (450) were owned by the City of Clearwater which was charging below-market rates. As noted below, if the spaces owned by the City are grossed up to the market level indicated by the remaining spaces, income is sufficient to cover costs and generate a profit for the operator.



Break Down of 2021 Income			
	Number of Spaces	Income	Income Per Space
<b>City-Owned Spaces</b>	450	\$821,681	\$1,826
<b>Non City-Owned Spaces</b>	252	\$1,479,090	\$5,869
<b>Total</b>	702	\$2,300,771	
<b>City-Owned Spaces Grossed Up to Market</b>	450	\$2,641,050	\$5,869
<b>Non City-Owned Spaces</b>	252	\$1,479,090	\$5,869
<b>Total Adjusted Income</b>	702	\$4,120,140	
Less Park Simple Derived Expenses		\$ (473,540)	
Less Taxes		\$ (436,915)	
Less Lease Payment		\$ (2,085,000)	
<b>NOI to UPP</b>		\$1,124,685	

## PRO FORMA OPERATIONS

Following is a summary of the income and expense projections for the subject which is a summation of the preceding analysis. The subject property is currently operating at stabilized occupancy.

PRO FORMA		FY 2023	
Income		\$	Per SF
Garage Master Lease		\$2,085,000	\$176.86
Retail Recoveries		\$121,433	\$10.30
Miscellaneous		\$30,000	\$2.54
Retail Income		\$371,088	\$31.48
<b>Total Potential Gross Income</b>		<b>\$2,607,520</b>	<b>\$221.18</b>
Less Vacancy Loss	10.0%	(\$49,252)	-\$4.18
<b>Effective Gross Income (EGI)</b>		<b>\$2,558,268</b>	<b>\$217.00</b>
<b>Expenses</b>			
Real Estate Taxes		\$69,093	\$5.86
Insurance		\$6,012	\$0.51
CAM		\$30,651	\$2.60
Management	3.0%	\$15,676	\$1.33
Replacement Reserves		\$1,768	\$0.15
<b>Total Expenses</b>	<b>4.8%</b>	<b>\$123,201</b>	<b>\$10.45</b>
<b>NET OPERATING INCOME (NOI)</b>		<b>\$2,435,067</b>	<b>\$206.55</b>

## DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a projected single year's income expectancy into an indication of value. Dividing a property's net operating income by an appropriate market-derived capitalization rate provides a value indication. This capitalization rate is known as the overall rate.

There are several methods that can be used in deriving an overall rate that can be used to capitalize the net operating income that was projected in the previous Pro Forma Operating Statement.

## MARKET DERIVATION

When adequate data is available, the overall rate is best derived from the comparable sales employed in the Sales Comparison Approach. The following table summarizes capitalization rates extracted from the comparable sales transactions.

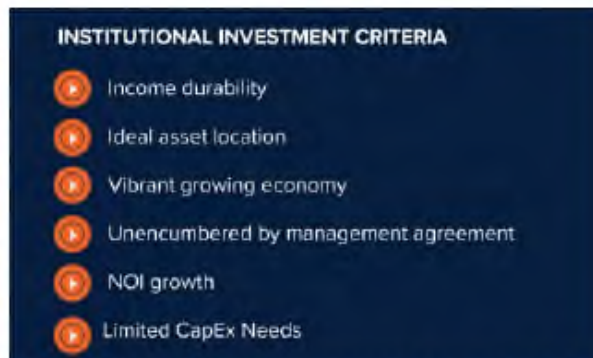
MARKET DERIVED CAPITALIZATION RATE SUMMARY				
No.	Property / Location	Date of Sale	Year Built	Capitalization Rate
1	20 Lincoln Street 22 Lincoln Street Savannah, GA	04/26/2022	1955	5.00%
2	Virgin Hotel Garage 1 Music Square West Nashville, TN	02/01/2022	2020	5.75%
3	Residence Inn Garage 1725 Champa Denver, CO	11/01/2021	2005	5.00%
4	Flushing Commons South Garage 138-35 39th Avenue Flushing, NY	09/17/2021	2017	5.00%
5	Hudson Tea Parking Garage 1450 Bloomfield Street Hoboken, NJ	11/01/2020	2004	5.20%
Low				5.00%
High				5.75%
Median				5.00%
Average				5.19%
<b>Appraiser's Concluded Range</b>				<b>5.00% - 5.25%</b>

The sales above indicate a range of capitalization rates from 5.00% to 5.75% with an average of 5.19%. The subject has a new 10-year master lease. Therefore, the subject should achieve a capitalization rate at the lower end of the range. Based on the data available and the analyses presented, the subject warrants a capitalization rate between **5.00% and 5.25%**.

## INVESTOR SURVEYS

### Parking Industry: Strategic Considerations for Investors, HFF, January 2019.

As most investors and developers know, parking is a critically important aspect of development and land use in virtually all cities and can significantly impact the growth of cities. The availability and quality of parking options impacts the way corporate tenants and retailers conduct their site selection and where developers build new projects. According to the International



Parking Institute, the parking industry generates more than \$20 billion annually in revenue and the United States has more than 105 million parking spaces along with five million parking meters. The purpose of this analysis is to better educate developers and investors on the various characteristics that go into how investors value parking revenues when sold with income producing properties.

#### THE CASE FOR PARKING AS A SUITABLE ASSET CLASS

**Reduced Volatility and Stable Income:** Parking facilities provide consistent and stable income, high cash yields and long-term revenue growth potential. They have low-recurring capital requirements compared to traditional real estate assets, reduced income volatility through market cycles and the ability to immediately react to market conditions and hedge against inflation as rates can be adjusted daily or even hourly.

**High Barriers to Entry:** The existing supply, especially surface lots in urban areas, is being replaced by new developments despite rising demand for parking. Some parking investments are ideal covered land plays, where investors can collect modest income while waiting for the surrounding growth to approach their site, making it feasible for higher density development.

**Not an Actively Sourced Asset Class:** Parking assets are not frequently widely brokered, thus command increased attention when brought to market.



#### PARKING GARAGE ANALYSIS: THREE METHODS INVESTORS MAY USE TO UNDERWRITE A PARKING FACILITY TIED TO AN INCOME-PRODUCING PROPERTY

**Stand Alone Basis:** Investors apply specific assumptions to the parking garage in this method, “untying” the asset from any office, multifamily, or retail portion (if applicable).

**Apply the Cap Rate from the Attached Product Type:** Some investors closely associate performance of the garage with performance of the connected asset and will apply the same economics to the garage.

**Financially Engineer the Transaction:** When underwriting mixed-use parking garages, investors may adjust their value of the parking facility in order to receive approval from their investment committees or for purposes of internal reporting.

#### **ADDITIONAL FACTORS OF PARKING FACILITY ANALYSIS**

Below is a list of considerations that go into the calculus for evaluating the financial prospects of an income-producing parking facility:

**Capital Needs:** Impending capital needs such as restriping, structural upgrades and more can have a negative impact on pricing.

**Air Rights and Future Development Opportunity:** Air rights and the ability to add vertical density on top of the garage give a buyer additional optionality and act as a security blanket for their exit strategy.

**Tourism:** Does the city have multiple qualities that drive tourism? Is tourism driven by government, culture, etc.?

**Opportunity to Add Revenue Streams:** If there are signage, advertising or additional service offerings that could be added in order to increase revenue, buyers are more likely to aggressively pursue the asset.

**Nearby Construction:** If there are proposed developments nearby or infrastructure projects planned, how does this impact traffic and ultimately parking revenue for the duration of the project? Would a short-term inconvenience lead to long term increased demand and elevated parking rates?

**Municipality Parking and Regulations:** Understanding municipal involvement in local parking is crucial for underwriting parking investments.

**Basis Relative to Replacement Cost:** Is there an opportunity to acquire below replacement cost?

## INVESTOR SURVEYS

INVESTOR SURVEYS		
Survey/Investment Type	OAR Range	Average
PwC Real Estate Investor Survey (2Q22)		
Net Lease	5.00% - 7.50%	5.95%
Strip Center	5.00% - 10.00%	7.00%
Situs RERC Real Estate Report (1Q22)		
Neigh/Community	4.50% - 9.30%	5.80%
All Types	2.70% - 9.50%	5.90%
RealtyRates.com Investor Survey (2Q22)		
Special Purpose	5.41% - 17.30%	11.36%
All Properties	--- - ---	---
Un-anchored	5.42% - 13.50%	9.85%
<b>Indicated OAR:</b>	<b>2.70% - 17.30%</b>	<b>7.64%</b>

Given the subject's location and tenancy, the subject warrants a capitalization rate well below the reported average of investor surveys.

## MARKET PARTICIPANT INTERVIEWS

The following table indicates data from market participant interviews relative to capitalization rates for the subject and similar properties.

MARKET PARTICIPANT INTERVIEWS		
Respondent	Survey Date	Cap Rate Range
CBRE, Inc.	Jul-22	5.00% - 5.25%
JLL, Inc.	Jul-22	5.00% - 5.50%
<b>Reported Range</b>		<b>5.00% - 5.25%</b>

## BAND OF INVESTMENT

The band of investment calculation is summarized in the following table.

BAND OF INVESTMENT					
Loan Parameters					
Loan-to-Value (LTV)				75%	
Amortization Period (yrs)				30	
Interest Rate				4.00%	
Mortgage Constant				0.05729	
Equity Dividend Rate				5.00%	
Calculation					
0.75 LTV	x	0.05729	Mortgage Constant	=	0.04297
0.25 Equity	x	0.05000	Equity Dividend Rate	=	0.01250
<b>Capitalization Rate</b>					<b>5.55%</b>

## CAPITALIZATION RATE SUMMARY AND CONCLUSIONS

The capitalization rates derived from the various techniques are summarized in the following table.

SUMMARY CAPITALIZATION RATE AND CONCLUSION	
Method	Capitalization Rate
Market Extraction	5.00% - 5.25%
Investor Surveys	7.64%
Market Participants	5.00% - 5.25%
Band of Investment	5.55%
<b>Primary Weight</b>	<b>Market Extraction</b>
<b>Secondary Weight</b>	<b>Investor Surveys, Market Participants</b>
<b>Capitalization Rate Conclusion</b>	<b>5.00%</b>

Typically, most weight is placed on the rates derived from sources most closely associated with the subject's immediate market, that is, comparable sales, particularly if the comparable sales have a similar risk profile to the subject property. Based on all available data sources, we conclude to a **5.00%** capitalization rate. However, the range would be from 4.75% to 5.25%.

## VALUE INDICATION FROM DIRECT CAPITALIZATION

An opinion of market value is indicated by the Direct Capitalization Method by dividing the net operating income (NOI), derived earlier in this section by the appropriate capitalization rate. Our conclusion via the Direct Capitalization Method is as follows.

DIRECT CAPITALIZATION METHOD VALUE CONCLUSION - AS IS		
<b>NET OPERATING INCOME</b>	<b>\$2,435,067</b>	<b>\$3,468.76</b>
<b>Sensitivity Analysis (0.25% OAR Spread)</b>	<b>Value</b>	<b>\$/Space</b>
Based on Low-Range of 4.75%	\$51,264,571	<b>\$73,026.45</b>
Based on Most Probable Rate of 5.00%	\$48,701,342	<b>\$69,375.13</b>
Based on High-Range of 5.25%	\$46,382,231	<b>\$66,071.55</b>
<b>Indicated Stabilized Value</b>	\$48,701,342	
<b>Rounded to nearest \$10,000</b>	<b>\$48,700,000</b>	<b>\$69,373.22</b>
less Capital Expenditures/Deferred Maintenance	0	
less Lease Up Adjustment	0	
<b>Indicated As Is Value</b>	<b>\$48,701,342</b>	<b>\$69,375.13</b>
<b>Rounded to nearest \$10,000</b>	<b>\$48,700,000</b>	<b>\$69,373.22</b>

# RECONCILIATION AND FINAL VALUE

## SUMMARY OF VALUE INDICATIONS

VALUE INDICATIONS			
As Is as of June 28, 2022			
Sales Comparison Approach	\$48,260,000	\$	68,746.44 Per Space
Income Capitalization Approach			
Direct Capitalization	\$48,700,000	\$	69,373.22 Per Space
Approach Reliance	Direct Capitalization		
Value Conclusion - As Is	<b>\$48,700,000</b>	<b>\$</b>	<b>69,373.22 Per Space</b>
Exposure Time (Months)	12		
Marketing Time (Months)	12		

## MARKET VALUE - VALUATION RELIANCE

The Sales Comparison Approach is primarily used by owner-users in making purchase decisions. It is the secondary approach used by investors. Furthermore, accounting for differences in the comparables relative to the subject is difficult due to location and overall quality and condition of the properties. The inability to account accurately for these differences reduces the credibility of the Sales Comparison Approach. For these reasons, the Sales Comparison Approach was developed primarily as support for the Income Approach.

The Income Approach is the valuation method most commonly used by investors in making purchase decisions for properties like the subject and Direct Capitalization is the primary valuation method used by investors in sale transactions of properties similar to the subject. There was good quality data available for development of the appropriate rental and capitalization rates. Furthermore, the subject is encumbered by lease agreements. An investor would likely capitalize the scheduled income for the subject property in order to derive a value based on a required return on investment. Therefore, the Direct Capitalization method provides the most credible indication of the price an investor would be willing to pay for the subject, and we rely solely on this approach in our reconciliation.

## FINAL OPINION(S) OF VALUE

Based on the inspection of the property and the investigation and the analysis undertaken, we have developed the following value opinion(s).

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is	Leased Fee	June 28, 2022	\$48,700,000

## MARKETING TIME AND EXPOSURE TIME

Exposure time is the amount of marketing time necessary for the subject to have sold on the effective date; therefore, exposure time is assumed to precede the current effective date. Marketing period is the amount of marketing time necessary for the subject property to sell at a price consistent with the concluded value. Unless a major shift is expected in market conditions, the marketing period will be like exposure time.

Based upon our review of comparable data and market trends, we estimate exposure time at 12. Due to the impact on the COVID-19 outbreak, the marketing period is estimated at 12.



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## CERTIFICATION

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
  2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
  3. 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 with this assignment.
  4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
  5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
  6. 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.
  7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
  8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the state of Florida.
  9. The reported analyses, opinions, and Value Indications were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
  10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
  11. As of the date of this report, Robert Ryan, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
  12. As of the date of this report, Laura A. Curry has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
  13. Robert Ryan, MAI has not and Laura A. Curry has not made a personal inspection of the property that is the subject of this report. Eric Hoening, MAI made a personal inspection of the property that is the subject of this report.
  14. No one provided significant real property appraisal assistance to the person signing this certification.
  15. Robert Ryan, MAI has not and Laura A. Curry has not provided 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 the agreement to perform this assignment.
  16. The use of this report is subject to the requirements of the Florida Real Estate Appraisal Board relating to review by its duly authorized representatives. As of the date of this report, Robert Ryan, MAI, and Laura A. Curry, is a State Certified Appraiser and have completed the continuing education requirements for the State of Florida.
-



Robert Ryan, MAI  
FL Certified General Appraiser  
License #: RZ3435  
678-690-1048  
rryan@bbgres.com



Laura A. Curry  
FL Temp Certified General Appraiser  
License #: TP9507  
713-335-9651  
lcurry@bbgres.com

# STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
  - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
  - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
  - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
  - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
  - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
  - f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity

- with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
  - h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
  - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
  - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
  - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
  - l) BBG, Inc. is not an expert in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraiser is not qualified to detect such substances. The Client is urged to retain an expert in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
  - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.

- 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary

compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.

## Overview

### BBG OVERVIEW

BBG is one of the nation's largest real estate due diligence firms with more than 45 offices across the country serving more than 3,000 clients. We deliver best-in-class valuation, advisory and assessment services with a singular focus of meeting our clients' needs.

Our professional team offers broad industry expertise and deep market knowledge to help clients meet their objectives throughout the real estate life cycle.

BBG clients include commercial real estate professionals, investors, lenders, attorneys, accountants and corporations.

### THE BBG DIFFERENCE

**National Footprint.** BBG is one of only two national firms offering in-house valuation and environmental and property condition assessment services for all commercial property types.

**Customer-focused Growth.** BBG is one of the largest national due diligence firms because we deliver best-in-class work product and provide excellent customer care.

**Qualified Team.** Over 50 percent of BBG appraisers are MAI designated and offer deep industry expertise gained through real-world experience.

**Unbiased Independence.** By focusing exclusively on due diligence services, BBG guarantees an independent perspective free from potential conflicts of interest.

**Innovative Technology.** BBG has made significant analytics and IT investments to continually improve our data and report quality.

### SERVICES

#### Valuation

- + Single Asset Valuation
- + Portfolio Valuation
- + Institutional Asset Valuation
- + Appraisal Review
- + Appraisal Management
- + Lease and Cost Analysis
- + Insurance Valuation
- + Arbitration & Consulting
- + Feasibility Studies
- + Highest and Best Use Studies
- + Evaluation
- + Investment analysis
- + Tax appeals
- + Litigation Support
- + Manufactured Housing and Campgrounds

#### Advisory

- + ASC 805 Business combinations
- + ASC 840 Leases
- + Purchase Price Allocations
- + Portfolio Valuations for reporting net asset values (NAV)
- + Public and non-traded REIT valuations
- + Valuations for litigation and litigation support
- + Sale-leaseback valuation analysis
- + Valuations for bankruptcy/fresh start accounting
- + Cost segregation analysis

#### Assessment

- + Environmental due diligence
- + Property condition consulting
- + Small loan services
- + Energy consulting
- + Environmental consulting
- + Zoning
- + ALTA Surveys

# ADDENDA

Glossary.....A

Letter of Engagement ..... B

Comparable Improved Sales ..... C

Comparable Rents ..... D

Appraiser Qualifications and Licenses..... E

Site Plan with Condo Delineation..... F



## GLOSSARY

**Appraisal:** (noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.<sup>7</sup>

**Appraisal Practice:** valuation services performed by an individual acting as an appraiser, including but not limited to appraisal and appraisal review.<sup>7</sup>

**Appraisal Review:** (noun) the act or process of developing an opinion about the quality of another appraiser's work (i.e., a report, part of a report, a workfile, or some combination of these), that was performed as part of an appraisal or appraisal review assignment, (adjective) of or pertaining to an opinion about the quality of another appraiser's work that was performed as part of an appraisal or appraisal review assignment.<sup>7</sup>

**Appraiser:** one who is expected to perform valuation services competently and in a manner that is independent, impartial and objective.<sup>7</sup>

**Appraiser's Peers:** other appraisers who have expertise and competency in a similar type of assignment.<sup>7</sup>

**Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.<sup>1</sup>

**Asset:**

1. Any item, the rights to which may have economic value, including financial assets (cash or bonds), business interests, intangible assets (copyrights and trademarks), and physical assets (real estate and personal property).
2. In general business usage, something owned by a business and reflected in the owner's business sheet.

**Asset:** A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.<sup>2</sup>

**Assignment:** a valuation service that is provided by an appraiser as a consequence of an agreement with a client.<sup>7</sup>

**Assignment Conditions:** Assumptions, extraordinary assumptions, hypothetical conditions, laws and regulation, jurisdictional exceptions, and other conditions that affect the scope of work.<sup>7</sup>

**Assignment Elements:** Specific information needed to identify the appraisal or appraisal review problem: client and any other intended users, intended use of the appraiser's opinions and conclusions, type and definition of value; effective date of the appraiser's opinions and conclusions; subject of the assignment and its relevant characteristics; and assignment conditions.<sup>7</sup>

**Assignment Results:** An appraiser's opinions or conclusions, not limited to value, that were developed when performing an appraisal assignment, an appraisal review assignment, or a valuation service other than an appraisal or appraisal review.<sup>7</sup>

**Bias:** a preference or inclination that precludes an appraiser's impartiality, independence, or objectivity in an assignment.<sup>7</sup>

**Business Enterprise:** an entity pursuing an economic activity.<sup>7</sup>

**Business Equity:** the interests, benefits, and rights inherent in the ownership of a business enterprise or a part thereof in any form (including, but not necessarily limited to, capital stock, partnership interests, cooperatives, sole proprietorships, options, and warrants).<sup>7</sup>

**Capital Expenditure:** Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations. Also referred to as Cap Ex.<sup>1</sup>

**Cash Equivalency Analysis:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.<sup>1</sup>

**Client:** the party or parties (i.e., individual, group or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.<sup>7</sup>

**Condominium Ownership:** A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real estate.<sup>1</sup>

**Confidential Information:**

**1:** information that is either:

- Identified by the client as confidential when providing it to a valuer and that is not available from any other source, or
- Classified as confidential or private by applicable law or regulation.

**2:** Information that is either

- Identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or
- Classified as confidential or private by applicable law or regulation \*
- NOTICE: For example, pursuant to the passage of the Gramm-Leach-Bliley Act in November 1999, some public agencies have adopted privacy regulations that affect appraisers. The Federal Trade Commission (FTC) issued two rules. The first rule (16 CFR 313) focuses on the protection of "non-public personal information" provided by consumers to those involved in financial activities "found to be closely related to banking or usual in connection with the transaction of banking." These activities include "appraising real or personal property." The second rule (16 CFR 314) requires appraisers to safeguard customer non-public personal information. Significant liability exists for appraisers should they fail to comply with these FTC rules.<sup>7</sup>

**Cost:** the actual or estimated amount required to create, reproduce, replace or obtain a property.<sup>7</sup>

**Cost Approach:** A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.<sup>1</sup>

**Credible:** worthy of belief.<sup>7</sup>

**Deferred Maintenance:** Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.<sup>1</sup>

**Disposition Value:** The most probable price that a specified interest in real property should bring under the following conditions: 1) Consummation of a sale within a specific time, which is short than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration of the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.<sup>1</sup>

**Economic Life:** The period over which improvements to real estate contribute to property value.<sup>1</sup>

**Effective Date:** the date to which the appraiser's analysis, opinions and conclusions apply, also referred to as date of value.<sup>7</sup>

**Effective Gross Income Multiplier (EGIM):** The ratio between the sale price (or value) of a property and its effective gross income.<sup>1</sup>

**Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions, the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.<sup>1</sup>

**Exposure Time:** an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effect date of the appraisal.<sup>7</sup>

**Extraordinary Assumption:** an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.<sup>7</sup>

**Fair Market Value:**

1. In nontechnical usage, a term that is equivalent to the contemporary usage of market value.
2. As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. For example, one definition of *fair market value* provided by the Internal Revenue Service for certain purposes is as follows: The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate. (IRS Regulation §20.2031-1)<sup>1</sup>

**Fair Share:**

1. A share of a fund or deposit that is divided or distributed proportionately.
2. A share of a burden or obligation that is divided proportionately; e.g., a tenant in a multitenant building or development may be required to pay a pro rata share of the building's operating expenses based on the number of square feet the tenant occupies. In a shopping center, the tenant's share of operating costs is often stated as a fraction, with the gross leasable area of the tenant's premises as the numerator and the gross leasable area or gross leased area of the entire shopping center as the denominator.
3. The share of a trade area that a retail facility is likely to capture; assumes that capture is a function of property size as a proportion of the overall inventory of competitive space in the trade area, i.e., that the facility captures a "fair share" of the trade area.<sup>1</sup>

**Fair Value:**

1. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (FASB)
2. The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. (This does not apply to valuations for financial reporting.) (IVS).<sup>1</sup>
3. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.<sup>2</sup>

**Feasibility Analysis:** a study of the cost benefit relationship of an economic endeavor.<sup>1</sup>

**Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>1</sup>

**Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.<sup>1</sup>

**Going Concern:**

1. An established and operating business having an indefinite future life.
2. An organization with an indefinite life that is sufficiently long that, over time, all currently incomplete transformations [transforming resources from one form to a different, more valuable form] will be completed.<sup>1</sup>

**Gross Building Area (GBA):**

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the super structure and substructure basement; typically does not include garage space.<sup>1</sup>

**Highest and Best Use:**

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS).
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)<sup>1</sup>

**Hypothetical Condition:** a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.<sup>7</sup>

**Income Capitalization Approach:** Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.<sup>1</sup>

**Inspection:** Personal observation of the exterior or interior of the real estate that is the subject of an assignment performed to identify the property characteristics that are relevant to the assignment, such as amenities, general physical condition, and functional utility. Note that this is not the inspection process performed by a licensed or certified building inspector.<sup>1</sup>

**Insurable Value:** A type of value for insurance purposes.<sup>1</sup>

**Intangible Property (intangible Assets):** Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment.<sup>7</sup>

**Intended Use:** the user(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.<sup>7</sup>

**Intended User:** the client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.<sup>7</sup>

**Internal Rate of Return ("IRR"):** The annualized yield rate or rate of return on capital that is generated or capable of being generalized within an investment of portfolio over a period of ownership. Alternatively, the indicated return of capital associated with a projected or pro forma income stream. The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects both the return on invested capital and the return of the original investment, which are basic considerations of potential investors. Therefore, deriving the IRR from analysis of market transactions of similar properties having comparable income patterns is a proper method for developing market discount rates for use in valuations to arrive at Market Value. Used in discounted cash flow analysis to find the implied or expected rate of return of the project, the IRR is the rate of return which gives a zero net present value (NPV). See also equity yield rate (YE); financial management rate of return (FMRR); modified internal rate of return (MIRR); yield rate (Y).<sup>1</sup>

**Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (IVS)<sup>1</sup>

**Jurisdictional Exception:** an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.<sup>7</sup>

**Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.<sup>1</sup>

**Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.<sup>1</sup>

**Liquidation Value:** The most probable price that a specified interest in real

property should bring under the following conditions: 1) Consummation of a sale within a short time period; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.<sup>1</sup>

**Load Factor:** A measure of the relationship of common area to useable area and therefore the quality and efficiency of building area layout, with higher load factors indicating a higher percentage of common area to overall rentable space than lower load factors; calculated by subtracting the amount of useable area from the rentable area and then dividing the difference by the useable area:<sup>1</sup>

Load Factor =

$$\frac{(\text{Rentable Area} - \text{Useable Area})}{\text{Useable Area}}$$

**Market Value:** a type of value stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.<sup>7</sup>

**Market Value "As If Complete" On The Appraisal Date:** Market value as if complete on the effective date of the appraisal is an estimate of the market value of a property with all construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

**Market Value "As Is" On The Appraisal Date:** Value As Is -The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. See also effective date; prospective value opinion.

**Market Value of the Total Assets of the Business:** The market value of the total assets of the business is the market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern. This assumes that the business is expected to continue operations well into the future.<sup>4</sup>

**Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property Market Value Opinions" address the determination of reasonable exposure and marketing time.).<sup>3</sup>

**Mass Appraisal:** the process of valuing a universe of properties as of a given date using standard methodology, employing common data and allowing for statistical testing.<sup>7</sup>

**Mass Appraisal Model:** a mathematical expression of how supply and demand factors interact in a market.<sup>7</sup>

**Misleading:** intentionally or unintentionally misrepresenting, misstating or concealing relevant facts or conclusions.<sup>7</sup>

**Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also lease.<sup>1</sup>

**Net Rentable Area (NRA):** 1) The area on which rent is computed. 2) The

Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.<sup>5</sup>

**Penetration Ratio (Rate):** The rate at which stores obtain sales from within a trade area or sector relative to the number of potential sales generated; usually applied to existing facilities. Also called: penetration factor.<sup>1</sup>

**Personal Inspection:** a physical observation performed to assist in identifying relevant property characteristics in a valuation service.<sup>7</sup>

**Personal Property:** any tangible or intangible article that is subject to ownership and not classified as real property, including identifiable tangible objects that are considered by the general public as being "personal", such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment, and intangible property that is created and stored electronically such as plans for installation art, choreography, emails or designs for digital tokens.<sup>7</sup>

**Physical Characteristics:** attributes of a property that are observable or measurable as a matter of fact, as distinguished from opinions and conclusions, which are the result of some level of analysis or judgement.<sup>7</sup>

**Price:** the amount asked, offered or paid for a property.<sup>7</sup>

**Prospective opinion of value.** A value opinion effective as of a specified future date. The term does not define a type of value. Instead it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.<sup>1</sup>

**Real Estate:** an identified parcel or tract of land, including improvements, if any.<sup>7</sup>

**Real Property:** the interests, benefits and rights inherent in the ownership of real estate.<sup>7</sup>

**Reconciliation:** A phase of a valuation assignment in which two or more value indications are processed into a value opinion, which may be a range of value, a single point estimate, or a reference to a benchmark value.<sup>1</sup>

**Relevant Characteristics:** features that may affect a property's value or marketability such as legal, economic or physical characteristics.<sup>7</sup>

**Reliable Measurement:** [The IAS/IFRS framework requires that] neither an asset nor a liability is recognized in the financial statements unless it has a cost or value that can be measured reliably.<sup>2</sup>

**Remaining Economic Life:** The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.<sup>1</sup>

**Replacement Cost:** The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.<sup>1</sup>

**Report:** any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client or a party authorized by the client upon completion of an assignment.<sup>7</sup>

**Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."<sup>1</sup>

**Sales Comparison Approach:** The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.<sup>1</sup>

**Scope of Work:** the type and extent of research and analyses in an appraisal or appraisal review assignment.<sup>7</sup>

**Signature:** personalized evidence indicating authentication of the work performed by the appraiser and the acceptance of the responsibility for content, analyses and the conclusions in the report.<sup>7</sup>

**Stabilized value:** A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value. It is also a value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a premium paid due to a temporary shortage of supply.

**Substitution:** The principle of substitution states that when several similar or commensurate commodities, goods, services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based.<sup>3</sup>

**Total Assets of a Business:** Total assets of a business is defined by the Appraisal Institute as “the tangible property (real property and personal property, including inventory and furniture, fixtures and equipment) and intangible property (cash, workforce, contracts, name, patents, copyrights, and other residual intangible assets, to include capitalized economic profit).”

**Use Value:**

The value of a property assuming a specific use, which may or may not be the property’s highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually.<sup>1</sup>

**Valuation Service:** a service pertaining to an aspect of property value, regardless of the type of service and whether it is performed by appraisers or by others.<sup>7</sup>

**Value:** the monetary relationship between properties and those who buy and sell, or use those properties, expressed as an opinion of the worth of a property at a given time.<sup>7</sup>

**Workfile:** data, information and documentation necessary to support the appraiser’s opinions and conclusions and to show compliance with USPAP.<sup>7</sup>

<sup>1</sup>Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute 2010). <sup>2</sup>Appraisal Institute, *International Financial Reporting Standards for Real Property Appraiser*, IFRS Website, [www.ifrs-ebooks.com/index.html](http://www.ifrs-ebooks.com/index.html). <sup>3</sup>Appraisal Institute, *The Appraisal of Real Estate*, 13th ed. (Chicago: Appraisal Institute 2008). <sup>4</sup> This definition is taken from “Allocation of Business Assets Into Tangible and Intangible Components: A New Lexicon,” *Journal of Real Estate Appraisal*, January 2002, Volume LXX, Number 1. This terminology is to replace former phrases such as: value of the going concern. <sup>5</sup>Financial Publishing Company, *The Real Estate Dictionary*, 7 ed. <sup>6</sup> U.S. Treasury Regulations. <sup>7</sup>USPAP 2020-2021

## LETTER OF ENGAGEMENT



June 16, 2022

Mr. William Bould  
Vice President  
CBRE  
222 2nd Avenue South, Suite 1800  
Nashville, TN 37201

Phone: 615-248-5932  
Email: william.bould@cbre.com

RE: Appraisal Report of North Beach Parking Plaza  
490 Poinsettia Avenue  
Clearwater, FL 33755

Dear Mr. Bould:

We are pleased to submit this proposal and our Terms and Conditions for the Appraisal Report of the above referenced real estate.

## PROPOSAL SPECIFICATIONS

<b>Valuation Premise:</b>	Form an opinion of the Market Value As Is
<b>Property Rights Appraised:</b>	Leased Fee Interest
<b>Intended Use:</b>	Financing
<b>Intended Users:</b>	CBRE
<b>Scope of Work:</b>	All Applicable Approaches
<b>Inspection:</b>	BBG Inspection
<b>Site/Property Contact:</b>	

**Name:**  
**Phone:**  
**Email:**

<b>Appraisal Standards:</b>	Uniform Standards of Professional Appraisal Practice (USPAP) and Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute
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**Report Type:**  
**Report Format:**  
**Fee:**

Appraisal Report  
Narrative  
\$7,500  
Fee includes up to two hours of consultation time after delivery of the final reports. Any time incurred thereafter will be bill at an hourly rate.

Please indicate below who is responsible for payment:


**Name:**  
William Bould

**Company:**  
CBRE

**Address:**  
222 2nd Ave S, Suite 1800, Nashville, TN 37201

**Phone:**  
214-288-9983

**Email:**  
william.bould@cbre.com

**Signature:**   
None

**Retainer:**

**Wire Payment/ACH Information Below:**

Bank of America  
Acct#: 488038497058  
Wire Payment Routing#: 026009593  
ACH Payment Routing#: 111000025

**Payment Terms:**

Balance is due and payable upon delivery of the final report or within 30 days of your receipt of our draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of our draft report.

**Report Copies:**

Fee quoted includes all expenses

1 Final PDF

**Delivery Date:**

7/8/22 based on acceptance and receipt of critical information

**Report Delivery Recipients:**

If any other person(s) are authorized to be included on delivery of the report, please include their information in the space below:

**Name(s):** TBD  
**Email(s):**

**Acceptance Date:**

**Date of Execution**

**Property Information Request:**

The following list of items will be needed within 2 days in order to meet the above referenced delivery date:  
[Pick an Entry]

Do not provide Personally Identifiable Information (PII) to BBG, Inc. or any of its agents. PII is any piece of information meant to identify a specific individual. This includes data such as a Social Security number, driver's license number and financial account numbers.



The attached Terms and Conditions of the Engagement are deemed part of this Appraisal Services Agreement and are incorporated fully herein by reference and shall apply to any appraisal reports, contract or orders into which they are incorporated. In addition, with respect to any appraisal report, any use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by BBG, Inc. and its agents, servants, employees, principals, affiliated companies and all those in privity with them, constitutes acceptance of such Terms and Conditions of the Engagement, as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the appraisal report. Use of this appraisal report constitutes acknowledgement and acceptance of the Terms and Conditions of the Engagement, special assumptions (if any), extraordinary assumptions (if any), and hypothetical conditions (if any) on which this estimate of market value is based. 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 other party who is not the identified client within this report who uses or relies upon any information in this report does so at their own risk.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.



**As Agent for BBG, Inc.**

**Robert Ryan, MAI**  
**Managing Director**  
**Valuation**

1349 West Peachtree Street, Suite 900  
Atlanta, GA 30309

**P** [678-690-1048](tel:678-690-1048)  
**C** [504-352-7560](tel:504-352-7560)  
**E** [rryan@bbgres.com](mailto:rryan@bbgres.com)

**AGREED AND ACCEPTED**



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Client Signature

6/16/2022

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Date

North Beach Parking Plaza (Retail), 490 Poinsettia Avenue, Clearwater, FL 33755

## **Terms and Limiting Conditions of the Engagement**

The Terms and Conditions of the Engagement are deemed part of the attached Proposal Specifications and Appraisal Services Agreement and are incorporated fully therein, and shall apply to any appraisal reports, contract or orders into which they are incorporated.

### **A) Definitions. In the Terms and Conditions of the Engagement:**

1. "BBG, Inc." means BBG, Inc. and its agents, successors, assigns, servants, employees, principals, affiliated companies and all those in privity with them.
2. "Appraiser" means the appraiser(s) performing part or all of the appraisal services and/or signing an appraisal report.
3. "Appraisal Services Agreement" means any written agreement with Client for performance of the appraisal services by Appraiser, including any agreement entered into electronically.
4. "Client" means any party identified expressly as a client in an Appraisal Services Agreement and also any party identified expressly as a client by the Appraiser in an appraisal report.
5. "Appraisal" means the appraisal or consulting report(s) prepared by BBG, Inc.

### **B) Venue and Jurisdiction**

**THIS APPRAISAL SERVICES AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC SUBSTANTIVE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION. IF ANY ACTION RELATING TO THIS APPRAISAL SERVICES AGREEMENT OR THE CONTEMPLATED TRANSACTIONS IS BROUGHT BY A PARTY HERETO AGAINST ANY OTHER PARTY HERETO, THE PREVAILING PARTY IN SUCH ACTION WILL BE ENTITLED TO RECOVER ALL REASONABLE EXPENSES RELATING THERETO (INCLUDING ATTORNEYS' FEES AND EXPENSES) FROM THE NON-PREVAILING PARTY.**

Each party to this Appraisal Services Agreement (a) hereby irrevocably submits to the exclusive jurisdiction and venue of the state courts located in Dallas County, Texas (or, if but only if such court lacks jurisdiction, the United States District Court for the Northern District of Texas) for the purpose of any Action between any of the parties hereto arising in whole or in part under or in connection with this Appraisal Services Agreement, any Ancillary Agreement, or the Contemplated Transactions, (b) hereby waives and agrees not to assert any claim that he, she or it is not subject personally to the jurisdiction of the above-named courts or that any such Action brought in the above-named courts should be dismissed on grounds of forum non conveniens. Notwithstanding the foregoing, a party hereto may commence any Action in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by the above-named courts.

### **C) Limitations of Liability**

It is expressly agreed that in any action which may be brought against BBG, Inc., arising out of, relating to, or in any way pertaining to this engagement, this Appraisal Services Agreement, this Appraisal, or any information or opinions contained therein, BBG, Inc. shall not be responsible or liable for any incidental or consequential losses, unless the Appraisal was fraudulent or prepared with gross negligence. It is further agreed that the collective liability of BBG, Inc. in any such action shall not exceed the fees paid for the preparation of the respective Appraisal unless the Appraisal was fraudulent or prepared with gross negligence. Finally, it is agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

Client hereby agrees to indemnify, defend, protect and hold BBG, Inc. harmless from and against all claims, damages, losses and expenses, including attorneys' fees, expenses and costs, incurred upon investigating and defending any claim, action or proceeding arising from, or in any way connected to, relating to, or in any way pertaining to this engagement, this Appraisal Services Agreement, the Appraisal, or any information or opinions contained therein.

Further, you acknowledge that any opinions and conclusions expressed by professionals employed by BBG, Inc. related to the Appraisal are representations made by them as employees and not as individuals. BBG, Inc.'s responsibility is limited to you a Client, and use of BBG, Inc.'s product by third parties shall be solely at the risk of you and/or third parties. BBG, Inc. acknowledges that Client will be the end-user of, and can rely upon, the opinion and conclusions of BBG, Inc. for this Appraisal.

### **D) Confidentiality**

The parties agree that (i) this Appraisal Services Agreement and the terms contained herein, (ii) valuation conclusions, (iii) the identity of the analyst or the firm and any reference to the professional organization of which the appraiser is affiliated or to the designations thereof, and (iv) all information regarding the Site of whatever nature made available to either party by the other (including BBG, Inc.'s final report and all prior drafts of same) and methods of each party revealed during the performance of the Services (altogether, collectively, the "Confidential Information") shall be treated as strictly confidential. Accordingly, neither party nor any employee, agent or affiliate thereof shall disclose the same to any third party without the written consent of other party and approval of Appraiser; provided, however, that, a party shall not hereby be precluded from disclosure of Confidential Information that may be compelled by legal requirements, or from disclosing this Appraisal Services Agreement (and the terms contained

## **Terms and Limiting Conditions of the Engagement**

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herein) to its attorneys, accountants, auditors, lenders, and other professionals who may be bound to that party by duties of confidence.

Do not provide Personally Identifiable Information (PII) to BBG, Inc. or any of its agents. PII is any piece of information meant to identify a specific individual. This includes data such as a Social Security number, driver's license number and financial account numbers.

### **E) General Assumptions and Limiting Conditions**

This appraisal report has been made with the following general assumptions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
  - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
  - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
  - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
  - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
  - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
  - f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of

## **Terms and Limiting Conditions of the Engagement**

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- the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
  - h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
  - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
  - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
  - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
  - l) BBG, Inc. is not an expert in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraiser is not qualified to detect such substances. The Client is urged to retain an expert in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
  - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
  - 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.

## **Terms and Limiting Conditions of the Engagement**

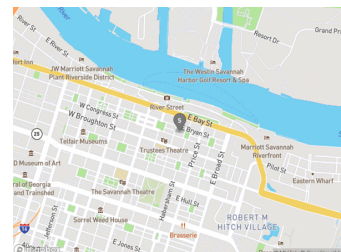
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- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.

## COMPARABLE IMPROVED SALES



**Sale Comparable #1**  
**20 Lincoln Street**  
 22 Lincoln Street  
 Savannah, GA 31401  
 Chatham County  
 BBG Property #39465



**Property Data**

*Improvement Details*

Property Type/Use	Specialty Parking	Lat/Long	32.078930 / -81.0878
Parcel ID #		Number of Buildings	1
Year Built	1955	Year Renovated	N/A
Quality	Average	Condition	Average
Class		Construction Details	Masonry
Gross Building Area	123,175 SF	Rentable Area	123,175 SF
Number of Stories	2	Floor Area Ratio	4.00
Opportunity Zone	No	Census Tract	
Parking	Garage: 281 Total: 281	Ratio	2.28:1,000 SF of Rentable Area
Site Size (Gross)	30,793 SF (0.71 acres)	Site Size (Net)	30,793 SF (0.71 acres)

**Sale Transaction Data for BBG Event #745686 on 4/26/2022**

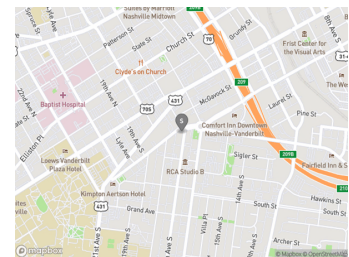
				PSF (GBA)	PSF (Rentable)
Transaction Date	<b>4/26/2022</b>	Consideration	<b>\$16,000,000</b>	<b>\$129.90</b>	<b>\$129.90</b>
Sale Status	<b>Closed</b>	Adjustments	<b>\$0</b>	<b>\$0.00</b>	<b>\$0.00</b>
Occupancy at TOS	<b>100%</b>	Cash Equivalent Price	<b>\$16,000,000</b>	<b>\$129.90</b>	<b>\$129.90</b>
Property Rights	<b>Fee Simple</b>				
Grantor	<b>Lincoln Investors LLC</b>				
Grantee	<b>InterPark Corporate</b>				
Comments	<b>281 space parking garage sold for \$56,940 per space.</b>				
Verification	<b>7/5/2022</b>				
	<b>CBRE</b>				

Financial Attributes	In-Place Income		Proforma Income	
	<i>Amount</i>	<i>PSF (Rentable)</i>	<i>Amount</i>	<i>PSF (Rentable)</i>
Net Operating Income	<b>\$0</b>	<b>\$0.00</b>	<b>\$800,000</b>	<b>\$6.49</b>





**Sale Comparable #2**  
**Virgin Hotel Garage**  
 1 Music Square West  
 Nashville, TN 37203-3203  
 Davidson County  
 BBG Property #598613



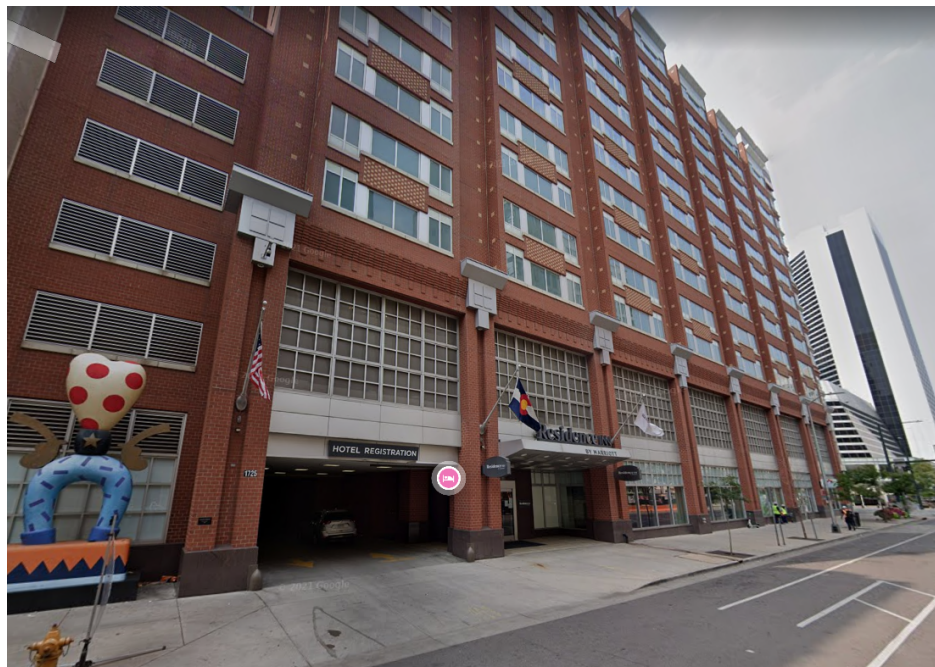
**Property Data**

*Improvement Details*

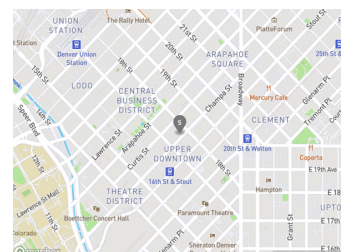
Property Type/Use	Specialty Parking	Lat/Long	36.151739 / -86.7931
Parcel ID #	092-16-0-391, 092-16-0-392, 092-16-0-393, 092-16-0-394	Number of Buildings	0
Year Built	2020	Year Renovated	N/A
Quality	Good/Excellent	Condition	Good/Excellent
Class	Class A	Construction Details	
Gross Building Area	0 SF	Rentable Area	0 SF
Number of Stories	0	Floor Area Ratio	0.00
Opportunity Zone	No	Census Tract	0195.01
Parking	Garage: 190 Total: 190		
Site Size (Gross)	45,738 SF (1.05 acres)	Site Size (Net)	45,738 SF (1.05 acres)
Comments	The garage services the 262 room Virgin Hotel. The garage has a 20-year, NNN lease.		

Sale Transaction Data for BBG Event #745676 on 2/1/2022				PSF (GBA)	PSF (Rentable)
Transaction Date	2/1/2022	Consideration	\$12,173,913	\$0.00	\$0.00
Sale Status	Closed	Adjustments	\$0	\$0.00	\$0.00
Occupancy at TOS	100%	Cash Equivalent Price	\$12,173,913	\$0.00	\$0.00
Property Rights	Leased Fee				
Grantor	Buccini/Pollin Group				
Grantee	Spirit Realty				
Comments	The garage is leased for a 20-year, NNN term. It services the 262-room Virgin Hotel. The garage has 190 spaces for a purchase price of \$64,073 per space.				
Verification	7/5/2022 CBRE				

Financial Attributes	In-Place Income		Proforma Income	
	Amount	PSF (Rentable)	Amount	PSF (Rentable)
Net Operating Income	\$0	\$0.00	\$699,999	\$0.00



**Sale Comparable #3**  
**Residence Inn Garage**  
 1725 Champa  
 Denver, CO 80202  
 Denver County  
 BBG Property #598639



**Property Data**

*Improvement Details*

Property Type/Use	Specialty	Lat/Long	39.748199 / -104.9921
Parcel ID #	2345-18-045	Number of Buildings	1
Year Built	2005	Year Renovated	N/A
Quality	Average/Good	Condition	Good
Class		Construction Details	
Gross Building Area	181,764 SF	Rentable Area	0 SF
Number of Stories	3	Floor Area Ratio	5.79
Opportunity Zone	No	Census Tract	0017.06
Parking	Garage: 450 Total: 450		
Site Size (Gross)	31,394 SF (0.72 acres)	Site Size (Net)	31,394 SF (0.72 acres)

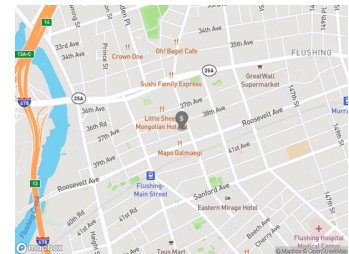
**Sale Transaction Data for BBG Event #745710 on 11/1/2021**

			PSF (GBA)	PSF (Rentable)
Transaction Date	11/1/2021	Consideration	\$16,100,000	\$88.58
Sale Status	Closed	Adjustments	\$0	\$0.00
Occupancy at TOS	100%	Cash Equivalent Price	\$16,100,000	\$88.58
Property Rights	Fee Simple			
Grantor	Noble Investment Group			
Grantee	Bombe			
Comments	450 space parking garage located adjacent to the Residence Inn. Sold for \$35,778 per space.			
Verification	7/5/2022			
	CBRE/CoStar			

**Financial Attributes**

	In-Place Income		Proforma Income	
	Amount	PSF (Rentable)	Amount	PSF (Rentable)
Net Operating Income	\$0	\$0.00	\$805,000	\$0.00

**Sale Comparable #4**  
**Flushing Commons South Garage**  
 138-35 39th Avenue  
 Flushing, NY 11354  
 Queens County  
 BBG Property #538490



**Property Data**

*Improvement Details*

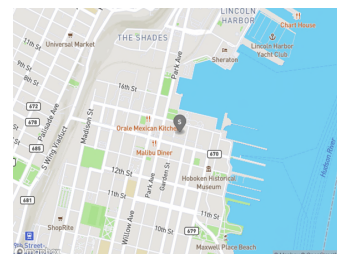
Property Type/Use	Specialty Parking	Lat/Long	40.761097 / -73.8275
Parcel ID #	04978-0025	Number of Buildings	1
Year Built	2017	Year Renovated	N/A
Quality	Average/Good	Condition	Average/Good
Class	Class B	Construction Details	
Gross Building Area	270,000 SF	Rentable Area	0 SF
Number of Stories	4	Floor Area Ratio	1.74
Opportunity Zone	No	Census Tract	0871.00
Parking	Garage: 982 Total: 982		
Site Size (Gross)	154,943 SF (3.56 acres)	Site Size (Net)	154,943 SF (3.56 acres)

Sale Transaction Data for BBG Event #695370 on 9/17/2021				PSF (GBA)	PSF (Rentable)
Transaction Date	9/17/2021	Consideration	\$16,000,000	\$59.26	\$0.00
Sale Status	Closed	Adjustments	\$0	\$0.00	\$0.00
Occupancy at TOS	100%	Cash Equivalent Price	\$16,000,000	\$59.26	\$0.00
Days on Market	90				
Property Rights	Leased Fee				
Grantor	Flushing Commons Property Owner LI				
Grantee	Amush Flushing LLC				
Record Info	2021000394278				
Comments	The garage features daily and monthly parking, with 50% of the garage reserved for monthly parking and 50% for transient travelers. The garage located underneath office, retail, and apartments reaches full parking capacity daily. The garage can be used as 982 attended parking spaces by having a parking attendant on each floor. Price equates to \$16,294 per stall.				
Verification	3/2/2022 CoStar				

Financial Attributes	In-Place Income		Proforma Income	
	Amount	PSF (Rentable)	Amount	PSF (Rentable)
Net Operating Income	\$0	\$0.00	\$800,000	\$0.00



**Sale Comparable #5**  
**Hudson Tea Parking Garage**  
 1450 Bloomfield Street  
 Hoboken, NJ 07030  
 Hudson County  
 BBG Property #592728



**Property Data**

*Improvement Details*

Property Type/Use	Specialty Parking	Lat/Long	40.754120 / -74.0273
Parcel ID #	05-00255-0000-00004-03	Number of Buildings	0
Year Built	2004	Year Renovated	N/A
Quality	Average	Condition	Average
Class		Construction Details	
Gross Building Area	389,648 SF	Rentable Area	389,648 SF
Number of Stories	8	Floor Area Ratio	6.83
Opportunity Zone	No	Census Tract	0183.02
Parking	Garage: 1,250 Total: 1,250	Ratio	3.21:1,000 SF of Rentable Area
Site Size (Gross)	57,064 SF (1.31 acres)	Site Size (Net)	57,064 SF (1.31 acres)

**Sale Transaction Data for BBG Event #745005 on 11/1/2020**

				PSF (GBA)	PSF (Rentable)
Transaction Date	11/1/2020	Consideration	\$36,000,000	\$92.39	\$92.39
Sale Status	Closed	Adjustments	\$0	\$0.00	\$0.00
Occupancy at TOS	100%	Cash Equivalent Price	\$36,000,000	\$92.39	\$92.39
Property Rights	Fee Simple				
Grantor	Toll Brothers				
Grantee	LAZ/Indigo Group				
Comments	1,250 space parking garage located in the Hudson Waterfront submarket. Retail space leased to AVIS. Purchase price was \$28,800 per space. The property has proximity to the ferry serving Manhattan. The property is operated by LAZ, a company 50% owned by Indigo Group.				
Verification	7/5/2022 CBRE				

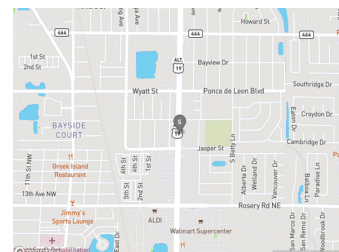
Financial Attributes	In-Place Income		Proforma Income	
	Amount	PSF (Rentable)	Amount	PSF (Rentable)
Net Operating Income	\$0	\$0.00	\$1,872,000	\$4.80

## COMPARABLE RENTS





**Lease Comparable #1**  
**Towncenter Plaza**  
 1702 Missouri Avenue North  
 Largo, FL 33770  
 Pinellas County  
 BBG Property #425341



**Property Data**

*Improvement Details*

Property Type/Use	Retail Shopping Center	Lat/Long	27.932410 / -82.7875
Parcel ID #	27-29-15-55368-000-0150	Number of Buildings	1
Year Built	1960	Year Renovated	N/A
Quality	Average	Condition	Average
Class		Construction Details	
Gross Building Area	45,370 SF	Rentable Area	45,370 SF
Number of Stories	1	Floor Area Ratio	0.28
Opportunity Zone	No	Census Tract	0255.10
Parking	Surface: 425 Total: 425		
Site Size (Gross)	163,558 SF (3.75 acres)	Site Size (Net)	163,558 SF (3.75 acres)

**Leases**

Commence	Suite	Tenant	Leased Area	Term (Mos)	Free Rent (Mos)		Verification
			Rent \$/SF/Year	TI (PSF)	Escalations	Occupancy	
4/1/2022	N/A	Mister Pickle	1,155 SF \$25.00 NNN	N/A	N/A	84%	1/19/2022 Listing Broker

**Lease Comparable #2**

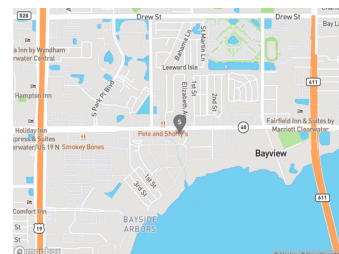
**Solaris Plaza**

2849 Gulf to Bay Boulevard

Clearwater, FL 33759

Pinellas County

BBG Property #55759



**Property Data**

*Improvement Details*

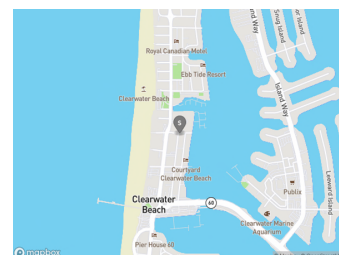
Property Type/Use	Retail Strip Center	Lat/Long	27.960290 / -82.7193
Legal	Long legal, see deed in addenda		
Parcel ID #	17-29-16-03006-000-0206	Number of Buildings	1
Year Built	2018	Year Renovated	N/A
Quality	Good	Condition	Good
Class	Class B	Construction Details	Masonry
Gross Building Area	6,373 SF	Rentable Area	6,373 SF
Number of Stories	1	Floor Area Ratio	0.13
Opportunity Zone	No	Census Tract	
Parking	Surface: 52 Total: 52	Ratio	8.16:1,000 SF of Rentable Area
Site Size (Gross)	49,799 SF (1.14 acres)	Site Size (Net)	49,799 SF (1.14 acres)
Flood Designation	Zone X (Unshaded)		
Comments	This property consists of a one-story, masonry constructed, multi-tenant, retail building comprising a total of 6,373 SF built in 2018. Exterior features include a flat roof with built-up composition roofing, stucco walls, fixed windows and appears to be in good overall physical condition.		

**Leases**

Commence	Suite	Tenant	Leased Area	Term (Mos)	Free Rent (Mos)		Verification
			Rent \$/SF/Year	TI (PSF)	Escalations	Occupancy	
6/1/2021	N/A	Heights Meat Market	1,473 SF \$27.00 NNN	60 N/A	N/A N/A	100%	7/5/2022 CoStar



**Lease Comparable #3**  
**53 Baymont LLC**  
 53 Baymont Street  
 Clearwater, FL 33767  
 Pinellas County  
 BBG Property #529439



**Property Data**

*Improvement Details*

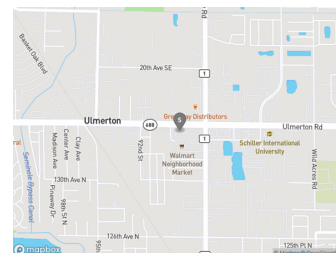
Property Type/Use	Retail Other	Lat/Long	27.982030 / -82.8259
Legal	CLEARWATER BEACH PARK 1ST ADD REPLAT BLK B, LOT 1		
Parcel ID #	08-29-15-16434-002-0010	Number of Buildings	1
Year Built	1958	Year Renovated	N/A
Quality	Condition		
Class	Construction Details		
Gross Building Area	10,506 SF	Rentable Area	8,756 SF
Number of Stories	2	Floor Area Ratio	1.82
Opportunity Zone	No	Census Tract	0260.03
Parking	Surface: 16 Total: 16	Ratio	1.83:1,000 SF of Rentable Area
Site Size (Gross)	5,780 SF (0.13 acres)	Site Size (Net)	5,780 SF (0.13 acres)
Flood Designation	Zone AE		
Comments	Bottom floor is retail (6 units) and the top floor is apartments (5 units).		

**Leases**

Commence	Suite	Tenant	Leased Area	Term (Mos)	Free Rent (Mos)		Verification
			Rent \$/SF/Year	TI (PSF)	Escalations	Occupancy	
1/1/2020	100	Laughing Grass	680 SF \$29.00 NNN	36 N/A	N/A	100%	7/5/2022 CoStar



**Lease Comparable #4**  
**Ulmerton Retail**  
 9040 Ulmerton Road  
 Largo, FL 33771-3845  
 Pinellas County  
 BBG Property #523943



**Property Data**

*Improvement Details*

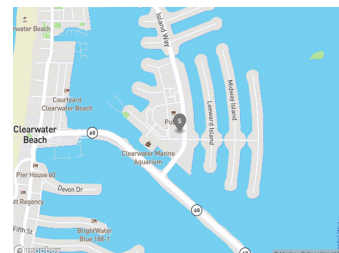
Property Type/Use	Retail	Lat/Long	27.894036 / -82.7644
Parcel ID #	11-30-15-93387-000-0040	Number of Buildings	1
Year Built	2019	Year Renovated	N/A
Quality	Good	Condition	New
Class		Construction Details	
Gross Building Area	6,881 SF	Rentable Area	6,881 SF
Number of Stories	1	Floor Area Ratio	0.20
Opportunity Zone	No	Census Tract	0250.10
Parking	Total: 0		
Site Size (Gross)	34,237 SF (0.79 acres)	Site Size (Net)	34,237 SF (0.79 acres)

**Leases**

Commence	Suite	Tenant	Leased Area	Term (Mos)	Free Rent (Mos)		Verification
			Rent \$/SF/Year	TI (PSF)	Escalations	Occupancy	
3/1/2019	N/A	AFC Urgent Care & Willie Jewel's BBQ	6,881 SF \$32.00 NNN	120 N/A	N/A 10.0% every 5 yrs	100%	12/30/2021 Broker, OM



**Lease Comparable #5**  
**Island Village Shopping Center**  
 104 Island Way  
 Clearwater, FL 33767-2216  
 Pinellas County  
 BBG Property #598655



**Property Data**

*Improvement Details*

Property Type/Use	Retail Neighborhood/Community Center	Lat/Long	27.977610 / -82.8168
Parcel ID #	08-29-15-00000-130-0100	Number of Buildings	1
Year Built	1974	Year Renovated	1999
Quality	Average/Good	Condition	Average/Good
Class	Class B	Construction Details	
Gross Building Area	49,615 SF	Rentable Area	49,615 SF
Number of Stories	0	Floor Area Ratio	0.28
Opportunity Zone	No	Census Tract	0260.01
Parking	Surface: 313 Total: 313	Ratio	6.31:1,000 SF of Rentable Area
Site Size (Gross)	174,240 SF (4.00 acres)	Site Size (Net)	174,240 SF (4.00 acres)

**Asking Lease**

Survey Date	Suite	Occupancy	Available Area Asking Rent \$/SF/Year	Term (Mos) TI (PSF)	Free Rent (Mos) Escalations	Verification
July-22	N/A	68%	SF \$30.00 NNN		N/A	7/5/2022 CoStar

Publix anchored shopping center

## APPRAISER QUALIFICATIONS AND LICENSES



**Robert L. Ryan, MAI**  
Managing Director  
Work: 678-690-1048  
Mobile: 504-352-7560  
[rryan@bbgres.com](mailto:rryan@bbgres.com)

## Profile

Rob has comprehensive experience in commercial brokerage, valuation, consulting, litigation support and university instruction dating back to 1989. His valuation experience includes a wide range of commercial property types with a focus on multifamily and affordable housing. Rob has been a member of the Appraisal Institute since 1992 and has held the MAI designation since 2002 and has a wide mix of commercial real estate experience across many markets. He also has earned a Master of Business Administration with a real estate concentration and is a Georgia Certified General Real Property Appraiser. Rob has worked as an appraiser or broker on properties throughout the US. He served as a reviewer for under-performing new development loans and litigation support during the Resolution Trust Corp Era, as well as, a key participant in nearly a dozen environmental class action defense cases with many having total potential class claims of over \$1 Billion.

In addition to conventional market rate multifamily properties, Rob has focused on multifamily financed under government-sponsored affordable housing programs. This appraisal practice focus includes Low Income Housing Tax Credits (LIHTC)/Section 42, HOME Investment Partnerships Program (HOME), as well as, other U.S. Department of Housing and Urban Development (HUD) programs. This multifamily concentration includes experience with Federal Home Loan Mortgage Corporation (FHLMC), known as Freddie Mac and Federal National Mortgage Association (FNMA), also known as Fannie Mae compliant reports. Along with a variety of conventional financing uses, there has been many opinions used for new development, valuation of tax credits, partnership buyout or exit negotiation, estate and tax planning, takings and various consulting.

Rob served as a Director in an investment sales group that specialized in the sale of affordable housing including properties developed with low income housing tax credits and various complementing programs. Rob first joining this investment sales group at HFF (Holiday Fenoglio Fowler, LP) in 2005 and when this specialty group moved to ARA (Apartment Realty Advisors).

For ten years (1995 to 2005) Rob also served as an Adjunct Professor of Graduate Studies focused on real estate topics at the University of New Orleans (LSU System) where he also served as Assistant Director and Consulting Analyst in UNO's Real Estate Market Data Center for thirteen (13)-years.

---

## Professional Affiliations

MAI, Member of the Appraisal Institute No.11687

### Certified General Real Estate Appraiser

State of South Carolina (License 7751)  
State of Tennessee (License No. 00005042)  
State of Alabama (License No. G01486)  
State of Louisiana (License No. APR.00920-CGA)

### Certified General Real Property Appraiser

State of Florida (License No. RZ3435)  
State of Georgia (License No. 334357)

State of Georgia Salesperson (License No.328385)

---

## Education

MBA with Real Estate Finance Concentration - University of New Orleans, 1991  
BS in Marketing -University of New Orleans, 1989



Ron DeSantis, Governor

Halsey Beshears, Secretary



**STATE OF FLORIDA**  
**DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BD**

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**RYAN, ROBERT L**

1820 SHELBURNE RIDGE  
MARIETTA GA 30068

**LICENSE NUMBER: RZ3435**

**EXPIRATION DATE: NOVEMBER 30, 2022**

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## Profile

Laura Curry is a Director at BBG working out of the Houston office. Ms. Curry has been engaged with commercial real estate throughout Texas since 2010. Her scope of competency expands across a broad range of asset types and assignment conditions.

Ms. Curry specializes in the valuation of office, medical office and parking assets and averages one hundred assignments annually. Competences include market rate, mixed use, as stabilized and institutional grade. Client profile includes balance sheet lenders, agency lenders, owners, life insurance companies, and governmental agencies.

Ms. Curry is currently a certified general real estate appraiser and is working towards her MAI designation. Her appraisal experience ranges from international firms to boutique firms. This experience has given her a unique outlook on the functionality and detail of various appraisal platforms.

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## Professional Affiliations

Appraisal Institute

Candidate for Designation

State of Texas – Certified General Real Estate Appraiser 1380741

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## Education

Bachelor of Arts Economics and Anthropology Dual Major, Trinity University

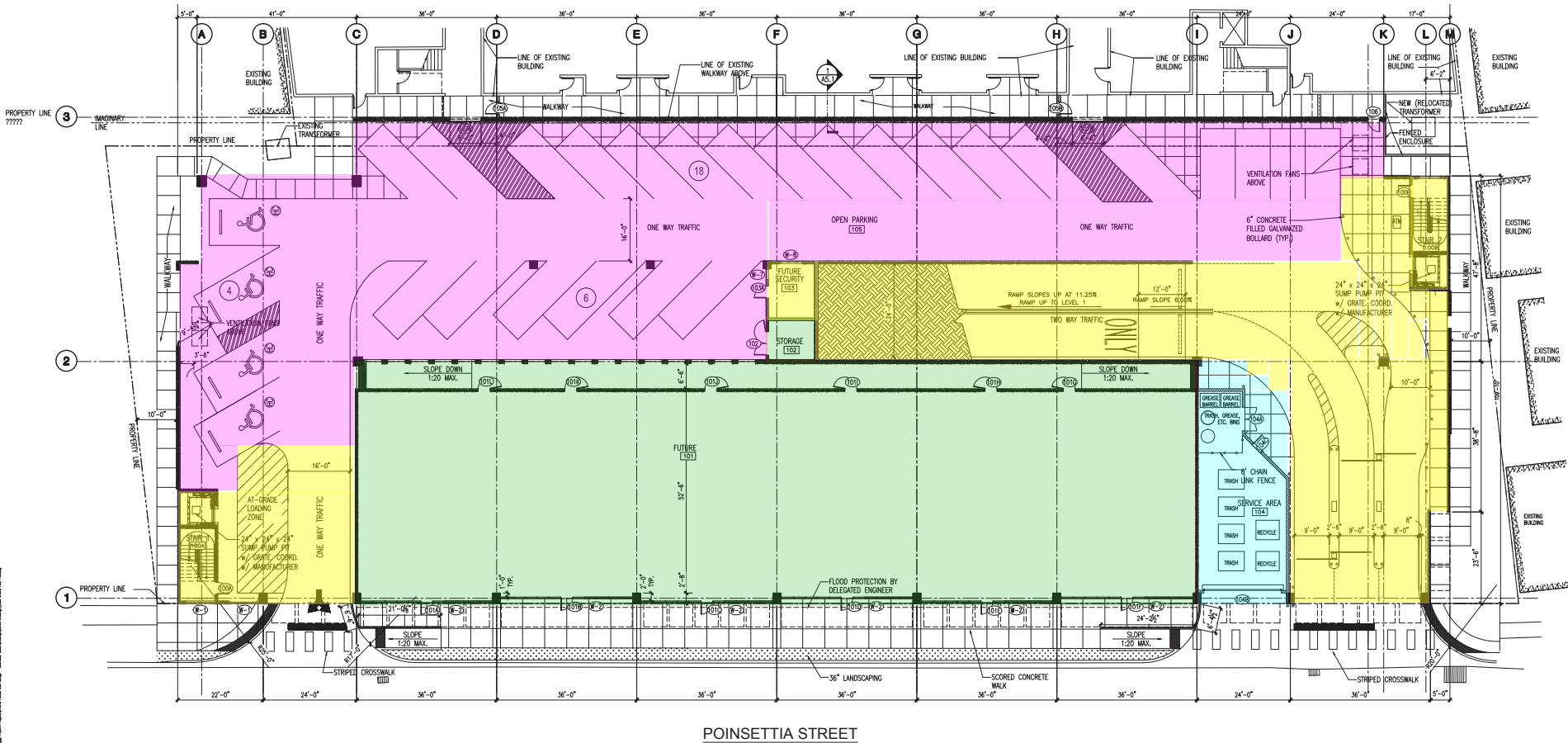
Master of Public Policy, The University of Michigan

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## SITE PLAN WITH CONDO DELINEATION

- Condo - Common Element
- Condo - PUG
- Condo - RUB
- Condo - Limited Common Element

Floor	PV-Pelican	Clearwater	Total
1st	28	0	28
2nd	60	0	60
3rd	54	67	121
4th	0	121	121
5th	0	121	121
6th	0	121	121
7th	110	20	130
<b>TOTAL</b>	<b>252</b>	<b>450</b>	<b>702</b>



**1st Floor Plan**

1 3/32" = 1'-0"

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**PARADISE VENTURE**

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**FISHER AND ASSOCIATES, L.L.C.**  
 ARCHITECTS  
 PLANNERS  
 INTERIOR DESIGNERS

---

**NORTH BEACH PARKING PLAZA**  
 STREET ADDRESS  
 POINSETTA AVENUE  
 CLEARWATER BEACH, FLORIDA 33767

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 CONSTR.

REVISIONS:

NO.	DATE	DESCRIPTION

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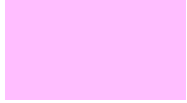
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**A20**

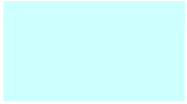
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 Project No: 214012



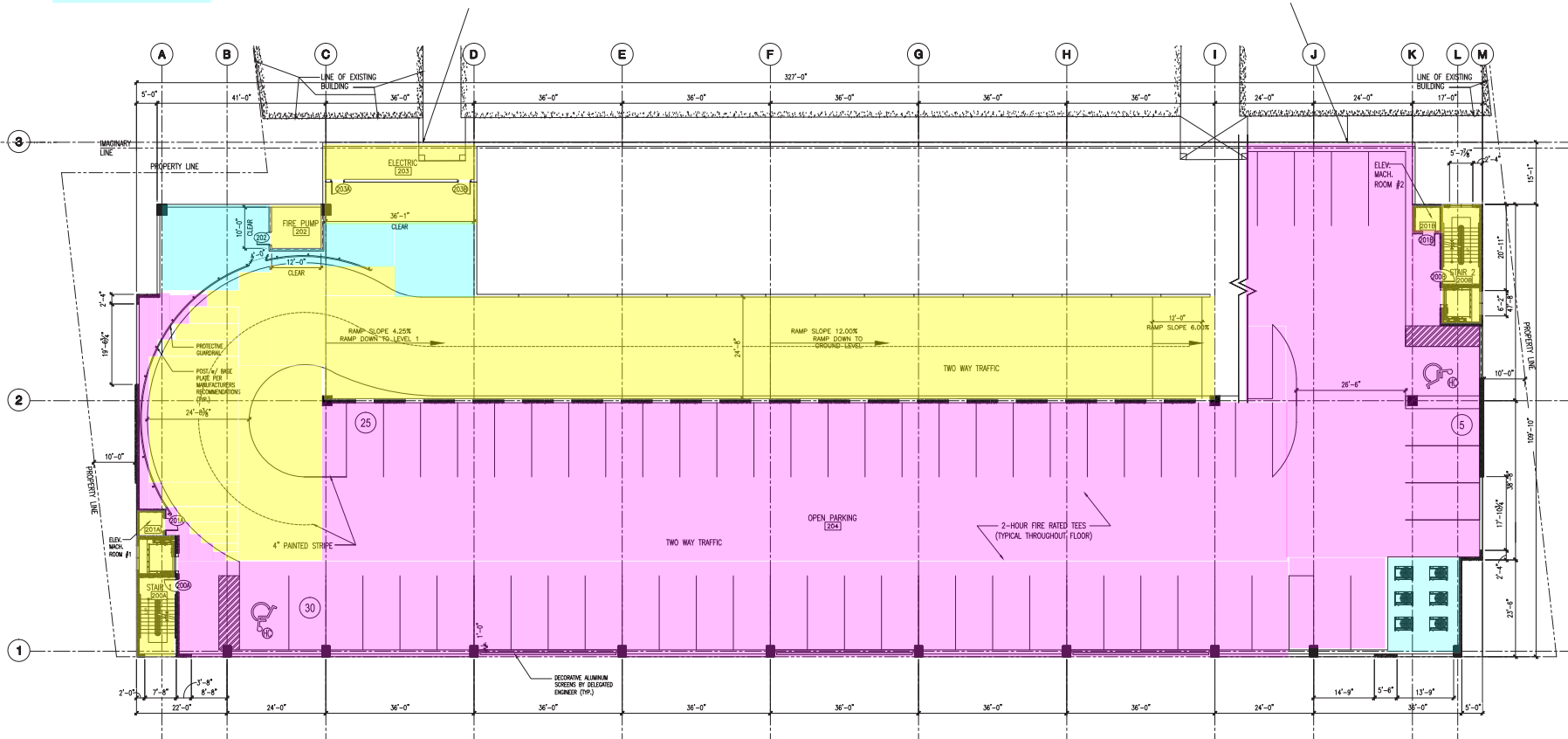
Condo - Common Element



Condo - PUA



Condo - Limited Common Element



### 2nd Floor Plan



1

3/32" = 1'-0"

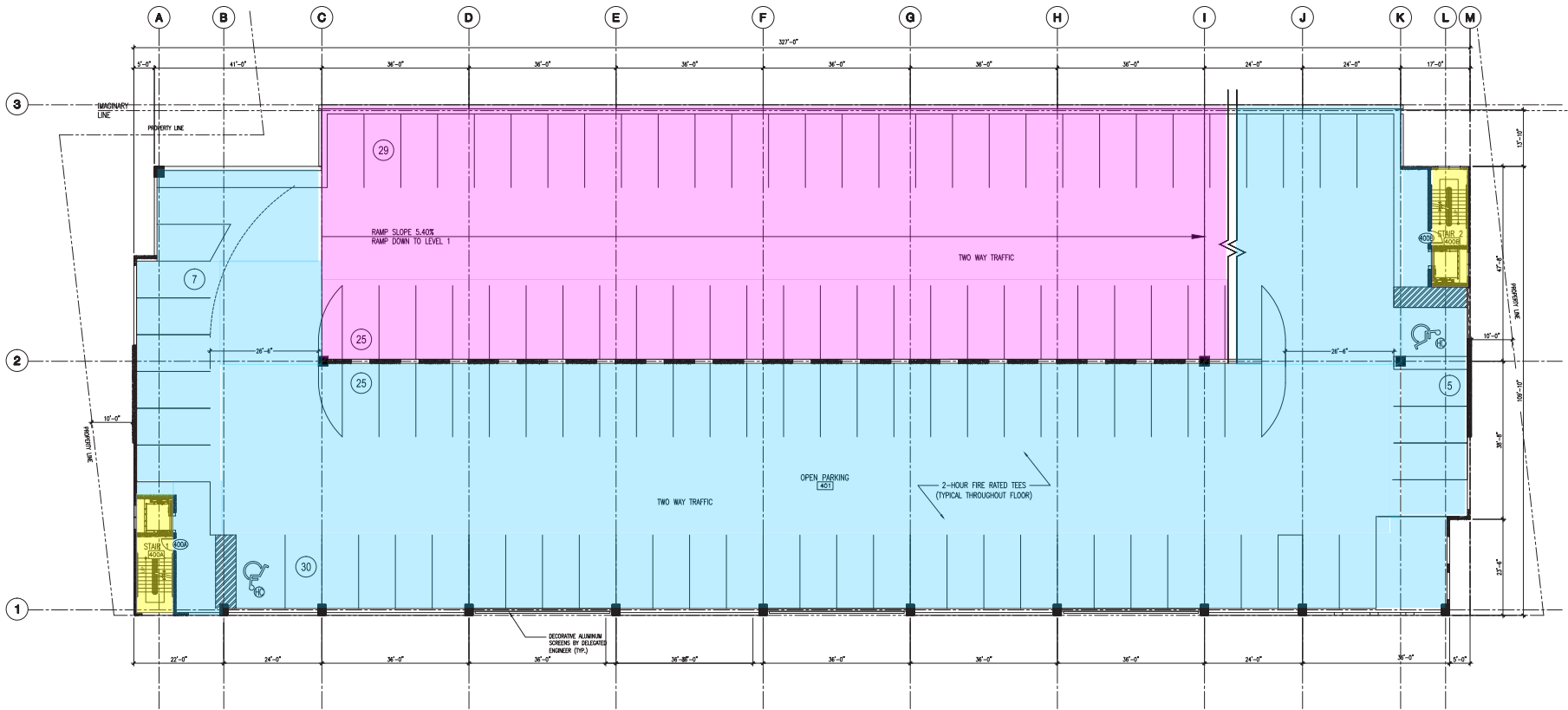
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**A21**  
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 PLANNERS  
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**PELICAN WALK GARAGE**  
 STREET ADDRESS  
 PONSSETT AVENUE  
 CLEARWATER BEACH, FLORIDA 33767

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- Condo - Common Element
- Condo - PUA
- Condo - PUB



**3rd Floor Plan**

3/32" = 1'-0"

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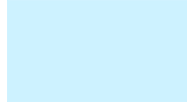
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 PLANNERS  
 INTERIOR DESIGNERS  
 14000008  
 800 BELLEMEAN CIRCLE SUITE 110 CLEARWATER FL 34625 (727) 466-8868

**PELICAN WALK GARAGE**  
 STREET ADDRESS  
 5000 S.W. 11TH AVENUE  
 CLEARWATER BEACH, FLORIDA 34676

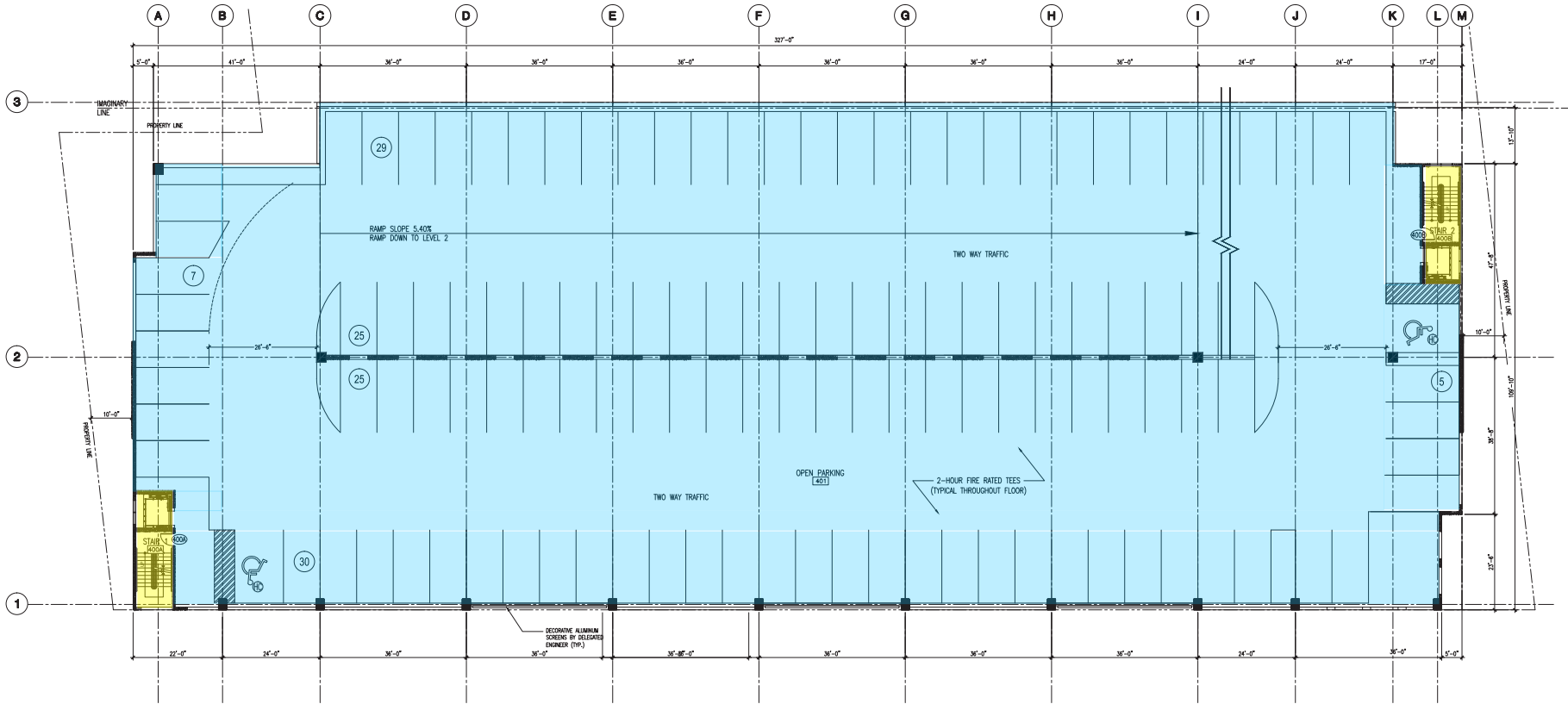
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Condo - Common Element



Condo - PUB



### 4th Floor Plan

1

3/32" = 1'-0"

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**PELICAN WALK GARAGE**  
 STREET ADDRESS  
 POMSETT ALHAMBRA  
 CLEARWATER BEACH, FLORIDA 33767

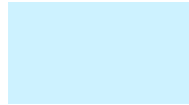
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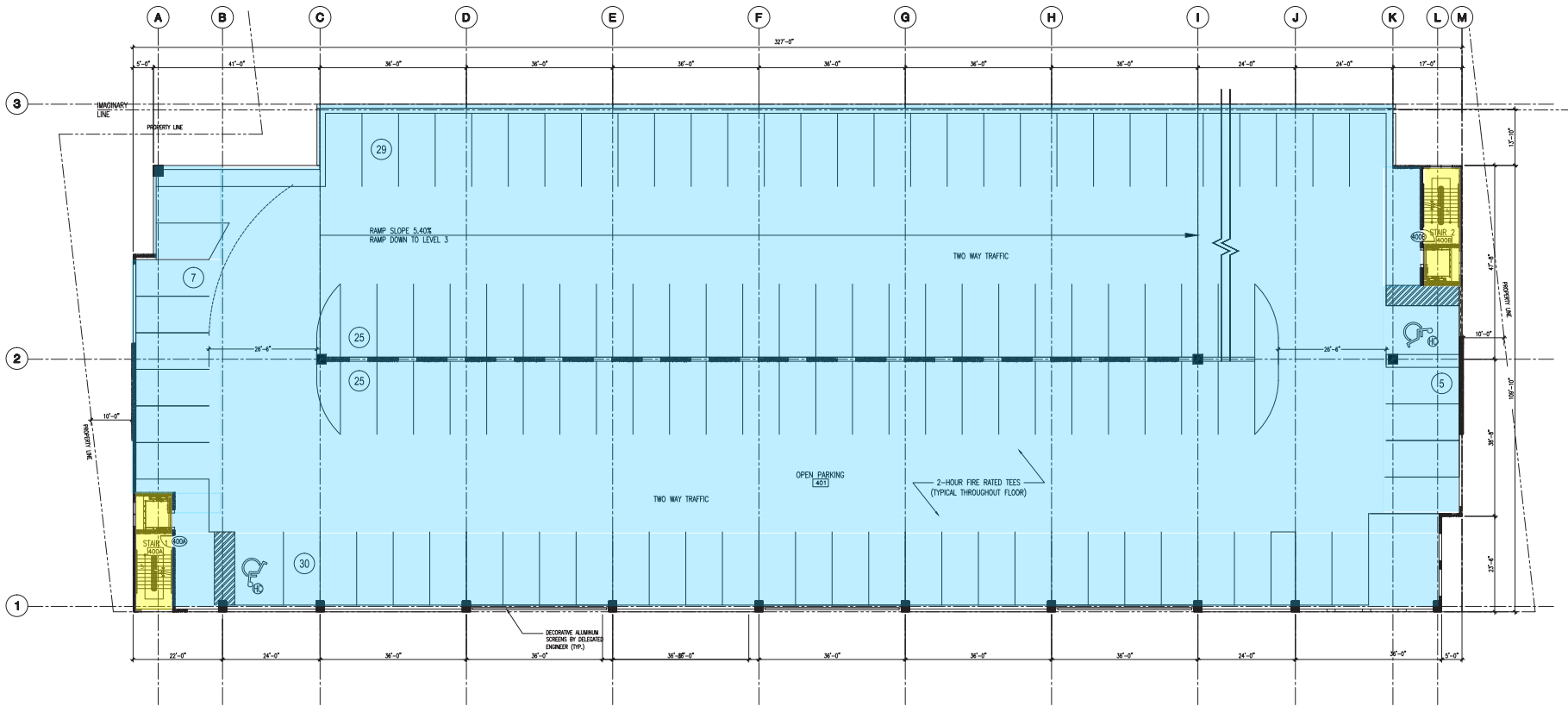
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Condo - Common Element



Condo - PUB



### 5th Floor Plan

1

3/32" = 1'-0"

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REVISIONS:


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**A24**

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 INTERIOR DESIGNERS  
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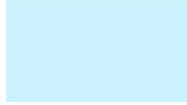
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 CLEARWATER BEACH, FLORIDA 33767

**PARADISE VENTURE**

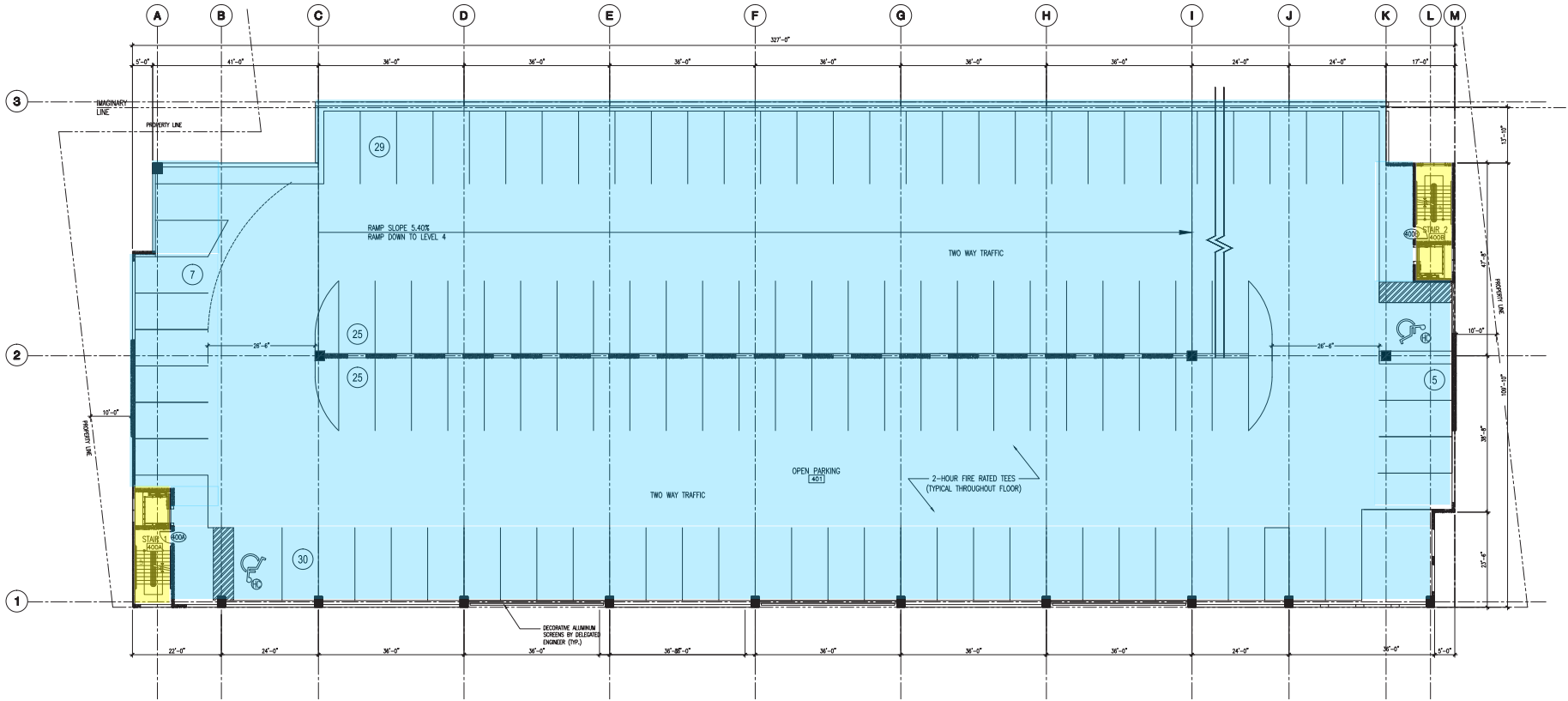
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Condo - Common Element



Condo - PUB



# 1 6th Floor Plan

3/32" = 1'-0"

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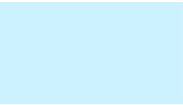
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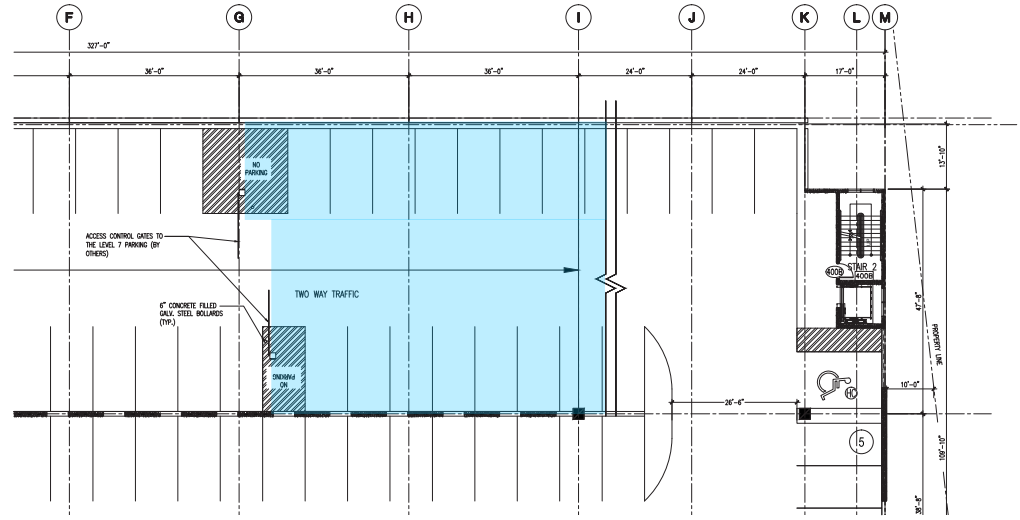
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PARADISE VIRTUALITY

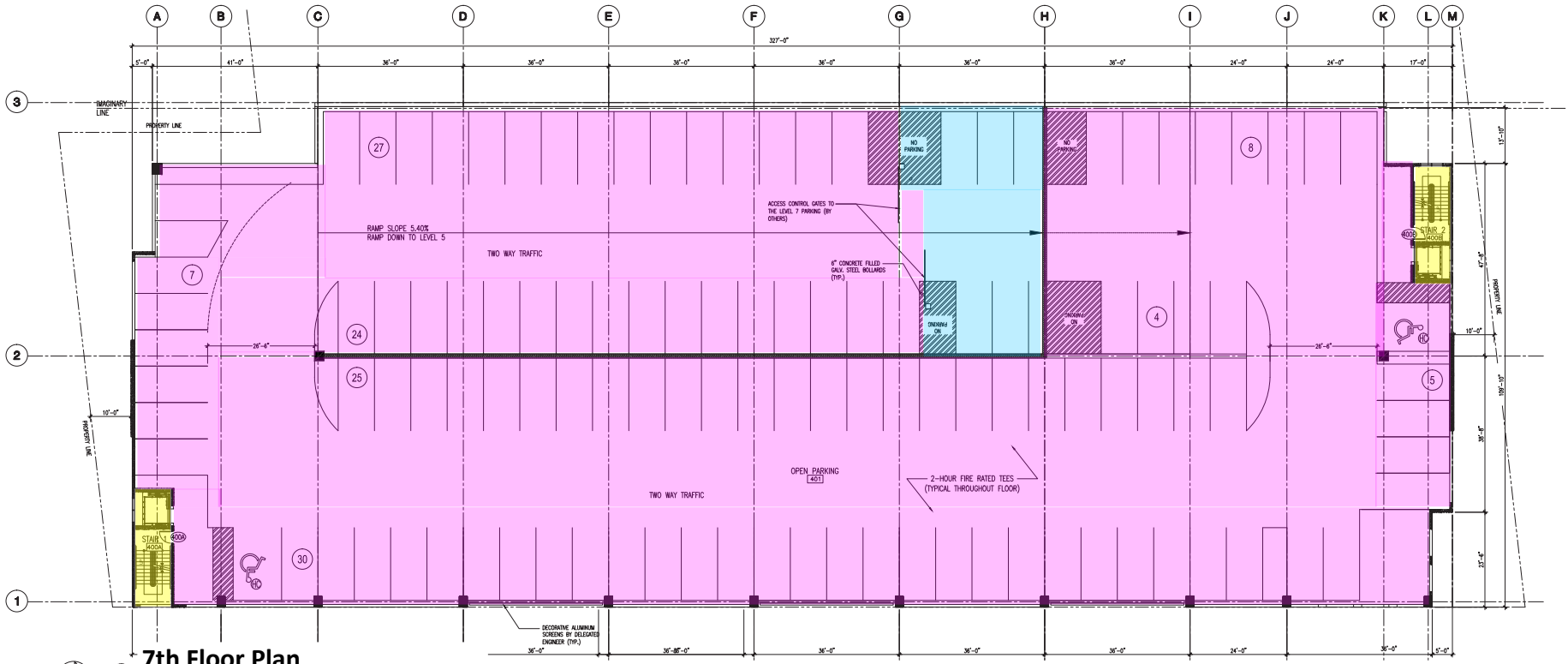
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 Condo - Common Element  
 Condo - PUC  
 Condo - PUB



 **2** BOTTOM OF RAMP TO LEVEL SEVEN  
 3/32" = 1'-0"



**1** 7th Floor Plan

3/32" = 1'-0"

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 ARCHITECTS  
 PLANNERS  
 INTERIOR DESIGNERS  
 4000 W. UNIVERSITY BLVD., SUITE 200  
 CLEARWATER BEACH, FLORIDA 34626  
 (727) 498-8888

**PELICAN WALK GARAGE**  
 5150 19TH STREET, ADDRESS  
 PONSSETT ALHAMBRA  
 CLEARWATER BEACH, FLORIDA 34626

**A26**  
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 Project No: 214012