

Integra Realty Resources
Miami / Caribbean

Appraisal of Real Property

NE 2nd Ave Creative Retail

Retail Property

801-819 NE. 2nd Ave.

Fort Lauderdale, Broward County, Florida 33304

Client Reference: 21-007472-01-1

Prepared For:

Banesco USA

Date of the Report:

December 16, 2021

Report Format:

Appraisal Report

IRR - Miami / Caribbean

File Number: 123-2021-0399



Subject Photographs



NE 2nd Ave Creative Retail
Fort Lauderdale, Florida

Aerial Photograph



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December 16, 2021

Frank Santana
Senior Vice President
Banesco USA
150 Alhambra Circle, 10th Floor
Coral Gables, FL 33134

SUBJECT: Market Value Appraisal
NE 2nd Ave Creative Retail
801-819 NE. 2nd Ave.
Fort Lauderdale, Broward County, Florida 33304
Client Reference: 21-007472-01-1
IRR - Miami / Caribbean File No. 123-2021-0399

Dear Mr. Santana:

Integra Realty Resources – Miami / Caribbean is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value as is, pertaining to the leased fee interest in the property. As requested, the prospective market value as stabilized of the leased fee interest is also estimated.

The client for the assignment is Banesco USA. The intended user of this report is the client. The intended use of the report is for loan underwriting purposes. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

The subject is a creative retail property containing 23,816 square feet of gross leasable area in 12 bays. The improvements were constructed in 1972 and are 66% leased to five tenants on a triple net basis. Two bays are owner-occupied as of the effective appraisal date. Reportedly, the improvements have been completely renovated at a cost of \$2,431,749.81 or \$100.82 per adjusted square foot as of the effective date of the appraisal. The owner's broker representative expects the subject to be at stabilization by the end of the first quarter of 2022. The site area is 0.85 acres or 36,959 square feet.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, applicable state appraisal regulations, and the appraisal guidelines of Banesco USA. The appraisal is also prepared in accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (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 as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusions			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Leased Fee	November 19, 2021	\$9,300,000
Prospective Market Value As Stabilized	Leased Fee	April 1, 2022	\$9,500,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

1. None

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property.

The opinions of value expressed in this report are based on estimates and forecasts which are prospective in nature and subject to considerable risk and uncertainty. Events may occur which could cause the performance of the property to differ materially from the estimates contained herein, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, the concluded opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, IRR is not responsible for the effects of future, unforeseen occurrences.



Frank Santana
Banesco USA
December 16, 2021
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This appraisal report was ordered by CES on the behalf of Banesco, and prepared for the sole use and benefit of Banesco. Therefore, the fiduciary appraiser/client relationship is only with Banesco with CES acting in an adjunct advisory role. The report is based in part upon documents, writings and information owned and possessed by Banesco. Values contained within the report are strictly confidential. The unlawful interception, use, or disclosure of such information is strictly prohibited under 18 USCA 2511 and the Gramm-Leach-Bliley Act of 1999.

This report may have been made available to third parties who have been authorized to receive it for information purposes only. However, this report should not be used for any purpose other than to understand the information made available to the Bank concerning the property it addresses.

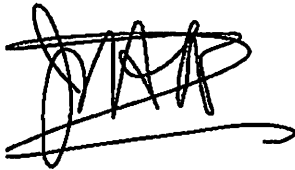
This Appraisal was ordered by CES on Behalf of Banesco. Banesco and any noted permitted participants, affiliates or additional users are the only Intended Users of this appraisal report.

The Intended Use of this appraisal report is for determining loan and credit underwriting decisions that will be made by Banesco and any additional noted participants for a federally related loan transaction.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Miami / Caribbean



James V. Andrews, MAI, CRE, FRICS, ASA
Florida State Certified General Real Estate
Appraiser #RZ4094
Telephone: 305-670-0001, ext. 320
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Quality Assurance

IRR Quality Assurance Program

At IRR, delivering a quality report is a top priority. Integra has an internal Quality Assurance Program in which managers review material and pass an exam in order to attain IRR Certified Reviewer status. By policy, every Integra valuation assignment is assessed by an IRR Certified Reviewer who holds the MAI designation, or is, at a minimum, a named Director with at least ten years of valuation experience.

This quality assurance assessment consists of reading the report and providing feedback on its quality and consistency. All feedback from the IRR Certified Reviewer is then addressed internally prior to delivery. The intent of this internal assessment process is to maintain report quality.

Designated IRR Certified Reviewer

An internal quality assurance assessment was conducted by an IRR Certified Reviewer prior to delivery of this appraisal report. This assessment should not be construed as an appraisal review as defined by USPAP.

Executive Summary

Property Name	NE 2nd Ave Creative Retail		
Address	801-819 NE. 2nd Ave. Fort Lauderdale, Broward County, Florida 33304		
Property Type	Retail - Creative Retail		
Owner of Record	BH3 DJ SUB LLC		
Tax ID	494234062570 494234062610 494234062591 and		
Land Area	0.85 acres; 36,959 SF		
Gross Building Area	24,120 SF		
Gross Leasable Area	23,816 SF		
Percent Leased	67%		
Year Built; Year Renovated	1972; 2021		
Zoning Designation	NWRAC-MU Northeast, Northwest Regional Activity		
Highest and Best Use - As if Vacant	Retail use		
Highest and Best Use - As Improved	Continued retail use		
Exposure Time; Marketing Period	6-12 months; 6-12 months		
Date of the Report	December 16, 2021		
Property Interest Appraised	Leased Fee		
Market Value Indications			
Cost Approach	Not Used		
Sales Comparison Approach	\$9,000,000	(\$377.90/SF)	
Income Capitalization Approach	\$9,300,000	(\$390.49/SF)	
Market Value Conclusion	\$9,300,000	(\$390.49/SF)	

Value Conclusions

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Leased Fee	November 19, 2021	\$9,300,000
Prospective Market Value As Stabilized	Leased Fee	April 1, 2022	\$9,500,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Banesco USA may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

1. None

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Part Two		
Number of Tenants	8	
Average Contract Rent/SF	\$28.27	
Average Market Rent/SF	\$30.00	
Cost Approach		
Indicated Value ("As Is")	Not Used	-
Sales Comparison Approach		
Number of Sales	5	
Range of Sale Dates	Jan-19 to Dec-21	
Range of Unit Prices	\$252.42 - \$428.64	
Indicated Value ("As Is")	\$9,000,000	(\$377.90/SF)
Income Capitalization Approach		
Potential Gross Income at Stabilization	\$831,625	(\$34.92/SF)
Stabilized % Vacancy & Collection Loss	5.0%	
Effective Gross Income	\$790,043	(\$33.17/SF)
Operating Expenses	\$219,874	(\$9.23/SF)
Operating Expense Ratio	27.8%	
Net Operating Income at Stabilization	\$570,169	(\$23.94/SF)
Capitalization Rate Applied and Value	6.00%	\$9,300,000
Indicated Value ("As Is")	\$9,300,000	(\$390.49/SF)
Market Value Conclusion ("As Is")	\$9,300,000	(\$390.49/SF)

This appraisal report was ordered by CES on the behalf of Banesco, and prepared for the sole use and benefit of Banesco. Therefore, the fiduciary appraiser/client relationship is only with Banesco with CES acting in an adjunct advisory role. The report is based in part upon documents, writings and information owned and possessed by Banesco. Values contained within the report are strictly confidential. The unlawful interception, use, or disclosure of such information is strictly prohibited under 18 USCA 2511 and the Gramm-Leach-Bliley Act of 1999.

This report may have been made available to third parties who have been authorized to receive it for information purposes only. However, this report should not be used for any purpose other than to understand the information made available to the Bank concerning the property it addresses.

Identification of the Appraisal Problem

Subject Description

The subject is a creative retail property containing 23,816 square feet of gross leasable area in 12 bays. The improvements were constructed in 1972 and are 66% leased to five tenants on a triple net basis. Two bays are owner-occupied as of the effective appraisal date. Reportedly, the improvements have been completely renovated at a cost of \$2,431,749.81 or \$100.82 per adjusted square foot as of the effective date of the appraisal. The owner's broker representative expects the subject to be at stabilization by the end of the first quarter of 2022. The site area is 0.85 acres or 36,959 square feet. A legal description of the property is provided in the addenda.

Property Identification

Property Name	NE 2nd Ave Creative Retail
Address	801-819 NE. 2nd Ave. Fort Lauderdale, Florida 33304
Tax ID	494234062570 ¶494234062610 ¶494234062591 and 494234062580
Owner of Record	BH3 DJ SUB LLC

Sale History

The current owner of record is BH3 DJ SUB LLC. The most recent closed sale of the subject is summarized as follows:

Sale Date	May 7, 2020
Seller	BH3 DJ FLAGLER LLC
Buyer	BH3 DJ SUB LLC
Sale Price	\$1,640,900 ¶
Recording Instrument Number	116500095
Expenditures Since Purchase	Unknown

The previous sale was not arms-length, it was a transaction between related parties. According to the property contact, the current owner purchased the property in poor condition with much deferred maintenance for \$2,800,000 or \$166 per square foot on November 27, 2017. The ownership group re-purposed the property to retail and the improvements were fully renovated at a cost of \$2,431,749.81 or \$100.82 per adjusted square foot. Based on a review of available information, no other sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

Based on discussions with the appropriate contacts, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Appraisal Purpose

The purpose of the appraisal is to develop the following opinion(s) of value:

- The market value as is of the leased fee interest in the subject property as of the effective date of the appraisal, November 19, 2021
- The prospective market value as stabilized of the leased fee interest in the subject property as of April 1, 2022

The date of the report is December 16, 2021. The appraisal is valid only as of the stated effective date or dates.

Value Type Definitions

The definitions of the value types applicable to this assignment are summarized below.

Market Value

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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.¹

Appraisal Premise Definitions

The definitions of the appraisal premises applicable to this assignment are specified as follows.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.²

Prospective Market Value As Stabilized

The prospective market value "as stabilized" reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed

¹ Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

² Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties.³

Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

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 rights when the lease expires.⁴

Lease

A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.⁵

Client and Intended User(s)

The client and intended user is Banesco USA. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

This Appraisal was ordered by CES on Behalf of Banesco. Banesco and any noted permitted participants, affiliates or additional users are the only Intended Users of this appraisal report.

The Intended Use of this appraisal report is for determining loan and credit underwriting decisions that will be made by Banesco and any additional noted participants for a federally related loan transaction.

Intended Use

The intended use of the appraisal is for loan underwriting purposes. The appraisal is not intended for any other use.

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised April 9, 2018;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;

³ Compiled and summarized from several industry sources

⁴ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

⁵ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

- Appraisal guidelines of Banesco USA.

Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (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 as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Appraiser Competency

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

Scope of Work

Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

To determine the appropriate scope of work for the assignment, the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors were considered. The concluded scope of work is described below.

Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Subject Property Data Sources

The legal and physical features of the subject property, including size of the site and improvements, flood plain data, seismic zone designation, property zoning, existing easements and encumbrances, access and exposure, and condition of the improvements (as applicable) were confirmed and analyzed.

The financial data of the subject, including occupancy statistics reports, historical income/expense figures, and tax and assessment records was analyzed. This information, as well as trends established by confirmed market indicators, is used to forecast future performance of the subject property.

Contacts

In addition to public records and other sources cited in this appraisal, information pertaining to the subject was obtained from the following party: Mr. Zachary Bennett, Managing Director, BH3 Management.

Availability of Information [Delete if not applicable]

Although the following items were requested from the property contact(s) and are pertinent to the assignment, they were not made available to Integra Realty Resources – Miami / Caribbean. The inability to obtain this information and consider it in the analysis may affect the assignment results.

- Year to Date Operating Expenses

Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

Property Inspection		
Party	Inspection Type	Inspection Date
James V. Andrews, MAI, CRE, FRICS, ASA	None	N/A
Carlos Rodriguez, Jr.	Interior and exterior	November 19, 2021

Valuation Methodology

Three approaches to value are typically considered when developing a market value opinion for real property. These are the cost approach, the sales comparison approach, and the income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

The income capitalization approach is the most reliable valuation method for the subject due to the following:

- The probable buyer of the subject would base a purchase price decision primarily on the income generating potential of the property and an anticipated rate of return.
- Sufficient market data regarding income, expenses, and rates of return is available for analysis.

The sales comparison approach is an applicable valuation method because:

- There is an active market for similar properties, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.

The cost approach is not applicable to the assignment considering the following:

- The age of the property would limit the reliability of an accrued depreciation estimate.
- There are limited land transactions in the market area of the subject, making estimates of underlying land value subjective.
- This approach is not typically used by market participants, except for new (or proposed) or nearly new properties.

Significant Appraisal Assistance

It is acknowledged that Carlos Rodriguez, State Registered Trainee Appraiser #RI24534 under direct supervision of James V. Andrews, MAI, CRE, FRICS, ASA made a significant professional contribution to this appraisal, consisting of participating in the property inspection, conducting research on the subject and transactions involving comparable properties, performing appraisal analyses, and assisting in report writing, under the supervision of the persons signing the report. Mr. Rodriguez's time is tracked at 40 hours on this assignment.

I, James V. Andrews, MAI, CRE, FRICS, ASA the supervisory appraiser of a registered appraiser trainee who contributed to the development or communication of this appraisal, hereby accepts full and complete responsibility for any work performed by the registered appraiser trainee named in this report as if it were my own work.

Economic Analysis

Broward County Area Analysis

Broward County is located in southeastern Florida approximately 30 miles north of Miami. It is 1,210 square miles in size and has a population density of 1,634 persons per square mile.

Population

Broward County has an estimated 2021 population of 1,976,228, which represents an average annual 1.1% increase over the 2010 census of 1,748,066. Broward County added an average of 20,742 residents per year over the 2010-2021 period, but its annual growth rate lagged the State of Florida rate of 1.4%.

Looking forward, Broward County's population is projected to increase at a 1.1% annual rate from 2021-2026, equivalent to the addition of an average of 21,630 residents per year. Broward County's growth rate is expected to lag that of Florida, which is projected to be 1.2%.

	Population			Compound Ann. % Chng	
	2010 Census	2021 Estimate	2026 Projection	2010 - 2021	2021 - 2026
Fort Lauderdale, FL (city)	165,521	182,652	191,389	0.9%	0.9%
Broward County, FL	1,748,066	1,976,228	2,084,378	1.1%	1.1%
Florida	18,801,310	21,908,282	23,200,979	1.4%	1.2%

Source: Claritas

Employment

Total employment in Broward County was estimated at 778,813 jobs at year-end 2020. Between year-end 2010 and 2020, employment rose by 86,177 jobs, equivalent to a 12.4% increase over the entire period. These figures reflect a net gain of 153,297 jobs through 2019, followed by significant losses in 2020 with the onset of the COVID-19 pandemic. Although Broward County's employment rose over the last decade, it underperformed Florida, which experienced an increase in employment of 19.0% or 1,381,932 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Broward County unemployment rate has been generally lower than that of Florida, with an average unemployment rate of 6.4% in comparison to a 6.6% rate for Florida. A lower unemployment rate is a positive indicator.

Recent data shows that Broward County has a 5.1% unemployment rate, which is the same as the rate for Florida.

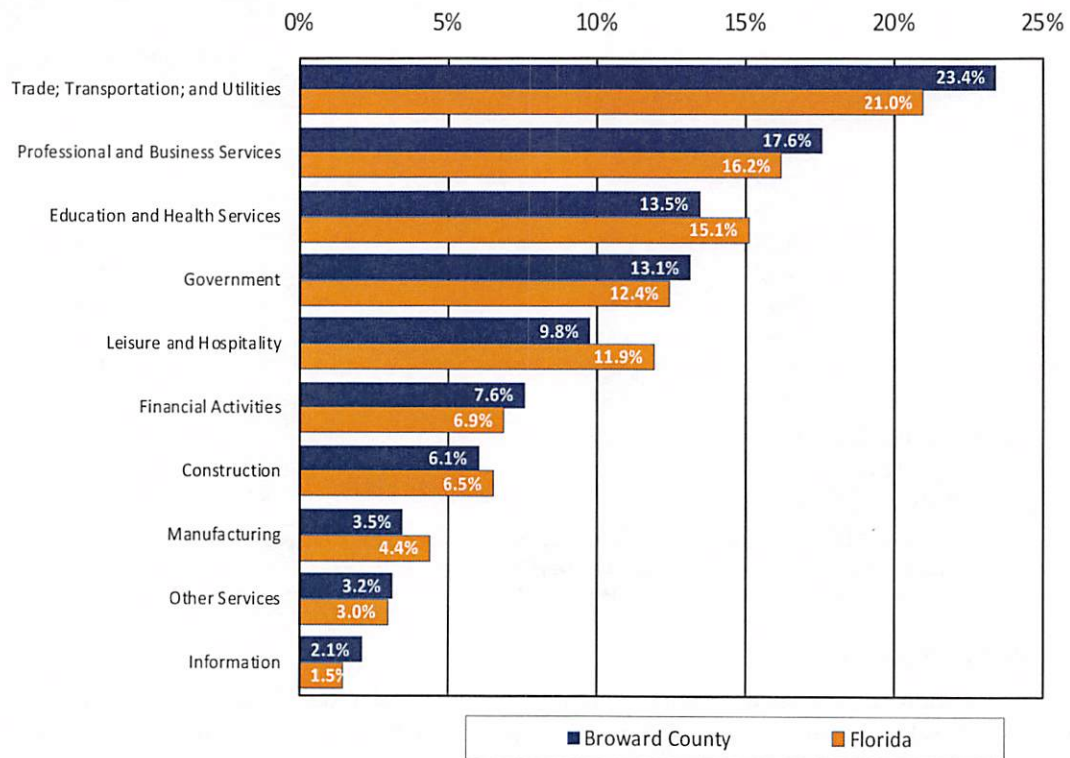
Employment Trends						
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Broward County	% Change	Florida	% Change	Broward County	Florida
2010	692,636		7,260,875		9.8%	10.9%
2011	702,875	1.5%	7,368,030	1.5%	9.4%	10.0%
2012	720,862	2.6%	7,538,166	2.3%	8.2%	8.6%
2013	743,225	3.1%	7,741,539	2.7%	7.1%	7.5%
2014	764,575	2.9%	8,012,496	3.5%	6.1%	6.5%
2015	786,765	2.9%	8,314,343	3.8%	5.2%	5.5%
2016	803,349	2.1%	8,542,086	2.7%	4.5%	4.9%
2017	815,309	1.5%	8,718,087	2.1%	4.0%	4.3%
2018	828,248	1.6%	8,907,904	2.2%	3.4%	3.6%
2019	845,933	2.1%	9,094,742	2.1%	3.2%	3.3%
2020	778,813	-7.9%	8,642,807	-5.0%	8.9%	7.8%
Overall Change 2010-2020	86,177	12.4%	1,381,932	19.0%		
Avg Unemp. Rate 2010-2020					6.4%	6.6%
Unemployment Rate - July 2021					5.1%	5.1%

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Employment Sectors

The composition of the Broward County job market is depicted in the following chart, along with that of Florida. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Broward County jobs in each category.

Employment Sectors - 2020



Source: U.S. Bureau of Labor Statistics and Moody's Analytics

Broward County has greater concentrations than Florida in the following employment sectors:

1. Trade; Transportation; and Utilities, representing 23.4% of Broward County payroll employment compared to 21.0% for Florida as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Professional and Business Services, representing 17.6% of Broward County payroll employment compared to 16.2% for Florida as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
3. Government, representing 13.1% of Broward County payroll employment compared to 12.4% for Florida as a whole. This sector includes employment in local, state, and federal government agencies.
4. Financial Activities, representing 7.6% of Broward County payroll employment compared to 6.9% for Florida as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

Broward County is underrepresented in the following sectors:

1. Education and Health Services, representing 13.5% of Broward County payroll employment compared to 15.1% for Florida as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
2. Leisure and Hospitality, representing 9.8% of Broward County payroll employment compared to 11.9% for Florida as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
3. Construction, representing 6.1% of Broward County payroll employment compared to 6.5% for Florida as a whole. This sector includes construction of buildings, roads, and utility systems.
4. Manufacturing, representing 3.5% of Broward County payroll employment compared to 4.4% for Florida as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.

Major Employers

Major employers in Broward County are shown in the following table.

Major Employers - Broward County, FL	
Name	Number of Employees
1 Nova	6,114
2 FS Residential	5,400
3 JAE Restaurant	5,000
4 Spirit	3,931
5 Qlink Wireless	2,011
6 JM Family Enterprise	1,729
7 Ultimate Software	1,650
8 Castle Group	1,275
9 Rick Case	896
10 Balance Professional	650

Source: Broward Alliance 2019 (Private)

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been somewhat lower in Broward County than Florida overall during the past eight years. Broward County has grown at a 3.1% average annual rate while Florida has grown at a 3.3% rate.

Broward County has a per capita GDP of \$51,163, which is 16% greater than Florida's GDP of \$44,267. This means that Broward County industries and employers are adding relatively more value to the economy than their counterparts in Florida.

Gross Domestic Product				
Year	(\$,000s)		(\$,000s)	
	Broward County	% Change	Florida	% Change
2012	80,792,374		768,722,900	
2013	81,628,439	1.0%	784,238,400	2.0%
2014	84,213,344	3.2%	806,029,400	2.8%
2015	88,007,381	4.5%	842,269,400	4.5%
2016	90,818,287	3.2%	870,963,200	3.4%
2017	94,208,819	3.7%	901,903,500	3.6%
2018	97,637,638	3.6%	936,580,300	3.8%
2019	99,909,302	2.3%	963,255,900	2.8%
Compound % Chg (2012-2019)		3.1%		3.3%
GDP Per Capita 2019	\$51,163		\$44,267	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2020. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2012 dollars.

Household Income

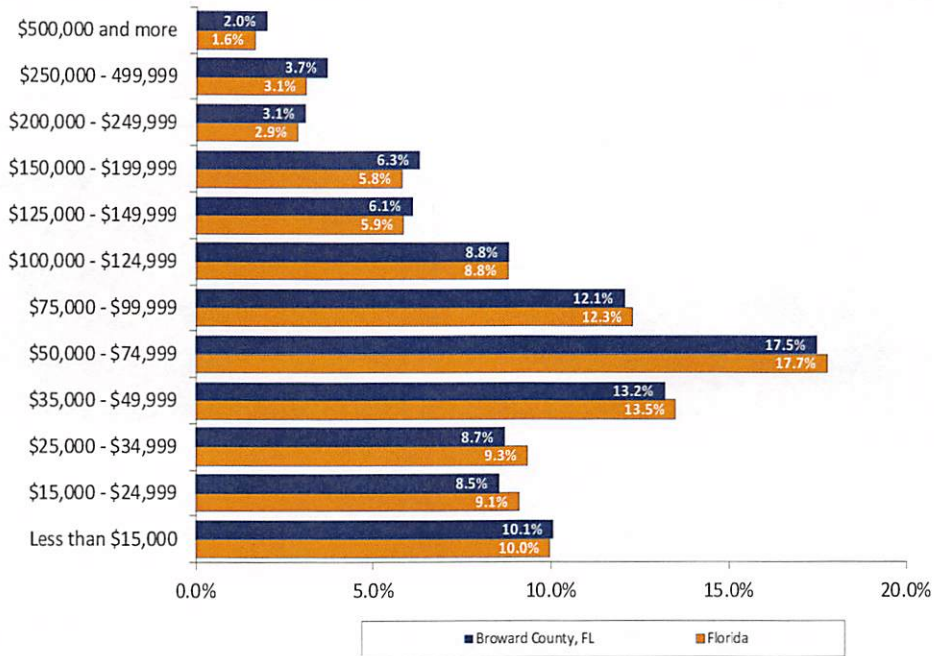
Broward County has a higher level of household income than Florida. Median household income for Broward County is \$62,599, which is 3.6% greater than the corresponding figure for Florida.

Median Household Income - 2021	
	Median
Broward County, FL	\$62,599
Florida	\$60,396
Comparison of Broward County, FL to Florida	+ 3.6%

Source: Claritas

The following chart shows the distribution of households across twelve income levels. Broward County has a greater concentration of households in the higher income levels than Florida. Specifically, 42% of Broward County households are at the \$75,000 or greater levels in household income as compared to 40% of Florida households. A lesser concentration of households is apparent in the lower income levels, as 27% of Broward County households are below the \$35,000 level in household income versus 28% of Florida households.

Household Income Distribution - 2021



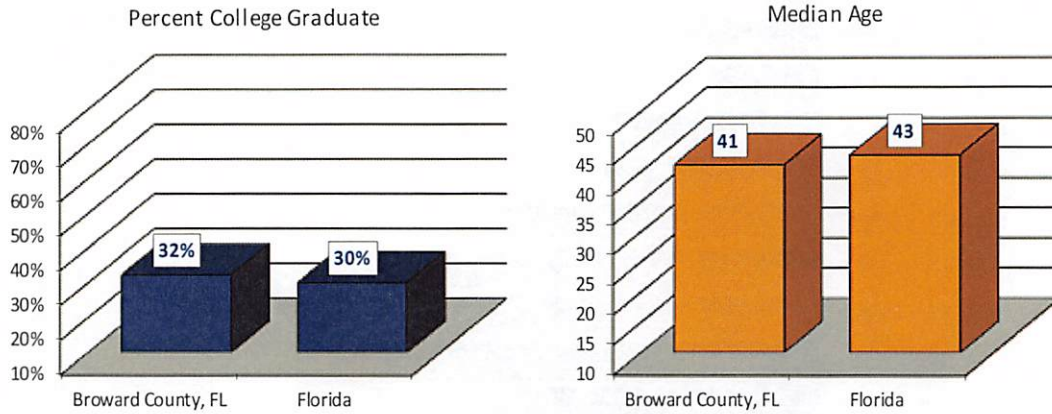
Source: Claritas

Education and Age

Residents of Broward County have a slightly higher level of educational attainment than those of Florida. An estimated 32% of Broward County residents are college graduates with four-year degrees, versus 30% of Florida residents. People in Broward County are younger than their Florida counterparts. The median age for Broward County is 41 years, while the median age for Florida is 43 years.



Education & Age - 2021



Source: Claritas

Conclusion

The Broward County economy will benefit from a growing population base and higher income and education levels. Broward County experienced growth in the number of jobs and has maintained a generally lower unemployment rate than Florida over the past decade. It is anticipated that the Broward County economy will improve and employment will grow, strengthening the demand for real estate.

Area Map



Surrounding Area Analysis

The subject is located in a redevelopment neighborhood known as Flagler Village, just north of downtown Fort Lauderdale. The neighborhood is going through a redevelopment cycle with creative retail spaces and concepts. To the north is the city of Wilton Manors, to the south is Downtown Fort Lauderdale, to the east is Ft. Lauderdale Beach, and to the west is the Interstate 95 ramp.

Boundaries & Delineation

Boundaries

Market Area	Miami-Palm Beach, FL
Submarket	Fort Lauderdale
Area Type	Suburban

Delineation

North	East Sunrise Blvd.
South	East Broward Blvd.
East	U.S Route 1
West	Interstate 95

Access and Linkages

Primary access and linkages to the subject area, including highways, roadways, public transit, traffic counts, and airports, are summarized in the following table.

Access & Linkages

Vehicular Access

Major Highways	I-95
Primary Corridors	US-1, Sunrise Blvd.
Vehicular Access Rating	Average

Public Transit

Providers	Broward Transit, Brightline
Transit Access Rating	Above Average

Airport(s)

Distance	5 mi
Driving Time	10-15 min

Primary Transportation Mode	Automobile
-----------------------------	------------

The subject benefits from average daily traffic counts. Furthermore, the Fort Lauderdale Central Business District (CBD), the economic and cultural center of the region, is less than two miles from the property.

Demand Generators

The typical generators of demand affecting the subject property and its market are discussed and analyzed below.

Employment and Employment Centers

The subject area is impacted by the retail, professional, and financial industries. Major employers include the large office complexes along Las Olas Boulevard. These are located within 2 miles of the property and represent significant concentrations in the professional and financial industries. In addition to its strong employment base, the area is easily accessible to the Commercial Boulevard and Fort Lauderdale submarkets, all within 10-15 minutes driving time. Access to employment centers in other submarkets is a major demand driver.

Nearby residential communities such as Victoria Park and Flagler Village, roughly 1-2 miles from the property, provide a reliable source of workers at all skill and income levels.

Nearby Retail Uses

The nearest shopping facilities serving the area are freestanding shops and restaurants. These are located immediately surrounding the property. They offer basic convenience goods and personal services. The closest regional mall is the Galleria, located about 2 miles from the property. Restaurants, principally along major arterials such as Sunrise Boulevard, are within a 5-minute travel time of the property. The closest lodging facilities are located within a 10-minute drive of the subject and include most major flags.

The massing of these retail properties creates a significant gravitational pull that benefits the subject and other retail properties in the area.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics

2021 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Broward County,	
				FL	Florida
Population 2010	21,353	137,156	290,094	1,748,066	18,801,310
Population 2021	25,905	152,812	318,404	1,976,228	21,908,282
Population 2026	27,425	160,377	333,438	2,084,378	23,200,979
Compound % Change 2010-2021	1.8%	1.0%	0.9%	1.1%	1.4%
Compound % Change 2021-2026	1.1%	1.0%	0.9%	1.1%	1.2%
Households 2010	9,858	61,281	122,656	686,047	7,420,802
Households 2021	12,312	69,123	134,837	761,569	8,630,598
Households 2026	13,092	72,786	141,264	800,231	9,142,275
Compound % Change 2010-2021	2.0%	1.1%	0.9%	1.0%	1.4%
Compound % Change 2021-2026	1.2%	1.0%	0.9%	1.0%	1.2%
Median Household Income 2021	\$53,358	\$57,242	\$55,492	\$62,599	\$60,396
Average Household Size	2.1	2.2	2.3	2.6	2.5
College Graduate %	38%	35%	30%	32%	30%
Median Age	39	42	42	41	43
Owner Occupied %	28%	47%	55%	66%	67%
Renter Occupied %	72%	53%	45%	34%	33%
Median Owner Occupied Housing Value	\$423,438	\$387,079	\$308,900	\$305,710	\$254,241
Median Year Structure Built	1987	1971	1971	1980	1988
Average Travel Time to Work in Minutes	29	29	30	32	31

Source: Claritas

As shown above, the current population within a 3-mile radius of the subject is 152,812, and the average household size is 2.2. Population in the area has grown since the 2010 census, and this trend is projected to continue over the next five years. Compared to Broward County overall, the population within a 3-mile radius is projected to grow at a slower rate.

Median household income is \$57,242, which is lower than the household income for Broward County. Residents within a 3-mile radius have a higher level of educational attainment than those of Broward County, while median owner occupied home values are considerably higher.

Services and Amenities

The subject is served by the Broward County school district. The nearest public services, including police and fire departments, as well as public schools are summarized in the following table.

Public Services			
Service	Name/Station	Distance (Miles)	Direction
Police Department	Various	<5 mi	Various
Fire Department	Various	<5 mi	Various
Hospital	Broward Health	2.25	South
Elementary School	Various	<5 mi	Various
Middle/Junior High School	Various	<5 mi	Various
High School	Various	<5 mi	Various

The closest colleges and universities are FAU, Nova, and Broward College. They offer associate's through postgraduate programs, as well as various continuing education programs. Proximity to parks, golf courses, and other recreational activities is above average. Of particular note is the proximity of Holiday Park.

Land Use

Predominant land uses in the immediate vicinity of the subject include a mix of low-rise retail, office, and industrial properties. Land use characteristics of the area are summarized below.

Surrounding Area Land Uses

Character of Area	Redevelopment District
Predominant Age of Improvements (Years)	0-50+
Predominant Quality and Condition	Average
Approximate Percent Developed	85%
Land Use Allocation	
Multifamily	5%
Retail	50%
Office	5%
Industrial	25%
Vacant Land	15%
Infrastructure and Planning	Average
Predominant Location of Undeveloped	Infill
Prevailing Direction of Growth	Infill

Immediate Surroundings

North	Retail/office
South	Train tracks
East	Retail/office
West	Parking

Development Activity and Trends

During the last five years, development has been predominantly of retail uses, and has included the renovation of the subject. The pace of development has generally accelerated over this time.

Outlook and Conclusions

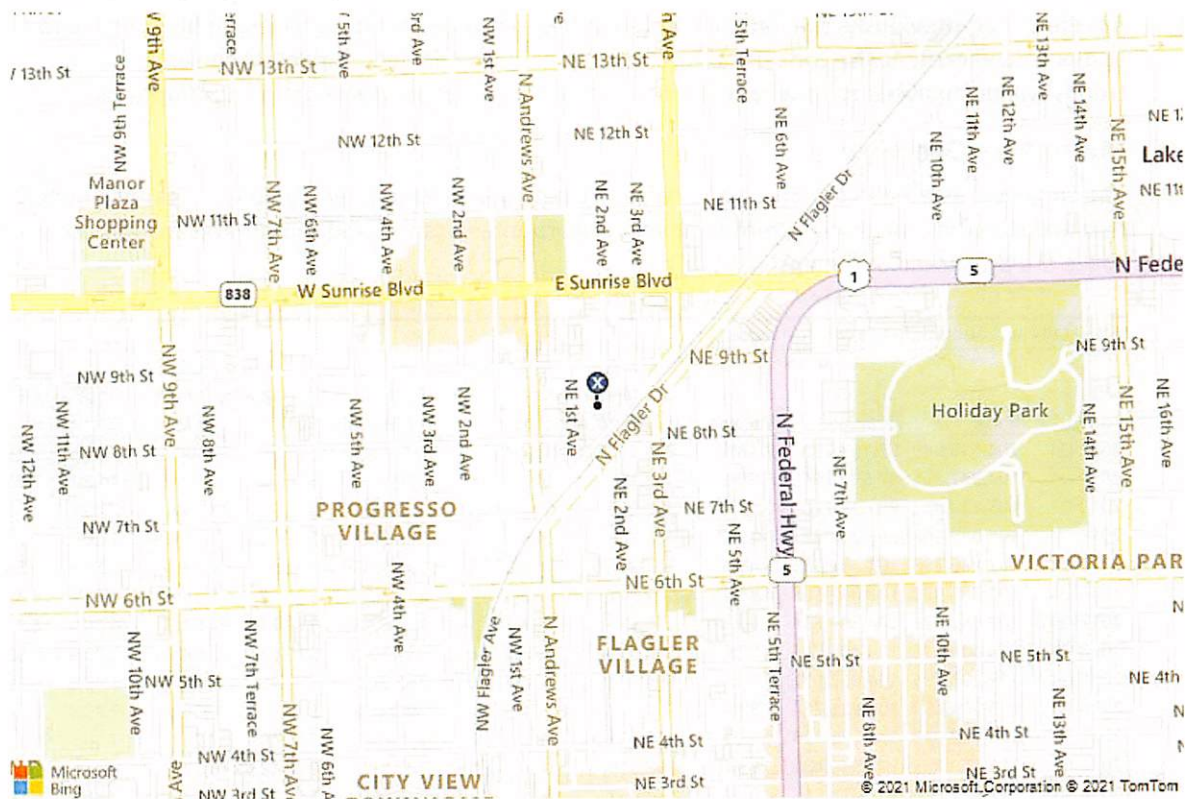
The area is in the growth stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will increase in the near future.

In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Ratings

Highway Access	Average
Demand Generators	Above Average
Convenience to Support Services	Average
Convenience to Public Transit	Average
Employment Stability	Average
Neighborhood Amenities	Average
Police and Fire Protection	Average
Barriers to Competitive Entry	Above Average
Price/Value Trends	Above Average
Property Compatibility	Average

Surrounding Area Map



NE 2nd Ave Creative Retail



Retail Market Analysis

As referenced previously, the data presented in the following section is based on historical reporting and pre-COVID-19. At the conclusion of this section, market factors impacting current economic trends will be analyzed as to what extent they may impact property valuation assumptions.

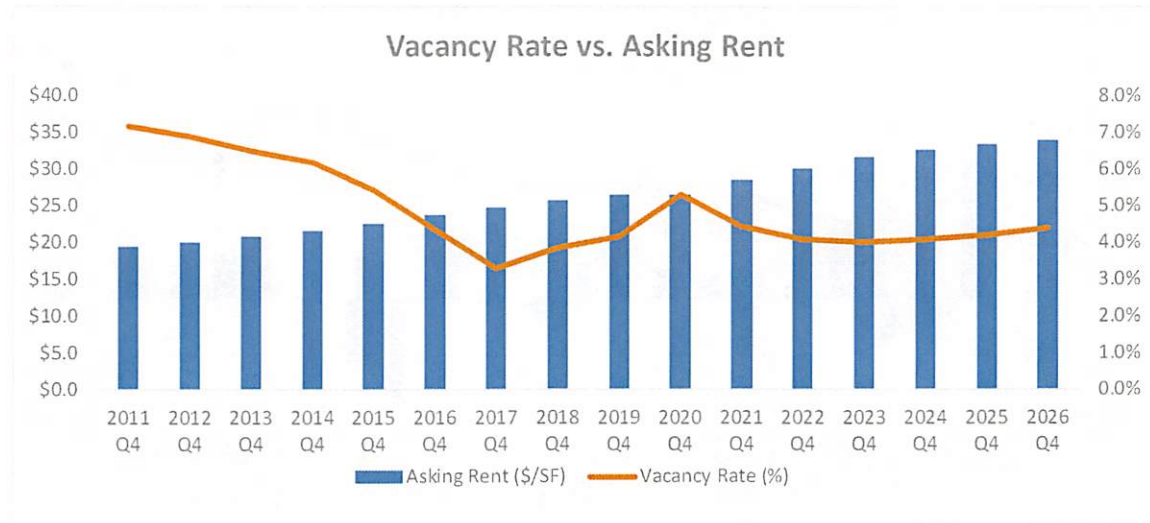
Metro Area Overview

The subject is located in the Fort Lauderdale - FL metro area as defined by CoStar. Trended supply and demand statistics, including inventory levels, absorption, vacancy, and rental rates for all classes of space are presented in the ensuing table.

All Retail Fort Lauderdale - FL Metro Trends										
Period	Stock	Demand	Vacancy	Net	Under	Net	Asking Rent	Rent	Price Growth	Cap Rate
				Completions 12 Months	Construction Stock	Absorption 12 Months		Growth 12 Month		
2011 Q4	104,633,669	97,116,792	7.18%	283,983	192,444	1,080,247	\$19.36	-0.64%	7.00%	7.61%
2012 Q4	104,931,865	97,692,144	6.90%	298,196	653,340	540,161	\$20.00	3.30%	10.30%	7.23%
2013 Q4	105,820,962	98,922,120	6.52%	889,097	556,214	1,229,976	\$20.78	3.94%	5.49%	7.08%
2014 Q4	106,087,168	99,520,688	6.19%	266,206	983,609	598,569	\$21.62	4.03%	12.08%	6.75%
2015 Q4	107,239,396	101,392,536	5.45%	1,152,228	656,371	1,871,848	\$22.51	4.13%	7.59%	6.50%
2016 Q4	107,766,023	103,047,168	4.38%	521,727	679,913	1,649,731	\$23.68	5.16%	4.91%	6.39%
2017 Q4	107,956,071	104,392,656	3.30%	178,926	537,287	1,326,239	\$24.77	4.62%	4.58%	6.31%
2018 Q4	108,609,470	104,405,736	3.87%	644,399	1,292,350	41,450	\$25.66	3.58%	2.78%	6.33%
2019 Q4	109,203,794	104,662,976	4.16%	594,324	1,192,360	267,948	\$26.49	3.24%	3.49%	6.30%
2020 Q4	109,764,157	103,921,784	5.32%	554,727	717,673	-790,098	\$26.56	0.26%	2.89%	6.24%
2021 Q4	110,192,088	105,286,424	4.45%	427,931	0	1,368,260	\$28.49	7.29%	7.30%	6.11%
2022 Q4	110,500,203	105,980,432	4.09%	308,115	0	701,580	\$30.13	5.77%	6.36%	6.10%
2023 Q4	111,077,670	106,618,968	4.01%	577,467	0	626,003	\$31.56	4.74%	4.38%	6.14%
2024 Q4	111,830,770	107,251,160	4.10%	753,100	0	616,981	\$32.60	3.30%	2.79%	6.19%
2025 Q4	112,597,635	107,836,528	4.23%	766,865	0	570,373	\$33.34	2.25%	1.68%	6.23%
2026 Q4	113,335,148	108,345,232	4.40%	737,513	0	493,150	\$33.90	1.68%	1.34%	6.25%

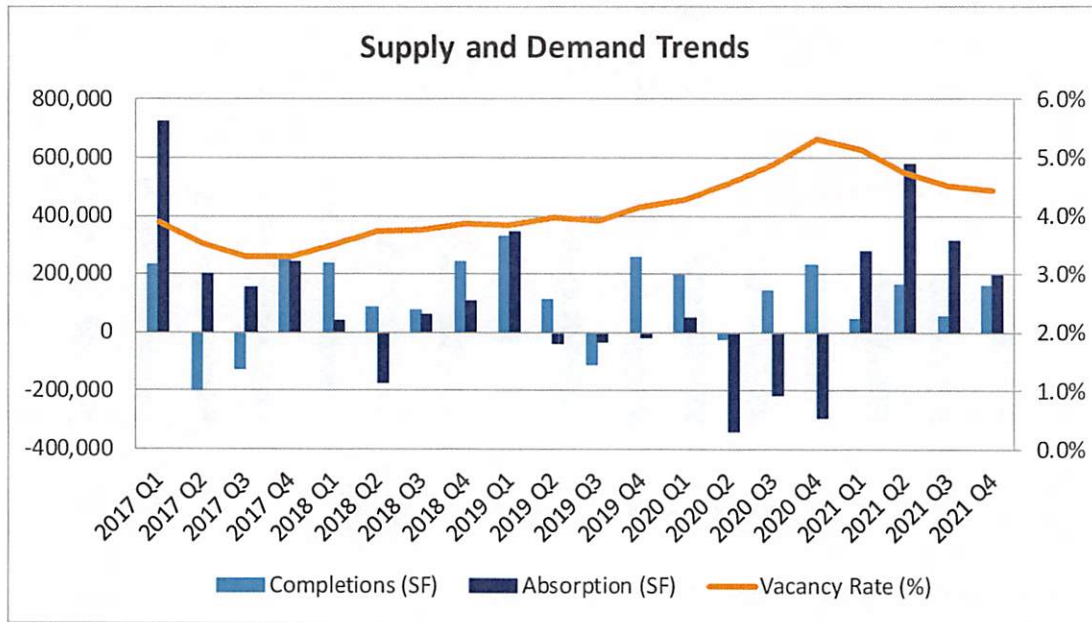
Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

Fort Lauderdale - FL Metro Trends and Forecasts



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

- The current vacancy rate in the metro area is 4.45%; the vacancy rate has increased by 29 bps from 2019 Q4.
- Two-year Base Case forecasts project a 4.01% vacancy rate in the metro area, representing a decrease of 44 bps by 2023 Q4.
- Asking rent averages \$28.49/SF in the metro area, and values have increased by 7.55% from 2019 Q4.
- Two-year Base Case forecasts project a \$31.56/SF asking rent in the metro area, representing an increase of 10.78% by 2023 Q4.



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

- The total stock (SF) has increased by 0.90% from 2019 Q4, while the demand has increased by 0.60%.
- Between 2017 Q1 and 2021 Q4, net completions in the metro area have averaged 480,061 SF annually, and reached a peak of 332,402 SF in 2019 Q1.
- Between 2017 Q1 and 2021 Q4, net absorption in the metro area has averaged 442,760 SF annually, and reached a peak of 724,242 SF in 2017 Q1.

Submarket Overview

The subject is located in the Fort Lauderdale submarket as defined by CoStar. Trended supply and demand statistics, including inventory levels, absorption, vacancy, and rental rates for all classes of space are presented in the following table.

All Retail Fort Lauderdale Submarket Trends										
Period	Stock	Demand	Vacancy	Net Completions 12 Months	Under Construction Stock	Net Absorption 12 Months	Asking Rent	Rent Growth 12 Month	Price Growth	Cap Rate
2011 Q4	18,526,065	17,292,872	6.66%	116,271	15,000	35,988	\$18.00	-0.39%	6.62%	7.83%
2012 Q4	18,581,159	17,339,612	6.68%	55,094	83,309	11,551	\$18.58	3.23%	10.22%	7.44%
2013 Q4	18,682,204	17,492,092	6.37%	101,045	199,818	152,481	\$19.36	4.22%	5.91%	7.25%
2014 Q4	18,878,091	17,778,704	5.82%	195,887	549,811	286,610	\$20.14	4.04%	13.75%	6.87%
2015 Q4	19,414,778	18,530,776	4.55%	536,687	224,416	752,072	\$21.00	4.24%	8.99%	6.57%
2016 Q4	19,689,075	18,963,730	3.68%	274,297	60,286	432,955	\$22.09	5.20%	5.62%	6.44%
2017 Q4	19,801,916	19,015,734	3.97%	112,841	20,646	52,004	\$23.08	4.49%	4.15%	6.38%
2018 Q4	19,856,551	19,063,542	3.99%	45,635	497,780	39,108	\$23.96	3.80%	3.56%	6.39%
2019 Q4	20,205,221	19,429,020	3.84%	348,670	277,722	365,477	\$24.73	3.22%	4.40%	6.31%
2020 Q4	20,434,293	19,466,516	4.74%	229,072	155,057	37,497	\$24.86	0.52%	3.05%	6.24%
2021 Q4	20,488,776	19,770,136	3.51%	54,483	0	303,619	\$26.65	7.20%	8.11%	6.09%
2022 Q4	20,642,517	19,929,490	3.45%	153,741	0	161,475	\$28.20	5.82%	6.41%	6.08%
2023 Q4	20,765,166	20,062,468	3.38%	122,649	0	129,137	\$29.55	4.78%	4.41%	6.12%
2024 Q4	20,924,139	20,201,900	3.45%	158,973	0	135,124	\$30.53	3.34%	2.81%	6.17%
2025 Q4	21,085,923	20,338,172	3.55%	161,784	0	132,091	\$31.23	2.29%	1.70%	6.21%
2026 Q4	21,241,726	20,461,116	3.67%	155,803	0	118,588	\$31.77	1.73%	1.38%	6.23%

Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

- The Fort Lauderdale submarket comprises 18.6% of the metro building stock and 18.8% of the metro building demand.
- The vacancy rate in the Fort Lauderdale submarket is 3.51%, which is less than the metro area's average of 4.45%.
- Fort Lauderdale market rate is \$26.65/SF which is less than the metro area's average rate of \$28.49/SF.

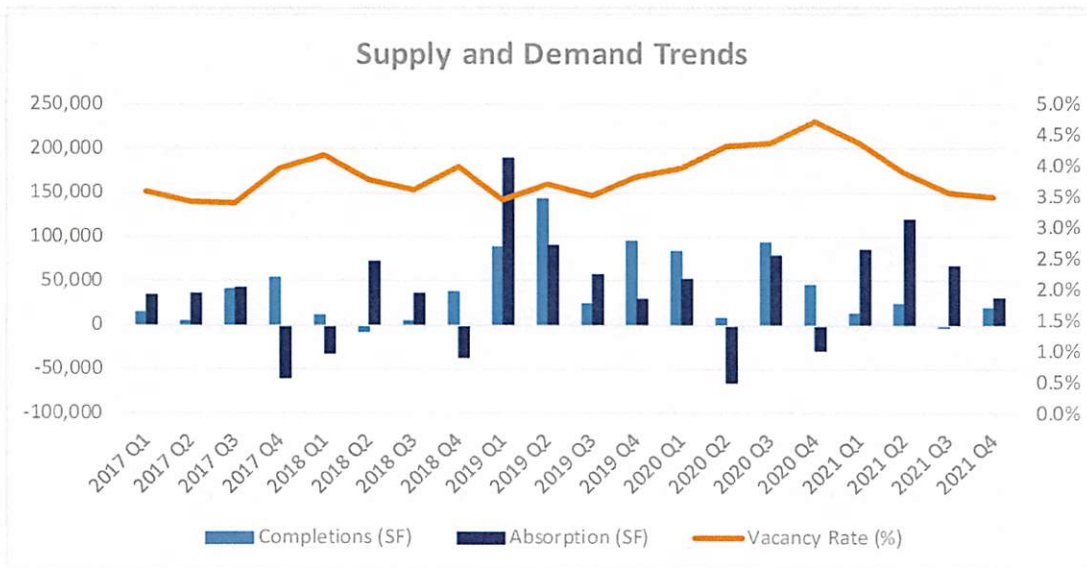
Fort Lauderdale Submarket Trends and Forecasts



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.



- The current vacancy rate in the submarket area is 3.51%; the vacancy rate has decreased by 33 bps from 2019 Q4.
- Two-year Base Case forecasts project a 3.38% vacancy rate in the submarket area, representing a decrease of 12 bps by 2023 Q4.
- Asking rent averages \$26.65/SF in the submarket area, and values have increased by 7.76% from 2019 Q4.
- Two-year Base Case forecasts project a \$29.55/SF asking rent in the submarket area, representing an increase of 10.88% by 2023 Q4.



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

- The total stock (SF) has increased by 1.40% from 2019 Q4, while the demand has increased by 1.76%.
- Between 2017 Q1 and 2021 Q4, net completions in the submarket area have averaged 158,140 SF annually, and reached a peak of 142,121 SF in 2019 Q2.
- Between 2017 Q1 and 2021 Q4, net absorption in the submarket area has averaged 159,541 SF annually, and reached a peak of 189,310 SF in 2019 Q1.

Retail Marketplace Profile

Retail sales trends in the market area are a key indicator of demand. Therefore, we have reviewed the Nielsen retail market power (RMP) opportunity gap overview, which is included in the ensuing table. The opportunity gap or surplus available represents the difference between demand and supply. When the demand is greater than supply, there is an opportunity gap, but when demand is less than supply, there is a surplus. A positive value signifies an opportunity gap, while a negative value signifies a surplus.

Opportunity Gap - All Retail Stores - Radius									
Retail Store Type	1 mile			3 miles			5 miles		
	2020 Demand (Consumer Expenditures)	2020 Supply (Retail Sales)	2020 Opportunity Gap/Surplus	2020 Demand (Consumer Expenditures)	2020 Supply (Retail Sales)	2020 Opportunity Gap/Surplus	2020 Demand (Consumer Expenditures)	2020 Supply (Retail Sales)	2020 Opportunity Gap/Surplus
Gasoline Stations	\$47,455,836	\$38,851,685	\$8,604,150	\$269,463,377	\$203,455,332	\$66,008,045	\$511,664,390	\$383,543,945	\$128,120,445
Sporting Goods, Hobby, Musical Instrument, and Book Stores	\$5,826,721	\$8,876,560	-\$3,049,839	\$33,360,233	\$65,104,401	-\$31,744,168	\$62,037,433	\$95,273,397	-\$33,235,964
Miscellaneous Store Retailers	\$10,375,417	\$16,875,961	-\$6,500,544	\$59,892,481	\$112,533,054	-\$52,640,573	\$111,216,334	\$162,501,912	-\$51,285,578
Electronics and Appliance Stores	\$6,920,737	\$14,506,981	-\$7,586,244	\$40,639,120	\$97,600,654	-\$56,961,534	\$76,081,921	\$166,197,911	-\$90,115,990
General Merchandise Stores	\$63,432,381	\$73,162,737	-\$9,730,356	\$373,442,775	\$397,895,337	-\$24,452,562	\$705,249,884	\$770,230,657	-\$64,980,773
Building Material and Garden Equipment and Supplies Dealers	\$31,929,134	\$44,546,438	-\$11,617,304	\$206,166,384	\$248,996,615	-\$42,830,231	\$386,204,535	\$445,374,455	-\$59,169,920
Health and Personal Care Stores	\$30,063,957	\$43,239,901	-\$13,175,944	\$187,938,128	\$252,342,140	-\$64,404,012	\$357,728,603	\$501,286,662	-\$143,558,059
Furniture and Home Furnishings Stores	\$8,710,960	\$22,382,641	-\$13,671,681	\$49,712,093	\$160,491,647	-\$110,779,554	\$90,475,550	\$303,290,186	-\$212,814,636
Clothing and Clothing Accessories Stores	\$18,277,904	\$44,775,783	-\$26,497,879	\$103,417,356	\$307,091,198	-\$203,673,842	\$190,687,976	\$561,582,119	-\$370,894,143
Non-Store Retailers	\$74,512,735	\$122,353,688	-\$47,840,953	\$443,648,925	\$784,305,955	-\$340,657,030	\$831,236,659	\$1,292,029,741	-\$460,793,082
Food Services and Drinking Places	\$67,212,241	\$122,274,133	-\$55,061,892	\$376,032,719	\$668,364,224	-\$292,331,505	\$685,597,294	\$1,100,059,517	-\$414,462,223
Food and Beverage Stores	\$70,553,013	\$146,813,842	-\$76,260,829	\$414,093,007	\$727,369,958	-\$313,276,951	\$833,035,178	\$1,367,978,139	-\$584,942,961
Motor Vehicle and Parts Dealers	\$120,215,545	\$589,435,714	-\$469,220,169	\$697,834,411	\$2,273,637,501	-\$1,575,803,090	\$1,309,257,107	\$3,886,400,306	-\$2,577,143,199
Total Retail Sales Incl Eating and Drinking Places	\$556,486,581	\$1,288,096,065	-\$731,609,484	\$3,255,641,009	\$6,299,190,016	-\$3,043,549,007	\$6,100,472,864	\$11,035,748,947	-\$4,935,276,083

Source: ENR/REIS Analytics, compiled by Integra Realty Resources, Inc.

Retail Opportunity Gap Key Takeaways

- The total retail surplus between consumer demand and retail supply within a 1-mile radius of the subject is \$731,609,484.
- The Gasoline Stations retail category presents the greatest opportunity gap of \$8,604,150 within a 1-mile radius of the subject.
- The Motor Vehicle and Parts Dealers retail category presents the lowest retail opportunity within a 1-mile radius of the subject.
- The Sporting Goods, Hobby, Musical Instrument, and Book Stores retail category saw the lowest consumer demand within a 1-mile radius of the subject.
- Of the 13 main retail category groups, one presents an opportunity gap based on consumer demand within a 1-mile radius of the subject.
- Of the 13 main retail category groups, 12 present a surplus based on the supply within a 1-mile radius of the subject.

Comparable Property Analysis

Most relevant to the subject is the demand and supply of its comparable properties (as defined by REIS) as well as directly competing properties (i.e., peer group). A summary of the comparable and directly competing retail properties considered for the subject is shown in the ensuing tables.

Comparable Properties									
Property Name	Address	City	Submarket	Size (SF)	Year Built	Year Renovated	Asking Rent (\$/SF)	Vacancy Rate	
Victoria Park Shoppes	680 N Federal Hwy	Fort Lauderdale	Fort Lauderdale	63,000	2004		\$41.77	0.9%	
Shoppes on Arts Avenue	540 NW 7th Ave	Fort Lauderdale	Fort Lauderdale	32,480	2012		\$25.33	20.3%	
Park Plaza on The Curve	900 N Federal Hwy	Fort Lauderdale	Fort Lauderdale	66,925	1959	2004	\$34.10	0.0%	
Gateway Shoppes	1001-1031 N Federal Hwy	Fort Lauderdale	Fort Lauderdale	23,672	1985		\$28.89	0.0%	
Manor Plaza Shopping Center	1003 NW 9th Ave	Fort Lauderdale	Fort Lauderdale	80,608	1961		\$14.86	4.2%	
Gateway Theatre Center	941 NE 19th Ave	Fort Lauderdale	Fort Lauderdale	52,000	1951		\$21.80	0.0%	
Galleria at Fort Lauderdale	2314 E Sunrise Blvd	Fort Lauderdale	Fort Lauderdale	1,300,000	1980	2004	\$71.83	6.4%	

Source: Moody's Analytics REIS, compiled by Integra Realty Resources, Inc.

Comparable Group Summary Stats				
	Low	Mean	Median	High
Current Asking Rent Per SF	\$14.86	\$63.09	\$28.89	\$71.83
Current Vacancy Rate	0.0%	5.8%	0.9%	20.3%
Operating Expenses Per SF	\$5.46	\$39.36	\$13.90	\$46.42
Real Estate Taxes Per SF	\$2.68	\$9.46	\$5.20	\$10.60
Property Size (SF)	23,672	1,055,959	63,000	1,300,000
Year Built	1951	1979	1980	2012

Note: Operating Expenses are inclusive of the Real Estate Taxes reported.
Source: Moody's Analytics REIS

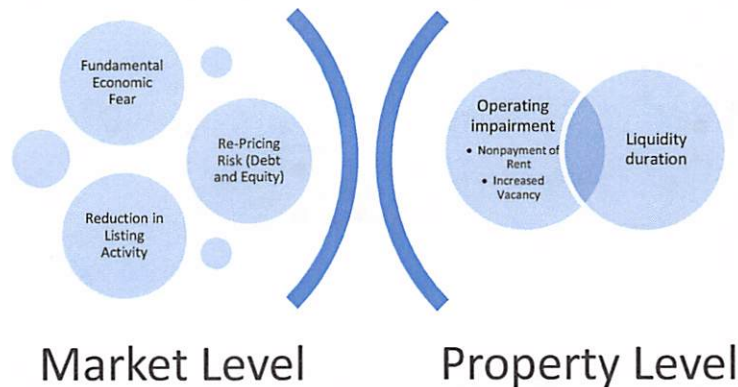
- The 7 comparable properties have an average and median asking rent of \$63.09/SF and \$28.89/SF respectively.
- Vacancy rates range between 0.0% and 20.3% with an average vacancy rate of 5.8% across the comparable property set.
- Operating expenses range between \$5.46/SF and \$46.42/SF with an average operating expense of \$39.36/SF.
- Real estate taxes average \$9.46/SF with a minimum and maximum of \$2.68/SF and \$10.60/SF respectively.
- The 7 comparable properties have a property size range between 23,672 and 1,300,000 SF and an average size of 1,055,959 SF.
- The comparable properties in the metro area were built between 1951 and 2012.

Retail Market Outlook and Conclusions

Based on the key metro and submarket area trends, construction outlook, and the performance of competing properties, IRR expects the mix of property fundamentals and economic conditions in the Fort Lauderdale - FL metro area to have a positive impact on the subject property's performance in the near-term.

COVID-19 Impact on Current Valuations

Transaction indicators are the best measure of any impact on values due to COVID-19. At the beginning of the pandemic, many transactions were tabled and market data was scarce. After an initial lull in activity, price discovery has occurred in many markets across different property types and transactions are getting done. Market instability remains a factor on various levels:



Based on discussions and interviews with a wide range of market participants including brokers, lenders, asset managers, owners, property managers and others, a variety of concerns, and opportunities, are apparent.

The Virus

A surge in COVID-19 cases throughout the country began in 4Q20. Infection rates are exploding with many state and local governments restricting movement and social gatherings. The stock market rose to new highs in 4Q20 on the news of multiple promising vaccine options which first became widely available to health care workers and then the general public by early-2021. A widely distributed vaccine is critical for bringing workers back to the office; for allowing public schools to remain open with consistency; and for perceived safe use of public transportation in getting people to work. As of June 2021, more than half the U.S. population has been at least partially vaccinated for Covid-19.

Macro-Economic Impacts

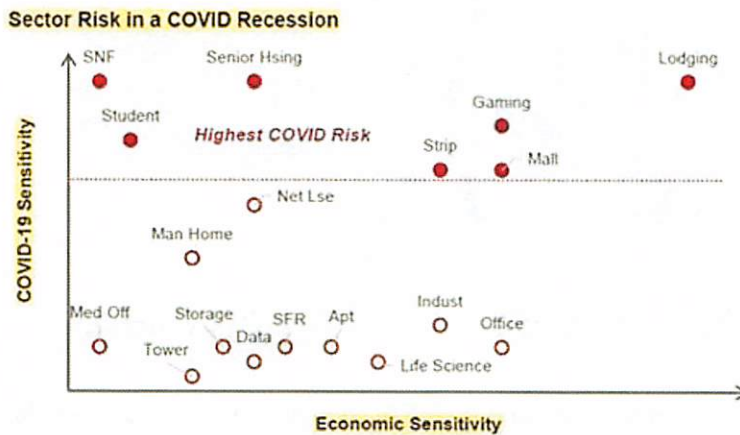
Not surprisingly, Q1 2021 GDP was up significantly but varies considerably by segment. Consumption of goods is up while consumption of services is beginning to rebound, due in large part to distribution of the vaccines. Warehouses and manufacturing are winners. Hotels and certain retail segments remain weak.

New unemployment claims have declined significantly from their highs in early 2020, although unemployment remains well up from historical averages in the last ten years. Employers, including those in the service sectors report difficulty in attracting workers to fill jobs, indicating that many that previously filled these roles changed careers during the lockdown phase of the pandemic. After initially ramping up cash reserves to cover bad loans, many larger lending institutions have begun

reducing those set-asides as the expectation of losses is on the decline. The number of new transactions financed by federally insured banks appears to have increased in the first half of 2021

Impact by Property Type, Class & Location

Below is a graph prepared by Greenstreet Advisors plotting the sensitivity (and risk) associated with various property types with the negative impact on value being greater for those assets with greater sensitivity. Those assets relating to essential business operations (grocery, medical, distribution) have been less affected than for example lodging and malls where social distancing is more difficult.



Rates of Return and Valuation Methodology

Offsetting the increased risk due to uncertainty in the property markets is the Fed’s monetary policy of holding rates down to enhance liquidity in the debt markets. While many financial institutions have lowered their loan to value ratios as a risk management tool, the cost of borrowing is at historic lows for assets with sustainable cash flow and solid sponsors. The result is downward pressure on rates of return where leverage is attainable but offset to some extent by a rise in equity return requirements. As transactions continue to occur, the overall impact on rates of return, and how they are responding differently by property type and location, is becoming apparent.

Some market participants believe the answer to market value lies in capitalization rates while others believe rates are not moving. Instead, the value impact is limited to cash flow loss plus profit until re-stabilization occurs. Once again, the answers vary by property type and location.

The following valuation tempers the various inputs given the wide range of data in the market. Care must be taken not to “double hit” the analysis by modeling lower net income via lower performance projections and at the same time raising the return requirements, particularly in light of a low interest rate environment.

Conclusion

Considering the subject’s relative sensitivity to COVID-19 risks as of the effective date of the valuation, the following valuation considerations were developed:



1. Valuation Approach Implications from COVID-19		Comment
Cost Approach		
Changes in cost of construction?	N/A	
Changes in entrepreneurial incentive?	N/A	
External obsolescence due to current conditions?	N/A	
Sales Comparison Approach		
Market conditions adjustment?	No	
Transaction evidence?	Yes	Post-Covid Sales used
Income Capitalization Approach		
Pro forma market rent adjustment?	No	
Pro forma vacancy adjustment?	No	
Pro forma expense adjustment?	No	
Capitalization rate adjustment?	No	
Discount rate adjustment?	N/A	
Short-term Rent Loss Considerations		
Is the value estimate adjusted for atypical rent loss over the short term (< 2 years)?	No	
Marketing Time		
Has marketing time been adjusted?	No	

Property Analysis

Land Description and Analysis

Land Description

Land Area	0.85 acres; 36,959 SF
Source of Land Area	Public Records
Primary Street Frontage	NE 2nd Ave - 240 feet
Shape	Irregular
Corner	Yes
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed

Flood Area Panel Number	12011C03369H
Date	August 18, 2014
Zone	X (Shaded)
Description	Within 500-year floodplain
Insurance Required?	No

Zoning; Other Regulations

Zoning Jurisdiction	City of Fort Lauderdale
Zoning Designation	NWRAC-MU Northeast
Description	Northwest Regional Activity Center
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Retail, residential, hotel, and office
Minimum Lot Area	"None"
Minimum Setbacks (Feet)	0 ft (Primary Street) / 5 ft (Secondary Street & NW 7 th Ave)
Maximum Building Height	120'
Maximum Density	"None" (approaching 1.0 for single-story development)
Maximum Floor Area Ratio	"None" (approaching 1.0 for single-story development)
Parking Requirement	1/250 sf
Other Land Use Regulations	None reported or observed

Utilities

Service	Provider
Water	Broward County
Sewer	Broward County
Electricity	FPL
Natural Gas	Teco and others
Local Phone	AT&T and others

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.



FEMA Zone X (Shaded): Areas of 500-year flood; areas of 100-year flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 100-year flood.

Potential Development Density

If the site were vacant, a building area of approximately 36,959 square feet could be developed based on the maximum floor area ratio (FAR) of almost 1.0 in the current zoning regulations. Densities of similar sites are generally consistent with the maximum FAR under zoning. Therefore, it appears that the development potential of the site as though vacant would be 36,959 square feet of building area. This compares with the subject's actual developed gross building area of 24,120 square feet.

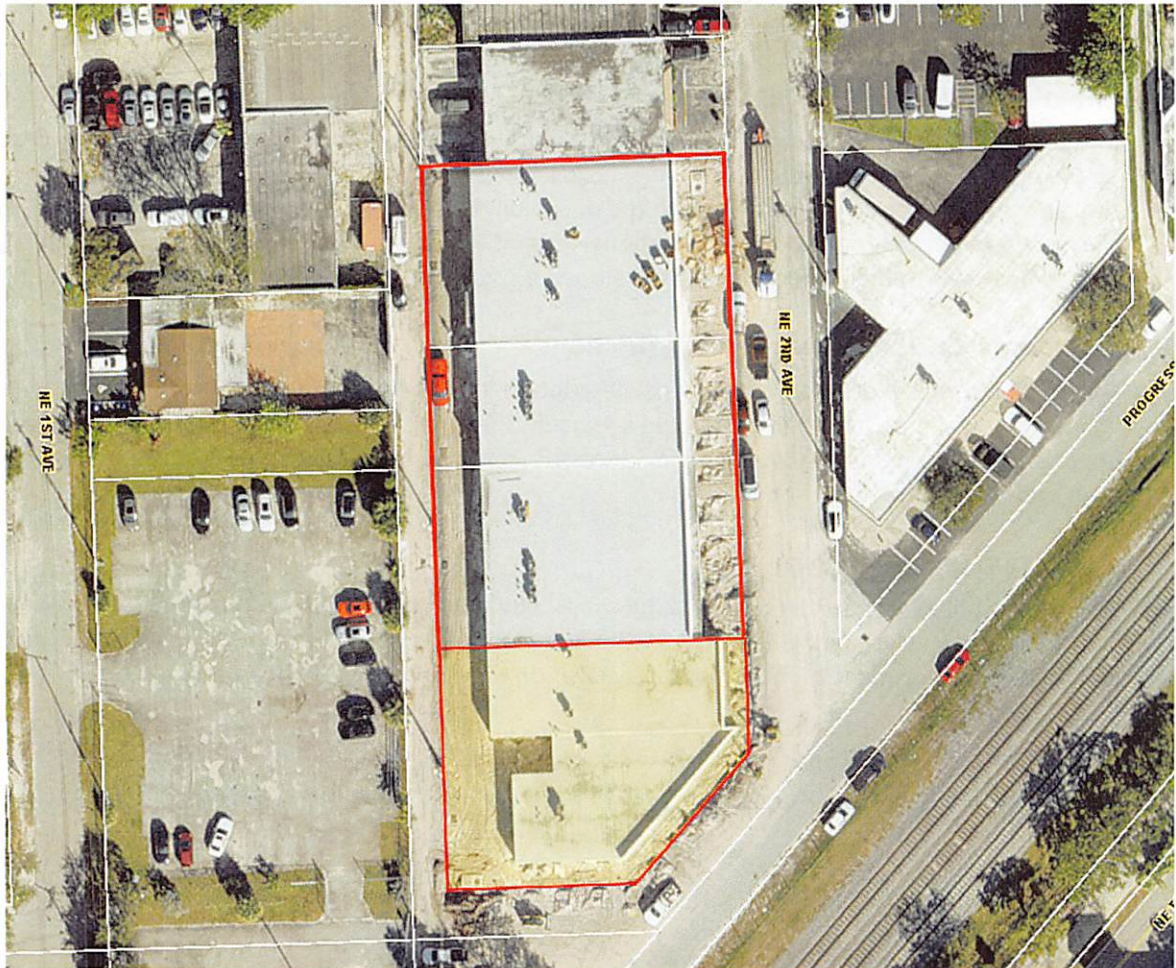
Easements, Encroachments and Restrictions

Based upon a review of the deed and legal description, there are no apparent easements, encroachments, or restrictions that would adversely affect value. This valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

Overall, the physical characteristics and the availability of utilities result in a functional site, suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include retail, residential, hotel, and office. No other restrictions on development are apparent.

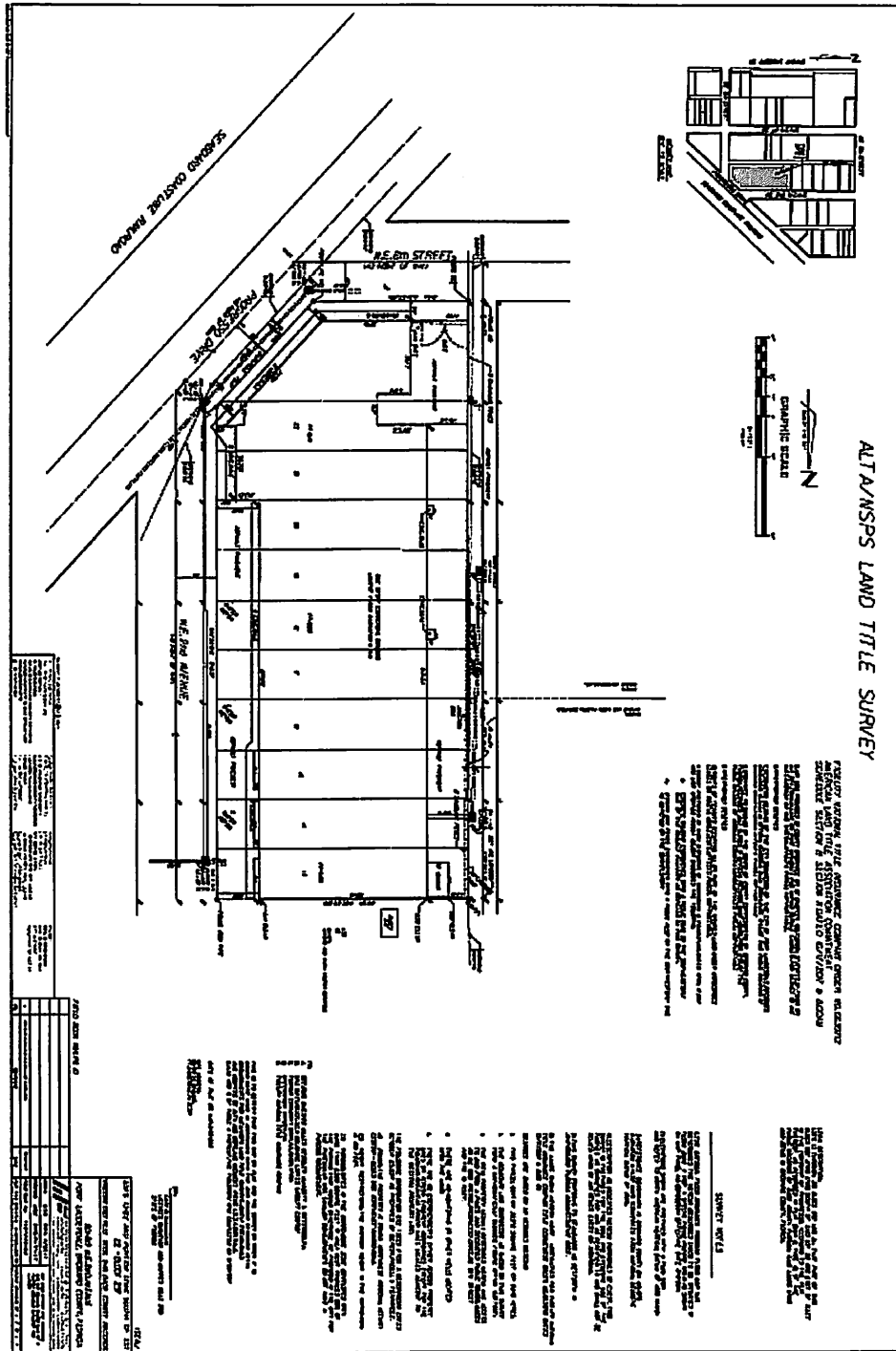
Aerial Photograph



NE 2nd Ave Creative Retail



Survey



Flood Hazard Map



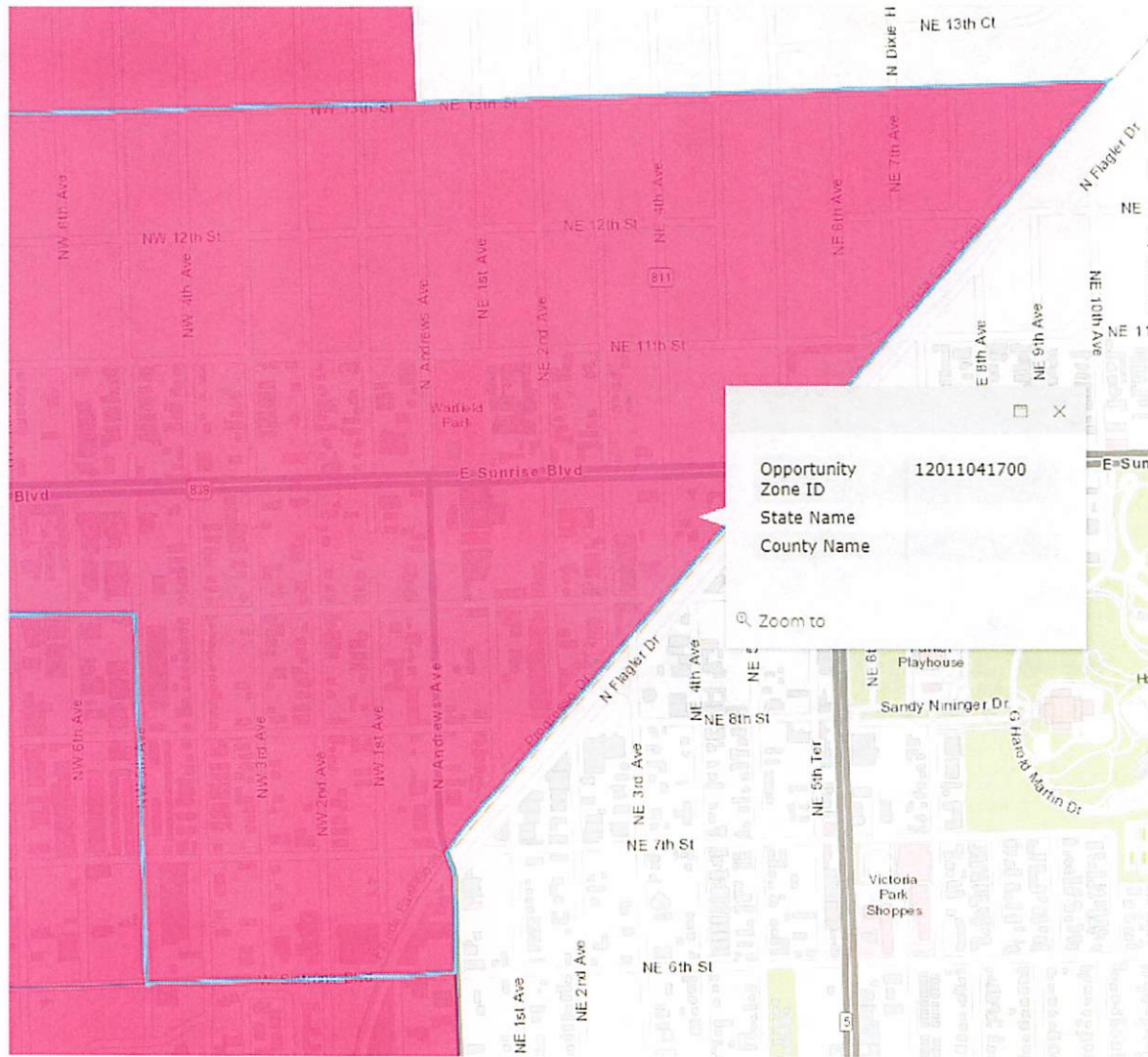
Zoning Map



NE 2nd Ave Creative Retail



Opportunity Zone Map



NE 2nd Ave Creative Retail



Improvements Description and Analysis

Overview

The subject is a creative retail property containing 23,816 square feet of gross leasable area in 12 bays. The improvements were constructed in 1972 and are 66% leased to five tenants on a triple net basis. Two bays are owner-occupied as of the effective appraisal date. Reportedly, the improvements have been completely renovated at a cost of \$2,431,749.81 or \$100.82 per adjusted square foot as of the effective date of the appraisal. The owner's broker representative expects the subject to be at stabilization by the end of the first quarter of 2022. The site area is 0.85 acres or 36,959 square feet. The following description is based on the inspection of the property, discussions with ownership, and a review of county records.

Improvements Description	
Name of Property	NE 2nd Ave Creative Retail
General Property Type	Retail
Property Sub Type	Creative Retail
Occupancy Type	Multi-Tenant
Percent Leased	67%
Number of Tenants	8
Tenant Size Range (SF)	1,053 - 3,145
Number of Buildings	1
Stories	1
Construction Class	C
Construction Type	Masonry
Construction Quality	Average
Condition	Excellent
Gross Building Area (SF)	24,120
Gross Leasable Area (SF)	23,816
Land Area (SF)	36,959
Floor Area Ratio (GLA/Land SF)	0.64
Floor Area Ratio (GBA/Land SF)	0.65
Building Area Source	Public Records
Year Built	1972
Year Renovated	2021
Actual Age (Yrs.)	49
Estimated Effective Age (Yrs.)	1
Estimated Economic Life (Yrs.)	45
Remaining Economic Life (Yrs.)	44
Parking Type	Surface, unstriped

Construction Details

Foundation	Slab
Structural Frame	Masonry
Exterior Walls	Stucco
Windows	Impact glass in aluminum frames
Roof	Flat, built-up
Bay Depth in Feet	85'
Column Spacing in Feet	25'
Drive-in Doors	Approximately 10
Interior Finishes	Shell to Good Condition
HVAC	Central
Electrical	New
Plumbing	New
Utility Meters - Tenants	12
Elevators	None
Entry Type	Retail Storefront
Interior Walls	Painted drywall
Floor Cover	Polished concrete
Kitchen Equipment	Various commercial kitchen setups
Lighting	Various LED fixtures
Landscaping	Tree, grass and shrubbery
Paving	Asphalt

Occupancy Status

The property is 67% occupied. There are a total of 5 tenants, and the owner occupies two bays included in this occupancy figure. A total of 7,920 square feet is presently vacant, consisting of four bays each having approximately 1,800 sq. ft. to 2,200 sq. ft. The following table provides a summary of the sizes and leased percentages of the building areas.

Locations and Occupancy

Location	Gross	Leased	%
	Leasable	SF	Leased
In-line	23,816	15,896	66.7%
TOTAL	23,816	15,896	66.7%

Reportedly, the owner's broker representative expects the subject to be at stabilization at the end of the first quarter of 2022. They have received multiple Letter of Intent and are currently in the negotiation phase with a couple of prospective tenants. The subject property has been fully renovated as of the effective date of the appraisal.

Improvements Analysis

The subject property is improved with multi-tenant, creative retail space.

Quality and Condition

The improvements are of average quality construction and are in excellent condition. The building has been recently and extensively renovated. Only the structural shell of the subject property, concrete slab, and some exterior walls were kept intact.

The quality of the subject is consistent with competing properties. Maintenance has been superior to competing properties. Overall, the market appeal of the subject is superior to competing properties, considering that it was recently renovated.

Functional Utility

The improvements appear to be adequately suited to their current use. Based on the property inspection and consideration of the foregoing, there do not appear to be any significant items of functional obsolescence.

Deferred Maintenance

No deferred maintenance is apparent from the property inspection, and none is identified based on discussions with ownership,

ADA Compliance

Based on the property inspection and information provided, there are no apparent ADA issues. However, ADA matters are beyond the scope of expertise of the assignment participants, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

Hazardous Substances

An environmental assessment report was not provided for review, and environmental issues are beyond the scope of expertise of the assignment participants. No hazardous substances were observed during the inspection of the improvements; however, detection of such substances is outside the scope of expertise of the assignment participants. Qualified professionals should be consulted. Unless otherwise stated, it is assumed no hazardous conditions exist on or near the subject.

Personal Property

No personal property items are identified which would have any material contribution to market value.

Conclusion of Improvements Analysis

In comparison to competitive properties in the market, the subject improvements are rated as follows:

Improvements Ratings

Visibility/Exposure	Average
Design and Appearance	Above Average
Age/Condition	Above Average
Adaptability of Space to other Retail Users	Average
Interior Amenities	Average
Layout - Store to Store Proximity	Average
Parking Ratios	Average
Anchor Tenants	Average
Distance of Parking to Store Access	Average
Landscaping	Average

Overall, the quality, condition, and functional utility of the improvements are above average for their age and location. The subject is a newly-renovated property.





Subject Property



Suite 819 - Reception Area



Suite 819 - Common area



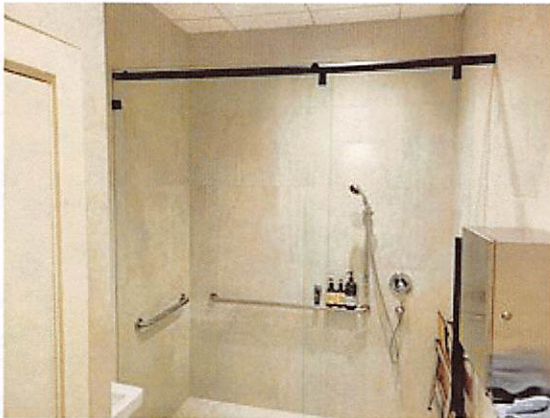
Suite 819 - Conference Room



Suite 819 - Open Workspace



Suite 819 - Bathroom



Suite 819 - Shower



Suite 819 - Office



Suite 819 - Common area



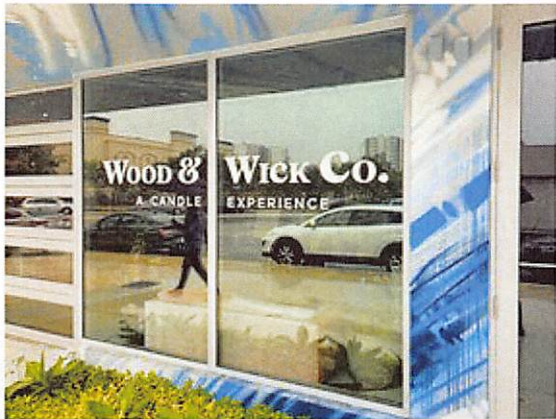
Suite 819 - Kitchenette area



Suite 819 - Lounge area



Suite 819 - Common area kitchen



Suite 807 - Front Entrance



Suite 807 - Interior



Suite 807 - Bathroom



Suite 807 - Interior



Typical Vacant Bay



Typical Vacant Bay



Typical Vacant Bay



Vacant Bay Bathroom



Suite 801 - Front Entrance



Suite 815 - Front Entrance



Looking north along NE 2nd Avenue



looking south along NE 2nd Avenue



Looking northeast along Progresso Drive



Looking southwest along Progresso Drive



Outside garden, walkable area



Mural along the rear of the subject property

Site Plan as of August 2021



Leasing Assumptions & In-Place Tenants					Base Rent	
Unit(s)	Folio	SF		Tenant	Actual Rent	
		Vacant	Occupied		S/SF	Gross \$
819	5B		3,117	BH3	29.00	90,393
819	5A		3,145	BH3	29.00	91,205
815	4B		2,366	The Now	25.00	59,150
815	4A		1,839		30.50	56,090
807	3C	2,130			28.00	59,640
807	3B		2,096		30.00	62,880
807	3A	2,116			28.00	59,248
805	2B	1,837			28.00	51,436
805	2A	1,837			28.00	51,436
801	1C		1,129	Thread & Theory	22.00	24,838
801	1B		1,151	Form Salon	25.00	28,775
801	1A		1,053	Form Salon	25.00	26,325
23,816		7,920	15,896		27.77	661,416

Leasing Assumptions:

- 3C/3A are projected to be leased in six (6) months with a six (6) month abatement
- 2B/2A are projected to be leased in nine (9) months with a six (6) month abatement

Real Estate Taxes

Real estate tax assessments are administered by Broward County and are estimated by jurisdiction on a countywide basis. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value by 1,000 and then multiplying the estimate by a composite rate. The composite rate is based on a consistent tax rate throughout the state in addition to one or more local taxing district rates. The assessed values are based upon the current conversion assessment of the Broward County Property Appraiser's market value.

State law requires that all real property be re-valued each year. The millage rate is generally finalized in October of each year, and tax bills are generally received in late October or early November. The gross taxes are due by March 31st of the following year. If the taxes are paid prior to November 30th, the State of Florida allows a 4% discount for early payment. The discount then becomes 3% if paid by December 31st, 2% if paid by January 31st, and 1% if paid by February 28th. After March 31st, the taxes are subject to late penalties and interest.

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2021							
Tax ID	Assessed Value			Tax Rate	Taxes and Assessments		
	Land	Improvements	Total		Ad Valorem	Taxes	Direct Assessments
494234062570 ☐	\$105,190	\$441,770	\$546,960	1.854780%	\$10,145	\$935	\$11,080
494234062610 ☐	\$126,040	\$470,060	\$596,100	1.854780%	\$11,056	\$3,260	\$14,316
494234062591	\$105,190	\$442,580	\$547,770	1.854780%	\$10,160	\$3,139	\$13,299
494234062580	\$70,130	\$252,360	\$322,490	1.854780%	\$5,981	\$637	\$6,619
	\$406,550	\$1,606,770	\$2,013,320		\$37,343	\$7,971	\$45,314

Based on the concluded market value of the subject, the assessed value appears low.

Projected Tax Liability

The purpose of this appraisal is to estimate the market value of the subject. The definition of market value implies the consummation of a sale as of a specified date, and the transfer of title from seller to buyer. As such, it is appropriate to project the tax liability of the subject.

The property appraiser is typically limited as to the degree an assessment for a given property can be adjusted each year, with an exception being after a qualified sale. If the property were to sell, the property appraiser would recognize the most recent sale price, as well as other comparable sales similar to the subject's class, and adjust the assessed value accordingly. In practice, the assessment typically equates to 70% to 80% of actual market value.

In the following analysis, taxes are adjusted to the concluded market value by the sales comparison approach.

Real Estate Tax Projection - Sales Comparison		
Market Value Indication by Sales Comparison (As Is)		\$9,000,000
Assessment-to-Value Ratio	X	75.0%
Total Assessment		\$6,750,000
Ad Valorem Tax Rate	X	1.85%
Total Ad Valorem Taxes		\$125,198
Non-Ad Valorem		\$7,971
Total Taxes		\$133,169
Less: Early Payment Discount	4%	-\$5,327
Net Taxes		\$127,842
Rounded		\$128,000

In projecting a tax liability for the property, an increase in the assessed value to \$6,750,000 is projected. This equates to 75% of the indicated value via the sales comparison approach, which is within the range of the comparables. The 2021 tax rate of 1.854780% was utilized for this projection. Including direct assessments, the total real estate tax liability is \$133,169. Accounting for the 4% early payment discount, the discounted taxes are estimated at \$128,000. This tax estimate is utilized later in the income capitalization approach.

Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value, and represents the use of an asset that maximizes its productivity.

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as though vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As Though Vacant

First, the property is evaluated as though vacant, with no improvements.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The site is zoned NWRAC-MU Northeast, Northwest Regional Activity Center. Permitted uses include retail, residential, hotel, and office. There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property. Given prevailing land use patterns in the area, only retail use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on the accompanying analysis of the market, there is currently adequate demand for retail use in the subject's area. It appears a newly developed retail use on the site would have a value commensurate with its cost. Therefore, retail use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than retail use. Accordingly, retail use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for retail use is the only use which meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as though vacant.

As Improved

The subject site is developed with retail, which is consistent with the highest and best use of the site as though vacant. The existing improvements are currently leased and produce a significant positive cash flow that is expected to continue. Several scenarios are examined to analyze feasibility, as follows:

Demolition: The value of the existing improved property exceeds the value of the site, as though vacant. Thus, demolition is not feasible.

Conversion: A repurposing of the subject property is not likely to result in significantly higher rental rates or property value. Converting the subject property to an alternative use is not applicable in this case, nor is it likely.

Expansion: The subject property comprises 0.85 acres. The site is improved with retail. There is no excess or surplus land available for expansion. The property's building to land ratio of 0.65 falls within the typical range observed among competing properties. Expansion appears unlikely.

Renovation: The subject has an overall effective age of 1 years, and is in excellent condition. It does not appear that renovation of the property would significantly increase rental rates or property value.

Continuation: The current use of the subject property as a creative retail building appears to meet the four criteria for highest and best use. Based on the analysis above, a continuation of the current use is concluded to be financially feasible. There does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as though vacant. For these reasons, continued retail use is concluded to be maximally productive and the highest and best use of the property as improved.

Most Probable Buyer

Taking into account the size and characteristics of the property and its occupancy, the likely buyer is a local or regional investor such as an individual or partnership.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

Sales Comparison Approach

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply the sales comparison approach are:

- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

To apply the sales comparison approach, the research focused on transactions within the following parameters:

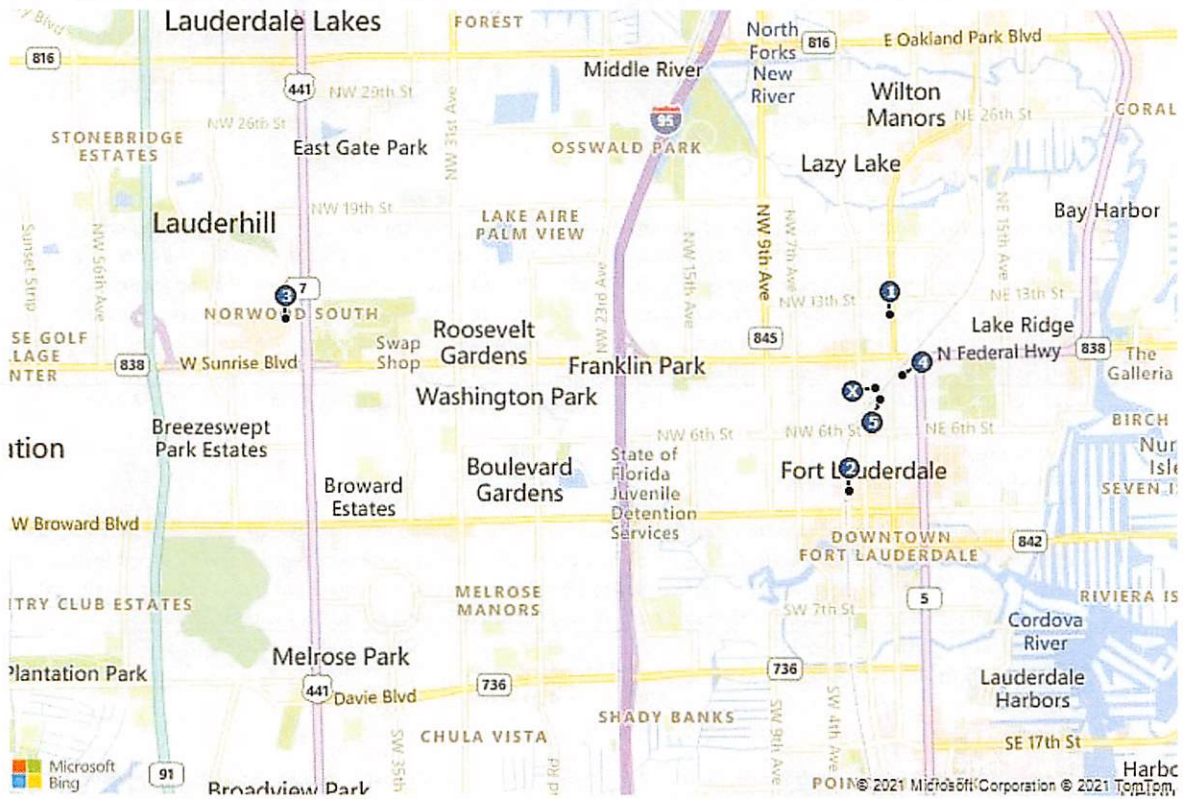
- Property Type: Retail strip center
- Location: Broward County within 15 miles of subject
- Size: 10,000 to 50,000 square feet
- Transaction Date: January 2019 to present

For this analysis, price per square foot of gross leasable area is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The sales considered most relevant are summarized in the following table.

Summary of Comparable Improved Sales

No.	Name/Address	Sale Date; Status	Yr. Blt.; # Stories; % Occ.	Acres; FAR; Parking Ratio	Sale Price	Leasable SF	\$/Leasable SF	Cap Rate
1	1211 NE 4th Avenue - 1211 NE. 4th Ave. Fort Lauderdale Broward County FL	Dec-21 Offer Pending	1961 1 100%	0.57 0.62 1.67/1,000	\$5,000,000	15,531	\$321.94	5.92%
<i>Comments: Listing with a pending offer of a creative retail/office at the northwest corner of NE 12th Street and NE 4th Avenue, in the city of Ft. Lauderdale in Broward County, FL. The property is listed at \$5,000,000 (\$321.94 per sq. ft.) and has received an offer at full listing price according to the broker. The property was recently renovated and features open floor plans, high ceilings, new impact window and doors, LED fixtures, fire sprinklers, polished concrete floors, exposed ceilings, and art murals. The property is fully leased, 5-year term, to a single tenant, Shop So Real, for \$18.44/SF annually on a triple-net basis with 4% annual increases and no renewal option.</i>								
2	111 SW 2nd Avenue - 111 SW. 2nd Ave. Fort Lauderdale Broward County FL	Nov-21 Closed	1983 1 100%	0.92 0.78 -	\$7,881,700	31,224	\$252.42	-
<i>Comments: Closed sale of multiple retail buildings, four parcels, located along SW 2nd Avenue and SW 3rd Avenue, in the city of Ft. Lauderdale in Broward County, FL. The properties are encumbered by leases and feature several entertainment venues such as Sway Nightclub, Booze Garden, and Revolution Live. There was also a separate land purchase, the parking lot, for \$6.7 million that was not included in the retail portion sale. Reportedly, the retail portion sold for \$7.8 million.</i>								
3	4200-4248 NW 12th 4200 NW. 12th St. Lauderhill Broward County FL	Sep-21 Closed	1974 1 100%	0.72 0.33 4.21/1,000	\$2,850,000	10,450	\$272.73	-
<i>Comments: Closed sale of a retail multi-tenant building located at the southeast corner of NW 12th Street and NW 42nd Avenue, in the city of Lauderdale in Broward County, FL. The property features approximately 210 sq. ft. of frontage and was 100% occupied at the time of sale. Reportedly, there were 11 tenants within 13 bays. The seller's motivation was due to retirement.</i>								
4	900-924 N. Flagler Drive - 900 N. Flagler Dr. Fort Lauderdale Broward County FL	Jan-19 Closed	1961 1 100%	0.67 0.53 1.10/1,000	\$6,625,000	15,456	\$428.64	-
<i>Comments: Closed sale of a creative retail multi-tenant building located at the northeast corner of N. Flagler Drive and NE 9th Street, in the city of Ft. Lauderdale in Broward County, FL. The property was recently renovated and sold with tenants that include Glitch Bar, Red Pearl Yoga, JB Juice bar, and Café and the Bean to Brew coffee shop.</i>								
5	750 N Flagler Drive - 750 N. Flagler Dr. Fort Lauderdale Broward County FL	Jan-19 Closed	1951 1 100%	0.30 0.73 0.22/1,000	\$6,625,200	18,258	\$362.87	-
<i>Comments: Closed sale of a creative retail multi-tenant building located at the southeast corner of N. Flagler Drive and NE 2nd Avenue, in the city of Ft. Lauderdale in Broward County, FL. The property was recently renovated and repurposed and sold with tenants that include Invasive Species Brewing, Wells Coffee and Montce Swim.</i>								
Subject			1972	0.85		23,816		
NE 2nd Ave Creative			1	0.64				
Fort Lauderdale, FL			67%	-				

Comparable Improved Sales Map





Sale 1
1211 NE 4th Avenue - Creative Retail/Office



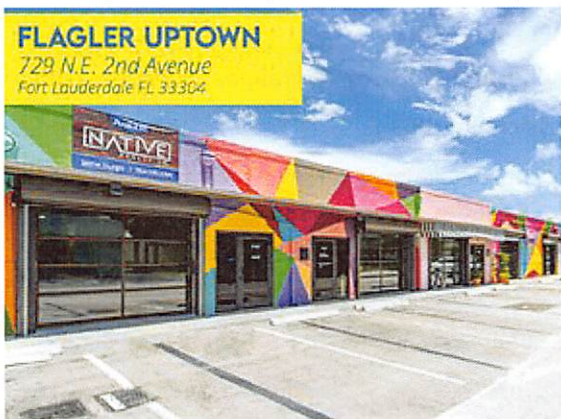
Sale 2
111 SW 2nd Avenue - Retail



Sale 3
4200-4248 NW 12th Street



Sale 4
900-924 N. Flagler Drive - Creative Retail



Sale 5
750 N Flagler Drive - Creative Retail

NE 2nd Ave Creative Retail



Adjustment Factors

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factors	
Effective Sale Price	Accounts for atypical economics of a transaction, such as excess land, non-realty components, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis.
Real Property Rights	Leased fee, fee simple, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, such as 1031 exchange transaction, assemblage, or forced sale.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on sale price; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Inverse relationship that often exists between building size and unit value.
Parking	Ratio of parking spaces to building area.
Building to Land Ratio	Ratio of building area to land area; also known as floor area ratio (FAR).
Building Quality	Construction quality, amenities, market appeal, functional utility.
Age/Condition	Effective age; physical condition.
Economic Characteristics	Non-stabilized occupancy, above/below market rents, and other economic factors. Excludes differences in rent levels that are already considered in previous adjustments, such as for location or quality.

Issues requiring elaboration are addressed in the following paragraphs.

Conditions of Sale

Sale 1 is a pending offer, and the price indicated is the listing price. Therefore, we have made a negative adjustment to allow for price negotiations.

Market Conditions

The sales took place from January 2019 to December 2021. Market conditions have generally been strengthening. The adjustment grid accounts for this trend with upward adjustments over this period through the effective date of value.

Economic Characteristics

For this analysis, Sale 1 required an upward adjustment because it is leased to a single tenant at below market rent with 3 to 4 years remaining. No other adjustments were made to the remaining sales.

Analysis and Adjustment of Sales

The analysis and adjustment of the comparable sales is discussed in the following paragraphs.

Sale 1 is 1211 NE 4th Avenue - Creative Retail/Office, located at 1211 NE. 4th Ave., Fort Lauderdale, Broward County, FL, a 15,531 square foot retail property. The property has a pending offer in December 2021 for \$5,000,000, or \$321.94 per square foot. Upward adjustments are indicated for building quality (5%), age/condition (5%), and economic characteristics (20%). Downward adjustments are indicated for conditions of sale (5%) and size (5%). Overall, an upward adjustment is indicated.

Sale 2 is 111 SW 2nd Avenue - Retail, located at 111 SW. 2nd Ave., Fort Lauderdale, Broward County, FL, a 31,224 square foot retail property. The property sold in November 2021 for \$7,881,700, or \$252.42 per square foot. Upward adjustments are indicated for size (10%), building to land ratio (FAR) (10%), building quality (5%), and age/condition (10%). Overall, a substantial upward adjustment is indicated.

Sale 3 is 4200-4248 NW 12th Street, located at 4200 NW. 12th St., Lauderhill, Broward County, FL, a 10,450 square foot retail property. The property sold in September 2021 for \$2,850,000, or \$272.73 per square foot. Upward adjustments are indicated for location (20%), building quality (5%), and age/condition (20%). Downward adjustments are indicated for size (10%) and building to land ratio (FAR) (10%). Overall, a substantial upward adjustment is indicated.

Sale 4 is 900-924 N. Flagler Drive - Creative Retail, located at 900 N. Flagler Dr., Fort Lauderdale, Broward County, FL, a 15,456 square foot retail property. The property sold in January 2019 for \$6,625,000, or \$428.64 per square foot. An upward adjustment of 5% is indicated for market conditions. Downward adjustments are indicated for access/exposure (10%) and size (5%). Overall, a downward adjustment is indicated.

Sale 5 is 750 N Flagler Drive - Creative Retail, located at 750 N. Flagler Dr., Fort Lauderdale, Broward County, FL, a 18,258 square foot retail property. The property sold in January 2019 for \$6,625,200, or \$362.87 per square foot. An upward adjustment of 5% is indicated for market conditions.



Adjustments Summary

The following table summarizes the adjustments discussed above and applied to each sale.

Improved Sales Adjustment Grid						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Property Name	NE 2nd Ave Creative Retail	1211 NE 4th Avenue - Creative Retail/Office	111 SW 2nd Avenue - Retail	4200-4248 NW 12th Street	900-924 N. Flagler Drive - Creative Retail	750 N Flagler Drive - Creative Retail
Address	801-819 NE. 2nd Ave.	1211 NE. 4th Ave.	111 SW. 2nd Ave.	4200 NW. 12th St.	900 N. Flagler Dr.	750 N. Flagler Dr.
City	Fort Lauderdale	Fort Lauderdale	Fort Lauderdale	Lauderhill	Fort Lauderdale	Fort Lauderdale
County	Broward	Broward	Broward	Broward	Broward	Broward
State	Florida	FL	FL	FL	FL	FL
Sale Date		Dec-21	Nov-21	Sep-21	Jan-19	Jan-19
Sale Status		Offer Pending	Closed	Closed	Closed	Closed
Sale Price		\$5,000,000	\$7,881,700	\$2,850,000	\$6,625,000	\$6,625,200
Gross Leasable Area	23,816	15,531	31,224	10,450	15,456	18,258
FAR	0.64	0.62	0.78	0.33	0.53	0.73
Traffic Count	13,200	17,600	11,400	17,500	37,500	13,200
Year Built	1972	1961	1983	1974	1961	1951
Year Renovated	2021	2020	Periodically	Periodically	2020	2019
Database ID		2740944	2741660	2741612	2740958	2741476
Price per SF of Gross Leasable Area		\$321.94	\$252.42	\$272.73	\$428.64	\$362.87
Property Rights		Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
% Adjustment		-	-	-	-	-
Financing Terms		Listing	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
% Adjustment		-	-	-	-	-
Conditions of Sale		Offer Pending	Arm's Length	Arm's Length	Arm's Length	Arm's Length
% Adjustment		-5%	-	-	-	-
Market Conditions	11/19/2021	Dec-21	Nov-21	Sep-21	Jan-19	Jan-19
Annual % Adjustment		-	-	-	5%	5%
Cumulative Adjusted Price		\$305.84	\$252.42	\$272.73	\$450.07	\$381.01
Location		-	-	20%	-	-
Access/Exposure		-	-	-	-10%	-
Size		-5%	10%	-10%	-5%	-
Parking		-	-	-	-	-
Building to Land Ratio (FAR)		-	10%	-10%	-	-
Building Quality		5%	5%	5%	-	-
Age/Condition		5%	10%	20%	-	-
Economic Characteristics		20%	-	-	-	-
Net \$ Adjustment		\$76.46	\$88.35	\$68.18	-\$67.51	\$0.00
Net % Adjustment		25%	35%	25%	-15%	0%
Final Adjusted Price		\$382.30	\$340.77	\$340.91	\$382.56	\$381.01
Overall Adjustment		19%	35%	25%	-11%	5%
Range of Adjusted Prices		\$340.77 - \$382.56				
Average		\$365.51				
Indicated Value		\$385.00				

Value Indication

Prior to adjustment, the sales reflect a range of \$252.42 - \$428.64 per square foot. After adjustment, the range is narrowed to \$340.77 - \$382.56 per square foot, with an average of \$365.51 per square foot. To arrive at an indication of value, primary weight is given to Sales 4 and 5 because they most closely represent the demographic area served. Secondary support is provided by Sale 1.

Based on the preceding analysis, the value indication by the sales comparison approach is as follows:

Value Indication by Sales Comparison

Stabilized

Indicated Value per SF	\$385.00
Subject Square Feet	23,816
Indicated Value	<u>\$9,169,160</u>
Rounded	<u>\$9,200,000</u>

As Is

Stabilized Value Indication	\$9,169,160
Adjustments	
Lease-Up Costs	<u>-\$210,000</u>
Total Adjustments	<u>-\$210,000</u>
Indicated Value	<u>\$8,959,160</u>
Rounded	<u>\$9,000,000</u>

Income Capitalization Approach

The income capitalization approach converts anticipated economic benefits of owning real property into a value estimate through capitalization. The steps taken to apply the income capitalization approach are:

- Analyze the revenue potential of the property.
- Consider appropriate allowances for vacancy, collection loss, and operating expenses.
- Calculate net operating income by deducting vacancy, collection loss, and operating expenses from potential income.
- Apply the most appropriate capitalization method, either direct capitalization or discounted cash flow analysis, or both, to convert anticipated net income to an indication of value.

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate.

In this analysis, we use only direct capitalization because investors in this property type typically rely more on this method.

Leased Status of Property

A rent roll for the property is shown below, based on our review of the owner's rent roll.

Rent Roll													
Suite	Tenant	SF	Lease Start	Lease End	Term (Mos.)	Lease Type	Income Type	Contract Rent	Contract Rent/SF/Yr	Market Rent	Rent Applied	PGR Projected	PGR/SF
801A	Form Salon	1,053	8/8/2020	8/1/2025	60	Triple Net	\$/SF/Yr	\$26,325	\$25.00	\$30.00	Contract	\$26,325	\$25.00
801B	Form Salon	1,151	8/8/2020	8/1/2025	60	Triple Net	\$/SF/Yr	\$28,775	\$25.00	\$30.00	Contract	\$28,775	\$25.00
801C	Thread and Theory	1,129	8/1/2020	8/1/2025	60	Triple Net	\$/SF/Yr	\$28,225	\$25.00	\$30.00	Contract	\$28,225	\$25.00
805A	Vacant	1,837					\$/SF/Yr	\$0		\$30.00	Market	\$55,110	\$30.00
805B	Vacant	1,837					\$/SF/Yr	\$0		\$30.00	Market	\$55,110	\$30.00
807A	Vacant	2,116					\$/SF/Yr	\$0		\$30.00	Market	\$63,480	\$30.00
807B	Wood and Wick	2,096	7/15/2021	7/15/2026	60	Triple Net	\$/SF/Yr	\$62,880	\$30.00	\$30.00	Contract	\$62,880	\$30.00
807C	Vacant	2,130					\$/SF/Yr	\$0		\$30.00	Market	\$63,900	\$30.00
815A	Miso Sushi and Kitchen	1,839	7/28/2021	7/17/2028	84	Triple Net	\$/SF/Yr	\$56,090	\$30.50	\$30.00	Contract	\$56,090	\$30.50
815B	The Now	2,366	7/17/2020	12/17/2030	125	Triple Net	\$/SF/Yr	\$59,150	\$25.00	\$30.00	Contract	\$59,150	\$25.00
819A	Owner-User	3,145				Triple Net	\$/SF/Yr	\$94,350	\$30.00	\$30.00	Contract	\$94,350	\$30.00
819B	Owner-User	3,117				Triple Net	\$/SF/Yr	\$93,510	\$30.00	\$30.00	Contract	\$93,510	\$30.00
Total/Average*		23,816						\$449,305	\$28.27			\$686,905	\$28.84
Vacant SF		7,920	33%										
Leased SF		15,896	67%										

*Average contract rent is based on leased square feet.

As of the effective valuation date, the subject is 67% leased and occupied, which is less typical of the market. Thus, the property is considered not to be at stabilized occupancy. Reportedly, the subject is expected to be at stabilization at the end of the first quarter of 2022. CAM expenses are estimated at \$6.00 per square foot per year.

The division of expense responsibilities between the owner and tenants is as follows:

Subject Expense Structures

Space Type Lease Type	Retail	
	Triple Net	
	Owner	Tenant
Real Estate Taxes		X
Insurance		X
Common Area Maintenance		X
General/Administrative Management	X	

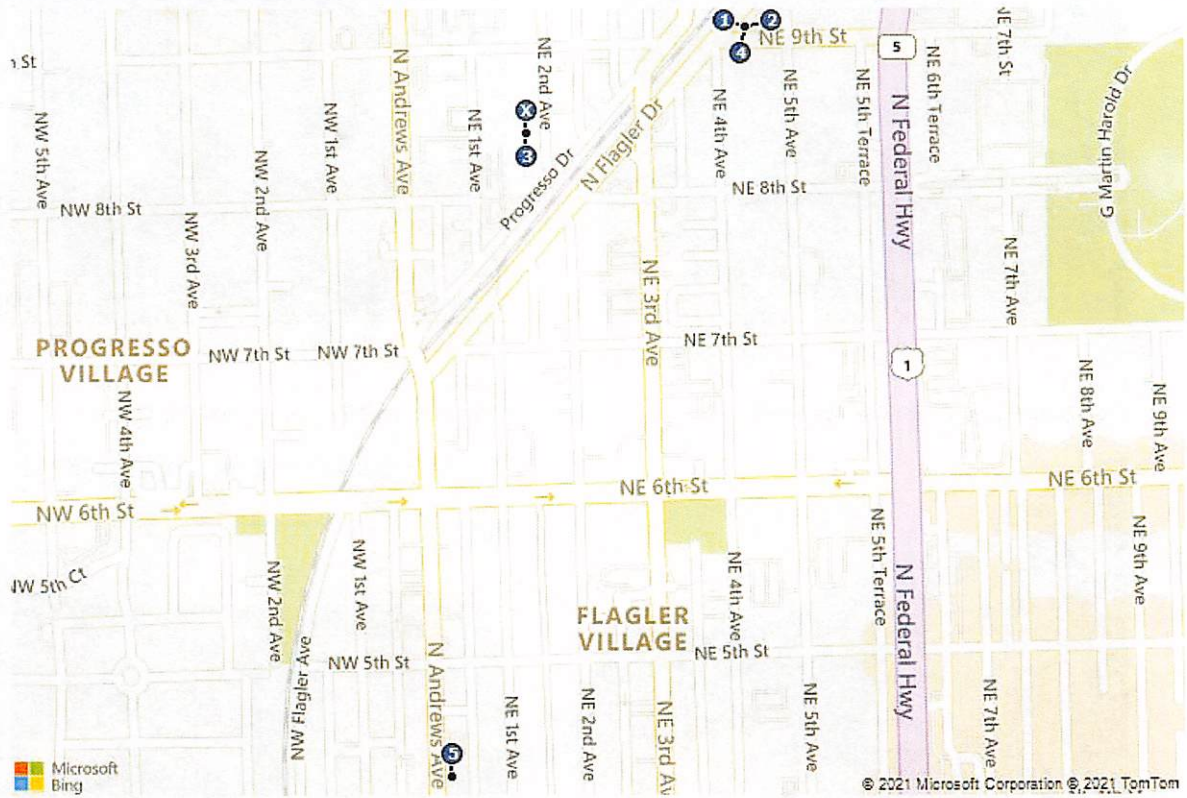
Market Rent Analysis

Contract rents typically establish income for leased space, while market rent is the basis for estimating income for current vacant space and future speculative re-leasing of space due to expired leases. To estimate market rent, we analyze comparable rentals most relevant to the subject in terms of location, property type, size, and transaction date. Comparables used in our analysis are summarized in the following table.

Summary of Comparable Rentals - Retail

No.	Property Information	Description	Tenant	SF	Lease Start	Term (Mos.)	Rent/SF	Escalations	Lease Type
1	900-924 N. Flagler Drive - 900 N. Flagler Dr. Fort Lauderdale Broward County FL	Yr Blt. 1961 Stories: 1 GLA: 15,456 Parking Ratio: 1.1 /1,000	Not Disclosed	685	Jan-22	36	\$42.00	Fixed	Triple Net
<i>Comments: Closed Lease of a creative retail space located at the northeast corner of N. Flagler Drive and NE 9th Street, in the city of Ft. Lauderdale in Broward County, FL. The property was recently renovated and leased on a triple net basis. CAM expenses were reported at \$14.50 PSF.</i>									
2	900-924 N. Flagler Drive - 900 N. Flagler Dr. Fort Lauderdale Broward County FL	Yr Blt. 1961 Stories: 1 GLA: 15,456 Parking Ratio: 1.1 /1,000	Not Disclosed	902	Sep-21	36	\$42.00	Fixed	Triple Net
<i>Comments: Closed Lease of a creative retail space located at the northeast corner of N. Flagler Drive and NE 9th Street, in the city of Ft. Lauderdale in Broward County, FL. The property was recently renovated and leased on a triple net basis. CAM expenses were reported at \$14.50 PSF.</i>									
3	801-19 NE 2nd Ave 819 NE. 2nd Ave. Fort Lauderdale Broward County FL	Yr Blt. 1972 Stories: 1 GLA: 24,120 Parking Ratio: -	Wood & Wick Co. LLC	2,096	Jul-21	60	\$30.00	Fixed	Triple Net
<i>Comments: Closed lease of a creative retail space located at the northwest corner of Progresso Drive and NE 2nd Avenue, in the city of Fort Lauderdale, within Broward County, FL. The tenant is a retail candle and accessory shop. The lease terms were on a triple net basis, for 60 months with one (1) five (5) year renewal term. Starting rent is at \$30 per sq. ft. per year.</i>									
4	Progresso Arts District - 837 NE. 2nd Ave. Fort Lauderdale Broward County FL	Yr Blt. 1969 Stories: 1 GLA: 2,413 Parking Ratio: 2.5 /1,000	Not Disclosed	2,460	Oct-20	84	\$30.00	Fixed	Triple Net
<i>Comments: Closed Lease of a creative retail space located along NE 2nd avenue, in the city of Ft. Lauderdale in Broward County, FL. The property was recently renovated and leased on a triple net basis.</i>									
5	406-410 Andrews Ave 408 N. Andrews Ave. Fort Lauderdale Broward County FL	Yr Blt. 1958 Stories: 1 GLA: 4,100 Parking Ratio: 1.2 /1,000	Wine shop	1,333	Jan-20	36	\$29.00	Fixed	Triple Net
<i>Comments: This is the lease of a 1,333 square foot space in a retail building located at 406-410 North Andrews Avenue, in Fort Lauderdale, FL. The building has limited parking; however, there is a municipal parking lot close by. The space was leased in October 2019 for 3 years. The starting rent was \$29.00 per square foot increasing 4% annually. Expenses were on a triple-net basis. The space was taken As Is. The new tenant is a wine shop.</i>									

Comparable Rentals Map





Lease 1
900-924 N. Flagler Drive - Creative Retail



Lease 2
900-924 N. Flagler Drive - Creative Retail



Lease 3
801-19 NE 2nd Ave Creative Retail



Lease 4
Progresso Arts District - Creative Retail



Lease 5
406-410 Andrews Ave

NE 2nd Ave Creative Retail



Rental Analysis Factors

The following elements of comparison are considered in our analysis of the comparable rentals.

Rental Analysis Factors	
Expense Structure	Division of expense responsibilities between landlord and tenants.
Conditions of Lease	Extraordinary motivations of either landlord or tenant to complete the transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on rent; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Difference in rental rates that is often attributable to variation in sizes of leased space.
Building Quality	Construction quality, amenities, market appeal, functional utility.
Age/Condition	Effective age; physical condition.
Economic Characteristics	Variations in rental rate attributable to such factors as free rent or other concessions, pattern of rent changes over lease term, or tenant improvement allowances.

Analysis of Comparable Rentals

The comparable rentals are compared to the subject and adjusted to account for material differences that affect market rental value. The following table summarizes our analysis of each comparable.

Rental Analysis Summary - Retail					
No. Tenant	Property Name;	Leased SF	Rent/SF	Overall Comparison to Subject	Comments
1	900-924 N. Flagler Drive - Not Disclosed	685	\$42.00	Superior	Superior in size and exposure.
2	900-924 N. Flagler Drive - Not Disclosed	902	\$42.00	Superior	Superior in size and exposure.
3	801-19 NE 2nd Ave Creative Wood & Wick Co. LLC	2,096	\$30.00	Similar	Similar in size, location, and condition
4	Progresso Arts District - Not Disclosed	2,460	\$30.00	Similar	Similar in size, location, and condition
5	406-410 Andrews Ave Wine shop	1,333	\$29.00	Similar	Similar in size, location, and condition

Recent Subject Leases

Recent subject leasing activity is summarized in the following table.

Recent Subject Leases										
Suite	Tenant	SF	Type	Lease Start	Term (Mos.)	Initial Rent/SF/Yr	Rent Escal.	Effective Rent/SF	Mos. Free	Tl/SF
815A	Miso Sushi and Kitchen	1,839	New	07/28/21	84	\$30.50	3% starting Year 2	\$20.33	4	\$10.17
807B	Wood and Wick	2,096	New	07/15/21	60	\$30.00	3% annually	\$20.00	4	\$10.00

Market Rent Conclusion

Based on the preceding analysis of comparable rentals, recent leases at the subject, and trends evident in the market, we conclude market lease terms for the subject as follows.

Concluded Market Lease Terms							
Space Type	Market SF	Market Rent	Measure	Rent Escalations	Lease Type	Lease Term (Mos.)	Tl/SF New
Retail	23,816	\$30.00	\$/SF/Yr	3% annual or CPI	Triple Net	60	\$10.00

Stabilized Income and Expenses

Potential Gross Rent

Potential gross rent is based on contract rents from leases in place plus market rents for vacant and owner-occupied space, as shown in the following table. Income is projected for the 12-month period following the effective date of the appraisal. The average contract rent is consistent with the market rent applied. A blended rate of contract rent for the bays leased and market rent was used for this analysis.

Space Type	SF	Potential Rent at Contract		Potential Rent at Market		Contract as % of Market
		(1)		\$/SF/Yr	Annual	
		Annual	\$/SF/Yr			
Retail	15,896	\$449,305	\$28.27	\$30.00	\$476,880	94%
Total Subject	23,816	\$686,905	\$28.84	\$30.00	\$714,480	96%

¹ Contract rent for leased space; vacant space at market.

Expense Reimbursements

Reimbursement income is based on the terms of existing leases that require tenants to reimburse the owner for all operating expenses, except general/administrative and managerial expenses. Expense reimbursements are estimated at \$6.00 per square foot per year.

Vacancy & Collection Loss Allowance

Stabilized vacancy and collection loss is estimated at 5.0%. This estimate considers the submarket vacancy rate, vacancy rates at competing properties, and the credit risk of the subject's tenants.

Expenses

Real Estate Taxes were estimated in an earlier section of this report. The projected expenses at the subject include general/administrative expenses estimated at \$0.34 per square foot based on the provided Profit & Loss statement from January through July 2021 that was annualized. Managerial expenses estimated at 3.0% of the effective gross income which is typical of this property type and market area. Insurance expense was projected based on expense comparables of similar property types. And Common Area Maintenance reimbursements were estimated at \$6.00 per gross building area.

Operating History and Projections

	IRR Projection
Income	
Base Rent	\$686,905
Expense Reimbursements	144,720
Potential Gross Income*	\$831,625
Vacancy & Collection Loss @ 5.0%	-41,581
Other Income	0
Effective Gross Income	\$790,043
Expenses	
Real Estate Taxes	\$128,000
Insurance	23,816
Common Area Maintenance	36,180
General/Administrative	8,177
Management	23,701
Total Expenses	\$219,874
Net Operating Income	\$570,169
Operating Expense Ratio	27.8%
*IRR projected income is the total potential income attributable to the property before deduction of vacancy and collection loss. Historical income is the actual income that has been collected by the property owner.	

Expense Analysis per Square Foot

	Comp Data*				Subject and Projected
	Comp 1	Comp 2	Comp 3	Comp 4	
Year Built	1977-1982	1979	1962/1989	1947-1987	1972
SF	28,900	69,459	45,150	29,021	23,816
Prevailing Lease Type	-	-	Triple Net	Triple Net	Triple Net
	Pro-forma	Pro-forma		Pro-forma	
Operating Data Type	Broker	Owner	In Place	Owner	IRR
Year	2019	2019	2018	2019	Projection
Real Estate Taxes	\$3.01	\$2.32	\$5.33	\$1.91	\$5.37
Insurance	\$1.04	\$1.53	\$1.48	\$1.51	\$1.00
Common Area Maintenance	\$3.32	\$3.57	\$1.36	\$1.83	\$1.52
General/Administrative	\$0.00	\$0.15	\$0.18	\$0.30	\$0.34
Management	\$0.43	\$0.66	\$0.81	\$2.08	\$1.00
Total	\$7.81	\$8.23	\$9.17	\$7.62	\$9.23
Operating Expense Ratio	44.7%	37.2%	34.1%	26.6%	27.8%

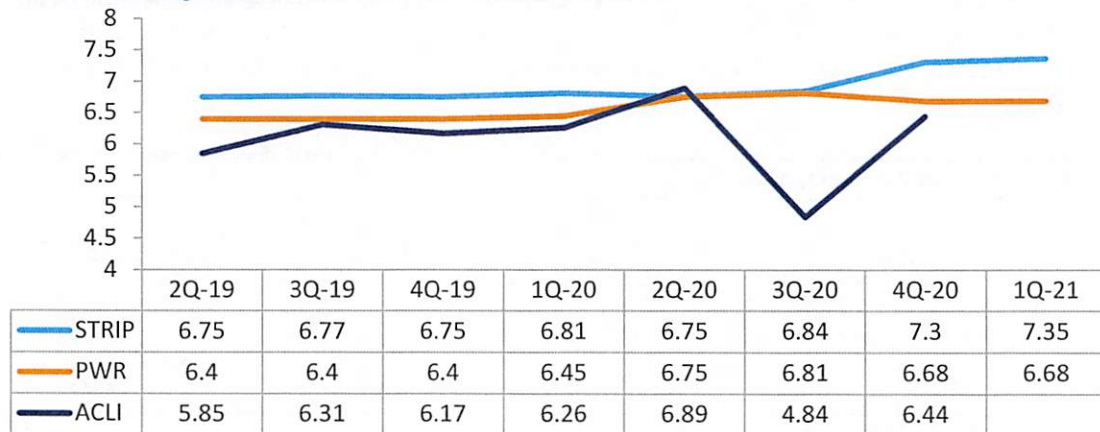
Capitalization Rate Selection

A capitalization rate is used to convert net income into an indication of value. Selection of an appropriate capitalization rate considers the future income pattern of the property and investment risk associated with ownership. We consider the following data in selecting a capitalization rate for the subject.

Capitalization Rate Comparables							
No.	Property Name	Year Built	Sale Date	Gross Leasable Area	% Occup.	Price/SF	Cap Rate
1	1211 NE 4th Avenue - Creative	1961	12/8/2021	15,531	100%	\$321.94	5.92%
2	The Promenade at Bay Colony	1979	12/21/2020	60,000	92%	\$312.50	6.30%
3	Waterway Shoppes I	2000	11/16/2020	40,848	83%	\$500.64	6.10%
4	Stirling Town Center	2006	12/16/2019	53,857	96%	\$303.77	7.42%
5	Riverbend Marketplace Ph. II	2017	6/10/2019	90,745	82%	\$302.50	6.92%
Indicated Cap Rate Range:						5.92% - 7.42%	
Average (Mean) Cap Rate:						6.53%	

Capitalization Rate Surveys – Retail Properties					
	IRR-ViewPoint	IRR-ViewPoint	PwC 1Q-21	PwC 1Q-21	ACLI
	2020	2020	National	National	4Q-20
	Natl Neighborhood Retail	Natl Community Retail Center	Strip Shopping Center	Power Center	National Retail
Range	5.25% - 9.50%	5.00% - 8.50%	5.00% - 10.00%	5.50% - 8.25%	NA
Average	7.31%	7.17%	7.35%	6.68%	6.44%
Source: IRR-Viewpoint 2020; PwC Real Estate Investor Survey; American Council of Life Insurers Investment Bulletin.					

Retail Capitalization Rate Trends



STRIP - PwC Real Estate Investor Survey - National Strip Shopping Center Market

PWR - PwC Real Estate Investor Survey - National Power Center Market

ACLI - American Council of Life Insurers Investment Bulletin - Retail Properties

Band of Investment Method

Mortgage/Equity Assumptions

Loan To Value Ratio	80%
Interest Rate	3.00%
Amortization (Years)	30
Mortgage Constant	0.0506
Equity Ratio	20%
Equity Dividend Rate	10.00%

Weighted Average of Mortgage and Equity Requirements

Mortgage Requirement	80%	x	5.06%	=	4.05%
Equity Requirement	20%	x	10.00%	=	2.00%

Indicated Capitalization Rate

Rounded	6.05%
	6.00%

Capitalization Rate Conclusion

Based on an analysis of the preceding data, a going-in capitalization rate for the subject is indicated within a range of 6.0% to 6.5%. To reach a capitalization rate conclusion, we consider each of the following investment risk factors to gauge its impact on the rate. The direction of each arrow in the following table indicates our judgment of an upward, downward, or neutral influence of each factor.

Capitalization Rate Risk Factors			
Factor	Issues	Impact on Rate	Comments
Income Characteristics	Rollover risk, escalation pattern, above/below market rents, major tenant credit strength	↓	Reportedly, property should reach stabilization Q1
Competitive Market Position	Construction quality, market appeal, age/condition, functional utility	↓	The property has been fully renovated as of 2021.
Location	Market area demographics and life cycle trends; proximity issues; access and support services	↓	Good area demographic influences with demand drivers
Market	Vacancy rates and trends; rental rate trends; supply and demand	↓	Strong market trends with good demand and low vacancy
Highest and Best Use	Upside potential from redevelopment, adaptation, and/or expansion	↔	The property is at its highest and best use
Overall Impact		↓	

Accordingly, we conclude a capitalization rate as follows:

Capitalization Rate Conclusion	
Method	Capitalization Rate Indication
Analysis of Comparable Sales	5.92% - 7.42%
CoStar Average	6.10%
National Investor Surveys	5.0% to 10%
Band of Investment	6.00%
Primary Weight	5.92
Secondary Weight	6.1
Conclusion	6.00%

Direct Capitalization Analysis

Net operating income is divided by the capitalization rate to indicate the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the following table.

Direct Capitalization Analysis					
	SF	Space Type	Rent Applied	\$/SF	Annual
Income					
Base Rent					
Form Salon	1,053	Retail	Contract	\$25.00	\$26,325
Form Salon	1,151	Retail	Contract	\$25.00	\$28,775
Thread and Theory	1,129	Retail	Contract	\$25.00	\$28,225
Vacant	1,837	Retail	Market	\$30.00	\$55,110
Vacant	1,837	Retail	Market	\$30.00	\$55,110
Vacant	2,116	Retail	Market	\$30.00	\$63,480
Wood and Wick	2,096	Retail	Contract	\$30.00	\$62,880
Vacant	2,130	Retail	Market	\$30.00	\$63,900
Miso Sushi and Kitchen	1,839	Retail	Contract	\$30.50	\$56,090
The Now	2,366	Retail	Contract	\$25.00	\$59,150
Owner-User	3,145	Retail	Contract	\$30.00	\$94,350
Owner-User	3,117	Retail	Contract	\$30.00	\$93,510
Potential Gross Rent	23,816				\$686,905
Expense Reimbursements					\$144,720
Net Parking Income					\$0
Percentage Rent					\$0
Potential Gross Income					\$831,625
Vacancy & Collection Loss	5.00%				-\$41,581
Other Income					\$0
Effective Gross Income					\$790,043
Expenses					
Real Estate Taxes					\$128,000
Insurance					\$23,816
Common Area Maintenance					\$36,180
General/Administrative					\$8,177
Management	3.00%				\$23,701
Total Expenses					\$219,874
Net Operating Income					\$570,169
Capitalization Rate					6.00%
Stabilized Value Indication					\$9,502,814
Rounded					\$9,500,000
As Is					
Stabilized Value Indication					\$9,502,814
Lease-Up Costs					-\$210,000
Indicated Value As Is					\$9,292,814
Rounded					\$9,300,000

Lease-Up Costs

The following table summarizes our estimate of lease-up costs for the subject's vacant space. We have not counted the owner-occupied space as vacant and assume this space would be leased to the user at market rates if the property were to sell. The subject property has been extensively renovated. It is projected to be at stabilization by the end of the first quarter of 2022.

Lease-Up Costs											
Assumptions											
Tenant	SF/Units	Months Vacant	Annual Rent/SF/Unit	Expense Recovery/SF/Unit	Lease Term (Mos.)	Free Rent (Mos.)	TI's/SF	LC %	TI's	LC	Total
Vacant	1,837	1	\$30.00	\$6.00	60	0	\$10.00	6.0%	\$18,370	\$16,533	\$40,414
Vacant	1,837	2	\$30.00	\$6.00	60	0	\$10.00	6.0%	\$18,370	\$16,533	\$45,925
Vacant	2,116	3	\$30.00	\$6.00	60	0	\$10.00	6.0%	\$21,160	\$19,044	\$59,248
Vacant	2,130	4	\$30.00	\$6.00	60	0	\$10.00	6.0%	\$21,300	\$19,170	\$66,030
Totals									\$79,200	\$71,280	\$211,617
Profit for Lease-up Risk		0%									\$0
Total											\$211,617
Rounded											\$210,000

Reconciliation and Conclusion of Value

The values indicated by our analyses are as follows:

Summary of Value Indications		
	Market Value As Is	Prospective Market Value As Stabilized
Cost Approach	Not Used	Not Used
Sales Comparison Approach	\$9,000,000	\$9,200,000
Income Capitalization Approach	\$9,300,000	\$9,500,000
Reconciled	\$9,300,000	\$9,500,000

The income capitalization approach is given the greatest weight because it is the most reliable valuation method for the subject. The sales comparison approach is given less weight because it does not directly consider the income characteristics of the property. The cost approach is not applicable to the subject and is not used. Accordingly, our value opinion follows.

Value Conclusions			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Leased Fee	November 19, 2021	\$9,300,000
Prospective Market Value As Stabilized	Leased Fee	April 1, 2022	\$9,500,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

1. None

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

This appraisal report was ordered by CES on the behalf of Banesco, and prepared for the sole use and benefit of Banesco. Therefore, the fiduciary appraiser/client relationship is only with Banesco with CES acting in an adjunct advisory role. The report is based in part upon documents, writings and information owned and possessed by Banesco. Values contained within the report are strictly confidential. The unlawful interception, use, or disclosure of such information is strictly prohibited under 18 USCA 2511 and the Gramm-Leach-Bliley Act of 1999.

This report may have been made available to third parties who have been authorized to receive it for information purposes only. However, this report should not be used for any purpose other than to understand the information made available to the Bank concerning the property it addresses.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value stated previously, it is our opinion that the probable exposure time is 6-12 months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 6-12 months.

Replacement Cost for Insurance Purposes

An estimate of the replacement cost for insurance purposes, based on the calculator method of Marshall Valuation Service, is shown in the following table. In the absence of specific instructions from the client, this estimate is based on the replacement cost new of the building improvements. From the total of these amounts, we deduct insurance exclusions.

The following are not considered in our estimate: land value, site improvement costs, entrepreneurial incentive, depreciation, and costs to demolish damaged structures.

We have not viewed the specific policy that is in effect or may be written for the subject, nor have we been given specific instructions by the client on what is to be included in, or excluded from, the estimate of replacement cost for insurance purposes. Moreover, methodologies for developing these estimates vary between underwriters. Therefore, reliance should not be placed on our estimate unless the client independently determines that the items included in our estimate are consistent with the terms of the subject's insurance coverage.

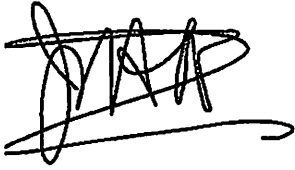
We are not experts in estimating replacement costs for insurance purposes. We recommend the engagement of an appropriately qualified professional if a definitive estimate of insurable replacement cost is required.

Estimate of Replacement Cost for Insurance Purposes							
Replacement Cost New - Building Improvements							
<i>Bldg Name</i>	<i>MVS Building Type</i>	<i>MVS Class</i>	<i>Quality</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Cost New</i>
NE 2nd Ave Creative Retail	Retail Stores (353)	C	Average	24,120	SF	\$108.19	\$2,609,543
Subtotal - Building Improvements							\$2,609,543
Less: Insurance Exclusions							
Basement Excavation						1.0%	\$26,095
Foundation Below Ground						1.0%	\$26,095
Piping Below Ground						1.0%	\$26,095
Architect's fees						7.0%	\$182,668
Total Exclusions						10.0%	\$260,954
Insurable Replacement Cost							\$2,348,589
Rounded:							\$2,350,000

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.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
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 applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal 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. James V. Andrews, MAI, CRE, FRICS, ASA, made a personal inspection of the property that is the subject of this report.
12. Significant real property appraisal assistance was provided by Carlos Rodriguez, State Registered Trainee Appraiser #RI24534 under direct supervision of James V. Andrews, MAI, CRE, FRICS, ASA who has not signed this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, James V. Andrews, MAI, CRE, FRICS, ASA, has completed the continuing education program for Designated Members of the Appraisal Institute.



James V. Andrews, MAI, CRE, FRICS, ASA
Florida State Certified General Real Estate
Appraiser #RZ4094

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal



- covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
 11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
 17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - Miami / Caribbean, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. **IRR - Miami / Caribbean is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR - Miami / Caribbean. In addition, it is expressly**

agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. IRR - Miami / Caribbean is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

1. None

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Addendum A
Appraiser Qualifications

James V. Andrews, MAI, CRE, FRICS, ASA

Experience

James Andrews is the Senior Managing Director of the Miami and Caribbean offices of Integra Realty Resources; the largest purely valuation and counseling firm in North America. Mr. Andrews has been actively engaged in valuation and consulting since 1987; both in the USA and the Caribbean.

Based in Miami, James Andrews has provided valuation and consulting services on various property types and business interests throughout South Florida and beyond, James was previously based in the Cayman Islands for more than two decades. He co-founded the IRR Caribbean office in 2012; now with offices in the Cayman Islands, U.S. Virgin Islands, and Puerto Rico.

Mr. Andrews has valued a variety of asset types but concentrates on hotels/resorts as well as other going concern assets such as marinas, restaurants, golf courses, quarry/mining operations, healthcare facilities, etc. He is also qualified in business valuation and regularly performs valuation and consulting assignments regarding business interests such as partial and full interests in operating companies, real estate holding companies, and intangible assets / intellectual property.

He is currently National Practice Leader of the Integra Hotels Specialty Practice Group and has been involved in hotel projects throughout the USA and Caribbean. Projects include all types of hotel assets from limited-service properties up to luxury resorts.

He earned his MAI designation with the Appraisal Institute in 1992. James became an RICS member in 2005 and a fellow in 2008. Other designations he holds include the American Society of Appraisers (ASA in Business Valuation) and the prestigious "CRE" credential from the Counselors of Real Estate.

James has served on the International Relations Committee of the Appraisal Institute, the RICS Americas Valuation Council, Vice President (Caribbean) for the International Virtual Chapter for the ASA, and formerly served on the Board of Directors of Integra Realty Resources, Inc.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) , October 1992
Counselor of Real Estate (CRE) , August 2014
Royal Institute of Chartered Surveyors, Member (MRICS) , April 2005 - September 2008
Royal Institute of Chartered Surveyors, Fellow (FRICS) , September 2008
American Society of Appraisers (ASA) ASA (Real Property), March 2014
American Society of Appraisers (ASA) ASA (Business Valuation), September 2015
IRR Certified Reviewer, December 2013
Board of Director: Integra Realty Resources, Inc., October 2017 - September 2019

Licenses

North Carolina, State Certified General, A2285, Expires June 2022
Virgin Islands, State Certified General, 0-14194-1B, Expires December 2021

jandrews@irr.com - 305.670.0001 x320

Integra Realty Resources - Miami |
Caribbean

9155 S. Dadeland Avenue, Suite 1208
Miami, FL 33156

T 305.670.0001

irr.com



James V. Andrews, MAI, CRE, FRICS, ASA

Licenses (Cont'd)

Puerto Rico, State Certified General, 357CG, Expires February 2024
Florida, State Certified General, RZ4094, Expires November 2022

Education

Bachelor of Business Administration, Belmont University, Nashville, TN (1985)
Appraisal Institute - Various Qualifying, Advanced, and CE Courses
American Society of Appraisers - Various Courses in Business Valuation and Intangible Assets

Integra Realty Resources - Miami |
Caribbean

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Ron DeSantis, Governor

Halsey Beshears, Secretary



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

ANDREWS, JAMES VICTOR III

9155 S DADELAND BLVD STE 1208
MIAMI FL 33156

LICENSE NUMBER: RZ4094

EXPIRATION DATE: NOVEMBER 30, 2022

Always verify licenses online at MyFloridaLicense.com



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About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com



Addendum B

IRR Quality Assurance Survey



IRR Quality Assurance Survey

We welcome your feedback!

At IRR, providing a quality work product and delivering on time is what we strive to accomplish. Our local offices are determined to meet your expectations. Please reach out to your local office contact so they can resolve any issues.

Integra Quality Control Team

Integra does have a Quality Control Team that responds to escalated concerns related to a specific assignment as well as general concerns that are unrelated to any specific assignment. We also enjoy hearing from you when we exceed expectations! You can communicate with this team by clicking on the link below. If you would like a follow up call, please provide your contact information and a member of this Quality Control Team will call contact you.

Link to the IRR Quality Assurance Survey: quality.irr.com

Addendum C
Financials and Property Information

12/10/21, 3:08 PM

801-805 NE 2 AVENUE



MARTY KIAR
BROWARD
 COUNTY
 PROPERTY APPRAISER

Site Address	801-805 NE 2 AVENUE, FORT LAUDERDALE FL 33304	ID #	4942 34 06 2610
Property Owner	BH3 DJ SUB LLC	Millage	0312
Mailing Address	819 NE 2 AVE #500 FORT LAUDERDALE FL 33304	Use	11
Abbr Legal Description	PROGRESSO 2-18 D LOT 21,22,UNNUMBERED LOT S LOT 22 & E OF ALLEY BLK 257		

The just values displayed below were set in compliance with Sec. 193.011, Fla. Stat., and include a reduction for costs of sale and other adjustments required by Sec. 193.011(8).

* 2022 values are considered "working values" and are subject to change.

Property Assessment Values					
Year	Land	Building / Improvement	Just / Market Value	Assessed / SOH Value	Tax
2022	\$126,040	\$707,120	\$833,160	\$655,710	
2021	\$126,040	\$470,060	\$596,100	\$596,100	\$14,315.91
2020	\$126,040	\$470,060	\$596,100	\$596,100	\$14,257.54

2022 Exemptions and Taxable Values by Taxing Authority				
	County	School Board	Municipal	Independent
Just Value	\$833,160	\$833,160	\$833,160	\$833,160
Portability	0	0	0	0
Assessed/SOH	\$655,710	\$833,160	\$655,710	\$655,710
Homestead	0	0	0	0
Add. Homestead	0	0	0	0
Wid/Vet/Dis	0	0	0	0
Senior	0	0	0	0
Exempt Type	0	0	0	0
Taxable	\$655,710	\$833,160	\$655,710	\$655,710

Sales History				Land Calculations		
Date	Type	Price	Book/Page or CIN	Price	Factor	Type
5/7/2020	SW*-D	\$1,640,900	116500095	\$11.00	11.458	SF
11/27/2017	WD*-E	\$2,800,000	114747691			
5/11/2007	WD*-Q	\$2,250,000	44032 / 152			
7/11/2003	QCD	\$70,000	37047 / 1474			
9/1/1965	WD	\$61,100				
				Adj. Bldg. S.F. (Card, Sketch) 7000		
				Eff./Act. Year Built: 2000/1958		

* Denotes Multi-Parcel Sale (See Deed)

Special Assessments								
Fire	Garb	Light	Drain	Impr	Safe	Storm	Clean	Misc
03						F2		
C								
7000						11458		



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819 NE 2 AVENUE



MARTY KIAR
BROWARD
 COUNTY
 PROPERTY APPRAISER

Site Address	819 NE 2 AVENUE, FORT LAUDERDALE FL 33304	ID #	4942 34 06 2570
Property Owner	BH3 DJ SUB LLC	Millage	0312
Mailing Address	819 NE 2 AVE #500 FORT LAUDERDALE FL 33304	Use	48
Abbr Legal Description	PROGRESSO 2-18 D LOT 13 TO 15 BLK 257		

The just values displayed below were set in compliance with Sec. 193.011, Fla. Stat., and include a reduction for costs of sale and other adjustments required by Sec. 193.011(8).

* 2022 values are considered "working values" and are subject to change.

Property Assessment Values					
Year	Land	Building / Improvement	Just / Market Value	Assessed / SOH Value	Tax
2022	\$105,190	\$405,540	\$510,730	\$485,940	
2021	\$105,190	\$336,580	\$441,770	\$441,770	\$9,128.99
2020	\$105,190	\$336,580	\$441,770	\$441,770	\$9,085.75

2022 Exemptions and Taxable Values by Taxing Authority				
	County	School Board	Municipal	Independent
Just Value	\$510,730	\$510,730	\$510,730	\$510,730
Portability	0	0	0	0
Assessed/SOH	\$485,940	\$510,730	\$485,940	\$485,940
Homestead	0	0	0	0
Add. Homestead	0	0	0	0
Wid/Vet/Dis	0	0	0	0
Senior	0	0	0	0
Exempt Type	0	0	0	0
Taxable	\$485,940	\$510,730	\$485,940	\$485,940

Sales History				Land Calculations		
Date	Type	Price	Book/Page or CIN	Price	Factor	Type
5/7/2020	SW*-D	\$1,640,900	116500095	\$11.00	9,563	SF
11/27/2017	WD*-E	\$2,800,000	114747691			
5/11/2007	WD*-Q	\$2,250,000	44032 / 152			
7/11/2003	QCD	\$70,000	37047 / 1464			
2/1/1972	WD	\$19,000				
				Adj. Bldg. S.F. (Card, Sketch) 6330		
				Eff./Act. Year Built: 2000/1972		

* Denotes Multi-Parcel Sale (See Deed)

Special Assessments								
Fire	Garb	Light	Drain	Impr	Safe	Storm	Clean	Misc
03						F2		
W								
6330						9563		





Site Address	815 NE 2 AVENUE, FORT LAUDERDALE FL 33304	ID #	4942 34 06 2580
Property Owner	BH3 DJ SUB LLC	Millage	0312
Mailing Address	819 NE 2 AVE #500 FORT LAUDERDALE FL 33304	Use	48
Abbr Legal Description	PROGRESSO 2-18 D LOTS 16,17 BLK 257		

The just values displayed below were set in compliance with Sec. 193.011, Fla. Stat., and include a reduction for costs of sale and other adjustments required by Sec. 193.011(8).

* 2022 values are considered "working values" and are subject to change.

Property Assessment Values					
Year	Land	Building / Improvement	Just / Market Value	Assessed / SOH Value	Tax
2022	\$70,130	\$252,360	\$322,490	\$322,490	
2021	\$70,130	\$252,360	\$322,490	\$322,490	\$6,618.61
2020	\$70,130	\$252,360	\$322,490	\$322,490	\$6,587.01

2022 Exemptions and Taxable Values by Taxing Authority				
	County	School Board	Municipal	Independent
Just Value	\$322,490	\$322,490	\$322,490	\$322,490
Portability	0	0	0	0
Assessed/SOH	\$322,490	\$322,490	\$322,490	\$322,490
Homestead	0	0	0	0
Add. Homestead	0	0	0	0
Wid/Vet/Dis	0	0	0	0
Senior	0	0	0	0
Exempt Type	0	0	0	0
Taxable	\$322,490	\$322,490	\$322,490	\$322,490

Sales History				Land Calculations		
Date	Type	Price	Book/Page or CIN	Price	Factor	Type
5/7/2020	SW*-D	\$1,640,900	116500095	\$11.00	6,375	SF
11/27/2017	WD*-E	\$2,800,000	114747691			
5/11/2007	WD*-Q	\$2,250,000	44032 / 152			
7/11/2003	QCD	\$70,000	37047 / 1466			
4/1/1965	WD	\$3,000				
				Adj. Bldg. S.F. (Card, Sketch) 4316		
				Eff./Act. Year Built: 1969/1968		

* Denotes Multi-Parcel Sale (See Deed)

Special Assessments								
Fire	Garb	Light	Drain	Impr	Safe	Storm	Clean	Misc
03						F2		
W								
4316						6375		



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807 NE 2 AVENUE



MARTY KIARD
BROWARD
 COUNTY
 PROPERTY APPRAISER

Site Address	807 NE 2 AVENUE, FORT LAUDERDALE FL 33304	ID #	4942 34 06 2591
Property Owner	BH3 DJ SUB LLC	Millage	0312
Mailing Address	819 NE 2 AVE #500 FORT LAUDERDALE FL 33304	Use	11
Abbr Legal Description	PROGRESSO 2-18 D LOTS 18,19,20 BLK 257		

The just values displayed below were set in compliance with Sec. 193.011, Fla. Stat., and include a reduction for costs of sale and other adjustments required by Sec. 193.011(8).

* 2022 values are considered "working values" and are subject to change.

Property Assessment Values					
Year	Land	Building / Improvement	Just / Market Value	Assessed / SOH Value	Tax
2022	\$105,190	\$442,580	\$547,770	\$547,770	
2021	\$105,190	\$442,580	\$547,770	\$547,770	\$13,299.15
2020	\$105,190	\$442,580	\$547,770	\$547,770	\$13,245.54

2022 Exemptions and Taxable Values by Taxing Authority				
	County	School Board	Municipal	Independent
Just Value	\$547,770	\$547,770	\$547,770	\$547,770
Portability	0	0	0	0
Assessed/SOH	\$547,770	\$547,770	\$547,770	\$547,770
Homestead	0	0	0	0
Add. Homestead	0	0	0	0
Wid/Vet/Dis	0	0	0	0
Senior	0	0	0	0
Exempt Type	0	0	0	0
Taxable	\$547,770	\$547,770	\$547,770	\$547,770

Sales History				Land Calculations		
Date	Type	Price	Book/Page or CIN	Price	Factor	Type
5/7/2020	SW*-D	\$1,640,900	116500095	\$11.00	9,563	SF
11/27/2017	WD*-E	\$2,800,000	114747691			
5/11/2007	WD*-Q	\$2,250,000	44032 / 152			
7/11/2003	QCD	\$70,000	37047 / 1470			
5/1/1965	WD	\$6,000				
				Adj. Bldg. S.F. (Card, Sketch) 6474		
				Eff./Act. Year Built: 1966/1965		

* Denotes Multi-Parcel Sale (See Deed)

Special Assessments								
Fire	Garb	Light	Drain	Impr	Safe	Storm	Clean	Misc
03						F2		
C								
6474						9563		



Prepared by and return to:
Cherrie Goudreau, Esq.
Becker & Poliakoff, P.A.
One East Broward Blvd, Suite 1800
Fort Lauderdale, FL 33301
954-987-7550
File Number: 401645

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Special Warranty Deed

This Special Warranty Deed made this 1st day of May, 2020 between BH3 DJ FLAGLER LLC, a Delaware limited liability company whose post office address is 21504 Biscayne Boulevard, Suite 302, Aventura, Florida 33180, grantor, and BH3 DJ SUB LLC, a Florida limited liability company whose post office address is 21504 Biscayne Boulevard, Suite 302, Aventura, Florida 33180, grantee:

(Whenever used herein the terms grantor and grantee include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

Witnesseth, that said grantor, for and in consideration of the sum TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in Broward County, Florida, to-wit:

Lots 13 through 22, inclusive, Block 257, and all of that part of Block 257 lying South of said Lot 22 and East of alley in the Township of Progresso, according to the Plat thereof, as recorded in Plat Book 2, Page 18, of the Public Records of Miami-Dade County, Florida; said lands lying and being in Broward County, Florida.

Parcel Identification Numbers: 494234-06-2570; 494234-06-2580; 494234-06-2591 and 494234-06-2610.

Subject to taxes for 2019 and subsequent years; covenants, conditions, restrictions, easements, reservations and limitations of record, if any, without any intention to reimpose the same.

Together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

To Have and to Hold, the same in fee simple forever.

And the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons claiming by, through or under grantors.

NOTE TO RECORDER: THIS IS A TRANSFER FROM RELATED ENTITIES, THE GRANTEE IS WHOLLY OWNED BY THE GRANTOR.


[Signature page to follow]

* = "1" "" "" ACTIVE 13680238v.1


Instr# 116500095 , Page 2 of 2, End of Document

In Witness Whereof, grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:



 Witness Name: Chemie Gondreau



 Witness Name: Jacqueline Sultan

BH3 DJ FLAGLER LLC.
a Delaware limited liability company

By: **BH3 DJ MANAGER, LLC.**
a Florida limited liability company, its Manager

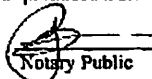
By: 

Gregory Freedman
President

State of Florida
County of Broward

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this 7th day of May, 2020 by Gregory Freedman as President of BH3 DJ Manager, LLC, a Florida limited liability company, the Manager of BH3 DJ Flagler LLC, a Delaware limited liability company, on behalf of the company, who is personally known or has produced a driver's license as identification.

[Notary Seal]



 Notary Public

Printed Name: Jacqueline Sultan

My Commission Expires: 10/26/2023



Addendum D
Comparable Data



Improved Sales



Retail Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	1211 NE 4th Avenue - Creative Retail/Office
Sub-Property Type:	Freestanding
Address:	1211 NE. 4th Ave.
City/State/Zip:	Fort Lauderdale, FL 33304
County:	Broward
Submarket:	Fort Lauderdale
Market Orientation:	Suburban
IRR Event ID:	2740944



Sale Information

Sale Price:	\$5,000,000
Effective Sale Price:	\$5,000,000
Sale Date:	12/08/2021
Sale Status:	Offer Pending
\$/SF GBA:	\$321.94
\$/SF NRA:	\$321.94
Grantor/Seller:	Listing with Offer
Assets Sold:	Real estate only
Property Rights:	Leased Fee
Verified By:	Carlos Rodriguez, Jr.
Verification Date:	12/08/2021
Confirmation Source:	Seller Broker
Verification Type:	Confirmed-Seller Broker

Operating Data and Key Indicators

Cap Rate - Reported:	5.92%
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Occupancy

Occupancy Type Before Sale:	Single Tenant
Occupancy Type After Sale:	Single Tenant
Occupancy at Time of Sale:	100.00%
Lease Type:	Triple Net
Remaining Lease Term (Yrs):	3.00
Guarantor:	Local Franchisee

Improvement and Site Data

Legal/Tax/Parcel ID:	494234032580
GBA-SF:	15,531
GLA-SF:	15,531
Acres(Usable/Gross):	0.57/0.57
Land-SF(Usable/Gross):	25,024/25,024
Usable/Gross Ratio:	1.00
Year Built:	1961
Most Recent Renovation:	2020
Property Class:	B
Construction Quality:	Average
Improvements Cond.:	Good
No. of Buildings/Stories:	1/1
No. of Units/Unit Type:	0/TBD
Multi-Tenant/Condo.:	No/No
Total Parking Spaces:	26
Park. Ratio 1000 SF GLA:	1.67
Park. Ratio 1000 SF GBA:	1.67
Traffic Count:	17600
Bldg. to Land Ratio FAR:	0.62
Zoning Code:	CB
Zoning Desc.:	Community Business
Source of Land Info.:	Public Records

Comments

Listing with a pending offer of a creative retail/office at the northwest corner of NE 12th Street and NE 4th

1211 NE 4th Avenue - Creative Retail/Office



Comments (Cont'd)

Avenue, in the city of Ft. Lauderdale in Broward County, FL. The property is listed at \$5,000,000 (\$321.94 per sq. ft.) and has received an offer at full listing price according to the broker. The property was recently renovated and features open floor plans, high ceilings, new impact window and doors, LED fixtures, fire sprinklers, polished concrete floors, exposed ceilings, and art murals. The property is fully leased, 5-year term, to a single tenant, Shop So Real, for \$18.44/SF annually on a triple-net basis with 4% annual increases and no renewal option.

Location & Property Identification

Property Name:	111 SW 2nd Avenue - Retail
Sub-Property Type:	Freestanding
Address:	111 SW. 2nd Ave.
City/State/Zip:	Fort Lauderdale, FL 33301
County:	Broward
Submarket:	Fort Lauderdale
Market Orientation:	Suburban
IRR Event ID:	2741660



Sale Information

Sale Price:	\$7,881,700
Effective Sale Price:	\$7,881,700
Sale Date:	11/15/2021
Sale Status:	Closed
\$/SF GBA:	\$252.42
\$/SF NRA:	\$252.42
Grantor/Seller:	111 Property Group, LLC
Grantee/Buyer:	Nugent Avenue Retail LLC
Assets Sold:	Real estate only
Property Rights:	Leased Fee
Verified By:	Carlos Rodriguez, Jr.
Verification Date:	12/08/2021
Confirmation Source:	Seller Broker
Verification Type:	Confirmed-Seller Broker

GBA-SF:	31,224
GLA-SF:	31,224
Acres(Usable/Gross):	0.92/0.92
Land-SF(Usable/Gross):	40,280/40,280
Usable/Gross Ratio:	1.00
Year Built:	1983
Property Class:	B
Construction Quality:	Average
Improvements Cond.:	Average
No. of Buildings/Stories:	1/1
Multi-Tenant/Condo.:	Yes/No
Traffic Count:	11400
Bldg. to Land Ratio FAR:	0.78
Zoning Code:	RAC-AS
Zoning Desc.:	Regional Activity Center - Arts & Science District
Source of Land Info.:	Public Records

Occupancy

Occupancy Type Before Sale:	Multi-Tenant
Occupancy Type After Sale:	Multi-Tenant
Occupancy at Time of Sale:	100.00%
Lease Type:	Triple Net

Improvement and Site Data

Legal/Tax/Parcel ID:	5042-1001-2141; 5042-1001-2150; 5042-1001-2151; 5042-1001-2180
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Comments

Closed sale of multiple retail buildings, four parcels, located along SW 2nd Avenue and SW 3rd Avenue, in the city of Ft. Lauderdale in Broward County, FL. The properties are encumbered by leases and feature several entertainment venues such as Sway Nightclub, Booze Garden, and Revolution Live. There was also a separate land purchase, the parking lot, for \$6.7 million that was not included in the retail portion sale. Reportedly, the retail portion sold for \$7.8 million.

Comments (Cont'd)



Location & Property Identification

Property Name:	4200-4248 NW 12th Street
Sub-Property Type:	Freestanding
Address:	4200 NW. 12th St.
City/State/Zip:	Lauderhill, FL 33313
County:	Broward
Submarket:	Plantation/Tamarac
Market Orientation:	Suburban
IRR Event ID:	2741612



Sale Information

Sale Price:	\$2,850,000
Effective Sale Price:	\$2,850,000
Sale Date:	09/15/2021
Sale Status:	Closed
\$/SF GBA:	\$272.73
\$/SF NRA:	\$272.73
Grantor/Seller:	Annigor LLC
Grantee/Buyer:	Busy Bee Shops LLC
Assets Sold:	Real estate only
Property Rights:	Leased Fee
Verified By:	Carlos Rodriguez, Jr.
Verification Date:	12/08/2021
Confirmation Source:	Seller Broker
Verification Type:	Confirmed-Seller Broker

Land-SF(Usable/Gross):	31,313/31,313
Usable/Gross Ratio:	1.00
Year Built:	1974
Property Class:	B
Construction Quality:	Average
Improvements Cond.:	Average
No. of Buildings/Stories:	1/1
No. of Units/Unit Type:	0/TBD
Multi-Tenant/Condo.:	Yes/No
Total Parking Spaces:	44
Park. Ratio 1000 SF GLA:	4.21
Park. Ratio 1000 SF GBA:	4.21
Traffic Count:	53000
Bldg. to Land Ratio FAR:	0.33
Zoning Code:	CG
Zoning Desc.:	Commercial
Source of Land Info.:	Public Records

Occupancy

Occupancy Type Before Sale:	Multi-Tenant
Occupancy Type After Sale:	Multi-Tenant
Occupancy at Time of Sale:	100.00%
Lease Type:	Triple Net

Improvement and Site Data

Legal/Tax/Parcel ID:	494136052060
GBA-SF:	10,450
GLA-SF:	10,450
Acres(Usable/Gross):	0.72/0.72

Comments

Closed sale of a retail multi-tenant building located at the southeast corner of NW 12th Street and NW 42nd Avenue, in the city of Lauderdale in Broward County, FL. The property features approximately 210 sq. ft. of frontage and was 100% occupied at the time of sale. Reportedly, there were 11 tenants within 13 bays. The seller's motivation was due to retirement.

4200-4248 NW 12th Street



Location & Property Identification

Property Name: 900-924 N. Flagler Drive - Creative Retail

Sub-Property Type: Freestanding

Address: 900 N. Flagler Dr.

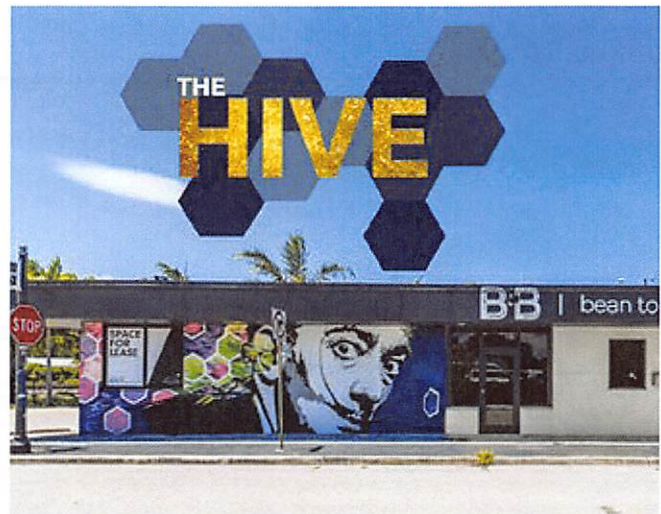
City/State/Zip: Fort Lauderdale, FL 33304

County: Broward

Submarket: Fort Lauderdale

Market Orientation: Suburban

IRR Event ID: 2740958



Sale Information

Sale Price: \$6,625,000

Effective Sale Price: \$6,625,000

Sale Date: 01/10/2019

Recording Date: 01/10/2019

Sale Status: Closed

\$/SF GBA: \$428.64

\$/SF NRA: \$428.64

Grantor/Seller: 900 Flagler LLC

Grantee/Buyer: Tricera Flagler Hive LLC.

Assets Sold: Real estate only

Property Rights: Leased Fee

Verified By: Carlos Rodriguez, Jr.

Verification Date: 12/08/2021

Confirmation Source: Seller Broker

Verification Type: Confirmed-Seller Broker

GLA-SF: 15,456

Acres(Usable/Gross): 0.67/0.67

Land-SF(Usable/Gross): 29,061/29,061

Usable/Gross Ratio: 1.00

Year Built: 1961

Most Recent Renovation: 2020

Property Class: B

Construction Quality: Average

Improvements Cond.: Excellent

No. of Buildings/Stories: 1/1

Multi-Tenant/Condo.: Yes/No

Total Parking Spaces: 17

Park. Ratio 1000 SF GLA: 1.10

Park. Ratio 1000 SF GBA: 1.10

Traffic Count: 13200

Bldg. to Land Ratio FAR: 0.53

Zoning Code: RAC-UV

Zoning Desc.: Regional Activity Center - Urban Village District

Source of Land Info.: Public Records

Occupancy

Occupancy Type Before Sale: Multi-Tenant

Occupancy Type After Sale: Multi-Tenant

Occupancy at Time of Sale: 100.00%

Lease Type: Triple Net

Improvement and Site Data

Legal/Tax/Parcel ID: 494234057310

GBA-SF: 15,456

Comments

Closed sale of a creative retail multi-tenant building located at the northeast corner of N. Flagler Drive and NE 9th Street, in the city of Ft. Lauderdale in Broward County, FL. The property was recently renovated and sold with tenants that include Glitch Bar, Red Pearl Yoga, JB Juice bar, and Café and the Bean to Brew coffee shop.

900-924 N. Flagler Drive - Creative Retail



Comments (Cont'd)



Location & Property Identification

Property Name:	750 N Flagler Drive - Creative Retail
Sub-Property Type:	Freestanding
Address:	750 N. Flagler Dr.
City/State/Zip:	Fort Lauderdale, FL 33304
County:	Broward
Submarket:	Fort Lauderdale
Market Orientation:	Suburban
IRR Event ID:	2741476



Sale Information

Sale Price:	\$6,625,200
Effective Sale Price:	\$6,625,200
Sale Date:	01/10/2019
Recording Date:	01/10/2019
Sale Status:	Closed
\$/SF GBA:	\$362.87
\$/SF NRA:	\$362.87
Grantor/Seller:	750 Flagler LLC
Grantee/Buyer:	Tricera Flagler Uptown LLC.
Assets Sold:	Real estate only
Property Rights:	Leased Fee
Verified By:	Carlos Rodriguez, Jr.
Verification Date:	12/08/2021
Confirmation Source:	Seller Broker
Verification Type:	Confirmed-Seller Broker

Occupancy

Occupancy Type Before Sale:	Multi-Tenant
Occupancy Type After Sale:	Multi-Tenant
Occupancy at Time of Sale:	100.00%
Lease Type:	Triple Net

Improvement and Site Data

Legal/Tax/Parcel ID:	4942-3407-1610; 49420-3411-0390; 4942-3411-0391; 4942-3411-0392; 494234-11-0380; 494234-07-1800
GBA-SF:	18,258
GLA-SF:	18,258
Acres(Usable/Gross):	0.30/0.30
Land-SF(Usable/Gross):	12,956/12,956
Usable/Gross Ratio:	1.00
Year Built:	1951
Most Recent Renovation:	2019
Property Class:	B
Construction Quality:	Average
Improvements Cond.:	Good
No. of Buildings/Stories:	1/1
No. of Units/Unit Type:	0/TBD
Multi-Tenant/Condo.:	Yes/No
Total Parking Spaces:	4
Park. Ratio 1000 SF GLA:	0.22
Park. Ratio 1000 SF GBA:	0.22
Traffic Count:	13200
Bldg. to Land Ratio FAR:	1.41
Zoning Code:	RAC-UV
Zoning Desc.:	Regional Activity Center - Urban Village District
Source of Land Info.:	Public Records

750 N Flagler Drive - Creative Retail



Comments

Closed sale of a creative retail multi-tenant building located at the southeast corner of N. Flagler Drive and NE 2nd Avenue, in the city of Ft. Lauderdale in Broward County, FL. The property was recently renovated and repurposed and sold with tenants that include Invasive Species Brewing, Wells Coffee and Montce Swim.

Lease Comparables



Location & Property Identification

Property Name:	900-924 N. Flagler Drive - Creative Retail
Sub-Property Type:	Freestanding
Address:	900 N. Flagler Dr.
City/State/Zip:	Fort Lauderdale, FL 33304
County:	Broward
Submarket:	Fort Lauderdale
Market Orientation:	Suburban
IRR Event ID:	2741434



Space Information

Space Type:	Retail In Line - Small
Suite #:	908
Leased Area:	685

Lease Information

Lease Status:	Signed Lease
Lessor:	Not Disclosed
Lease Signed Date:	12/01/2021
Start/Available Date:	01/01/2022
Term of Lease:	36 months
Lease Measure:	\$/SF/Yr
Face Rental Rate:	\$42.00
Effective Rental Rate:	\$42.00
Escalation Type:	Fixed Percentage
Verified by:	Carlos Rodriguez, Jr.
Verification Date:	12/08/2021
Verification Source:	Listing Broker
Leasing Agent/Company:	Native Realty / Jaime Sturgis
Transaction Reliability:	Confirmed

Legal/Tax/Parcel ID:	494234057310
GBA-SF:	15,456
GLA-SF:	15,456
Acres(Usable/Gross):	0.67/0.67
Land-SF(Usable/Gross):	29,061/29,061
Usable/Gross Ratio:	1.00
Year Built:	1961
Most Recent Renovation:	2020
Property Class:	B
Construction Quality:	Average
Improvements Cond.:	Excellent
No. of Buildings/Stories:	1/1
Multi-Tenant/Condo.:	Yes/No
Total Parking Spaces:	17
Park. Ratio 1000 SF GLA:	1.10
Park. Ratio 1000 SF GBA:	1.10
Traffic Count:	13200
Bldg. to Land Ratio FAR:	0.53
Zoning Code:	RAC-UV
Zoning Desc.:	Regional Activity Center - Urban Village District
Source of Land Info.:	Public Records

Lease Expense Information

Reimbursement Method:	Triple Net
Reimbursement Desc.:	CAM is \$14.50 PSF

Improvement and Site Data

Comments

Closed Lease of a creative retail space located at the northeast corner of N. Flagler Drive and NE 9th Street, in the city of Ft. Lauderdale in Broward County, FL. The property was recently renovated and leased on a triple net basis. CAM expenses were reported at \$14.50 PSF.

Location & Property Identification

Property Name:	900-924 N. Flagler Drive - Creative Retail
Sub-Property Type:	Freestanding
Address:	900 N. Flagler Dr.
City/State/Zip:	Fort Lauderdale, FL 33304
County:	Broward
Submarket:	Fort Lauderdale
Market Orientation:	Suburban
IRR Event ID:	2741025



Space Information

Space Type:	Retail In Line - Small
Suite #:	902
Leased Area:	902

Lease Information

Lease Status:	Signed Lease
Lessor:	Not Disclosed
Lease Signed Date:	08/04/2021
Start/Available Date:	09/03/2021
Term of Lease:	36 months
Lease Measure:	\$/SF/Yr
Face Rental Rate:	\$42.00
Effective Rental Rate:	\$42.00
Escalation Type:	Fixed Percentage
Verified by:	Carlos Rodriguez, Jr.
Verification Date:	12/08/2021
Verification Source:	Listing Broker
Leasing Agent/Company:	Native Realty / Jaime Sturgis
Transaction Reliability:	Confirmed

Lease Expense Information

Reimbursement Method:	Triple Net
Reimbursement Desc.:	CAM is \$14.50 PSF

Improvement and Site Data

Legal/Tax/Parcel ID:	494234057310
GBA-SF:	15,456
GLA-SF:	15,456
Acres(Usable/Gross):	0.67/0.67
Land-SF(Usable/Gross):	29,061/29,061
Usable/Gross Ratio:	1.00
Year Built:	1961
Most Recent Renovation:	2020
Property Class:	B
Construction Quality:	Average
Improvements Cond.:	Excellent
No. of Buildings/Stories:	1/1
Multi-Tenant/Condo.:	Yes/No
Total Parking Spaces:	17
Park. Ratio 1000 SF GLA:	1.10
Park. Ratio 1000 SF GBA:	1.10
Traffic Count:	13200
Bldg. to Land Ratio FAR:	0.53
Zoning Code:	RAC-UV
Zoning Desc.:	Regional Activity Center - Urban Village District
Source of Land Info.:	Public Records

Comments

Closed Lease of a creative retail space located at the northeast corner of N. Flagler Drive and NE 9th Street, in the city of Ft. Lauderdale in Broward County, FL. The property was recently renovated and leased on a triple net basis. CAM expenses were reported at \$14.50 PSF.

Location & Property Identification

Property Name:	801-19 NE 2nd Ave Creative Retail
Sub-Property Type:	Freestanding
Address:	819 NE. 2nd Ave.
City/State/Zip:	Fort Lauderdale, FL 33304
County:	Broward
Submarket:	Fort Lauderdale
Market Orientation:	Suburban
IRR Event ID:	2741654



Space Information

Space Type:	Retail In Line - Medium
Suite #:	310
Leased Area:	2,096

Lease Information

Lease Status:	Signed Lease
Lessor:	BH3 DJ Sub LLC
Lessee:	Wood & Wick Co. LLC
Start/Available Date:	07/15/2021
Term of Lease:	60 months
Lease Measure:	\$/SF/Yr
Face Rental Rate:	\$30.00
Effective Rental Rate:	\$30.00
Escalation Type:	Fixed Percentage
Escalation Desc.:	3% annually
Verified by:	Carlos Rodriguez, Jr.
Verification Date:	12/09/2021
Verification Source:	Property Contact
Leasing Agent/Company:	BH3 / Zachary Bennett
Transaction Reliability:	Confirmed

Lease Expense Information

Reimbursement Method:	Triple Net
Reimbursement Desc.:	CAM is estimated at \$6.00 per sq. ft. per year.

Improvement and Site Data

Legal/Tax/Parcel ID:	494234-06-2570; 494234-06-2580; 494234-06-2591; 494234-06-2610
GBA-SF:	24,120
GLA-SF:	24,120
Acres(Usable/Gross):	0.85/0.85
Land-SF(Usable/Gross):	36,959/36,959
Usable/Gross Ratio:	1.00
Year Built:	1972
Most Recent Renovation:	2021
Property Class:	B
Construction Quality:	Average
Improvements Cond.:	Excellent
No. of Buildings/Stories:	1/1
No. of Units / Unit Type:	12/Suites
Multi-Tenant/Condo.:	Yes/No
Density-Unit/Gross Acre:	14.14
Density-Unit/Usable Acre:	14.14
Bldg. to Land Ratio FAR:	0.65
Source of Land Info.:	Public Records

Comments

Closed lease of a creative retail space located at the northwest corner of Progresso Drive and NE 2nd Avenue, in the city of Fort Lauderdale, within Broward County, FL. The tenant is a retail candle and accessory shop. The lease

Comments (Cont'd)

terms were on a triple net basis, for 60 months with one (1) five (5) year renewal term. Starting rent is at \$30 per sq. ft. per year.

Location & Property Identification

Property Name:	Progresso Arts District - Creative Retail
Sub-Property Type:	Freestanding
Address:	837 NE. 2nd Ave.
City/State/Zip:	Fort Lauderdale, FL 33304
County:	Broward
Submarket:	Fort Lauderdale
Market Orientation:	Suburban
IRR Event ID:	2741538



Space Information

Space Type:	Retail In Line - Small
Leased Area:	2,460

Lease Information

Lease Status:	Signed Lease
Lessor:	Very Big Things
Lease Signed Date:	12/01/2021
Start/Available Date:	10/01/2020
Term of Lease:	84 months
Lease Measure:	\$/SF/Yr
Face Rental Rate:	\$30.00
Effective Rental Rate:	\$30.00
Escalation Type:	Fixed Percentage
Verified by:	Carlos Rodriguez, Jr.
Verification Date:	12/08/2021
Verification Source:	Listing Broker
Leasing Agent/Company:	Integra Real Estate / Michael Rechter
Transaction Reliability:	Confirmed

Lease Expense Information

Reimbursement Method:	Triple Net
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Improvement and Site Data

Legal/Tax/Parcel ID:	494234062500
GBA-SF:	2,413

GLA-SF:	2,413
Acres(Usable/Gross):	0.15/0.15
Land-SF(Usable/Gross):	6,375/6,375
Usable/Gross Ratio:	1.00
Year Built:	1969
Most Recent Renovation:	2019
Property Class:	B
Construction Quality:	Average
Improvements Cond.:	Excellent
No. of Buildings/Stories:	1/1
Multi-Tenant/Condo.:	Yes/No
Total Parking Spaces:	6
Park. Ratio 1000 SF GLA:	2.49
Park. Ratio 1000 SF GBA:	2.49
Bldg. to Land Ratio FAR:	0.38
Zoning Code:	NWRAC-MUone
Zoning Desc.:	NW Regional Activity Center - Mixed Use
Source of Land Info.:	Public Records

Comments

Closed Lease of a creative retail space located along NE 2nd avenue, in the city of Ft. Lauderdale in Broward County, FL. The property was recently renovated and leased on a triple net basis.

Location & Property Identification

Property Name:	406-410 Andrews Ave
Sub-Property Type:	Freestanding, Street/Highway Retail
Address:	408 N. Andrews Ave.
City/State/Zip:	Fort Lauderdale, FL 33301
County:	Broward
Submarket:	Fort Lauderdale
Market Orientation:	Suburban
IRR Event ID:	2309233



Space Information

Space Type:	Retail
Suite #:	410
Leased Area:	1,333

Lease Information

Lease Status:	Signed Lease
Lessee:	Wine shop
Lease Signed Date:	12/01/2019
Start/Available Date:	01/01/2020
Expiration Date:	12/31/2022
Term of Lease:	36 months
Lease Measure:	\$/SF/Yr
Face Rental Rate:	\$29.00
Effective Rental Rate:	\$29.00
Escalation Type:	Fixed Percentage
Escalation Desc.:	4% per annum
Free Rent (Months):	2.00
Concessions:	As-is
Verified by:	Alex Essa, MAI
Verification Date:	01/06/2020
Verification Source:	A. D'agostino
Transaction Reliability:	Confirmed

Lease Expense Information

Reimbursement Method:	Triple Net
Reimbursement Desc.:	\$6/sf CAM

Improvement and Site Data

Legal/Tax/Parcel ID:	5042 03 02 1760
GBA-SF:	4,100
GLA-SF:	4,100
Acres(Usable/Gross):	0.13/0.13
Land-SF(Usable/Gross):	5,625/5,625
Usable/Gross Ratio:	1.00
Year Built:	1958
Most Recent Renovation:	Periodically
M&S Class:	C
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Stucco
No. of Buildings/Stories:	1/1
Multi-Tenant/Condo.:	Yes/No
Total Parking Spaces:	5
Park. Ratio 1000 SF GLA:	1.22
No. Surface Spaces:	5
Park. Ratio 1000 SF GBA:	1.22
Bldg. to Land Ratio FAR:	0.73
Source of Land Info.:	Public Records

Comments

This is the lease of a 1,333 square foot space in a retail building located at 406-410 North Andrews Avenue, in Fort Lauderdale, FL. The building has limited parking; however, there is a municipal parking lot close by. The space was leased in October 2019 for 3 years. The starting

Comments (Cont'd)

rent was \$29.00 per square foot increasing 4% annually.
Expenses were on a triple-net basis. The space was taken As Is.
The new tenant is a wine shop..

Addendum E
Engagement Letter



AMENDING AGREEMENT #1

THIS AMENDING AGREEMENT dated 11/23/2021

BETWEEN:

CES

OF THE FIRST PART

- AND -

James V. Andrews / IRR-MIAMI/CARIBBEAN

OF THE SECOND PART

Background

- A. CES and James V. Andrews (the Parties) entered into the contract (the "Contract") dated 11/12/2021, for Appraisal services.
- B. The Parties desire to amend the Contract on the terms and conditions set forth in the Amending Agreement (the "Agreement").
- C. This Agreement is amendment #1 to the Contract.

IN CONSIDERATION OF the Parties agreeing to amend their obligations in the existing Contract, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to keep, perform, and fulfill the promises, conditions and agreements below:

Amendments

The Contract is amended as follows:

Award Fee (as amended): \$3,500.00

Due Date (as amended): 12/16/2021

Scope Comments: see comments

No Other Change

Except as otherwise expressly provided in this Agreement, all of the terms and conditions of the Contract remain unchanged and in full force and effect.

Miscellaneous Terms

Capitalized terms not otherwise defined in this Agreement will have the meanings ascribed to them in the Contract. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement. Words in the singular mena and include the plural and vice versa. Words in the masculine include the feminine and vice versa. No regard for gender is inteded by the language in this Agreement.

Governing Law

Subject to the terms of the Contract, it is the intention of the Parties that this Agreement, and all suits and special proceedings under this Agreement, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the state of GA, without

v. 1.1.2019



regard to the jurisdiction in which any action or special proceeding may be instituted.

Please include a signed copy of this letter as an addendum to the completed report, *in addition to the original contract and any other amendments.*

Sincerely,

Tyrone Green

CES

Accepted By:

IRR-MIAMI/CARIBBEAN



James V. Andrews

November 23, 2021

Date

v 1.3180.0





Banesco
150 Alhambra Cir

11/12/2021

Coral Gables,
FL, 33134

File #21-007472-01-01

CES AMC Registration Number: AZ AMC 1015160/ AR 210 / CA 3003266 / CO AMC 200000622 / FL MC-53 /
GA 130 / IN AMC1300039 / KS 159 / KY 207 / ME 4458 / MA 132 / MO 2016029806 / NH AMC-187 / NY
AMC-19-0316 / NJ 42AC00005400 / NC 1157 / OH AMC 2019005010 / OK 60214AMC / OR AM-199 / PA
AMC-000184 / SC 23 / TN 00000-111 / TX 2000222 / UT 910126002 / VT 077.0133204MAIN / VA 4009000164 /
WA 300213 / WV WV010101

James V. Andrews

RE: Appraisal Assignment
BH3

James V. Andrews:

IRR-MIAMI/CARIBBEAN
9155 S. Dadeland Blvd.

Retail-Commercial-Mixed Use-Retail-Office
819 NE 2 AVENUE

Collateral Evaluation Services, LLC (CES), (Agent, the Agent), on behalf of Banesco (Client, the Client, Organization), hereby requests your services in providing an Appraisal on the above referenced real estate, including all applicable approaches to value. Regulations require the appraisal to be signed by the Appraiser to whom the engagement letter is addressed. As the Appraiser engaged to complete this appraisal assignment, you are agreeing to the terms and conditions of this Engagement Letter personally, and on behalf of the associates that you may employ or contract with for completion of this assignment, collectively referred to in this Engagement Letter as "Appraiser".

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Miami, FL33156

Ft Lauderdale, FL33304

The purpose of the appraisal is to estimate Market Value of the existing for the above-captioned real estate in its "as is" condition, as well as other additional value premise(s) described herein. Federal financial institutions' regulations and guidelines require an "as is" value consisting of "the current market value of the property in its actual physical condition and subject to the zoning in effect as of the date of the appraisal (a current date of value)." For proposed renovations, new construction, and/or non-stabilized properties, a prospective market value "upon completion" and "upon stabilization" may also be required.

The appraisal report and invoice is to be addressed to Banesco who is the client/intended user, and the intended use is as an aid in underwriting a loan, classification of a loan, and/or the disposition of assets. The name of the client should appear on the Cover Page, Letter of Transmittal, and within the body of the report. No individuals' names should appear in the appraisal report. Banesco may, without Appraiser's prior authorization or a notice to Appraiser, provide this report to other parties for their use in lending-related activities; *however, it does not make the recipient an intended user of this engagement.* If Banesco sells all or a portion of this credit to another bank(s), said Bank shall be considered a part of the intended user(s)/client(s). Should the invoice be addressed incorrectly this could result in the delay of payment until it is corrected.

Should your assignment be cancelled prior to delivery you will have 48 hours to upload to RIMS a PDF of the invoice and any information collected during the process. If nothing is uploaded to RIMS within that time it will be assumed that no fee was charged, and the assignment will be closed. Should you be unable to upload documents during the 48-hour period, you will need to contact the Job Manager for this assignment and make arrangements to get the documents uploaded in a timely manner.

An electronic copy of the completed Appraisal Report, delivered in a "PDF" (Portable Document Format), is to be delivered on or before 1:00 pm on 12/16/2021. Failure to deliver the completed appraisal Report by this scheduled delivery date will be considered a breach of this agreement. If the report is not delivered upon the agreed upon due date, Banesco reserves the right to discount or reduce the fee at their discretion or to terminate the agreement entirely, as failure to deliver the report by this date will be considered a breach of this agreement.

The total fee, including any and all expenses related to this specific assignment, shall not exceed **\$2,500.00**. The previously referenced, agreed upon appraisal fee is a gross fee, inclusive of all expenses. **Please make all invoices out to the Client and submit through RIMS as a separate document.**

By acceptance of this assignment, you, the appraiser agree that the Client is solely responsible for the payment of your appraisal fee. Client is instructed that payment should be made promptly by the Client, upon the completion of the assignment following receipt of the appraisal invoice, which should be uploaded with the final appraisal report. Further, should Client not pay your invoice for any reason, you agree to indemnify and hold CES harmless from and against any loss, cost, expense, damages, action, cause of action, costs of litigation or alternative dispute resolution, or other injury, including attorney's fees and expenses, as a result of Client's failure to pay any vendor fees or expenses in a timely manner.

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Appraiser agrees that the maximum fee to be allowed if a new effective date, often referred to as an "update," is required by the client is to be: within 2 months of the effective date of the original appraisal, not to exceed 25% of original fee; within 3-6 months, not to exceed 50% of original fee; and within 7-9 months, not to exceed 75% of original fee. If the scope of work has increased materially, a new fee may be negotiated.

The property contact information and other salient facts regarding the appraisal are:

Name of Client:	Banesco
Client's Customer:	Zachary Bennett
Legal Property Owner:	Zachary Bennett
Property Contact Name:	Zachary Bennett
Property Contact Phone:	917-821-2436Zach@bh3llc.com
Subject Property Address:	819 NE 2 AVENUE Ft Lauderdale,FL33304
Property Description:	Retail-Commercial - Mixed Use-Retail-Office Property is a mixed used industrial/retail/office
Scope of Report:	

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Premise	Qualifier	Interest	Comment
If there is a difference between the value upon completion and the value upon stabilization we would like both please. the lender has not told us what the scope of renovation work is going to be.			
Insurable Replacement Cost	As-Is	Fee Simple Estate	
Market Value	As-Is	Fee Simple Estate	
Prospective Mkt Value	Upon Completion, as proposed	Leased Fee Interest	
Prospective Mkt Value	Stabilized, as proposed or built	Leased Fee Interest	

The Report is to be prepared for the sole use and benefit of Banesco. Appraiser's fiduciary appraiser/client relationship related to the Confidentiality requirements in USPAP is only with Banesco, as CES is only acting in an adjunct agent role.

The engagement for this assignment is being handled by Collateral Evaluation Services, LLC ("CES") on behalf of Banesco, as Banesco's engaged appraisal management company. All communications about this appraisal assignment shall be directed to CES at CES@cesvaluations.com.

Under the Gramm-Leach-Bliley Act, all provided information concerning the subject property and borrower, as well as the opinions and results of the appraisal, are confidential and cannot be distributed/discussed with any other user/client without prior written approval from Banesco. All original documents are to be returned to Banesco upon completion of the assignment.

You are authorized to commence with the appraisal upon acceptance of this engagement letter. The Bank reserves the right, at its option or in accordance with state and federal law, to provide a copy of the appraisal or to disclose information contained in the appraisal to the Borrower or other entities.

In order to comply with federal regulations, the appraisal is required to conform to the following minimum standards:

(1) **Compliance:** The Appraisal must conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP), Title XI of FIRREA, Interagency Appraisal and Evaluation Guidelines, federal and state appraisal regulations, laws, and general appraisal guidelines.

(2) **Required Disclaimer:** The following statement must be included after your statement value(s) in the Letter of Transmittal, Executive Summary and the Reconciliation of Value sections of your report: This appraisal report was ordered by CES on the behalf of Banesco, and prepared for the sole use and benefit of Banesco. Therefore, the fiduciary appraiser/client relationship is only with Banesco with CES acting in an adjunct advisory role. The report is based in part upon documents, writings and information owned and possessed by Banesco. Values contained within the report are strictly confidential. The unlawful interception, use, or disclosure of such information is strictly prohibited under 18 USCA 2511 and the Gramm-Leach-Bliley Act of 1999.

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This report may have been made available to third parties who have been authorized to receive it for information purposes only. However, this report should not be used for any purpose other than to understand the information made available to the Bank concerning the property it addresses.

(3) **Format:** The appraisal(s) must be in writing and contain sufficient information and analysis to support the Bank's decision to engage in the transaction. In accordance with CES' and Banesco's supplemental appraisal requirements and guidelines, the person engaged on this appraisal is required to fully review the appraisal report for compliance and is also required to sign the appraisal report. If the appraisal is not signed by the person engaged to perform this assignment, Banesco reserves the right to reject the appraisal report and may also reserve the right to refuse payment of your invoice for failure to render services per contractual breach in this agreement to do so.

(4) **Intended Use/User:** The following statement must be included on the Letter of transmittal and in the body of the report where you are required to identify the Intended Use/Users of the report:

Intended User Statement: *This Appraisal was ordered by CES on Behalf of Banesco. Banesco and any noted permitted participants, affiliates or additional users are the only Intended Users of this appraisal report.*

Intended Use Statement: *The Intended Use of this appraisal report is for determining loan and credit underwriting decisions that will be made by Banesco and any additional noted participants for a federally related loan transaction.*

(5) **Market Value:** Market value as defined by the Office of the Comptroller of Currency, FDIC Section 2000 – Rules and Regulations, Part 323 – Appraisals, Section § 323.2, Definitions, paragraph (h) is as follows (source, <https://www.fdic.gov/regulations/laws/rules/2000-4300.html>):

(h) Market value means 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 is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) 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.

(6) **Licensure and Inspection:** The signatories of the Report must be licensed in the state where the property is

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located. The primary appraiser writing the report must inspect the subject property.

(7) **SBA Requirements for a Going-Concern:** The Certified General Real Property Appraiser must have completed no less than four going concern appraisals of equivalent special use property as the property being appraised, within the last 36 months, as identified in the qualifications portion of the Appraisal Report. A statement certifying compliance with this requirement shall be included in the signed certification within the appraisal report when a going-concern value is requested. The appraisal must allocate separate values to the individual components of value including land, building, equipment and intangible assets.

(8) **The Bank's Appraisal Requirements are highlighted below.**

- a) It is the appraiser's responsibility to determine the right scope of work. Unless CES specifically asked for a hypothetical value, we do not need any values subject to a hypothetical condition. If there is an unenforceable (non-arm's length) lease, then the property is technically fee simple. If there are tenants in possession, even if the lease is expired or has a short lease remaining, then the property is technically leased fee. It is your responsibility to determine if the leases impact value and provide the as is value, regardless of whether the leased fee or fee simple value was requested. CES does not need any hypothetical values.
- b) A market analysis that addresses property specific and submarket specific supply and demand factors is required. For going concern properties or proposed development, a more robust analysis is expected. CES requires a Level C market analysis for all going concern and proposed development assignments.
- c) Please contact the Job Manager if you cannot perform a thorough property inspection. You must note any (or the absence of) potentially hazardous materials in the appraisal report. All buildings must be measured, or spot checked against a survey. A survey or appraiser's field sketch is required for all improved properties.
- d) The assessor's full market value must be stated and analyzed. Any threat of reassessment should be clearly noted and considered in the valuation sections. Appraiser must state whether the taxes are up to date or past due.
- e) When improved sale comparables are applicable, you must include a map that shows the comparables in relation to the subject, and sale profiles for each comparable that disclose the date inspected, photograph, and confirmation disclosures. Improved sales comparison approach must be summarized in an adjustment grid. Supplemental listings and properties under contract are useful for establishing the upper or lower end of the range or to further support the appraiser's conclusions.
- f) When rent comparables are applicable, a minimum of three closed transactions are required. The rent comparables must be summarized to the extent necessary to support your concluded market rent. A rental map is required unless the comparables all have the same location.
- g) When land sale comparables are applicable, you must include a map that shows the comparables in relation to the subject. A boundary survey or tax map depicting the shape of each land sale is required. The land sale comparables must be summarized to the extent necessary to support your conclusions.
- h) It is the appraiser's responsibility to determine the appropriate scope of work. Residential subdivision, and retail properties with 10 or more units require a discounted cash flow analysis. In some cases, unstabilized multi-tenant properties will require a DCF. Contact your Job Manager if you are unsure whether a DCF is necessary.

(9) **Invoice:** Please make all invoices out to the Client and submit through RIMS as a separate document unless otherwise directed by state or federal laws. The original agreed upon fee based on Appraiser's quote will be the invoice amount unless additional fees are approved in writing by CES.

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(10) **Limitations of Liability:** Banesco and CES reserve the right not to accept the Report and will not be responsible for any expenses incurred by the engagement if disclaimers are included limiting Appraiser's professional liability to Banesco (limitations of liability to unintended third parties users of the appraisal are permissible).

(11) **Other Requirements:** Qualifications of the Appraiser, a copy of a valid appraiser's license in the applicable state, and a signed copy of this engagement letter should be included in the report.

(12) *With respect to COVID-19 considerations-the appraiser must explain how Covid 19 has impacted the subject submarket and property type. In some cases, the impact has been negative, in other cases the impact has been positive and for some it has been neutral. Appraiser must thoroughly discuss market conditions and factors that are driving demand, including the local response to the Pandemic.*

OTHER CONSIDERATIONS:

Appraisal Independence: Dodd-Frank Wall Street Reform and Consumer Protection Act, the Interagency Appraisal and Evaluation Guidelines, USPAP and state laws require that appraisals be completed without influence. The regulations outline that it is unlawful for any party with an interest in the underlying transaction to compensate, coerce, extort, collude, instruct, induce, bribe, or intimidate such a person for the purpose of causing an appraisal value assigned to be based on any factor other than the independent judgment of the Appraiser. The Appraiser should contact CES should he or she believes appraiser/appraisal independence has been compromised in any way at 678-580-6210 or Email: tcasanego@cesvaluations.com.

Conflict of Interest: The Appraiser, and by agreement, all members and/or appraisal sub-contractors of Appraiser's organization, certify that they have no personal, business or other relationship (either direct, indirect, financial or otherwise) in the property appraised or with regard to the parties involved in the assignment (Client, Client's Customer, Property Owner(s), Property Broker(s), leasing agent(s), property management company(s), etc.) **Further, it is required that a statement to this effect be included in the certification of the appraisal.**

Independent Contractor: In the performance of services under the terms of this letter, Appraiser shall act solely as an independent contractor, and nothing herein contained or implied shall at any time be construed as to create the relationship of employer and employee, partnership, principal and agent or joint venture partner as between IRR-MIAMI/CARIBBEAN, Appraiser and/or Client.

Termination of Agreement and Obligations: Notwithstanding anything contained herein to the contrary, Banesco may, at its option and for any reason, terminate this agreement without responsibility for payment of the Appraiser's fees or costs, except for any actual staff time and out-of-pocket costs, incurred by the Appraiser in connection with the Appraiser's performance of this agreement as of the date of termination, not to exceed the fee amount stated above.

By accepting this assignment, Appraiser is asserting that Appraiser has geographical competence, has appropriate reliable data sources, and has experience with the property type. Appraiser will fully comply with USPAP's Competency Clause and all appraisal laws and regulations.

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CES, at its sole discretion, will perform a review of the Report for completeness and appropriateness of methodology, accuracy of calculations, and reasonableness of market support provided, and conclusions made based on the market evidence provided in the Report. If the review process results in a request for further clarification, analysis, or correction, Appraiser agrees to comply within twenty-four (24) hours of said request. Failure to respond shall also be considered a breach of this agreement.

By signature on a copy of this letter, Appraiser confirms acceptance of this engagement and acknowledges that Banesco will own the Reports provided and will be under no restrictions regarding redistribution.

Any changes to this agreement must be agreed to in writing by Banesco and CES.

Respectfully,

Larry R. Woodall
Founder, CEO, Chief Appraiser
COLLATERAL EVALUATION SERVICES, LLC
Engaging on behalf of Banesco

The Appraiser agrees by affixing his or her signature, that if the Appraiser, or any associates that Appraiser may employ or contract with for completion of this assignment, fails to comply with the terms and conditions of this agreement, Appraiser will not be entitled to compensation.

Date Contract was Accepted: November 12, 2021

Vendor Representative: _____
James V. Andrews
IRR-MIAMI/CARIBBEAN

A handwritten signature in blue ink, appearing to read "JVA", is written over a horizontal line.

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