

AN APPRAISAL OF
**THE
6,376 SQUARE FOOT PARCEL
OF VACANT LAND
LOCATED AT
541 NW 8TH AVENUE IN
FORT LAUDERDALE, FLORIDA**

OUR FILE NUMBER: 22-84074

PREPARED FOR
CITY OF FORT LAUDERDALE

AS OF
OCTOBER 20, 2022

BY
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October 21, 2022

Ms. Amber T. Cabrera, MPA
City of Fort Lauderdale
100 N. Andrews Avenue
Fort Lauderdale, FL 33301

Dear Ms. Cabrera:

We have made an investigation and analysis of the 6,376 square foot parcel of vacant land located on the west side of NW 8th Avenue, approximately 125 feet south of NW 6th Street (Sistrunk Boulevard), in the City of Fort Lauderdale, Florida 33311. Its street address is 541 NW 8th Avenue. Further, the Subject is situated within the Progresso Village neighborhood of the City of Fort Lauderdale. The Subject Property will be further described both narratively and legally within the following Appraisal Report.

The purpose of this investigation and analysis was to provide our opinion of the Market Value of the Fee Simple Estate of the Subject Property as of October 20, 2022.

This report has been prepared for our client and intended user, the City of Fort Lauderdale. The intended use was to assist the client in internal decision making. The scope of work performed is specific to the needs of the intended user and the intended use. No other use is intended, and the scope of work may not be appropriate for other uses.

The scope of work performed included a complete analysis of the Subject Property. A detailed scope of work description can be found in the body of this report.

Ms. Amber T. Cabrera, MPA
City of Fort Lauderdale Ms. Jacqueline Miller
October 21, 2022
Page Two

Based upon the scope of the assignment, our investigation and analysis of the information contained within this report, as well as our general knowledge of real estate valuation procedures and market conditions, it is our opinion that:

The Market Value of the
Fee Simple Estate of the
Subject Property as of
October 20, 2022 was:

\$200,000

A description of the property appraised, together with an explanation of the valuation procedures utilized, is contained in the body of the attached report. For your convenience, an Executive Summary follows this letter. Your attention is directed to the Limiting Conditions and underlying assumptions upon which the value conclusions are contingent.

Respectfully submitted,

CALLAWAY & PRICE, INC.

Stephen D. Shaw, MAI, AI-GRS
Cert Gen RZ1192

James H. Mader, Associate Appraiser
Cert Gen RZ832

SDS/JHM/js/22-84074
Attachments



Executive Summary

| | | |
|---|---|--|
| PROPERTY TYPE | : | Vacant mixed-use land |
| PROPERTY ADDRESSES | : | 541 NW 8 th Avenue Fort Lauderdale, Florida 33311 |
| LOCATION | : | West side of NW 8 th Avenue, approximately 125 feet south of NW 6 th Street (Sistrunk Boulevard) |
| DATE OF VALUATION | : | October 20, 2022 |
| DATE OF REPORT | : | October 21, 2022 |
| PROPERTY DESCRIPTION | | |
| LAND | : | The Subject site is rectangular in shape and contains 6,376 square feet, or .15 acres, more or less |
| ZONING | : | NWRAC-MUw, North West Regional Activity Center-Mixed Use west, by the City of Fort Lauderdale, Florida |
| LAND USE PLAN | : | NW Regional Activity Center, by the City of Fort Lauderdale, Florida |
| HIGHEST & BEST USE | : | Future mixed-use development |
| MARKET VALUE OF THE FEE SIMPLE ESTATE OF THE SUBJECT PROPERTY AS OF OCTOBER 20, 2022 | : | \$200,000 |



Table of Contents

| | <u>Page No.</u> |
|--|-----------------|
| CERTIFICATION | 1 |
| GENERAL ASSUMPTIONS | 3 |
| LIMITING CONDITIONS | 5 |
| DEFINITION OF THE APPRAISAL PROBLEM | 9 |
| Purpose, Date of Value, and Interest Appraised | 9 |
| Intended Use and User of Appraisal | 9 |
| Legal Description | 9 |
| Market Value | 9 |
| Fee Simple Estate | 10 |
| Exposure Time | 10 |
| Marketing Time | 10 |
| SCOPE OF WORK | 12 |
| NEIGHBORHOOD DATA | 13 |
| PROPERTY DATA | 15 |
| Location | 15 |
| Zoning | 15 |
| Land-Use Plan | 15 |
| Easements and Deed Restrictions | 15 |
| Site Size, Shape and Access | 16 |
| Utilities | 16 |
| Topography | 16 |
| Flood Hazard Zone | 17 |
| Assessed Value and Taxes | 17 |
| Property History | 17 |
| HIGHEST AND BEST USE | 18 |
| Conclusion | 18 |
| LAND VALUE ANALYSIS | 20 |
| Sales Comparison Approach | 20 |
| Discussion of Vacant Land Sales | 21 |
| Conclusion | 27 |

ADDENDA

Qualifications:

Stephen D. Shaw, MAI, AI-GRS
James H. Mader, Associate Appraiser



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 we have no personal interest with respect to the parties involved.
4. We have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this appraisal 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. Further, this appraisal assignment was not made, nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or an amount which would result in approval of the loan.
8. The analyses, opinions, and conclusion were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and The Interagency Appraisal and Evaluation Guidelines, December 10, 2010.
9. James H. Mader made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the persons signing this certification.



Certification

11. The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Appraisal Board.
12. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
13. The reported analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
14. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
15. As of the date of this report, Stephen D. Shaw, MAI, AI-GRS has completed the continuing education program for Designated Members of the Appraisal Institute.

Stephen D. Shaw, MAI, AI-GRS
Cert Gen RZ116

James H. Mader, Associate Appraiser
Cert Gen RZ832



General Assumptions and Limiting Conditions

GENERAL ASSUMPTIONS

1. Unless otherwise stated, the value appearing in this appraisal represents the opinion of the Market Value or the Value Defined AS OF THE DATE SPECIFIED. Market Value of real estate is affected by national and local economic conditions and consequently will vary with future changes in such conditions.
2. The value opinion in this appraisal report is gross, without consideration given to any encumbrance, restriction or question of title, unless specifically defined.
3. It is assumed that the title to the premises is good; that the legal description is correct; that the improvements are entirely and correctly located on the property described and that there are no encroachments on this property, but no investigation or survey has been made.
4. No responsibility is assumed for matters legal in nature, nor is any opinion of title rendered. No right to expert testimony is included, unless other arrangements have been completed. In the performance of our investigation and analysis leading to the conclusions reached herein, the statements of others were relied on. No liability is assumed for the correctness of these statements; and, in any event, the appraiser's total liability for this report is limited to the actual fee charged.
5. No rights to expert witness testimony, pre-trial or other conferences, depositions, or related services are included with this appraisal. If as a result of this appraisal process Callaway and Price, Inc., or any of its principals, its appraisal consultants or experts are requested or required to provide any litigation services, such shall be subject to the provisions of the engagement letter or, if not specified therein, subject to the reasonable availability of Callaway and Price, Inc. and/or said principals or appraisers at the time and shall further be subject to the party or parties requesting or requiring such services paying the then applicable professional fees and expenses of Callaway and Price, Inc. either in accordance with the engagement letter or arrangements at the time, as the case may be.
6. Any material error in any of the data relied upon herein could have an impact on the conclusions reported. We reserve the right to amend conclusions reported if made aware of such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusion within 30 days of delivery of this reported and should immediately notify us of any questions or errors.
7. The market value reported herein assumes that all taxes and assessments have been paid and assumes a fee simple interest unless otherwise reported. The body of the report will define the interest appraised if it differs.



General Assumptions and Limiting Conditions

8. Neither all nor any part of the contents of this report (especially any conclusions, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or any of its designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without our prior written consent and approval.
9. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or the engineering which might be required to discover these factors.
10. Our opinion of value was based on the assumption of competent marketing and management regarding the property. If there is no competent marketing and management, then the market value opinion herein may not apply.



LIMITING CONDITIONS

1. No hypothetical conditions are part of this appraisal assignment.
2. No extraordinary assumptions are part of this appraisal assignment.
3. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation stachybotrys chartarum (mold), asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, was not called to the attention of, nor did the appraisers become aware of such during their inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test for such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such proximity thereto that would cause a loss in value. We are unaware of very wet conditions that may have existed for days or weeks which are required to grow mold. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
4. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.



NORTHWESTERLY VIEW OF SUBJECT



SOUTHWESTERLY VIEW OF SUBJECT



VIEW NORTH ALONG SW 8TH AVENUE WITH SUBJECT AT LEFT



VIEW LOOKING SOUTH ALONG SW 8TH AVENUE WITH SUBJECT AT RIGHT



AERIAL VIEW



DEFINITION OF THE APPRAISAL PROBLEM

Purpose, Date of Value, and Interest Appraised

The purpose of this investigation and analysis was to provide our opinion of the Market Value of the Fee Simple Estate of the Subject Property as of October 20, 2022.

Intended Use and User of Appraisal

This report has been prepared for our client and intended user, the City of Fort Lauderdale. The intended use was to assist the client in internal decision making. The scope of work performed is specific to the needs of the intended user and the intended use. No other use is intended, and the scope of work may not be appropriate for other uses.

Legal Description

Lots 5 and 6, Block 16, North Lauderdale, as recorded in Plat Book 1, Page 48, Public Records of the Broward County, Florida

Source: Client and Broward County Property Appraiser's Office

Market Value

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

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. 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."

Source: The Interagency Appraisal and Evaluation Guidelines, Federal Register, Volume 75, No. 237, December 10, 2010, Pgs. 61-62.



Definition of the Appraisal Problem

Fee Simple Estate

The Dictionary of Real Estate Appraisal, Seventh Edition 2022, by the Appraisal Institute, defines Fee Simple Estate on page 73 as follows:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Exposure Time

The Dictionary of Real Estate Appraisal, Seventh Edition 2022, by the Appraisal Institute, defines Exposure Time on pages 67 - 68 as follows:

1. "The time a property remains on the market."
2. "An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."

There is a requirement under Standard Two to report exposure time according to the latest USPAP publication. "Exposure Time" is different for various types of property under different market conditions.

Based on market conditions as of the appraisal date, it is our opinion that the Subject Property would have had an exposure time of up to 6 to 12 months.

Marketing Time

The Dictionary of Real Estate Appraisal, Seventh Edition 2022, by the Appraisal Institute, defines Marketing Time on page 116 as follows:

"An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal."

"Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time."



Definition of the Appraisal Problem

As in most markets, properties that are priced competitively and marketed professionally will sell before others which are not. Based on this, the Subject should have a marketing time of up to 12 months, provided adequate financing is available, the property is listed for sale at market value and is marketed by a competent brokerage firm.



SCOPE OF WORK

According to the 15th Edition of The Appraisal of Real Estate, page 75, "In the valuation process, the identification of the assignment elements leads directly into the determination of the scope of work of an assignment, i.e., the type and extent of research needed to solve an appraisal problem. Professional valuation standards place the responsibility for determining the appropriate scope of work in an appraisal assignment squarely on the shoulders of the appraiser. The scope of work for an assignment is acceptable if it leads to credible assignment results, is consistent with the expectations of parties who are regularly intended users for similar assignments and is consistent with what the actions of an appraiser's peers would be in the same or a similar assignment.

The first step in the appraisal process is the identification of the appraisal problem which included the purpose and date of value, determining the interest being appraised, intended use and user of the appraisal, and identifying the real estate (legal description). This step also determines if the appraisal were subject to any extraordinary assumptions or hypothetical conditions.

The next step involved the inspection of the Subject Property in October 2022 by James H. Mader. The inspection allows us to understand the physical components of the Subject Property. In addition to the inspection of the Subject Property, we also begin the data-collection process and, subsequently, an analysis of the factors that affect the market value of the Subject Property, including property data analysis. We gathered and reviewed information from the Broward County Property Appraiser's Office, the City of Fort Lauderdale Planning and Zoning Department and the client to understand and describe the Subject Property and its surroundings.

The third step in the process was to determine the Highest and Best Use of the Subject Property. Through the Highest and Best Use analysis, we determined the issues that have an effect on the final opinion of value. To determine the Highest and Best Use, we relied on information obtained from the data-collection process.

The fourth step was the application of the appropriate approaches to value. Three conventional approaches to value are typically utilized in the valuation of real estate. They are the Cost, Sales Comparison and Income Capitalization Approaches. *No approaches were specifically omitted from this appraisal by the client.*

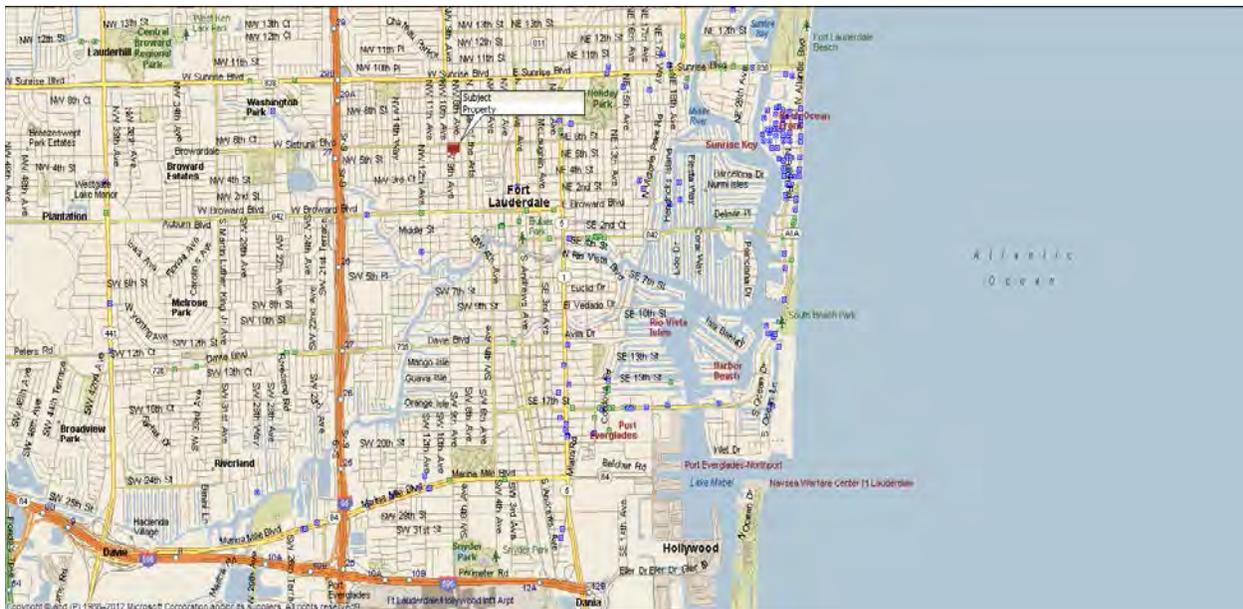
The Subject consists of a 6,376 square foot parcel of vacant mixed-use land. The most reliable way to estimate land value is by the Sales Comparison Approach. When few sales are available, however, or when the value indications produced through sales comparison need additional support, alternative techniques like extraction or allocation may be applied. In the case of the Subject Property the only approach used was the Sales Comparison Approach. Since only one approach to value was used, no reconciliation was needed.



NEIGHBORHOOD DATA

Preface

The relationship of the Subject Property with surrounding properties forms the basis of neighborhood analysis. The Appraisal of Real Estate, 15th Edition on page 141 states: "The boundaries of market areas, neighborhoods, and districts identify the areas that influence a subject property's value. These boundaries may coincide with observable changes in land use or demographic characteristics. Physical features such as structure types, street patterns, terrain, vegetation, and lot sizes help to identify land use districts. Transportation arteries (highways, major streets, and railroads), bodies of water (rivers, lakes, and streams), and changing elevation (hills, mountains, cliffs, and valleys) can also be significant boundaries."



The Subject neighborhood is considered to be that area bordered on the north by Sunrise Boulevard, on the south by Interstate-595, on the east by Federal Highway, and the west by Interstate-95. This is an older area that has experienced redevelopment for the past five+/- years.

Access to and through the Subject neighborhood is considered good. The northern portion of the neighborhood is accessed by Sunrise Boulevard which is a major east/west thoroughfare intersecting with US Highway 1 and Interstate 95, continuing to the western boundary of the county. The southern portion of the neighborhood is accessible via the SW 24th Street (S.R. 84) which is a major artery traversing from I-95 to eastern Ft. Lauderdale area.

The Subject neighborhood is conveniently located near to Interstates 95 The neighborhood is 15+/- minutes from Fort Lauderdale/Hollywood International Airport and 1+/-5 minutes from Port Everglades, the cruise ship capital of the world.



The area is just five to 10 minutes from the downtown area of the City of Fort Lauderdale which features government offices and agencies, banking and commerce, the downtown library, a world class art museum, universities, Las Olas Boulevard and other shopping areas, the Riverwalk, Historic Himmarshee Village, and many other cultural, dining and entertainment options.

The neighborhood is primarily residential in nature, with commercial developments located on the major roadways. In general, the area is considered 95% to 100% built out with older properties undergoing renovations and replacement. The majority of commercial development in the neighborhood is located along the major thoroughfares including Federal and Dixie Highways, as well as Sunrise and Broward Boulevards. Development in the area was originally started in excess of 30 years ago and has gone through all stages of the neighborhood life cycle. The neighborhood has very good access to Interstate 95 and the Florida Turnpike. Overall, residential development in the neighborhood consists of both single and multifamily, mostly built in the 1960s and 1970s.

Many of the older commercial properties that were purchased in the past few years were either completely demolished and re-developed or underwent significant remodeling.

The neighborhood is adequately served by public and private school systems as well as health care facilities. There are several elementary, middle, and high schools located within, or near the neighborhood.

The Subject is situated within the Progresso Village neighborhood of the City of Fort Lauderdale. This neighborhood is primarily comprised of single-family homes, townhomes and small apartment complexes, along with industrial warehouses. The neighborhood benefits from its central location just west of the downtown area of Fort Lauderdale, and near the Fat Village (Flagler Arts & Technology), an urban arts district comprising artist studios, galleries along with restaurants, bars and shops. There are several new developments within the neighborhood consisting of the new Six13 apartment complex and the Sistrunk Marketplace and Brewery.

Conclusion

The Subject neighborhood has been a long-established area of residential development supported by commercial development situated along the various primary roads. Since the neighborhood has been nearly fully developed for some time, there have been no significant development in the immediate area of the Subject Property within the last several years with the exception of some renovations and smaller residential developments, along with the newer developments noted above. The long-term outlook for the Subject neighborhood remains positive as it is an established area of Broward County, with a strong population base. Market conditions are projected to be stable to moderately improving in the foreseeable future



Site Size, Shape and Access

The Subject site is rectangular in shape and contains a total of approximately 6,376+/- square feet, or .15 acres, more or less according to the Broward County Property Appraiser's Office. The site has 50+/- feet of frontage along west side of NW 8th Avenue, with an average depth of approximately 129+/- feet. Access is available from NW 8th Avenue.



Utilities

Water and sewer service are provided by the City of Fort Lauderdale Utilities, electricity by FPL, and telephone service by AT&T and other providers.

Topography

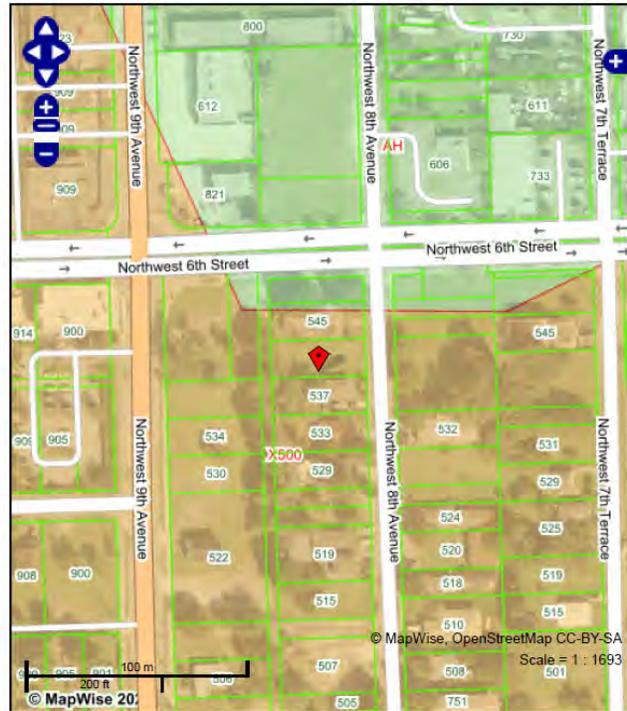
Our visual inspection revealed that the Subject site is basically level and at grade of the surrounding roadways. At the time of inspection, drainage did not appear to be a problem.



Flood Hazard Zone

Flood Report

| | |
|---|--|
| Address (from parcels) | NW 8TH AVE |
| FEMA Data Source | DFIRM - Digital Flood Information Rate Map |
| Inside Special Flood Hazard Area? | OUTSIDE SPECIAL FLOOD HAZARD AREA |
| Risk Level | MODERATE RISK AREAS |
| Flood Zone(s) | X500 |
| Description(s) | X500 = 500-YEAR FLOODPLAIN |
| Base Flood Elevation | N/A |
| NFIP Community Name | CITY OF FORT LAUDERDALE |
| County | BROWARD |
| State | Florida |
| NFIP Community Number | 125105 |
| NFIP Map Number or Community Panel Number | 12011C0369H |
| Inside CBRA? | FALSE |
| CBRA Type | N/A |
| Map Panel Effective Date | 2014-08-18 04:00:00+00 |
| LOMA/LOMR (yes/no) | UNKNOWN - check map |
| LOMA/LOMR Date | UNKNOWN - check map |



Assessed Value and Taxes

| Assessed Value and Taxes | | | | | | |
|---|--------------|-------------------|---------------------|---------------------------|---------------------------|----------------------|
| 541 NW 8th Avenue, Fort Lauderdale, Florida | | | | | | |
| Callaway & Price, Inc. 22-84074 | | | | | | |
| Folio Number | Allocations | 2022 Market Value | 2022 Assessed Value | Ad Valorem 2022 (1) Taxes | Non Ad Valorem 2022 Taxes | 2022 (1) Total Taxes |
| 50-42-03-01-1920 | Land | \$127,520 | \$48,210 | | | |
| | Improvements | \$0 | N/A | | | |
| | Total | \$127,520 | \$48,210 | \$0 | \$0 | \$0 |

(1) Tax exempt as it is owned by the City of Fort Lauderdale

Property History

According to the Broward County Property Appraiser's Office, the current owner of record for the Subject Property is the City of Fort Lauderdale. The property has been under this ownership for more than 10 years. To the best of our knowledge, the Subject is not listed for sale or under contract as of the appraisal date.



HIGHEST AND BEST USE

The Dictionary of Real Estate Appraisal, Seventh Edition 2022, by the Appraisal Institute defines Highest and Best Use on pages 88 - 89 as follows:

1. "The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

To estimate the Highest and Best Use of the Subject, we have considered those uses which are legally permissible, physically possible, economically feasible, and maximally productive. Consideration was given to individual features of the land such as size, shape, location, access to roadways, and the availability of utilities. Consideration was also given to the surrounding land uses and the demand for property in the current real estate market.

Conclusion

It is our opinion that the Highest and Best Use of the Subject Property is for future mixed-use development. The reasons for this conclusion are discussed on the following pages.

Legally Permissible

Legally permissible uses involve aspects of zoning, deed restrictions, land use, or other governmental regulations which may limit or restrict a site's use. We will consider those uses which are legally permitted on the Subject site under its present zoning and land use, or under future rezoning if a zoning change was determined to be probable.

As discussed, the Subject Property is zoned NWRAC-MUw, North West Regional Activity Center-Mixed Use west, by the City of Fort Lauderdale, Florida. This zoning classification permits a variety of residential and commercial uses. In addition, the Subject has a land use designation of NW Regional Activity Center, which is consistent with its zoning classification. Based on these designations, the Subject could be developed with a variety of mixed-uses.

Physically Possible

Under the criteria of Highest and Best Use, a site's size, shape, topography, and other physical characteristics affect the development capability of a site. For example, a larger site may have greater flexibility in development than a similar smaller site, or a rectangular shaped parcel may also provide greater development potential than an irregular shaped parcel of similar size.



The Subject Property is rectangular in shape and contains 6,376 square feet, or .15 acres, more or less according to the Broward County Property Appraiser's Office. In our opinion, the Subject Property is physically capable of being developed with the uses permitted under the current zoning and land use plan. In order to maximize the site, assemblage with surrounding parcels would likely provide the most intensive use for the site.

Financially Feasible

Of those uses that are both legally permissible and physically possible, we must determine which of these are financially feasible. As long as a potential use has value commensurate with its cost and conforms to the first two tests, the use is financially feasible. Some economic uses of land such as housing may not be income producing in the sense of a commercial property, and economic feasibility is weighed by considering prices and price trends. For income-producing properties, the income analysis for financial feasibility may vary with assignments, but the economic demand for the Subject is a prerequisite to the financial testing alternatives.

Given the uses which are both legally and physically possible, it is our opinion that mixed-use development could be financially feasible. The Subject is located in an established area that is developed with a variety of commercial and residential properties, with good access. The commercial and residential real estate markets in Broward County and in the City of Fort Lauderdale are relatively strong in our opinion, and the market is expected to remain generally stable at this time. Further, there appears to be adequate demand for land properties like the Subject as evidenced by the recent activity within the Subject's market area (see Land Value Analysis that follows).

Maximally Productive

The maximally productive use of a site is that use of those which are financially feasible, which generates the highest rate of return to the underlying land. In case of the Subject Property, it is our opinion that future mixed-use development could be the most maximally productive and Highest and Best Use of the site as of the appraisal date. Given all its attributes, and the existing surrounding property uses, an emphasis on residential use would be most likely, in our opinion. Furthermore, the site would benefit from assemblage with surrounding parcels to best take advantage of its zoning. Most probable buyer would be a developer, or owner/user.



LAND VALUE ANALYSIS

According to the 15th Edition of The Appraisal of Real Estate on page 35, developing an opinion of land value can be considered a separate step in the valuation model or an essential technique for applying certain approaches to value, depending on the defined appraisal problem and on the highest and best use analysis. The relationship between highest and best use and land value may indicate whether an existing use is the highest and best use of the land.

An appraiser can use several techniques to obtain an indication of land value:

- Sales Comparison
- Extraction
- Allocation
- Subdivision Development
- Land Residual
- Ground Rent Capitalization

The most common way to develop an opinion of land value is by sales comparison. When few sales are available, however, or when the value indications produced through sales comparison need additional support, procedures like extraction or allocation may be applied. In the case of the Subject Property, the only approach used was the sales comparison approach.

Sales Comparison Approach

The Sales Comparison Approach has as its premise a comparison of the Subject Property with others of similar design, utility and use that have sold in the market in the recent past. In order to estimate the Market Value of the Subject Property utilizing this approach to value, it was necessary to abstract and analyze sales of properties having similar development potential as that of the Subject site. Our search was concentrated on properties located within the Progresso Village neighborhood of the City of Fort Lauderdale. The comparables were analyzed on the price per square foot of land area basis as this is the unit of comparison typically utilized by participants in this market.

The individual sales used for this analysis are detailed in chart form along with a sales location map and a discussion. We have carefully reviewed all of the comparables, and considered each with regard to property rights conveyed, financing, conditions of sale, changing market conditions, location, size, zoning and miscellaneous factors.



Discussion of Vacant Land Sales

Our search revealed four sales and one listing of vacant land parcels that were considered to be suitable for direct comparison to the Subject Property. As shown below, the comparable sales indicated non-adjusted values ranging from \$19.72 to \$53.45 per square foot of land area.

| Vacant Sales Summary 541 NW 8th Avenue, Ft. Lauderdale, Fla Callaway & Price, Inc. 22-84074 | | | | | | |
|---|--|--|--|--|---|--|
| Sale No | 1 | 2 | 3 | 4 | 5 | |
| Instrument # | Listing | 118350096 | 118124467 | 117993964 | 117060470 | |
| Location City | Subject Property | NEC NW 6th Ave & NW 3rd Ave Ft Lauderdale | NEC NW 9th Ave & NW 5th St Ft Lauderdale | E/S NW 13th Ave, 230 ft S of NW 6th St Ft Lauderdale | SWC NW 4th St & NW 7th Ave Ft Lauderdale | E/S NW 9th Ave, 215 ft S of NW 6th St Ft Lauderdale |
| Folio No. | 50-42-03-01-1920 | 49-42-34-07-6600 | 50-42-03-01-2050 | 50-42-04-06-1170 | 50-42-10-12-0450 & 0451 | 50-42-03-01-2131 |
| Grantor | N/A | City of Ft Lauderdale | Mark Grumet, trustee | Mezzanine Capital USA, LLC | Sixth Street Corp. Inc | Rice Capital LLC |
| Grantee | N/A | N/A | Cubic Home, LLC | Sunny Five, LLC | 704 NW 4th Street, LLC | 7th Avenue Properties, LLC |
| Legal Description | Lts 5 & 6, Blk 16, North Lauderdale, PB 1, PG 48 | Lts 25-28, Blk 321, Progresso, PB 2, PG 18 | Lts 27-29, Blk 16, North Lauderdale, PB 1, PG 48 | Lt 35, Blk 5, First Add to Tuskegee Prk, PB 9, PG 65 | Por Lts 1-6, Blk A, Ft Lauderdale Land & Dev Co of Blk 6, PB 1, PG 57 | Lts 43 & 44, Blk 16, North Lauderdale, PB 1, PG 48 |
| Zoning Land Use Plan | NWRAC-MUw NWRAC | NWRAC-Mue NWRAC | RMM-25 NWRAC | RS-8 NWRAC | NWRAC-MUw NWRAC | RMM-25 NWRAC |
| Sale Date | Oct-22 | Oct-22 | Aug-22 | Apr-22 | Feb-22 | Feb-21 |
| Effective Sale Price | - | \$560,000 | \$360,000 | \$78,000 | \$1,000,000 | \$153,000 |
| Land Size - Sqft | 6,376 | 11,765 | 9,563 | 3,955 | 18,710 | 6,375 |
| Land Size - Acre | 0.15 | 0.27 | 0.22 | 0.09 | 0.43 | 0.15 |
| Price per Sqft | - | \$47.60 | \$37.65 | \$19.72 | \$53.45 | \$24.00 |
| ADJUSTMENT CONSIDERATIONS | | | | | | |
| Financing Adjustment | Market | Market | Market | Market | Market | Market |
| Adjusted Price/Sqft | 0% | 0% | 0% | 0% | 0% | 0% |
| Conditions of Sale Adjustment | Market | Market | Market | Market | Market | Market |
| Adjusted Price/Sqft | 0% | 0% | 0% | 0% | 0% | 0% |
| Market Conditions Adjustment | Similar | Similar | Similar | Similar | Similar | Have Improved |
| Adjusted Price/Sqft | 0% | 0% | 0% | 0% | 0% | 25% |
| Other Adjustments | | | | | | |
| Location | -25% | -5% | 0% | -10% | -5% | |
| Size | -10% | -5% | 10% | -20% | 0% | |
| Zoning | 0% | 5% | 15% | 0% | 5% | |
| Miscellaneous | 0% | 0% | 0% | 0% | 0% | |
| Net Adjustment | -35% | -5% | 25% | -30% | 0% | |
| Adjusted Price per Sqft | \$30.94 | \$35.76 | \$24.65 | \$37.41 | \$30.00 | |
| | | | | Minimum | \$24.65 | |
| | | | | Maximum | \$37.41 | |
| | | | | Average | \$31.75 | |
| | | | | Average without high and low | \$32.23 | |



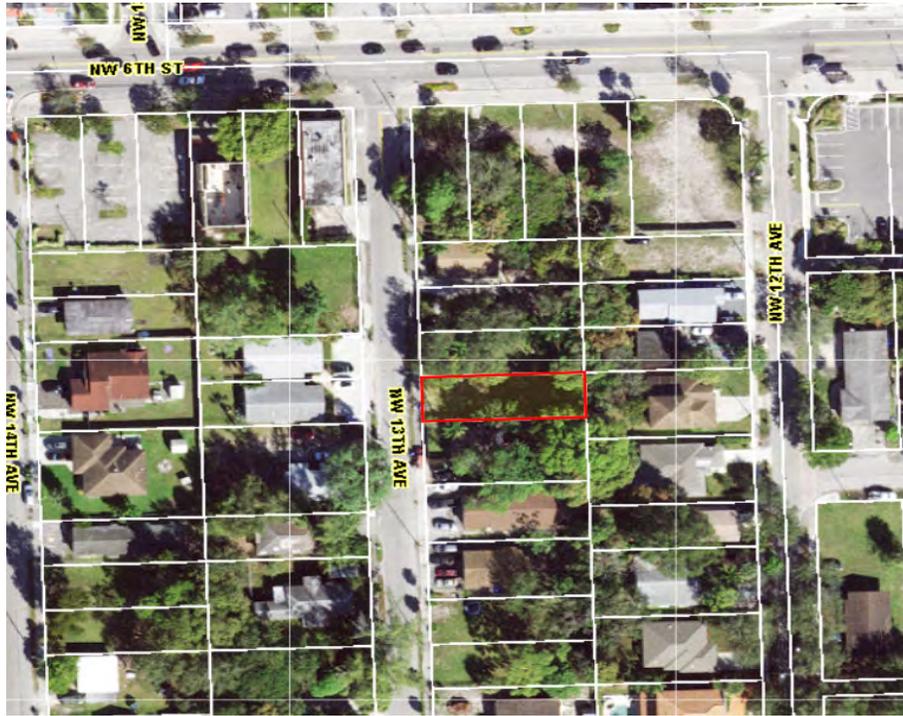
Listing 1



Sale 2



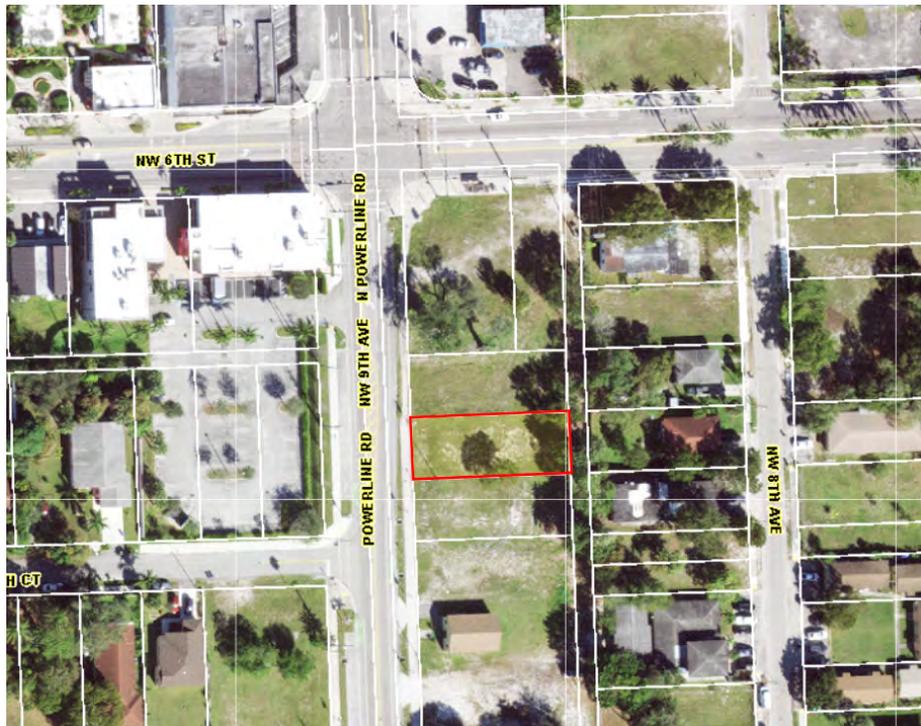
Land Value Analysis



Sale 3



Sale 4



Sale 5

Property Rights Conveyed

All the sales in this analysis were transferred on a Fee Simple estate basis. We are also unaware of any adverse deed restrictions or any other property rights limitations which would have affected the sales. Therefore, no adjustment was considered necessary for property rights conveyed.

Terms of Financing (Cash Equivalency)

The first adjustment considered was for advantageous financing. Since all the sales took place under typical financing terms, no adjustments were required, nor were any cash equivalencies performed on the sales.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and seller at the time of conveyance. In our opinion, no adjustments were required to the sales for this factor. While Listing 1 is only an ask price, we have not adjusted this downward as its pricing is consistent with the market.



Time or Changes in Market Conditions

Market conditions generally change over time and may be caused by inflation, deflation, fluctuations in supply and demand, or other factors. The comparable sales occurred from February 2021 (Sale 5) to August 2022 (Sale 2). Listing 1 is current. With the exception of Sale 5, the sales were considered relatively recent and were not adjusted for this factor. As noted, Sale 5 is the oldest of the comparables, having sold in February 2021. An analysis of the data suggests that market conditions have improved since the date of this sale, and it has been adjusted upward for improving market conditions.

Location

The Subject Property is considered to have an average location on a secondary thoroughfare in the City of Fort Lauderdale. As noted, the Subject and all of the comparables are situated within the Progresso Village neighborhood of the City of Fort Lauderdale. So, in general, the sales are all considered reasonably similar in terms of location. However, Listing 1 and Sales 2, 4 and 5 are located on more heavily traveled roads and have superior exposure, in our opinion. They were adjusted downward for this adjustment consideration. Sale 3 was considered to have a similar location and it was not adjusted for this factor.

Site Size

The Subject Property contains 6,376 square feet, or 0.15 acres, more or less. The comparables ranged in size from 3,955 to 18,710 square feet. Typically, smaller parcels of land will sell for more per square foot than larger parcels when all other things are equal, and vice versa. However, the data utilized in this analysis suggests the opposite, as the market seems to recognize that larger parcels of land offer more flexibility in development. For example, Sale 4 is the largest of the comparable sales and it sold for the highest price per square foot. On the other hand, Sale 3 was the smallest sale and it sold for the lowest price per square foot. While there are other factors built into the prices paid for each of these two sales, it is evident that the size (and therefore development potential) of the parcels has influenced the prices paid per square foot. Listing 1 and Sales 2 and 4 were larger than the Subject and required downward adjustments on the price per square foot basis for their larger size, while Sale 3 was adjusted upward for its smaller size characteristic. Sale 5 was similar in size as compared to the Subject and was not adjusted for this factor.

Zoning

The Subject has a fairly liberal zoning allowing both residential and commercial uses. Sales 2, 3 and 5 had less intensive residential zonings and upward adjustments were considered appropriate. Listing 1 and Sale 4 had similar zonings and no adjustments were applied for this factor. No other adjustments were considered necessary for the data.



Conclusion

As can be seen on the comparable sales chart displayed earlier, after adjustments the comparables indicated values ranging from \$24.65 to \$37.41 per square foot of building area, with an average of \$31.75 per square foot. If the high and low ends of the range are eliminated, the average equated to \$32.23 per square foot.

Based on the indications from the comparable sales, and considering the Subject's location, size, zoning and market conditions existing as of the appraisal date, it is our opinion that the indicated Market Value of the Subject Property via the Sales Comparison Approach was approximately \$30.00 to \$32.00 per square foot. Therefore, our opinion of the Market Value of the Subject Property by the Sales Comparison approach is calculated below:

$$\begin{array}{rclcl} 6,376 \text{ sqft} \times \$30.00 & /\text{sqft} = & \$191,280 \\ 6,376 \text{ sqft} \times \$32.00 & /\text{sqft} = & \$204,032 \\ & \text{Say,} & \underline{\underline{\$200,000}} \end{array}$$

ADDENDA

QUALIFICATIONS



Qualifications – Stephen D. Shaw, MAI, AI-GRS

Professional Designations\Licenses\Certifications

Member, Appraisal Institute, MAI Designation #10461
Member, Appraisal Institute, AI-GRS
State-certified general real estate appraiser RZ1192
Florida State Licensed Real Estate Salesman 0495422

Professional Experience

Principal, Callaway & Price, Inc., since January 1999
Senior Appraisal Consultant, Callaway & Price, Inc., since July 1997 – December 1998
Appraisal Consultant, Callaway & Price, Inc., since April 1994
Associate Appraiser, Pinel & Carpenter, Inc., Orlando, April 1992 - March 1994
Appraiser/Researcher, Callaway & Price, Inc., September 1987 - March 1992
Special Magistrate Palm Beach County 1996-2012
Special Magistrate, Martin County, 2009

Qualified as an Expert Witness

Palm Beach County, Florida
Martin County, Florida
Broward County, Florida
Sarasota County, Florida

Education

Bachelor of Science Degree, Business Administration, Major in Real Estate and Finance, University of Florida

Appraisal Institute:

Course 101 - An Introduction to Appraising Real Property, 1992
Course 201 - Principles of Income Producing Properties, 1991
Course 2-1 - Case Studies in Real Estate Valuation, 1992
Course 540 - Report Writing and Valuation Analysis, 1993
Course 2-3 - Standards of Professional Practice Parts A & B, 1991
Review Theory - General

Numerous seminars sponsored by the Appraisal Institute

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| Bowling Alleys | Office/Warehouses |
| Commercial Buildings | Retail Buildings |
| Condominium Projects | Restaurants |
| Eminent Domain | Special Purpose Properties |
| Golf Courses | Shopping Centers |
| Hospitals | Vacant Commercial Land |
| Hotels | Vacant Industrial Land |
| Marinas | Vacant Multifamily Pods |
| Medical Office Buildings | Vacant Residential Land |
| Medical Office Condominiums | Vacant Single-Family Subdivisions |
| Medical Campus Sites | Warehouses |



Qualifications – Stephen D. Shaw, MAI, AI-GRS

Organizations and Affiliations

Appraisal Institute:

Experience Review Committee

Ethics & Counseling Committee

South Florida Chapter Board of Directors

Business Development Board Palm Beach County, Member



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

SHAW, STEPHEN DAY

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LICENSE NUMBER: RZ1192

EXPIRATION DATE: NOVEMBER 30, 2022

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Professional Designations\Licenses\Certifications

State-certified general real estate appraiser RZ832
Florida Licensed Real Estate Salesman 0435885

Professional Experience

Appraisal Consultant, Callaway & Price, Inc since February 1985
Researcher, Callaway & Price, Inc., June 1982 to January 1985

Qualified As An Expert Witness

Palm Beach County, Florida

Education

Bachelor of Business Administration, Marketing Major, Florida Atlantic University
Florida Real Estate Commission, Course I
Society of Real Estate Appraisers:

An Introduction to Appraising Real Property, 1983
Principles of Income Property Appraising, 1984
Applied Income Property Valuation, 1984

American Institute of Real Estate Appraisers:

Appraising Troubled Property, 1992
Appraisal Theory Update, 1992
Appraisal Review - Residential Property, 1994
USPAP Update Core Law for Appraisers, 1994
Standards of Professional Practice, 1986, 1992, 1994
Capitalization Theory and Techniques, Part A, 1986
Capitalization Theory and Techniques, Part B, 1986
Real Estate Appraisal Principles, 1986
Basic Valuation Procedures, 1986

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| | | |
|--|-----------------------|----------------------------|
| Acreage | Easements | Road Abandonment |
| Automobile Dealerships | Groves | RV Parks |
| Apartment Buildings | Industrial Properties | Shopping Centers |
| Commercial Buildings | Life Care Facilities | Special Purpose Properties |
| Condominiums (Individual Units and Total Sellout) | Marinas | Strip Centers |
| Churches | Mobile Home Parks | Subdivisions/Residential |
| Country Club/Golf Courses | Motels | Vacant Commercial |
| Day Care Facilities | Office Buildings | Vacant Residential |
| Duplexes | Ranches | Warehouses |
| | Restaurants | |



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



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DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

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