

City of St. Petersburg
Economic and Workforce Development Committee
March 28, 2024 – 8:15 AM
City Hall, Room 100

Members: Committee Chair Ed Montanari, Committee Vice-Chair Gina Driscoll, Council Chair Deborah Figgs-Sanders, and Council Member John Muhammad

Alternate: Council Member Lisset Hanewicz

Support Staff: JC Pritchett III – City Council Legislative Aide

1) Call to Order

2) Approval of Agenda

3) Approval of January 25, 2024 Minutes

4) New Business – March 28, 2024

- a) Continued Discussion on the Tangerine Plaza Redevelopment Project – *James Corbett, City Development Administrator, and Aaron Fisch, Real Estate & Property Management Director*

Attachments

- 1) PowerPoint Presentation & Timeline
- 2) Option Agreement and Lease and Development Agreement
- 3) March 7, 2024 Appraisal

Upcoming Meeting Dates & Tentative Agenda Items

April 25, 2024

- a) TBD

May 30, 2024

- a) Continued Discussion on the Municipal Services Building (MSC) Maintenance Study – *Raul Quintana, City Architect Manager, and Aaron Fisch, Real Estate & Property Management Director*

General Attachments:

Minutes of the January 25, 2024 EWD Committee Meeting
Pending and Continuing Referral List
Agenda Item Support Material

City of St. Petersburg
Economic and Workforce Development Committee
January 25, 2024 Meeting Minutes
City Hall, Room 100

Present: Committee Chair Ed Montanari, Committee Vice-Chair Gina Driscoll, Council Chair Deborah Figgs-Sanders, and Council Member John Muhammad.

Absent: None

Also Present: Chief Assistant City Attorney Jeannine Williams, City Administrator Rob Gerdes, City Development Administrator James Corbett, Economic Development Director Brian Caper, Housing and Neighborhood Services Administrator Amy Foster, Real Estate and Property Management Director Aaron Fisch, and Deputy City Clerk Jordan Wilson.

Support Staff: JC Pritchett III – City Council Legislative Aide

1. Call to Order – 9:25 AM

2. Approval of Agenda – CM Figgs-Sanders motioned for approval. All voted in favor.

3. Approval of October 26, 2023 Minutes – CM Driscoll motioned for approval. All voted in favor.

4. Election of Committee Chair and Vice-Chair – Council Member Driscoll nominated Council Member Montanari for Committee Chair. All members voted in favor. Council Member Montanari nominated Council Member Driscoll for Committee Vice-Chair. All members voted in favor.

5. New Business – January 25, 2024

Quarterly Grow Smarter Update: Port Site (Verbal Update) and Tangerine Plaza – *City Development Administrator James Corbett and Economic Development Director Brian Caper*

Economic Development Director Brian Caper provided a verbal update on the progress of the Port Site, also known as the Hub in the Innovation District. Mr. Caper explained that discussions have occurred regarding potential development, including expanding the Hub. However, funding remains a significant challenge for this project. A master planning effort is set to commence soon, with the Port Site as the focal point and an effort to engage partners like the National Oceanic and Atmospheric Administration (NOAA), USF St. Pete, and surrounding hospitals. The planning process will take around 12 months to complete.

Committee Vice-Chair Driscoll highlighted the extensive collaboration with various entities, including the Innovation District, Downtown Partnership, USF St. Pete, and the Florida Institute of Oceanography. NOAA's interest in the project has been significant, especially after the success of the Maritime and Defense Technology Hub, which boasts around 20 tenants and has received praise from the NOAA Administrator. CM Driscoll emphasized the need for funding, noting the availability of \$8 million from the State's Port Council, which requires a

match. She proposed initiating a conceptual planning phase to develop renderings and a vision for the project, aiming to secure support from stakeholders like NOAA and maintain local businesses like Saildrone. CM Driscoll stressed the importance of taking action to demonstrate progress in order to attract additional funding.

Committee Chair Montanari expressed his support for the development of the Port, noting its historical underutilization and the transformative impact of the Maritime and Defense Technology Hub. CM Montanari highlighted the need for expansion due to increased demand and praised the potential synergies between the Hub, USF St. Pete, and the Coast Guard. He advocated moving forward with conceptual plans to elevate the Port's status. Regarding CM Driscoll's statements regarding funding, CM Montanari stated that the proposed \$250,000 match was reasonable for initiating the project. He also referenced previous discussions regarding NOAA's potential expansion to St. Petersburg, emphasizing the benefits of having NOAA operations in the area.

CM Driscoll provided additional information regarding NOAA's current lease at Vapor Station, a privately owned space. She expressed a desire to acquire Vapor Station in the future but acknowledged it's not feasible at the moment. CM Driscoll highlighted the importance of retaining NOAA in St. Petersburg and suggested that incorporating them into the port project could help secure their presence beyond 2027, when their lease expires. She noted that Miami—where NOAA facilities are deteriorating—has presented an opportunity for consolidation in St. Petersburg. Driscoll emphasized the need to act swiftly to ensure St. Petersburg emerges as an alternative and attractive solution for NOAA.

Next, City Development Administrator James Corbett provided an update on the Tangerine Plaza project, outlining key developments since June 2023. Mr. Corbett noted that the Sugar Hill Group presented a pro forma and funding timeline, as well as an initial option lease development agreement in August. In November, there was a back-and-forth exchange of comments between the City and the Sugar Hill Group regarding the agreement. Discussions continued into December with legal teams from both sides, and as of January 22, a near-final draft agreement has been reached. Mr. Corbett highlighted the challenge of aligning the agreement with uncertain state funding requirements while ensuring City priorities such as affordable housing and a grocery store component.

Housing and Neighborhood Services Administrator Foster echoed this challenge and emphasized balancing flexibility with clear expectations. Mr. Corbett also underlined the requirement for a binding commitment letter from a grocer for the developer to exercise the option grant agreement, as previously emphasized by the City Council.

Mr. Corbett clarified that at least 10,000 square feet of space will be allocated to a grocery store, and the developer must secure a binding commitment letter from a grocer for the project to proceed. CM Montanari sought clarification on what constitutes a "grocer," distinguishing between larger grocery stores and smaller retailers like dollar stores. Mr. Corbett explained that the definition of a grocer includes offering fresh food options, including meat and produce, akin to a typical full-service grocery store, albeit possibly with a smaller footprint. He

emphasized that it would not encompass dollar stores or corner shops. CM Driscoll added insights from her study of ordinances in other cities, suggesting that definitions often include a requirement for a certain percentage of retail space dedicated to groceries, ensuring adequate provision of fresh food options. She offered to share further details to aid in refining the definition.

Council Chair Figgs-Sanders inquired about the possibility of a cooperative arrangement for the grocer component of the project, to which Mr. Corbett clarified that the requirement is for a company with a successful track record in operating grocery stores for at least ten years. She then asked about the acquisition terms, with Mr. Corbett explaining that the annual lease payment is \$100,000, but if the developer opts to purchase the property, the price would be \$1.5 million. He mentioned previous appraisals from April 2018, indicating an average value of \$2.6 million. Regarding the 75-year lease, Mr. Corbett explained that it allows the developer to secure funding and meet various criteria before exercising the purchase option, which can be done as soon as all requirements are met. CM Figgs-Sanders sought clarity on the guaranteed affordable housing timeline, and Ms. Foster confirmed that it is a minimum of 30 years, potentially extending to 40, depending on the financing structure. Penny for Pinellas funding could potentially extend affordability to 99 years if utilized for the land portion.

CM Muhammad expressed appreciation for the presentation and raised questions about the purchase price of the land, particularly considering the significant difference between the 2018 appraisal and the agreed-upon price. Mr. Corbett clarified that the purchase price is intentionally reduced to prioritize workforce and affordable housing rather than being tied to market rates. CM Muhammad expressed concern about the discount on such a valuable asset but was reassured by Ms. Foster that subsidizing the land facilitates affordable housing development and benefits the community in the long run. Ms. Foster emphasized that whether through direct purchase or subsidies, the cost of land acquisition will ultimately be the City's and its developers' responsibility.

CM Driscoll expressed frustration regarding the lack of clarity on the current status of the Tangerine Plaza project. Despite significant time spent studying the issue, she highlighted the absence of a draft agreement to review. CM Driscoll voiced concerns about outdated information and questioned the efficacy of continuing negotiations without a clear path forward. She emphasized the need for tangible progress and suggested selling the property to alleviate the City's burden. City Administrator Rob Gerdes acknowledged CM Driscoll's concerns but noted that it would be unusual to present a draft term sheet while negotiations are ongoing. Mr. Corbett clarified that the document provided was an offer letter from Sugar Hill, not the final draft agreement.

CM Figgs-Sanders emphasized the importance of ensuring that any development at Tangerine Plaza prioritizes the community's interests, particularly regarding affordable housing. She expressed a desire for the project to benefit residents and cautioned against hastily selling the land without guaranteeing its use for affordable housing. She acknowledged the frustration with the project's timeline but stressed the significance of providing affordable housing options

in the community. CM Figgs-Sanders suggested scheduling one-on-one meetings with council members to discuss the project in detail before presenting it to the full City Council. Mr. Corbett agreed to this approach and expressed openness to whatever the committee decided regarding the project's presentation. Mr. Gerdes echoed this sentiment, affirming their willingness to accommodate the committee's preferences in presenting the final draft of the project.

CM Muhammad expressed his opposition to outright selling the property without guarantees, especially considering the terms outlined in the proposal, such as the short-term grocery commitment. He emphasized the need for clarity and assurances in any deal regarding the property.

CM Montanari expressed frustration with the lack of updated information and highlighted the importance of trust and transparency between the Administration and the City Council. He stressed the value of committee meetings for thorough discussions and expressed concern about bringing such complex matters directly to the full City Council without proper review. CM Montanari inquired if the Administration planned to obtain an up-to-date appraisal for the property before finalizing an agreement, and Mr. Corbett confirmed that they are seeking an updated appraisal. Next, CM Montanari asked about the current status of the Walmart lease. Real Estate and Property Management Director Aaron Fisch stated that the Walmart lease expires at the end of 2026, at which point the City would regain possession of the Walmart portion of the property. CM Montanari reiterated his desire for the issue to come back to the committee for further discussion, expressing concerns about the proposed lease terms and emphasizing the importance of a thorough review before moving forward.

Mr. Corbett acknowledged the need for improved communication regarding the project's status and expressed his commitment to moving the process forward effectively. He emphasized that his intention was not to deceive but to ensure that the committee received complete and accurate information.

CM Figgs-Sanders, CM Driscoll, and CM Muhammad reiterated their support for bringing the issue back to the committee for further discussion and requested clarity on the next steps in the process. CM Driscoll emphasized the urgency of the matter, highlighting her frustration and long-standing advocacy for progress on the property, which has been ongoing for seven years without significant developments. CM Muhammad emphasized the importance of an updated appraisal and the value of intentional equity in deals, suggesting that sometimes the cost may be higher due to the intent to be equitable. Mr. Corbett noted that obtaining an appraisal would take approximately six weeks.

CM Driscoll inquired about the possibility of terminating Walmart's lease early, as it would impact the proposed project's timeline. Mr. Fisch confirmed that Walmart's willingness to terminate the lease early is possible. Ms. Foster explained that discussions with Walmart have been ongoing, and terminating their agreement may complicate negotiations. CM Driscoll also raised the question of alternative options for development if the current proposal doesn't work out, suggesting the possibility of considering the property for development by the Hines/Rays group as part of their 600 offsite units plan. Mr. Gerdes responded that the focus is on the current

proposal, and any alternative options would need further discussions with the Mayor, the City Council, and the community.

CM Montanari adjourned the meeting at 10:29 AM.

Economic & Workforce Development Committee Pending & Continuing Referral List						March 28, 2024	
	Topic	Return Date	Referral Date	Prior Meeting	Referred by	Staff	Notes
1	A Report and Update on the Tangerine Plaza Redevelopment	3/28/2024		1/25/2024	EWD Committee	James Corbett, Aaron Fisch	1/25/23 - Committee requested that the next update include the final draft agreement as well as an updated appraisal.
2	Continued Discussion on the Municipal Services Building (MSC) Maintenance Study	5/30/2024	2/29/2024		Gina Driscoll, City Council	Raul Quintana Aaron Fisch	
3	<u>Quarterly Report on Grow Smarter Sites</u> Port Site Innovation District Site 800 Block Site Commerce Park Site 22nd Street Sites Tangerine Plaza Site Orange Station (Former PD Site)	TBD	Council - 2/15/2018, PSI - 8/10/2023	3/8/2018 5/31/2018 9/13/2018 6/13/2019 11/7/2019 1/12/2023 8/10/2023 1/25/2024 (Port Site & Tangerine Plaza)	PSI Committee	James Corbett, Brian Caper	
4	Greenhouse Updates on Outreach, Business Success Stories, and Other Initiatives as Part of the Annual Action Plan	TBD	6/1/2023	7/27/2023, 10/26/2023	Gina Driscoll, Ed Montanari	Brian Caper, Tracey Smith	6/1/23 - CM Driscoll requested a presentation from the Greenhouse on the outreach to and support for LGBTQ+ owned businesses, as part of its 2023 Action Plan (as a follow-up to the 5/25/23 EWD meeting) 7/27/23 - CM Montanari requested that the next update include success stories from business owners supported by the Greenhouse and Veteran owned businesses. CM Hanewicz requested information on outreach efforts to the Hispanic business community.
5	A Report and Update on Office Space Development in the City	TBD	2/2/2023	4/27/2023	Ed Montanari	James Corbett	
6	A Discussion on the Renewal Options to Separate Operations of the Manhattan Casino and Restaurant Component at the Lease End Date Either by Default or Contracted Date	TBD	Council - 2/10/2022, PSI - 1/12/2023		Deborah Figgs-Sanders (PSI Committee)	James Corbett	
7	A Discussion on Expanding the City's "Ban the Box" Policy to Prohibit Businesses Contracting with the City from Including Criminal History Questions in Employment Applications	TBD	Council - 8/4/2022, BFT - 1/12/2023		Gina Driscoll (BFT Committee)	Jeannine Williams, Stephanie Swinson	

Upcoming 2024 EWD Dates: 4/25, 5/30, 7/25, 8/22, 9/26, 10/24, 12/5

Updated: 3/13/2024

Tangerine Plaza

**Affordable Housing and Commercial
Development by Sugar Hill Group
1794 – 22nd Street South**

Economic and Workforce Development Committee
March 28, 2024





Background

- In December 2019 the City issued a Request for Proposal (“RFP”) for the development of Tangerine Plaza, located at 1794 – 22nd Street South (“Property”).
- In response to the RFP, the City received proposals from Green Mills, Blue Sky Communities, Positive Impact Worldwide and the Sugar Hill Group (“SHG”), which resulted in the prior Administration selecting SHG for the development of the Property
- Subsequent negotiations with SHG did not result in a finalized development agreement prior to the end of the previous Mayors term in office.



Background (Continued)

- The City received an unsolicited proposal from SHG dated June 24, 2022, offering to redevelop the Property.
- The proposal includes the construction of 115 affordable residential rental units and 10,000 square feet of retail space to accommodate a grocery store.
- In response to the unsolicited proposal, in July 2022 the City advertised a 30-day notice to the public of the City's intent to dispose of the Property and invite alternative proposals, in accordance with the Community Redevelopment Area ("CRA") guidelines for the disposition of City property within a CRA.
- The City received one (1) alternative proposal from Positive Impact Worldwide, Inc.



Current Situation

- Through multiple discussions, the City and the SHG negotiated the terms and conditions of a development agreement, which includes the following, subject to City Council approval:

Option Agreement:

- Option Term: SHG shall have eighteen (18) months to fulfill the option conditions, which may be extended for up to one (1) year at the sole and absolute discretion of the Mayor. The option conditions include the following:
 - SHG shall secure all funding necessary to construct the development.
 - SHG shall identify all contractors necessary to complete the construction of the development.
 - SHG shall provide a commitment letter from a company that can demonstrate no less than ten (10) years of successful operation of a grocery store to operate a fresh food market for a term of not less than ten (10) years.



Option Agreement (continued):

- SHG shall have ninety (90) days due diligence to perform inspections, tests and studies on the Property.
- SHG shall provide the City with no less than ninety (90) days notice of its intent to exercise the option to enter into a Lease and Development Agreement.
- SHG shall execute a Lease and Development Agreement for the development of the project.
- The full execution of the Lease and Development Agreement is subject to SHG fulfilling the terms of the Option Agreement and the City terminating the current lease agreements at the Property.



Lease and Development Agreement

- Upon the terms and conditions of the Option Agreement being fulfilled, the parties shall enter into a Lease and Development Agreement (“LDA”) to allow SHG to develop the Property to include not less than 115 affordable housing rental units and not less than 10,000 square feet of retail space to operate a grocery store. The terms of the LDA include the following:
 - Term: Seventy-five (75) years
 - Rent: \$100,000 per year, which shall be abated for the first twenty-four (24) months of the term or until the issuance of a temporary or final certificate of occupancy, whichever occurs first.



Lease and Development Agreement (cont.)

- Construction Timeline:
 - SHG shall have three (3) months to submit site plans for approval.
 - SHG shall commence the demolition of the existing improvements no later than six (6) months from the commencement date.
 - SHG shall submit a comprehensive building permit package no later than six (6) months from the commencement date.
 - SHG shall commence construction within eighteen (18) months from the commencement date.
 - SHG shall complete fifty percent (50%) of the development no later than thirty (30) months from the commencement date.
 - SHG shall obtain certificates of occupancy for the improvements no later than thirty-six (36) months from the commencement date.



Lease and Development Agreement (cont.)

- Affordable Housing and Grocery Store:
 - The preliminary mix for the 115 affordable housing units shall include thirty percent (30%) 1-bedroom, 1-bath units, fifty percent (50%) 2-bedroom, 2-bath units and twenty percent (20%) 3-bedroom, 2-bath units.
 - The housing units shall be restricted to households with an average annual income of eighty percent (80%) of AMI or below.
 - The development shall include 10,000 square feet of retail space for the operation of a fresh food grocery store with not less than ten percent (10%) of the floor area dedicated for the display and sale of fresh produce and meats.
 - The City shall record a restrictive covenant on the Property, ensuring the housing units remain affordable for a period of forty (40) years and will also include liquidated damages calculated for each unit in violation of the restrictions.
 - The restrictive covenant will require not less than 10,000 square feet of retail space to be occupied by a grocery store.



Lease and Development Agreement (cont.)

- Option to Purchase:
 - SHG shall have the option to purchase the Property for \$1,500,000 upon the completion of the development.
- Appraised Value:
 - The City obtained an appraisal for the Property on March 7, 2024, from Wesley Sanders, MAI, of Entreken Associates, Inc., indicating an estimated market value of \$1,600,000.
 - The highest and best use of the property was determined to be multi-family development. The valuation is the result of reducing the estimated market value of \$1,844,045 by the estimated demolition cost of \$250,000.

THANK YOU



City Development Administration

Tangerine Plaza
Sugar Hill Group Development Proposal
 1794 – 22nd Street South

December 16, 2019	The City issued an RFP for the development of Tangerine Plaza.
May 22, 2020	The original RFP due date of March 23, 2020 was extended to April 22, 2020, and further extended to May 22, 2020. In response to the RFP, the City received proposals from Green Mills, Blue Sky Communities, Positive Impact Worldwide and Sugar Hill Group.
September 2020	Sugar Hill Group (“SHG”) was selected as the developer for Tangerine Plaza. The proposed development consisted of 86 multi-family workforce/affordable units and the repurposing of the approximately 40,000 square foot former Walmart space into multiple retail units, to include a grocery store e-gaming facility.
October 2020 to December 2021	Administration and City staff drafted and negotiated a term sheet with SHG. The term sheet was not finalized prior to the end the previous Mayor’s term.
June 2022	The City received an unsolicited proposal from SHG for the development of Tangerine Plaza (“Property”), with the proposed development to include 115 multi-family units and 10,000 square feet of retail space.
July 2022	The City advertised a 30-day Notice to invite alternative proposals for the Property.
August 2022	One (1) alternative proposal was received in response to the 30-day Notice.
September 2022	The City drafted a term sheet to outline the terms and conditions of a development agreement. The term sheet subsequently went through several rounds of revisions between the parties.
March 2023	The City and SHG met to discuss the proposed development and the next steps required to proceed with entering into a development agreement. SHG requested the city to enter into a development agreement for the purpose of providing SHG with the site control necessary to apply for tax credit financing to fund the project. With the financial viability of the project not yet known, the City proposed an Option Agreement as the best way to provide SHG with site control, while providing the City the benefit of retaining possession of the Property, which allows the City to maintain the income from the Walmart lease while SHG secures the necessary funding for the project.
April 2023	The City’s Housing department began working with SHG to identify potential tax credit funding sources and application timelines related to the funding sources.
May 9, 2023	The City sent a letter to SHG to clarify certain concerns related to SHG’s project qualifying for the 9% tax credit funding for 2023, with the letter also serving as a request for updated project information from SHG to include: 1) an updated outline of the proposed project to include the number of affordable units, unit mix and proposed AMI; 2) a list of additional funding sources required for the project, as well as an initial proforma for the project and a gap analysis; 3)

	updated proposed project schedule related to funding; 4) a list of entities participating in the project.
June 21, 2023	The City sent a follow up email to SHG to obtain the information requested in the letter sent in May, including a project analysis based on 4% tax credit funding. The follow up also included a request for SHG to provide their plan for meeting the requirement of providing a grocery store with fresh food options, including examples and types of grocery stores contacted by SHG and the current status of discussions with those stores.
June 28, 2023	SHG provided a proforma, milestone timeline, funding sources and estimated development costs for the project.
August 2023	The City drafted the initial version of the Option and Lease and Development Agreement and circulated the agreements internally for staff review and comment.
August 11, 2023	The City received an unsolicited offer from Robert Blackmon to purchase the Property for \$1,625,000.
August 23, 2023	The City informed Robert Blackmon of the City's intention to continue working with SHG for the development of the Property.
September 2023	The City sent the approved first draft of the Option and Lease and Development Agreement to SHG for review.
November 2023	SHG provided their initial edits and comments to the Option and Lease and Development Agreement.
November 2023	The City provided edits and comments to SHG to the Option and Lease and Development Agreement.
December 2023	City Legal and Legal Counsel for SHG met to discuss further changes to the Option and Lease and Development Agreement.
January 10, 2024	The City met with SHG to discuss SHG's remaining concerns in the Option and Lease and Development Agreement.
January 22, 2024	SHG provided additional edits and comments to the Option and Lease and Development Agreement. City Legal is currently reviewing.
January 25, 2024	Administration and City staff provided an update on the current status of the negotiations with SHG to City Council at the Economic and Workforce Development committee meeting. City Council requested the following action items before the next EWD committee meeting: <ul style="list-style-type: none"> - Finalized agreement with SHG. - New appraisal for the property.
March 18 – 24, 2024	The City received unsolicited offers from Stoneweg and Positive Impact Ministries to purchase the property for \$1,500,000 and \$1,750,000 respectively.

OPTION AGREEMENT

THIS OPTION AGREEMENT ("Option Agreement") is entered into as of the Effective Date (as defined in Section 3) by and between the City of St. Petersburg, Florida, a municipal corporation existing by and under the laws of the State of Florida, (the "**City**") and Sugar Hill Group, LLC, a Florida limited liability company ("**SHG**"), (collectively the "**Parties**").

R E C I T A L S

WHEREAS, the City owns the real property (the "**Property**") described in the attached **Exhibit "A,"** generally known as Tangerine Plaza; and

WHEREAS, SHG wishes to develop the Property to include (i) not less than 115 units (each an "**Affordable Housing Unit**," and collectively, "**Affordable Housing Units**"), and (ii) not less than 10,000 square feet of retail space for a grocery store (collectively the "**Development**"); and

WHEREAS, the City wishes to facilitate the Development; and

WHEREAS, because SHG will be seeking funding from a variety of sources to plan and construct the Development, the Parties wish to give SHG the opportunity to lease and purchase the Property if SHG is able to obtain such funding; and

WHEREAS, accordingly, the Parties have agreed to a structure in which SHG has the option to enter into a lease with an option to purchase the Property, a copy of which is attached as **Exhibit "B"** (the "**Lease**") subject to certain conditions being met, as set forth in this Option Agreement.

NOW THEREFORE, in consideration of one dollar (\$1.00) and other good and valuable consideration, the receipt and adequacy of which is acknowledged and of the promises and covenants contained in this Option Agreement the Parties agree SHG shall have the option to lease or buy and the City shall rent or sell the Property upon the following terms and conditions:

1. **RECITALS:** The Recitals are true and accurate and are incorporated in this Option Agreement, as are any and all Exhibits.
2. **AFFORDABILITY.** The Affordable Housing Units on the Property will be subject to the income thresholds and maximum rental amounts for each income threshold promulgated annually by the Florida Housing Finance Corporation ("FHFC") for the State Housing Initiatives Partnership ("SHIP") program, as more specifically identified in the Lease.
3. **EFFECTIVE DATE.** The effective date of this Option Agreement ("**Effective Date**") is the date the Mayor of the City of St. Petersburg ("**Mayor**"), or his designee, signs this Option Agreement after the City Council of St. Petersburg ("**City Council**") approves the Option Agreement in accordance with City policy and procedures.

4. **OPTION.** The City grants to SHG the exclusive option to lease the Property, with a right to purchase, under the terms and conditions set forth in the Lease, subject to Section 9.

5. **OPTION PERIOD.** This Option Agreement commences on the Effective Date and terminates eighteen (18) months after the Effective Date ("**Option Period**") unless extended or earlier terminated as provided in this Option Agreement. Upon request by SHG, the Mayor may, in his sole and absolute discretion, extend the Option Period by no more than one (1) year unless a longer extension is authorized pursuant to Section 9. If SHG fails to exercise its option to enter into the Lease in accordance with the terms and conditions contained in this Option Agreement within the Option Period (as may be extended pursuant to this Option Agreement), then this Option Agreement and the rights of SHG will automatically and immediately terminate without notice. Thereafter, SHG must properly execute, acknowledge, and deliver to the City, within ten (10) days, a completed and properly executed release agreement.

6. **RETENTION OF CONSIDERATION.** In the event the Lease is not fully executed within the applicable timeframes set forth in the Option Agreement, including any extension authorized and exercised under this Option Agreement, all sums paid and services rendered, including any agreements made related to the Property, may be retained by the City, in its sole and absolute discretion, in consideration of granting SHG the option of entering into the Lease (subject to Section 9).

7. **EXERCISE OF OPTION.** Provided the City has determined, in its reasonable discretion, that SHG (i) is not in breach of this Option, (ii) has met the Option Conditions identified in Sections 8.1 through 8.6, and (iii) has provided the City with any information necessary to determine SHG's compliance with the Option Conditions, SHG may exercise its option to enter into the Lease (subject to Section 9) by execution and tender to the City of the Lease. In the event the City does not agree that the Option Conditions have been met, the City shall provide SHG with written notice specifying the deficiencies, and SHG shall have until the end of the Option Period to remedy such deficiencies.

8. **SHG OPTION CONDITIONS.** SHG may not exercise its option to enter into the Lease until it has met all of the following conditions ("**Option Conditions**"):

8.1 Secured Funding: SHG has secured commitments for all funding necessary and proper to construct the Development—as certified by letters from an institutional lender, government entity, and/or verified private equity source stating, in no uncertain terms, that final underwriting, subject to customary commercial-lending exceptions, which in this circumstance may include, but not be limited to (i) SHG's equity contribution or contributions from subordinate lenders, (ii) termination of the Wal-mart Lease (as defined in Section 9) and any Other Leases (as defined in Section 9), and (iii) execution of the Lease by the City (collectively "**Financing Exceptions**")—has been completed and that, pending clearance of such Financing Exceptions, the closing for the financing can take place and funding will be available in accordance with the commitments. SHG may provide a draft of the commitment letters and, if provided, the City shall advise as to the acceptability of

such letters within ten (10) days of receiving same, and provide details of any perceived shortcomings if appropriate.

8.2 Identified Contractors: SHG has identified all contractors and professionals necessary to commence and complete construction of the Development.

8.3 Grocer: SHG has a commitment letter, subject to the Financing Exceptions, from a company that can demonstrate the successful operation of grocery store(s) for not less than ten (10) years, to operate a fresh food market, including but not limited to offering meat and fresh produce ("**Grocer**") on the Property for a term of not less than ten (10) years. SHG shall ensure that the Grocer dedicates no less than ten percent (10%) of the floor area within the fresh food market for the display and sale of fresh produce and meats.

8.4 Execution of Lease: SHG has agreed to any and all terms in the Lease and executed same.

8.5 No Breach: SHG is not in breach of this Option Agreement, as determined by the City in its reasonable discretion.

8.6 90-Day Notice: SHG has provided the City with no less than ninety (90) days' notice of its intent to exercise the option to enter into the Lease in accordance with the notice provisions contained in Section 12. After SHG has provided such notice to the City, SHG may not terminate this Option Agreement except as specifically set forth in Section 9 (i.e., if the City does not terminate the Wal-Mart Lease and all Other Leases within 90 days after receiving SHG's notice of its intent to exercise the option to enter into the Lease).

9. **CONDITIONS PRECEDENT TO FULL EXECUTION OF THE LEASE.** The full execution of the Lease (i.e., countersigned by the City) is subject to SHG meeting all of the Option Conditions identified in Sections 8.1 through 8.6 and the City successfully terminating the following and providing SHG proof of such termination: (i) the Building Lease Agreement dated August 14, 2013, between Queensboro 1, LLC, a Florida limited liability company, and Wal-Mart Stores East, LP, a Delaware limited partnership, as amended by the First Amendment to Building Lease Agreement dated September 24, 2013, as evidenced by a Memorandum of Lease Agreement dated September 27, 2013, and recorded in Official Records Book 18202, Page 910, of the Public Records of Pinellas County, Florida (the "**Wal-Mart Lease**"), and (ii) any other leases or subleases for any part of the Property other than the Wal-Mart Lease ("**Other Leases**"). If the City does not terminate the Wal-Mart Lease and all Other Leases within 90 days after receiving SHG's notice of its intent to exercise the option to enter into the Lease, then SHG may (i) extend the Option Period for such additional time as the City requires to secure termination of the Wal-Mart Lease and Other Leases (which extension may exceed the one-year extension period specified in Section 5 so long as SHG has met all of the Option Conditions identified in Sections 8.1 through 8.6) or (ii) terminate this Option Agreement.

10. **ASSIGNMENT.** SHG may not assign this Option Agreement. In the event an attempted assignment is made in violation of this provision, then SHG's rights under this Option Agreement

will automatically terminate without notice, and such purported assignment will be void and of no effect. Notwithstanding the foregoing, the Mayor, in his reasonable discretion, may approve the partial or complete assignment of this Option Agreement or the Lease to (i) a wholly controlled and majority owned subsidiary of SHG, or (ii) or an entity created to facilitate the use of tax credits for funding the Development. Such approval must be in writing to be effective.

11. **APPLICABLE LAWS AND VENUE.** This Option Agreement shall be governed by and be interpreted in accordance with the laws of the State of Florida without application of conflict of law principles. Venue for state court actions shall be in Pinellas County, St. Petersburg Division. Venue for federal court actions shall be in the Middle District of Florida, Tampa Division, unless a division is created in St. Petersburg, or Pinellas County, in which case the action shall be brought in that division. Each party waives any defense of improper or inconvenient venue as to either court and consents to personal jurisdiction in either court.

12. **NOTICES.** All notices, requests, demands or other communications pursuant to this Option Agreement shall be in writing, and shall be deemed to have been duly given if delivered in person, or within seven (7) days after deposit in the United States Mail, postage prepaid, certified with return receipt requested, or otherwise actually delivered, to:

CITY:

City of St. Petersburg
Real Estate and Property Management
P.O. Box 2842
St. Petersburg, Florida 33731-2842

SHG:

Sugar Hill Group, LLC
136 – 4th Street North, Suite 354
St. Petersburg, Florida 33701
Attention: Mr. Roy Binger
Pastor Louis Murphy

With Copies to:

Bilzin Sumberg Baena Price & Axelrod LLP
1450 Brickell Avenue, 23rd Floor
Miami, Florida 33131
Attention: Sara Barli Herald, Esq.

and

Felton-Howard Law, PLLC
5203 Central Avenue
St. Petersburg, Florida 33710
Attention: Tamara Felton-Howard, Esq.

13. **DUE AUTHORITY.** Each party to this Option Agreement that is not a natural person represents and warrants to the other party that (i) it is duly organized, qualified and existing

entity under the laws of the State of Florida, and (ii) all appropriate authority exists so as to duly authorize the person(s) executing this Option Agreement to so execute the same and fully bind the party on whose behalf they are executing.

14. **TIME.** Time is of the essence in this Option Agreement.

15. **DUE DILIGENCE.**

15.1 Tests and Inspections: SHG shall have up to ninety (90) days from the Effective Date ("**Due Diligence Period**") to perform its inspections, tests, and studies and to obtain surveys and review documents. For any portions of the Property that are not subject to the Wal-Mart Lease or the Other Leases during the Due Diligence Period, the City grants SHG and its designees the right to enter upon the Property to perform its inspections, tests, and studies. For any portions of the Property that are subject to the Wal-Mart Lease or the Other Leases during the Due Diligence Period, SHG shall provide the City with a written list of the specific inspections, tests, and studies SHG and its designees desire to perform on the Property. Within five (5) days after the City's receipt of that list, the City will send written requests to the lessee(s) of the Wal-Mart Lease and the Other Leases, requesting express written permission for SHG and its designees to perform or obtain the inspections, tests, and studies specified on that list. The City will forward the response(s) from the lessee(s) of the Wal-Mart Lease and the Other Leases to SHG within five (5) days after receipt. SHG will indemnify and hold City harmless from losses, damages, costs, claims and expenses of any nature, including attorneys' fees at all levels, and from liability to any person, arising from the conduct of any inspections, tests, or any work authorized by SHG. SHG will not engage in any activity that could result in a mechanic's lien being filed against the Property. SHG will repair all damages to the Property resulting from the inspections, tests, and studies and return the Property to the condition it was in prior to conduct of the inspections, tests, and studies. SHG will, at SHG's expense, release to City all reports and other work generated as a result of the inspections, test, and studies.

15.2 Delivery of Due Diligence Materials: Within five (5) days after the Effective Date, the City shall furnish to SHG copies of the following if they are in the City's possession: the Wal-Mart Lease; the Other Leases; licenses; surveys; title policies; environmental and inspection reports; building plans and specifications; governmental development orders; service contracts; and any permits and approvals currently issued for the development and/or ongoing operation of the Property. Within a reasonable time after a request from SHG, the City will provide SGH with any documents, studies, or agreements issued to or from, or entered into by the City that affect the Property.

15.3 Results of Due Diligence: If SHG determines, in SHG's sole discretion, that the results of any investigation or feasibility study or any other matters discovered by

SHG prior to or during the Due Diligence Period are unsatisfactory to construct the Development, SHG may terminate this Option Agreement by delivering written notice to the City at any time prior to the end of the Due Diligence Period. In such event, the Parties will be relieved of all further obligations under this Option Agreement.

16. **PROPERTY CONDITION.**

16.1 As-Is Condition. Upon SHG's exercise of the option to enter into the Lease and the conditions precedent identified in Section 9 being met, the Property is being leased and offered for sale in "AS IS" condition with all faults, including ordinary wear and tear, and SHG accepts the Property in its condition as of the day SHG provides the City with notice of SHG's intent to exercise the option to enter into the Lease. SHG acknowledges that the City is making no representations or warranties of any type, either expressed or implied, with respect to any zoning or intended use of the Property by SHG, or SHG's successors or assigns. SHG expressly waives any claims against the City and its respective agents or employees for any defects which may exist or be discovered by SHG. SHG acknowledges that the City makes no representations or warranties of any type, either express or implied, with respect to any legal encumbrances or restrictions ("**Encumbrances**") on the Premises of any kind and waives any and all claims against the City and its respective agents or employees resulting from any Encumbrances. Any disclaimer by the City of specific representations and warranties enumerated in this Option Agreement shall not be interpreted as a limitation on the general disclaimer of representations and warranties by the City also contained in this Option Agreement. Upon full execution of the Lease, neither the City nor SHG shall have any further rights against, or obligations to the other under this Option Agreement except for those existing at termination. In the event the condition of the Property materially changes after the expiration of the Due Diligence Period but before SHG provides the City with notice of SHG's intent to exercise the option to enter into the Lease, SHG may elect to terminate this Option Agreement. By accepting the Property "AS IS", SHG waives all claims against the City and its respective agents or employees for any defects which may exist or be discovered by SHG.

16.2 Re-Inspection. SHG may, at its option, subject to the terms for tests and inspections as set forth in Section 15.1, at any time between the expiration of the Due Diligence Period and the end of the Option Period, re-inspect the Property to determine that there has been no material change in the condition of the Property since the end of the Due Diligence Period.

17. **NO LIENS.** At all times during the Option Period, SHG shall be free of any delinquent property taxes owed on property within the City and liens owed to the City, which may include but is not limited to special assessment, code and utility liens. This provision includes any liens associated with property accepted and included in the City's Special Assessment Lien

Modification Program. Any such money or liens will be considered a violation of this Option Agreement and the City may immediately unilaterally terminate this Option Agreement at any time thereafter, in which case SHG will no longer have rights to the potential lease or purchase of the Property, and the City will have no liability upon such termination.

18. **TIME.** Time periods in this Option Agreement of less than (six) 6 days shall, in the computation, exclude Saturdays, Sundays, and state and national legal holidays, and time periods in this Option Agreement of (six) 6 days or more shall, in the computation, include Saturdays, Sundays, and state and national legal holidays. Any time period provided for in this Option Agreement which ends on Saturday, Sunday, or a legal holiday shall extend to 5:00 p.m. of the next business day.

19. **RISK OF LOSS.** If the Property is damaged by fire or other casualty before SHG provides notice to the City of its intent to exercise the option to enter into the Lease, SHG will have the option of either taking the Property "AS IS" or terminating this Option Agreement .

20. **OPTION AGREEMENT RECORDABLE; PERSONS BOUND.** This Option Agreement, or a notice of it, may be recorded in the public records by either party. This Option Agreement shall bind and inure to the benefit of the Parties and their successors in interest. Whenever the context permits, the singular includes the plural and one gender includes both.

21. **OTHER OPTIONS.** No prior or present agreements or representations are binding upon the City or SHG unless included in this Option Agreement. No modifications or changes in this Option Agreement will be valid or binding upon the Parties, unless in writing and executed by the party or the Parties intended to be bound by it.

22. **SEVERABILITY.** Should any Section or any part of any Section of this Option Agreement be rendered void, invalid, or unenforceable by any court of law, for any reason, such determination shall not render void, invalid or unenforceable any other Section or any part of any Section of this Option Agreement.

(The Remainder of This Page Intentionally Left Blank)

(Signature Pages to Follow This Page)

The Parties have caused this Option Agreement to be executed by their duly authorized representatives on the dates written below.

THIS DOCUMENT, WHEN SIGNED BY ALL THE PARTIES, IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF YOU DO NOT FULLY UNDERSTAND THE TERMS OF THIS DOCUMENT, YOU SHOULD SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING.

WITNESSES TO SHG

SHG: Sugar Hill Group, LLC, a Florida limited liability company

Sign: _____

Roy Binger, Member

Print: _____

Date

Address: _____

Sign: _____

Print: _____

Address: _____

FOR THE CITY OF ST. PETERSBURG

ACCEPTED FOR THE CITY OF ST. PETERSBURG

Mayor (Designee)
By:

Date

REVIEWED BY:

Aaron Fisch, Director
Real Estate and Property Management

RECEIVED BY:

Aaron Fisch, Director
Real Estate and Property Management

Date

APPROVED AS TO FORM:

City Attorney (Designee)
00732068

EXHIBIT "A"

Legal Description: Lot 1, Block 1, PARKE SUBDIVISION PARTIAL REPLAT AND ADDITION, according to the map or plat thereof, recorded in Plat Book 128, Page 99, of the public records of Pinellas County, Florida.

Parcel ID No.: 25/31/16/66311/001/0010

Approximate Location: 1794 – 22nd Street South, St. Petersburg, Florida

EXHIBIT "B"
LEASE AND DEVELOPMENT AGREEMENT

THIS LEASE AND DEVELOPMENT AGREEMENT ("Lease"), made and entered into this _____ day of _____ 20____, by and between the City of St. Petersburg, a Florida municipal corporation, (the "**City**") and Sugar Hill Group, a Florida limited liability company (the "**Tenant**") (individually, a "**Party**," collectively, the "**Parties**").

R E C I T A L S

WHEREAS, the Tenant submitted an unsolicited proposal to the City to develop the City-owned real property approximately located at 1794 – 22nd Street South, St. Petersburg, as more specifically described on the attached **Exhibit "A"** (the "**Property**"); and

WHEREAS, in response to receiving the unsolicited proposal, the City advertised a 30-day Legal Notice ("**Notice**") in July 2022, notifying the public of the City's intent to dispose of the Property and inviting alternative proposals; and

WHEREAS, the City received one (1) alternative proposal upon the expiration of the Notice on August 17, 2022; and

WHEREAS, after careful consideration of all proposals, the Mayor selected the Tenant's proposal for the development of the Property to include (i) not less than 115 affordable units (each an "**Affordable Housing Unit**," and collectively, "**Affordable Housing Units**") that provide for maximum rents and income thresholds as identified in this Lease, and (ii) not less than 10,000 square feet of retail space for a grocery store (collectively, the "**Development**"); and

WHEREAS, on _____, 2024, the Parties executed an Option Agreement (the "**Option**"), allowing the Tenant to enter into this Lease after meeting certain terms and conditions contained in the Option, subject to termination of the Wal-Mart Lease and the Other Leases (as defined in the Option); and

WHEREAS, the Tenant has met those certain terms and conditions in the Option, and by execution of this Lease, the Tenant is exercising its rights as provided in the Option; and

WHEREAS, the Wal-Mart Lease and the Other Leases (as defined in the Option) have been terminated.

NOW THEREFORE, in consideration of the promises and covenants contained in this Lease and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows:

1. **RECITALS:** The Recitals are true and accurate and are incorporated into this Lease.
2. **COMMENCEMENT DATE:** This Lease commences upon its execution by the last Party to sign, which will be the Mayor of the City of St. Petersburg or his designee ("**Lease Commencement Date**").
3. **EXHIBITS:** The exhibits attached to this Lease are, by this reference, made a part of this Lease.
4. **PREMISES:** The City hereby leases to the Tenant, and the Tenant hereby leases from the City, the Property, and all improvements on the Property (collectively, the "**Premises**"), subject to the terms, provisions, conditions, and limitations set forth in this Lease.
5. **TERM:** Unless earlier terminated as provided in this Lease, the term of this Lease shall be for a period of seventy-five (75) years ("**Term**"), beginning on the Lease Commencement Date and expiring on the seventy-fifth (75th) anniversary of the Lease Commencement Date ("**Expiration Date**").
6. **RENT:**

- 6.1. Rent: The Tenant shall pay the City an annual rent in the amount of \$100,000.00 (as may be adjusted in accordance with Section 6.5), plus applicable sales taxes ("**Rent**"), payable in monthly installments in advance on the first (1st) day of each calendar month during the Term beginning at the end of the Rent Abatement Period (as defined in Section 6.2) after the Lease Commencement Date anniversary.
- 6.2. Abatement: Rent will be abated beginning on the Lease Commencement Date and ending on the earlier of: i) the issuance of a temporary or final certificate of occupancy for the entirety of the Development or ii) twenty-four (24) months after the Lease Commencement Date, so long as construction and preparation for construction is diligently pursued by the Tenant in accordance with this Lease (the "**Rent Abatement Period**"). The City may unilaterally impose Rent during the Rent Abatement Period if the City determines in its reasonable discretion that Developer is not diligently pursuing construction in a manner that will result in the Tenant's completion of demotion and construction in accordance with the timelines identified in Section 12. Additionally, the Mayor, in his sole and absolute discretion, may extend the Rent Abatement Period to allow for ongoing construction by not more than an additional twelve (12) months, resulting in a maximum Rent Abatement Period of thirty-six (36) months from the Lease Commencement Date. Notwithstanding the foregoing, accepting payment of Rent by the Tenant is at the sole discretion of the City, and the City maintains all of its rights pursuant to Section 28.2 of this Lease.
- 6.3. Additional Rent: The Tenant shall pay to the City all other amounts due to the City pursuant to this Lease as additional rent ("**Additional Rent**").
- 6.4. Rent Payments: All Rent payments shall be delivered to the City at the following addresses depending on method of delivery or via ACH or wire transfer pursuant to instructions to be delivered to the Tenant by the City:

By Mail:
City of St. Petersburg Central Cashier
P.O. Box 2842
St. Petersburg, Florida 33731

In Person:
City of St. Petersburg
Central Cashier
Municipal Services Center
One 4th Street North, 1st Floor
St. Petersburg, Florida 33701
Hours: M-F, 8:00 A.M. to 5:00 P.M

6.5. Rent Adjustments:

- 6.5.1. Initial Adjustment: On the first anniversary of the Lease Commencement Date ("**Initial Adjustment Date**"), the Rent shall increase to a market rate as determined by an independent appraisal of the rental valuation of the Property, to be performed by a Florida State Certified General Appraiser, at the Tenant's sole cost and expense. Further annual Rent adjustments shall occur thereafter on each anniversary of the Lease Commencement Date, in accordance with Section 6.5.2 of this Lease. In the event the Rent increases during the Rent Abatement Period as set forth in Section 6.2, the abatement will be for the total amount of Rent due, including any increase in the amount of Rent pursuant to this Section 6.5.1.

- 6.5.2. Subsequent Adjustments: Beginning on the second (2nd) anniversary of the Lease Commencement Date, Rent shall be adjusted annually by the City on each subsequent anniversary of the Lease Commencement Date ("**Adjustment Date**") in the following manner: (i) multiply the then-current Rent by the latest published and available Official Consumer Price Index-All Urban Consumers Price Index- U.S. All Items (1982-84=100) ("**Index**"), published by the Bureau of Labor Statistics, U.S. Department of Labor ("**CPI**"), then (ii) divide the product by the CPI published at the time of the previous adjustment, then (iii) round the quotient up to the nearest whole dollar; the rounded quotient shall be the new monthly Rent for the year following the Adjustment Date. Notwithstanding the foregoing, under no circumstances may the Rent be adjusted downward.
- 6.5.3. Change of Index: In the event the Bureau of Labor Statistics ceases to publish said Index in its present form and calculated on the present basis, the City will have the right to choose a similar index or an index reflecting similar changes in the cost of living, in which case the City will provide the Tenant with notice of the index selected.
7. **DELINQUENT PAYMENT; LATE CHARGE**: If Rent is not paid on or before the fifth (5th) day of any month in which it is due, the Tenant shall pay a late charge of Two Hundred Fifty Dollars (\$250) per day beginning on the sixth (6th) day of the month ("**Late Charge**") to compensate the City for the additional administrative expense and loss occasioned thereby. In addition, the City will assess a charge equal to the statutory limit allowed by law for any check from the Tenant returned to the City for insufficient funds. The City will charge 1.50% interest monthly (not to exceed any statutory limitation on annual interest) on any unpaid balance, including but not limited to unpaid Rent, Additional Rent, Late Charge and interest. All Late Charges, fees for insufficient funds, and all interest charges are collectible as Additional Rent.
8. **PERMITTED USE**: The Tenant, or its approved sub-lessees and assigns, has the right to occupy and utilize the Property for the sole purpose of constructing, leasing and operating the Development, and for no other purpose ("**Permitted Use**"). The Tenant must construct the Development in accordance with Section 12 of this Lease. Any use of the Premises other than the Permitted Use is prohibited without the prior written approval of the Mayor, as set forth in Section 44.
9. **OTHER TENANT OBLIGATIONS**:
- 9.1. Tenant Work: The Tenant shall complete the demolition and construction required for the Development in accordance with the timelines identified in Section 12.
- 9.2. Sustainable Construction and Healthy Lifestyles: The Tenant shall pursue LEED Core & Shell, National Green Building Standard (NGBS), or other similar certification for the Development.
- 9.3. Essential Covenants: The Parties explicitly agree the covenants set forth in this Section 9 are an essential part of the consideration for this Lease, and that this Lease is expressly contingent on their timely completion, as set forth throughout the Lease.
10. **ADMINISTRATIVE APPROVAL**: The Tenant shall not commence work unless and until site plans have been approved by the City in accordance with Section 44 of this Lease for the sole purpose of determining that the site plans are in compliance with the Permitted Use. The City's approval of site plans to determine compliance with the Permitted Use is in addition to Regulatory Approvals (as defined in Section 22).
11. **DEVELOPMENT FINANCING**: Pursuant to the Option between the Parties, dated _____, as a prerequisite to entering into this Lease, the Tenant has already provided, and the City has already

accepted, proof that the Tenant has secured a commitment or commitments for funding for the Development.

12. **CONSTRUCTION TIMELINE:**

12.1. Site Plans: The Tenant shall submit site plans to the City for approval no later than three (3) months after the Lease Commencement Date.

12.2. Demolition: The Tenant shall have existing improvements on the Premises demolished as needed, to include any and all required environmental mitigation, including removal of asbestos and any underground contamination discovered during the demolition. The Tenant shall commence demolition no later than six (6) months after the Lease Commencement Date.

12.3. Permit Application: No later than six (6) months after the Lease Commencement Date, the Tenant shall cause its contractor to submit a complete and comprehensive building permit package for construction of the Development, in accordance with the minimum requirements for submitting a permit application per Florida Building Code 2017, Section 107 – Submittal Documents, as may be amended from time to time ("**Permit Application**"), to the City Planning and Development Services Department ("**Planning**"). For purposes of this Section 12.3 only and as a matter of convenience to both Parties, Planning, as a department of the City, will receive and transmit the Permit Application on behalf of the City. In the event that the Tenant fails to submit the Permit Application within six (6) months after the Lease Commencement Date, the City may declare the Lease in default and unilaterally terminate without providing the Tenant an opportunity to cure.

12.4. Commence Construction: Within eighteen (18) months after the Lease Commencement Date, the Tenant shall commence construction of the Development. For purposes of this Lease, commencement of construction shall mean the completed preparation of the Premises for immediate pouring of foundation footers and pilings for the Development, including but not limited to complete excavation of the ground to accommodate all foundation and footer pours.

12.5. Fifty Percent Completion: The Development shall be at least 50% completed, as certified by the architect of record, no later than thirty (30) months after the Lease Commencement Date.

12.6. Certificates of Occupancy: The Tenant must provide the City with proof that Certificates of Occupancy have been issued for each building no later than thirty-six (36) months after the Lease Commencement Date.

12.7. No Cure Period: The cure periods in Section 28 do not apply to the required timeline and dates set forth in this Section 12, and such timelines and dates may only be modified by mutual, written and executed agreement of the Parties, but the Mayor or Mayor's Designee, in his or her sole and absolute discretion, may extend any date in this Section 12 by no more than ninety (90) days. Notwithstanding as much, the Tenant may request confirmation by the City up to thirty (30) days prior to any deadline as to the City's opinion of the Tenant's compliance with the above requirements, and, if such confirmation is sought, the City shall advise in writing regarding compliance within ten (10) days of such request and provide details of any perceived shortcomings if appropriate. In no event will this confirmation toll the applicable deadline.

13. **AFFORDABLE HOUSING UNITS & GROCERY STORE:**

13.1. The City will record, in the public records of Pinellas County, a restrictive covenant on the Property related to the 115 Affordable Housing Units in a format approved by the City that provides for rents and incomes that adhere to the maximum rents and income thresholds identified in Section 13.2 for a period of forty (40) years from the date of issuance of the final Certificate of

Occupancy. The restrictive covenant will be drafted by the City in coordination with the Tenant and any other parties providing financing for the Development. Notwithstanding as much, the terms of such restrictive covenant will be determined by the City in its sole and absolute discretion, must be in a form and substance satisfactory to the Florida Housing Finance Corporation, and shall include the terms set forth in this Section 13, as well as a requirement to have not less than 10,000 square feet of retail space occupied by a grocery store. These restrictions may be enforced by the terms of the restrictive covenant. That restrictive covenant will include liquidated damages calculated for each Affordable Housing Unit in violation of such restrictions as the greater of either:

13.1.1. The actual cash subsidy provided by the City to the Developer, if any, per Affordable Housing Unit as determined by the square footage of the Affordable Housing Unit as a percentage of the total square footage of the Development (excluding the square footage of the Development attributable to the grocery store), multiplied times the cash subsidy received, or

13.1.2. Twenty-Five Thousand Dollars (\$25,000) plus the value of the Property that is subsidized by the City per Affordable Housing Unit (such value to be calculated as follows: (a) the appraised value of the Property, as determined by the appraisal dated _____, 2024, (b) minus the purchase price for the Property as set forth in Section 14.1.3 of this Lease, (c) minus that portion of the appraised value of the Property attributable to the grocery store, (d) divided by 115 (the minimum number of required Affordable Housing Units)).

13.2. Income Thresholds and Maximum Rental Amounts. The Affordable Housing Units on the Property will be subject to the following income thresholds and the maximum rental amounts for each income threshold promulgated annually by the Florida Housing Finance Corporation ("FHFC") for the State Housing Initiatives Partnership ("SHIP") program:

13.2.1. The Affordable Housing Units will be restricted to households with an average annual income of eighty percent (80%) of AMI or below at the time of initial occupancy. If the income of the household increases after initial occupancy of an Affordable Housing Unit, then the Unit would not need to be replaced by another comparable unit, provided that overall within the Affordable Housing Units in the Development, the average annual income is still eighty percent (80%) of AMI or below. In the event the average annual income within the Affordable Housing Units in the Development exceeds eighty percent (80%) of AMI, the next available Affordable Housing Unit must be rented to a household with an annual income that will bring the average annual income for the Affordable Housing Units in the Development back down to eighty percent (80%) of AMI or below.

13.2.2. For the sake of clarity, an example would be that at initial occupancy of the Development there might be 115 Affordable Housing Units, 30 Units at 120% of AMI, 40 Units at 80% of AMI, 30 Units at 60% of AMI and 15 Units at 40% of AMI. The actual tenant mix will be based on need and the market at the time the Affordable Housing Units become available for rent.

13.3. Preliminary Affordable Housing Unit Size Mix: Thirty percent (30%) of the total number of Affordable Housing Units (rounded up to the next whole number of units) shall be one-bedroom, 1-bath units; fifty percent (50%) of the total number of Affordable Housing Units (rounded up to the next whole number of units) shall be two-bedroom, two-bath units; and twenty percent (20%) of the total number of Affordable Housing Units (rounded up to the next whole number of units) shall be three-bedroom, two-bath units.

13.3.1. The Tenant may unilaterally adjust the Affordable Housing Unit size mix by changing the above by not more than plus or minus five percent (5%) (rounded up to the next whole number of units). Any changes greater than a five percent (5%) deviation may only be made by the Tenant with prior written permission of the Mayor or his designee, which permission shall be in the Mayor's sole and absolute discretion.

13.4. Grocery Store: the Tenant shall ensure the operation of a grocery store(s) on the Property for not less than ten (10) years, including but not limited to the offering meat and fresh produce ("**Grocery Store**"). The Grocery Store shall dedicate no less than ten percent (10%) of the floor area within the Grocery Store for the display and sale of fresh produce and meats.

14. OPTION TO PURCHASE:

14.1. Conditions: The Tenant has the option to purchase the Property, subject to all of the following conditions:

14.1.1. The Tenant is in full compliance with the terms and conditions of this Lease at the time of exercising this option,

14.1.2. The entire Development has been completely constructed, as verified by a final certificate of occupancy, and

14.1.3. The Tenant pays the purchase price of \$1,500,000.00.

14.2. Compliance: The Tenant may request a letter from the City confirming it is in full compliance with the terms and conditions of this Lease a minimum of sixty (60) days prior to exercising its purchase option. The City shall supply a letter confirming or denying that the Tenant is in compliance within thirty (30) days of receiving such request in writing. In the event the City denies that the Tenant is in compliance, the City shall outline in writing any perceived non-compliance, in which event the Tenant may seek to cure such non-compliance if afforded such rights for such non-compliance in this Lease.

15. CLOSING OF CONVEYANCE:

15.1. Closing Agent: The closing agent shall be determined at the time of closing by the City ("**Closing Agent**").

15.2. Documents for Closing: For the sale of the Property from the City to the Tenant ("**Conveyance**"), the City shall arrange for the preparation of all the closing documents, in a form reasonably acceptable to the Tenant, including but not limited to the deed, closing statement, corrective instruments, and any other documents necessary to close and for the issuance of title insurance acceptable to the Tenant and its lenders.

15.3. Costs: The Tenant and the City will each bear their own expenses in connection with the Conveyance. The Tenant will pay the cost of the owner's title insurance premium, escrow fees, and documentary transfer taxes.

15.4. Failure To Close Conveyance: In the event the Conveyance does not close in accordance with this Lease prior to the expiration or earlier termination of this Lease, then upon expiration or earlier termination of the Lease, the Tenant shall return the Premises to the City in accordance with this Lease.

15.5. Termination of Lease: Upon the closing of the Conveyance pursuant to this Section 15, this Lease will immediately terminate together with all obligations under this Lease, other than those which expressly survive the termination of this Lease.

16. **RETURN OF PREMISES:**

16.1. Condition of Premises: If the Property is not conveyed to the Tenant, the Tenant shall, on or before the expiration of this Lease, or its earlier termination, remove all personal property from the Premises and repair any damage caused by such removal and surrender and deliver up the Premises, broom clean and in good order, condition and repair, less ordinary wear and tear. Any personal property not removed within fifteen (15) days after the expiration of this Lease or its earlier termination will be deemed to have been abandoned by the Tenant, and may be retained or disposed of by the City, in its sole discretion. The Tenant shall execute all documents reasonably requested by the City to provide verification of such earlier termination.

16.2. Contracts and Encumbrances: If this Lease is terminated other than as a result of the Conveyance of the Property, Tenant shall return the Premises free and clear of any contractual obligations or other legal encumbrances not approved in writing by the City.

17. **TAXES:** As of the Lease Commencement Date, the following shall apply:

17.1. Personal Property Taxes: The Tenant is responsible for, and shall pay before delinquency, all municipal, county, state and federal taxes assessed during the Term, against personal property of any kind owned by or placed in, upon or about the Premises by the Tenant.

17.2. Real Estate Taxes, Other Taxes and Fees: The Tenant is responsible for and shall pay before delinquency all applicable taxes, assessments, and fees, including but not be limited to applicable income tax, real property tax, tangible personal property tax, sales taxes, storm-water fees, governmental assessments of any kind, including but not limited to special assessments and service district assessments, if any, levied on the Premises or the contents thereof and deliver to the City, without notice or demand, the appropriate receipts that show payment thereof. If the Tenant fails to pay all or any portion of the applicable taxes, assessments, or fees, and the City pays all or any portion of the applicable taxes, assessments, or fees, then the Tenant must reimburse the City in full. Such reimbursement amount shall become due and collectible as Additional Rent. The provisions of this Section survive the expiration or earlier termination of this Lease.

18. **UTILITIES AND SERVICES:** The Tenant is responsible for all utilities and services associated with the Premises.

19. **ACCESS RIGHTS:** During the Term, the Tenant has the right to access, use and make improvements to the Premises, in accordance with the terms and conditions of this Lease. As of the Lease Commencement Date and prior to commencement of demolition, Tenant shall allow the City free and unrestricted access to the Property. After commencement of demolition, the City has the right, at all reasonable times, accompanied by Tenant's authorized representatives, to enter, inspect, and make such repairs or alterations to the Premises as the City may reasonably desire.

20. **LIENS:**

20.1. No Real Property Liens: The Tenant shall never, under any circumstances, have the power to subject the Property to any mechanic's or materialman's lien or other lien of any kind.

20.2. Payment and Performance Bond: All contracts for improvements to the Property shall provide for a payment and performance bond or other form of security in accordance with Section 255.05, Florida Statutes or successor laws. Notice is hereby given that no contractor, subcontractor or any other person who may furnish any material, service or labor for any building, improvement, alteration, repairs or any part thereof, or for the destruction or removal of any building or structure, shall at any time be or become entitled to any lien on or against the Property. Notwithstanding the

foregoing, the Tenant shall be expressly permitted, without any additional consent or approval from the City, to permit the filing of a lien, notice of commencement, or other encumbrance on the leasehold interest of the Tenant which has been explicitly granted pursuant to this Lease.

20.3. Leasehold as Collateral; City Estoppel Certificate: The City acknowledges that the Tenant may require a personal property lease agreement or other secured financing for equipment for its operations to be physically located at the Premises, or require financing using the Tenant's leasehold interest as collateral. In the event that a lender or equipment lessor requires the City as landlord to provide an estoppel and subordination certificate subordinating this Lease to the new financing, the City shall, upon written request, execute such certificate the terms and conditions of which, are acceptable to the City in its sole and absolute discretion, and only if it provides that the leasehold is the collateral and that the City's fee simple interest in the Property will not be subject to the financing. Notwithstanding the foregoing, in no event will the City provide an estoppel certificate for any leasehold mortgage that exceeds the expiration date of this Lease.

20.4. Landlord Lien: The City will have a lien against all goods, equipment, furniture and other personal property of the Tenant kept on the Premises at any time during the Term, in the aggregate amount of all Rent, Additional Rent, fees, damages and the sums that may at any time be owed by the Tenant to the City under this Lease. The City, in the event of any default by the Tenant and the expiration of any applicable cure period, may foreclose the lien. In that event, the Tenant will be obligated for all court costs.

21. **MAINTENANCE:**

21.1. Before and During Demolition: Prior to and during demolition of the existing improvements on the Premises, the Tenant is responsible for maintaining the Premises, including all existing improvements until their demolition, in accordance with the City Code requirements. The Tenant shall also be responsible for ensuring that the improvements are secure when no work is in progress and that the site is properly secured during demolition.

21.2. After Demolition: Subsequent to demolition of the existing improvements on the Property, the Tenant will be responsible for all maintenance of the Premises, and Development when constructed, including but not limited to all components of the Premises including but not limited to, security, and landscaping. Without limiting the generality of the foregoing, the Tenant shall, at its cost and expense, maintain the Premises, in good order and repair, in a clean and sanitary condition, and shall make all necessary repairs, including all necessary replacements, alterations and additions, using material and equipment of similar or superior kind and quality to the original improvements constructed by Tenant or pre-existing on the Property if such preexisting improvements were not demolished.

21.3. Failure to Maintain: If the Tenant fails to maintain the Premises as required by law or this Lease, then thirty (30) days after written notice (or such longer period as is necessary if the repair cannot reasonably be completed within the thirty (30) day period and the Tenant promptly commences and diligently pursues the completion of such repair), the City in its sole and absolute discretion, may effectuate such maintenance or repairs, in which case the Tenant must reimburse the City in full. Such reimbursement amount will become due and collectible as Additional Rent.

22. **REGULATORY APPROVALS:** The Tenant is responsible for obtaining at the Tenant's sole cost and expense all permits, leases and approvals as may be necessary to construct the Development that may be required by the City, the City Code, federal, state, county and local governments and agencies, laws, ordinances and regulations ("**Regulatory Approvals**"). The City shall reasonably cooperate with the

Tenant to sign documents, review plans and/or make any appearances which are required by the Tenant in order to pursue the Regulatory Approvals.

23. **INSURANCE:**

23.1. Tenant Coverages and Limits: The Tenant, commencing on Lease Commencement Date, shall maintain at the Tenant's cost, the following insurance, written by a firm that is authorized to conduct operations in the State of Florida, recognized by the State of Florida Insurance Department, and rated at least A- in the then current edition of AM Best's Rating Services, or similar rating agency acceptable by the City. The policy or policies shall have following minimum coverages and limits:

23.1.1. Commercial General Liability: A Commercial General Liability Insurance Policy protecting the City against all claims or demands that may arise or be claimed on account of the Tenant's use of the Premises in an amount of at least \$2,000,000 for injuries to persons in one accident and \$2,000,000 general aggregate, \$2,000,000 for injuries to any one person, \$2,000,000 for damages to property; Commercial General Liability limits may, from time to time, be adjusted at the discretion of the City to reflect the then current, generally acceptable policy limits.

23.1.2. Commercial Automobile Liability insurance of \$1,000,000 combined single limit covering all owned, hired and non-owned vehicles.

23.1.3. Environmental Liability: - Environmental or Pollution Liability with a minimum of \$1,000,000 per occurrence. Coverage shall apply to pollution losses arising from all services performed to comply with this Lease. Coverage shall apply to sudden and gradual pollution conditions including discharge, dispersal, release, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, or other irritants, contaminants, or pollutants into or upon land, the atmosphere, or any watercourse or body of water. Coverage shall also include the cost of cleanup and remediation.

23.1.4. Builder's Risk: The Tenant shall require Builders Risk insurance from contractor(s). The policy shall insure the contractors work at the site to its full insurable value. The policy shall insure the interests of the City, the Tenant, the contractors and subcontractors.

23.1.5. Worker's Compensation: Workers' Compensation Insurance in compliance with the laws of the State of Florida.

23.1.6. Employer's Liability insurance policy with minimum limits of \$100,000 per accident, \$100,000 per employee for disease, and \$500,000 for all disease.

23.1.7. Property and Flood Coverage: The Tenant shall store its property in and shall occupy the Premises at its own risk. The Tenant shall insure the buildings and structures on the Premises for replacement cost. At minimum, coverage must include the following perils: fire, lightning, flood, explosion, windstorm (including named storms designated by the U.S. National Weather Service or the National Oceanic and Atmospheric Administration by a name or number), hail, smoke, aircraft, vehicles, riot or civil commotion, vandalism, sprinkler leakage, sinkhole collapse, falling objects, water damage. Coverage shall also include Building Ordinance or Law Coverage and must include: loss to undamaged portion of a building, demolition costs, and increase costs of construction.

23.1.8. The Tenant is responsible for securing, at its own expense, whatever insurance coverage it may desire on the contents of the Premises, including but not limited to, property and flood coverage.

- 23.2. Certificates: The Tenant shall provide the City with Certificates of Insurance on a standard ACORD form reflecting all coverages prior to commencing operations and at each subsequent policy renewal. At the City's request, the Tenant shall provide the City with a copy of each policy required by this Lease.
- 23.3. Additional Insured: All policies, with the exception of Workers Compensation, shall name the City of St. Petersburg as an "Additional Insured" under the policy, provide contractual liability coverage, shall be primary and non-contributory to any insurance maintained by the City, and provide that they shall not be subject to cancellation or any material change which would or could affect the City except for a minimum of thirty (30) days prior written notice to the City at the address set forth in Section 63 of this Lease.
- 23.4. Broader Coverage: If the insurance carried by the Tenant has broader coverage than required in this Lease, then that broader coverage, including but not limited to additional insured requirements, shall be the requirement in this Lease. If the Tenant's insurance limits are greater than the minimum limits set forth herein, then the Tenant's insurance limits shall be the required limits in this Lease.
- 23.5. Changes: The insurance coverages and limits are set at the sole discretion of the City and are subject to change or revision as the need arises. The City may, at its sole discretion, change or increase the required insurance coverage and limits from time to time and shall provide thirty (30) days' written notice to the Tenant. Approval by the City of any certificate of insurance does not constitute verification by the City that the insurance requirements have been satisfied or that the insurance policy shown on the certificate of insurance is in compliance with the requirements of this Lease.
- 23.6. Copies of Policies: the City reserves the right to require a certified copy of the entire insurance policy including endorsements. When requested by the City, the Tenant shall, within ten (10) days of request, provide copies of current policies. If the Tenant fails to furnish certificates showing policies paid in full as provided in this Lease, the City may, after written notice to the Tenant and failure of the Tenant to provide the certificate within ten (10) days after such notice, obtain the insurance, and the premiums paid by the City for that insurance shall be deemed immediately due and payable to the City by the Tenant. Nothing herein may be interpreted to prevent the Tenant from entering into a contract with an insurance provider that includes periodic payments.
- 23.7. General Insurance Requirements for Contractors/Subcontractors: Any subcontractor or other persons contracting with the Tenant shall maintain the following minimum insurance coverages and limits:
- 23.7.1. Commercial Liability: Commercial General Liability policy on an occurrence basis with at least a \$1,000,000 per occurrence limit and \$2,000,000 aggregate limit. Coverage shall include bodily injury and property damage for premises and operations, including but not limited to products and completed operations, personal injury, and contractual liability under this Lease, protecting the City against all claims or demands that may arise or be claimed on account of the contractor's use of the Premises.
- 23.7.2. Automobile Liability: If the contractor's operations include the use of automobiles, Automobile Liability insurance with a minimum combined single limit of \$1,000,000. Coverage shall include bodily injury and property damage liability arising out of the ownership or use of any automobile, including owned, non-owned, and hired automobiles.

23.7.3. Worker's Compensation: Workers' Compensation Insurance in compliance with the laws of the State of Florida.

23.7.4. Employer's Liability: Employer's Liability coverage with minimum limits of \$100,000 each accident, \$100,000 each employee and \$500,000 policy limit for disease.

23.7.5. All of the contractor's policies, with the exception of Workers Compensation, shall name the City of St. Petersburg and the Tenant as an "Additional Insured" under the policy, provide contractual liability coverage, and provide that they shall not be subject to cancellation or any material change which would or could affect the City except for a minimum of thirty (30) days prior written notice to the City at the address set forth in Section 63 of this Lease.

23.8. Insurance Requirements for Prime Contractors: In addition to the items required in Section 23.7, the prime contractor involved in construction shall be required to carry the following minimum coverages:

23.8.1. Commercial General Liability policy on an occurrence basis with at least a \$3,000,000 per occurrence limit and \$3,000,000 aggregate limit. Coverage shall include bodily injury and property damage for premises and operations, including but not limited to products and completed operations, personal injury, and contractual liability under this Lease, protecting the City against all claims or demands that may arise or be claimed on account of the contractor's use of the Premises.

23.8.2. Environmental Liability: Environmental or Pollution Liability with a minimum of \$2,000,000 per occurrence. Coverage shall apply to pollution losses arising from all services performed to comply with this Lease. Coverage shall apply to sudden and gradual pollution conditions including discharge, dispersal, release, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, or other irritants, contaminants, or pollutants into or upon land, the atmosphere, or any watercourse or body of water. Coverage shall also include the cost of cleanup and remediation.

23.9. Insurance Requirements for Demolition Contractors/Subcontractors: In addition to the items required in Section 23.7, contractors involved in physical demolition of existing property, including any and all required environmental mitigation, removal of asbestos and any underground contamination discovered shall be required to carry the following minimum coverage limits:

23.9.1. Environmental Liability: Environmental or Pollution Liability with a minimum of \$2,000,000 per occurrence. Coverage shall apply to pollution losses arising from all services performed to comply with this Lease. Coverage shall apply to sudden and gradual pollution conditions including discharge, dispersal, release, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, or other irritants, contaminants, or pollutants into or upon land, the atmosphere, or any watercourse or body of water. Coverage shall also include the cost of cleanup and remediation.

23.10. Insurance Requirements for Professional Services Contractors/Subcontractors: In addition to the items required in Section 23.7, contractors providing professional services shall be required to carry the following minimum coverage limits:

23.10.1. Professional Liability Insurance: Professional Liability insurance appropriate to Contractor's profession with a minimum limit of \$2,000,000 per occurrence. If coverage is on a "Claims Made" basis, it must include a retroactive date of coverage beginning no later than the date the contract is executed.

23.11. Insurance Requirements for Commercial Sub-lessees: Any commercial sub-lessee shall maintain the following minimum insurance coverages and limits:

23.11.1. Commercial Liability: Commercial General Liability policy on an occurrence basis with at least a \$1,000,000 per occurrence limit and \$2,000,000 aggregate limit. Coverage shall include bodily injury and property damage for premises and operations, including but not limited to products and completed operations, personal injury, and contractual liability under this Lease, protecting the City against all claims or demands that may arise or be claimed on account of the sub-lessee's or contractor's use of the Premises.

23.11.2. Automobile Liability: If the commercial sub-lessee's operations include the use of automobiles, Automobile Liability insurance with a minimum combined single limit of \$1,000,000. Coverage shall include bodily injury and property damage liability arising out of the ownership or use of any automobile, including owned, non-owned, and hired automobiles.

23.11.3. Worker's Compensation: Workers' Compensation Insurance in compliance with the laws of the State of Florida.

23.11.4. Employer's Liability: Employer's Liability coverage with minimum limits of \$100,000 each accident, \$100,000 each employee and \$500,000 policy limit for disease.

23.11.5. Personal Property: Any insurance coverage it may desire on the contents of the Premises.

23.11.6. All of the commercial sub-lessee's policies, with the exception of Workers Compensation, shall name the City of St. Petersburg and the Tenant as an "Additional Insured" under the policy, provide contractual liability coverage, and provide that they shall not be subject to cancellation or any material change which would or could affect the City except for a minimum of thirty (30) days prior written notice to the City at the address set forth in Section 63 of this Lease

24. INDEMNIFICATION:

24.1. Commencing on the Lease Commencement Date, and continuing until the end of the Term, the Tenant shall defend at its expense, pay on behalf of, hold harmless and indemnify the City, its officers, employees, agents, elected and appointed officials and volunteers (collectively, "**Indemnified Parties**") from and against any and all claims, demands, liens, liabilities, penalties, fines, fees, judgments, losses and damages whether or not a lawsuit is filed including, but not limited to, costs, expenses and attorneys' and experts' fees at trial and on appeal (collectively, "**Claims**"), for damage to property or bodily or personal injuries, including death at any time resulting therefrom, sustained by any persons or persons which Claims alleged or claimed to have arisen out of or in connection with:

24.1.1. The ownership, occupancy, or use of the Premises by the City or the Tenant; or

24.1.2. The performance of this Lease (including future changes and amendments thereto) by the Tenant, its employees, agents, representatives, contractors, subcontractors or volunteers, including but not limited to the Tenant's duty to maintain and warn of dangerous conditions located on the Premises and known to the Tenant; or

24.1.3. The failure of the Tenant, its employees, agents, representatives, contractors, subcontractors or volunteers to comply and conform with any applicable Laws; or

24.1.4. Any negligent act or omission of the Tenant, its employees, agents, representatives, contractors, subcontractors or volunteers, whether or not such negligence is claimed to be

either solely that of the Tenant, its employees, agents, representatives, contractors, subcontractors or volunteers or to be in conjunction with the claimed negligence of others, including that of any of the Indemnified Parties; or

24.1.5. Any reckless or intentional wrongful act or omission of the Tenant, its employees, agents, representatives, contractors, subcontractors or volunteers.

24.2. Insurance Obligations: The provisions of this Section 24 are independent of, and shall not be limited by, any insurance obligations in this Lease, and survive the expiration or earlier termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination. The purchase of insurance coverage required by this Lease, or otherwise, will not relieve the Tenant of any duties set forth in this Lease.

25. **DISCLAIMERS:**

25.1. Risk of Loss: The Tenant shall store its property in and shall occupy the Premises at its own risk. Additionally, the City is not responsible or liable at any time for any damage to property of the Tenant or the Tenant's employees, agents, representatives, contractors, subcontractors, invitees, or volunteers, regardless of the cause.

25.2. Merchandise/Equipment: The City is not responsible or liable at any time for any damage to the Tenant's trade fixtures, the Tenant's personal property, merchandise, equipment, or to the Tenant's business regardless of the cause, unless such damage is due to the City's negligence or wrongful act.

25.3. Third Parties: The City shall not be responsible or liable to the Tenant for any damage to either person or property that may be occasioned by or through the acts or omissions of third parties.

25.4. Property Defects: The Indemnified Parties are not responsible or liable at any time for:

25.4.1. Any defects, latent or otherwise, in the Premises or any of the equipment, machinery, utilities, appliances or apparatus therein, or

25.4.2. Any loss of life, or injury or damage to any person or to any property or operation of the Tenant or those claiming by, through or under the Tenant, caused by or resulting from (i) the bursting, breaking, leaking, running, seeping, overflowing, or backing up of water, steam, gas, sewage, snow or ice in any part of the Premises; (ii) acts of God; (iii) public health emergencies; or (iv) the failure of any public utility in supplying utilities to the Premises, or

25.4.3. Any damage caused by or resulting from any defect or negligence in (i) the occupancy, construction, operation, or use of the Premises, (ii) any Improvements to the Premises, or (iii) the use of any of the equipment, fixtures, machinery, appliances, or apparatus in or on the Premises by any person or entity.

25.5. Notice of Claim: The Tenant shall give twenty-four (24) hour notice to the City in case of fire or accidents or other casualties on or about the Premises or of any defects in any fixtures or equipment therein.

26. **WAIVER OF SUBROGATION:** Nothing in this Section shall be construed to negate or modify the insurer's responsibility to the City, as an additional insured under any insurance required under Section 23 of this Lease, to defend and pay Claims made against the City. The Tenant waives, and shall require all commercial sub-lessees to waive, any rights the Tenant or any commercial sub-lessees may

have against the City on account of any loss or damage incurred by the Tenant and commercial sub-lessees, to its property, the Premises, or its contents arising from any risk actually covered by fire and extended coverage insurance policies. The Tenant waives, and shall require its commercial sub-lessees, on behalf of its insurance companies insuring the property of the Tenant and commercial sub-lessees against any such loss or damage, to waive any right of subrogation that such companies may have against the City, as the case may be to the extent such insurance allows it. The Tenant covenants that, and shall require all commercial sub-lessees to covenant that, to the extent such insurance endorsement is available the Tenant and commercial sub-lessees will obtain, for the benefit of the City, a waiver of any right of subrogation from such insurance companies, if such endorsement is required by the insurance company to waive subrogation.

27. **ASSIGNMENT AND SUBLEASE:**

27.1. **Assignment:**

27.1.1. **Consent of the City:** The Tenant shall not delegate performance nor assign this Lease or any of its rights under this Lease without first receiving the authorization of the City Council, which shall be granted or withheld in the City Council's sole and absolute discretion. Any such purported assignment will be considered null and void and constitute a material default of this Lease. Any purported involuntary assignment of this Lease or assignment by operation of law, whether by bankruptcy or insolvency, merger (whether as the surviving or disappearing business entity), consolidation, dissolution, reorganization, transfer of the Tenant or controlling interest in the Tenant, or court order effectuating such assignment or any other method, shall be null and void and will constitute a material default of this Lease, unless such underlying transaction is approved by the City Council which approval shall be in the sole discretion of the City Council. Notwithstanding the foregoing, the Tenant shall be permitted to subcontract/delegate the Tenant's construction obligations pursuant to this Lease. The Tenant shall not delegate any liability hereunder. For example, the Tenant may contract with a general contractor who will perform the construction activities referenced in the Lease, though the Tenant remains responsible under this Lease for the general contractor's actions or inactions.

27.1.2. **Assumption and Release:** Upon a permitted assignment under this Section 27, the assignee shall assume all rights and obligations of the Tenant under this Lease. Any assignee of the Tenant shall deliver to the City an assumption agreement in a form reasonably satisfactory to the City within ten (10) days after approval by City Council of such assignment. Notwithstanding anything to the contrary contained in this Lease, upon a permitted assignment of this Lease, the any existing liability of the assigning Tenant under this Lease will not terminate.

27.1.3. **Sublease:** Unless otherwise permitted hereunder, the Tenant does not have the right to sublet or otherwise dispose of the Premises, or this Lease, or any part thereof, or of its right, title or interest therein or its power to execute this Lease or any amendment or modification thereto, to any person, company or corporation, without the City Council's prior written consent, which may be granted or withheld in the City Council's sole discretion. Any purported subletting or other disposition which is not authorized by the City Council is a material default and considered null and void.

27.1.4. **Permitted Sublease(s):** Notwithstanding Section 27.1.3 of this Lease, the Tenant may sublease space in the Development to sub-lessee(s) that comply with the Permitted Use. For clarity, any sublease to tenants of residential apartments in the Development or to a grocery

store for commercial purposes in the Development will not be a default under this Lease and do not require the consent of the City, provided that such subleases comply with the Permitted Uses.

28. **DEFAULT:**

28.1. Default by the Tenant:

28.1.1. Events of Material Default not Related to Payment of Rent: If the Tenant defaults for any reason in the performance of the requirements set forth in Section 8 (Permitted Uses), Section 9.1 (the Tenant Work), Section 12 (Construction Timeline), Section 13 (Affordable Housing Units & Grocery Store), Section 20.1 (No Real Property Liens), Section 20.2 (Payment and Performance Bond), Section 21 (Maintenance), Section 23 (Insurance), Section 24 (Indemnification), Section 27 (Assignment and Sublease), Section 32 (Environmental Compliance), or Section 58 (the Tenant Entity) of this Lease, such default will be deemed a material default of this Lease.

28.1.1.1. Curable Material Default. The Tenant shall cure such material default within thirty (30) days after delivery of written notice of such default by the City, except as otherwise set forth in this Lease, provided the default does not involve an Emergency that must be addressed in a shorter time frame. For the purposes of this Section 28.1.1.1, “**Emergency**” means threat of imminent injury or damage to persons or property or the imminent imposition of a civil or criminal fine or penalty. Provided that the default does not involve an Emergency that must be addressed in a shorter time frame and further provided that the default is of a nature that it cannot be completely cured within thirty (30) days solely as a result of nonmonetary circumstances outside of the Tenant’s control, upon written request for an extension from the Tenant prior to the expiration of the thirty (30) day curative period, the City, in its sole and absolute discretion, may extend the thirty (30) day curative period provided herein by so much additional time as the City determines is reasonably necessary to cure the default. The Tenant’s written request for an extension of the thirty (30) day curative period must include documentation demonstrating the Tenant commenced to cure the default within the thirty (30) day period and is diligently and continuously proceeding to cure the default in good faith. In no event may the total curative period exceed ninety (90) days. If the Tenant fails to cure the default within the applicable curative period (i.e., thirty (30) days, a shorter timeframe specified by the City in the event of an Emergency, or an extended curative period if authorized by the City pursuant to this Section 28.1.1.1), the City may (i) terminate this Lease upon providing the Tenant five (5) business days’ prior written notice of termination (such five (5) day period to commence upon the delivery of such notice) or (ii) exercise any other remedies available to the City under this Lease or by law or in equity.

28.1.1.2. Non-Curable Default. The curative period described in Section 28.1.1.1 does not apply, and the City may immediately terminate this Lease by providing written notice of termination to the Tenant in accordance with Section 63, if a more specific provision of this Lease provides for immediate or earlier termination (including but not limited to Section 12 related to the construction timeline requirements for development of the Property).

28.1.2. Material Default Related to Payment of Rent: If the Tenant defaults in its obligation to pay Rent when it becomes due, the City may terminate this Lease upon providing the applicable notice as required under Chapter 83, Florida Statutes, or any successor statute.

28.1.3. Statutory Notices for Monetary Defaults: Although the notices of defaults to be given under this Section 28 may be the same as the notice required under Chapter 83, Florida Statutes, or any successor statute, and this Lease shall not be construed to require the City to give two separate notices to the Tenant before proceeding with any remedies.

28.2. City's Remedies upon Material Default by the Tenant: If the Tenant fails to cure the material default within the applicable curative period or if the Tenant has committed a material defaulted for which there is no cure period, the City may exercise the following options:

28.2.1. Terminate the Tenant's right to possession under this Lease, reenter, take possession of the Premises and lease or attempt to lease the Premises on behalf of the Tenant, at such rental, and upon such terms and conditions as the City may, in the exercise of the City's reasonable discretion, deem best under the circumstances for the purpose of reducing the Tenant's liability. The City shall not be deemed to have thereby accepted a surrender of the Premises and the Tenant shall remain liable for all Rent and other charges due under this Lease and for all damages suffered by the City because of the Tenant's default. All payments other than Rent due to the City pursuant to this Section 28.2.1 will become due and collectible as Additional Rent. At any time during such repossession or re-let, the City may, by delivering written notice to the Tenant, elect to exercise its option under Section 28.2.2 to accept a surrender of the Premises, terminate and cancel this Lease and retake possession and occupancy of the Premises on behalf of the City.

28.2.2. If the City terminates the Tenant's right to possession under this Lease pursuant to Section 28.1, the City may declare this Lease to be terminated, and reenter and take possession of the Premises by any lawful means, whereupon the Term hereby granted and all right, title, and interest of the Tenant in the Premises shall terminate. Such termination shall be without prejudice to the City's right to collect from the Tenant any Rent or other charges or sums that have accrued prior to such termination, together with all damages suffered by the City because of the Tenant's default. All other payments other than Rent due to the City pursuant to this Section 28.2.2 will become due and collectible as Additional Rent. Notwithstanding the foregoing, upon such termination and re-entry by the City, the Tenant and the City shall be forever released from any and all further obligations hereunder, notwithstanding those obligations specifically enumerated to survive expiration or termination of this Lease.

28.2.3. Exercise any and all rights, remedies, and privileges that the City may have in law or equity, or in this Lease, except that under no circumstances will the City be entitled to accelerate payment of any Rent due hereunder. All such remedies are cumulative and non-exclusive.

28.2.4. The Tenant shall execute all documents reasonably requested by the City to provide verification of any termination.

29. CONDEMNATION:

29.1. Condemnation: If during the Term, the whole of the Premises are condemned or taken in any manner for public use by a governmental agency other than the City (or an entity acting by, through or under the direction of the City), or if a portion of the Premises are condemned or taken in any manner or degree to an extent that the Premises are not suitable, as determined by the Tenant in its reasonable discretion, for the Permitted Use, then in either event the Tenant or the City may

elect to terminate this Lease as of the date of the vesting of title in the condemning authority. As used in this Section, a condemnation or taking includes a deed given or transfer made in lieu thereof.

29.2. **Award:** The City shall be entitled to that portion of the condemnation award attributable to the City's interest in the Premises, excluding the Development, but including the land. The Tenant shall be entitled to that portion of the condemnation award attributable to the loss of the Tenant's leasehold in the Premises, the Tenant's improvements and fixtures on the Premises, its operating losses and its relocation costs.

30. **DESTRUCTION OF DEVELOPMENT:** Following the issuance of a permanent certificate of occupancy for the entire Development, if the Development is partially destroyed in an insured event then the Tenant shall use the proceeds from its property insurance to rebuild the Development to a condition similar to the Development pre-event condition. This requirement does not apply to the improvements existing on the Premises as of the Lease Commencement Date, if such existing improvements have been demolished pursuant to the terms of this Lease or to any improvements existing on the Premises during the last ten (10) years of the Term, if this Lease is still in effect.

31. **REPLACEMENT PREMISES:** The City is under no obligation to locate or provide a replacement Premises or facilities under any circumstances, including but not limited to, substantial damage to the existing improvements by fire, flood, hurricane, tornado, earthquake or other form of natural disaster, prior to the expiration or termination of this Lease.

32. **ENVIRONMENTAL COMPLIANCE:** As of the Lease Commencement Date, the City is unaware of any violations of any Environmental Laws on the Premises. The provisions under this Section survive the expiration or earlier termination of this Lease.

32.1. **Definitions:** For purposes of this Lease, the following words and phrases shall have the following meaning except where the text clearly indicates a contrary intention:

32.1.1. "**Environment**" shall mean soil, surface waters, groundwater, land, stream and sediments, surface or subsurface strata, ambient air, interior and/or exterior of any building or improvement and any environmental medium.

32.1.2. "**Environmental Condition**" shall mean any condition of the Environment with respect to the Premises that results from the Tenant possession, use, occupation, construction and/or improvement to or operation of the Tenant's operation on the Premises.

32.1.3. "**Environmental Law**" shall mean the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901, et seq., as amended ("RCRA"); the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601, et seq., as amended (original act known as "CERCLA" or "Superfund", the amendments are known as "SARA"); the HSWA amendments to RCRA regulating Underground Storage Tanks ("USTs"), 42 U.S.C. Sections 6991 6991(I), as amended; the Clean Air Act of 1963 42 U.S.C. Sections 7401, et seq., as amended ("Clean Air Act"); the Federal Water Pollution Control Act of 1977 and 1987, 33 U.S.C. Sections 1251, et seq., as amended ("Clean Water Act"); the Toxic Substances Control Act of 1976, 15 U.S.C. Sections 2601, et seq., as amended ("TSCA"); the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq., as amended ("HMTA"); the Occupational Safety and Health Act, as amended ("OSHA"), 29 U.S.C. Sections 651 et seq., the Florida Resource Recovery and Management Act, Section 403.701, et seq., Florida Statutes; the Florida Pollutant Discharge Prevention and Control Act, Section 376.011-376.17 and 376.19-376.21, Florida Statutes, and Chapters 373, 376 and 403, Florida Statutes; and any regulation, rule or

ordinance implementing or promulgating the preceding federal and state statutes as well as any future federal, state or local law whose purpose is to protect the Environment, together, in each case, with any amendment thereto.

32.1.4. "**Hazardous Material**" shall mean without limitation (i) those substances included within the definitions of "Hazardous Substances", "Hazardous Materials", "Toxic Substance", or "Solid Waste" in any Environmental Law; (ii) those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto); (iii) any materials, waste, or substance which is (A) petroleum, petroleum by products, residuals of petroleum and petroleum degradation by products; (B) asbestos; (C) polychlorinated biphenyl's; (D) flammable explosives; or radioactive materials; and (iv) such other substances, materials, and wastes which are or become regulated or controlled under any Environmental Laws".

32.1.5. "**Release**" shall mean any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping into the Environment (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Hazardous Material).

32.2. Tenant Obligation: The Tenant shall not use, store, generate, transport, dispose, nor cause the release of any Hazardous Material in or upon the Premises, including but not limited to into any open surface water body, ditch, stream, conduit, storm sewer or sanitary sewer connected thereto or located thereon or knowingly permit any other persons or entities occupying the Premises to engage in such activities in or upon the Premises. However, the foregoing provision shall not prohibit the use, storage, maintenance, transportation to and from or handling within the Premises of Hazardous Material and other substances customarily used in the operation of the Premises or the Tenant operations, provided: (i) such substances shall be used, stored, maintained, transported, handled and disposed of only in accordance with Environmental Laws, (ii) such substances shall not be released in or upon the Premises in violation of Environmental Laws and the National Fire Protection Association ("NFPA") Code and local fire codes as they may be amended from time to time, and (iii) for purposes of removal and disposal of any such substances, the Tenant shall be named as the owner and generator, obtain a waste generator identification number, and execute all permit applications, manifests, waste characterization documents and any other forms required by the appropriate state or federal environmental authority and hold the City harmless.

32.3. Notification by the City: The City shall promptly notify the Tenant of every demand, notice, summons, or other process received as to any Environmental Claim or legal proceeding that involves the Tenant or the Premises.

32.4. Notification by the Tenant: The Tenant shall promptly notify the City of every demand, notice, summons, or other process received as to any Environmental Claim or legal proceeding that involves the City of the Premises, including: (i) any investigation or cleanup demanded or threatened by any government or regulatory authority with respect to the release of Hazardous Materials in or upon the Premises or the migration thereof to other property; and (ii) any demands or claims made or threatened by any party relating to any loss or injury resulting from any Hazardous Material in or upon the Premises. The Tenant shall also promptly notify the City of any violation of Environmental Law or incident that may or does result in an illegal release of Hazardous Materials.

- 32.5. Cleanup and Remediation: If any Hazardous Materials are released at, on or within the Premises by the Tenant or any other occupant of the Premises in violation of Environmental Laws, the Tenant shall timely notify the City and immediately, properly and in compliance with Environmental Laws cleanup and remove the Hazardous Substances from the Premises and any other affected property. Such cleanup and removal shall be at the Tenant's sole expense.
- 32.6. the Tenant Indemnity: the Tenant shall defend, pay on behalf of, indemnify and hold harmless the Indemnified Parties from and against all claims, damages, expenses (including reasonable attorney's fees), liabilities and all other obligations including, without limitation, third party claims for personal injury or real or personal property damage (collectively, "**Environmental Claims**") arising from or connected with the violation of any Environmental Laws by the Tenant or other occupants of the Premises following the Lease Commencement Date, except to the extent any of the foregoing Environmental Claims are attributable to the violation of Environmental Laws by the City, its officers, directors, agents or employees. The City shall have control over the City's and the Tenant involvement in legal proceedings resulting from an environmental violation and covered by the indemnification agreement contained in this Lease. The Tenant's duty to indemnify the City survives the expiration or earlier termination of this Lease.
- 32.7. Access to Premises: the Tenant shall allow authorized representatives of the City or state and federal environmental personnel, at a reasonable time and with reasonable notice, access to the Premises for the following purposes:
- 32.7.1. Conducting an environmental audit or other inspections of the Premises.
- 32.7.2. Reviewing and copying of any records that must be kept under any environmental permit.
- 32.7.3. Viewing the facility, equipment, practices, or operations regulated or required under such permit.
- 32.7.4. Sampling or monitoring any substances or parameters at any location subject to any environmental permit or federal, state or municipal environmental law or regulation.
- 32.8. Survivability: The provisions of this Section 32 survive the expiration or earlier termination of this Lease.
- 32.9. No Limitation: Nothing in this Lease may be interpreted as limiting the City's ability to seek contribution from any potentially responsible parties for any environmental violation.
33. RELATIONSHIP BETWEEN PARTIES: The relationship between the Parties is that of landlord and tenant until notice of exercise of the Tenant's option to purchase the Property, if at all, at which point, the relationship is Seller (the City) and Purchaser (the Tenant).
34. SECTION NUMBERS AND CAPTIONS: The Section numbers and captions appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections. All references to Section numbers in this Lease shall include any subsections.
35. ENTIRE AGREEMENT: This Lease and any attachments to, and forming a part of, this Lease, set forth all the covenants, promises, agreements, conditions, and understandings between the City and the Tenant concerning the Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, other than as set forth in this Lease. No subsequent alteration, amendment, change or addition to this Lease shall be binding upon the City or the Tenant until reduced to writing, approved in accordance with Section 44 of this Lease, and signed by the City and the Tenant.

36. **NO THIRD-PARTY BENEFICIARIES:** This Lease sets forth the agreement between the Parties and all rights and benefits established in this Lease are established solely for the benefit of the Parties and are not intended to establish any rights or benefits in any other person or entity.
37. **SEVERABILITY:** If any term, covenant or condition of this Lease, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term, covenant, or condition to persons or circumstances other than those as to which it was held invalid or unenforceable, shall not be affected thereby and each term, covenant, or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.
38. **APPLICABLE LAW, VENUE AND JURISDICTION:** This Lease shall be governed by and be interpreted in accordance with the laws of the State of Florida. Venue for state court actions shall be in Pinellas County, St. Petersburg Division. Venue for federal court actions shall be in the Middle District of Florida, Tampa Division, unless a division is created in St. Petersburg, or Pinellas County, in which case the action shall be brought in that division. Each Party waives any defense of improper or inconvenient venue as to either court, and consents to personal jurisdiction in either court.
39. **RECORDING:** A Memorandum of Lease may be recorded in the Pinellas County Official Public Records by either Party, at the sole cost and expense of the recording Party.
40. **SUCCESSORS:** This Lease shall be binding on the Parties and their successors and assigns.
41. **FORCE MAJEURE:** In the event that either Party shall be delayed or hindered in or prevented from the performance required under this Lease by reason of strikes, lockouts, labor troubles, failure of power, riots, insurrection, war, acts of God, or other reason not the fault of the Party delayed in performing work or doing act ("**Permitted Delay**"), such Party shall be excused for the period of time equivalent to the delay caused by such Permitted Delay. Notwithstanding the foregoing, any extension of time for a Permitted Delay shall be conditioned upon the Party seeking an extension of time delivering written notice of such Permitted Delay to the other Party within ten (10) days of the event causing the Permitted Delay, and the maximum period of time which a Party may delay any act or performance of work due to a Permitted Delay shall be sixty (60) days.
42. **BROKERAGE FEES:** The Tenant and the City warrant to each other that there is no broker or other individual entitled to any commission by reason of this Lease. The Tenant shall defend, indemnify, pay on behalf of, and hold the City harmless from any and all loss, damage, cost and expense, including reasonable attorney's fees, that the City may sustain or incur by reason of any real estate commission or fee claimed to be due by, through or under the Tenant. The City, to the extent permitted by law, shall indemnify, pay on behalf of and hold the Tenant harmless from any and all loss, damage, cost and expense, including reasonable attorney's fees, that the Tenant may sustain or incur by reason of any real estate commission or fee claimed to be due by, through or under the City.
43. **TIME PERIODS:** Time is of the essence. Time periods in this Lease of more than six days shall include Saturdays, Sundays, and state and national legal holidays and shall end at 5:00 PM local time. Time periods in this Lease of less than six days shall not include Saturdays, Sundays and national legal holidays and shall end at 5:00 PM local time. If any time period ends on a Saturday, Sunday, state or national holiday the time period shall carry over until the next business day.
44. **CITY CONSENT AND ACTION:**
- 44.1. **Consent:** For the purposes of this Lease, any required written permission, consent, approval or agreement by the City means the approval of the Mayor or his Designee unless otherwise set forth in this Lease and such approval shall be in addition to any and all permits and other leases required by law or this Lease.

- 44.2. **Action:** For the purposes of this Lease, any right of the City to take any action permitted, allowed or required by this Lease, may be exercised by the Mayor or his Designee, unless otherwise set forth herein or unless otherwise required to be exercised by the City Council pursuant to the City Charter or applicable Laws.
45. **NON-APPROPRIATION:** The obligations of the City as to any funding required pursuant to this Lease, shall be limited to an obligation in any given year to budget and appropriate from legally available funds, after monies for essential services have been budgeted and appropriated, sufficient monies for the funding that is required during that year. Notwithstanding the foregoing, the City shall not be prohibited from pledging any legally available non-ad valorem revenues for any obligations heretofore or hereafter incurred, which pledge shall be prior and superior to any obligation of the City pursuant to this Lease.
46. **NON-DISCRIMINATION:** The Tenant shall not discriminate against anyone in the use of the Premises on the basis of race, color, religion, gender, national origin, marital status, age, disability, sexual orientation, genetic information or other protected category; provided, however, that the City may not enforce this provision to prohibit or discriminate against religious exercise in a manner that would be proscribed by the United States Constitution or other applicable Laws.
47. **CITY AS A MUNICIPAL CORPORATION:** Nothing contained in this Lease may be interpreted to require the City to take any action or refrain from taking any action that would be adverse to its status as a municipal corporation.
48. **QUIET ENJOYMENT:** Subject to the terms, covenants and conditions of this Lease, the City warrants and covenants that the City will not interfere with the Tenant's rights to peacefully and quietly have, hold and enjoy the Premises for the Term.
49. **ESTOPPEL CERTIFICATE:** Either Party, upon request of the other Party, shall execute, acknowledge and deliver an instrument, stating, if the same be true, that this Lease is a true and exact copy of the Lease between the Parties, that there are no amendments hereto (or stating what amendments there may be), that the same is then in full force and effect and that, to the best of its knowledge, there are no offsets, defenses or counterclaims with respect to the payment of Rent hereunder or in the performance of the other terms, covenants and conditions of this Lease on the part of the Tenant or the City, as the case may be, to be performed, and that as of such date no default has been declared under this Lease by either Party or if so, specifying the same. Such instrument shall be executed by the other Party and delivered to the requesting Party within thirty (30) days of receipt of a request for the estoppel certificate.
50. **WAIVER:** The waiver by the City or the Tenant of any default of any term, covenant, or condition shall not be deemed to be a waiver of any subsequent default of the same or any other term, covenant or condition, nor shall the acceptance or payment of Rent or other payment be deemed to be a waiver of any such default. No term, covenant or condition of this Lease shall be deemed to have been waived by the City or the Tenant, unless such waiver is in writing. No surrender of the Premises for the remainder of the Term will be valid, unless accepted by the City in writing.
51. **RADON GAS DISCLOSURE:** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of Radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding Radon and Radon testing may be obtained from your county public health unit. This is provided for informational purposes pursuant to Section 404.056, Florida Statutes.

52. **NO CONSTRUCTION AGAINST PREPARER OF AGREEMENT:** This Lease has been prepared by the City and reviewed by the Tenant and its professional advisors. The City, the Tenant and the Tenant's professional advisors believe that this Lease expresses their agreement and that it should not be interpreted in favor of either the City or the Tenant or against the City or the Tenant merely because of its efforts in preparing it.
53. **CITY COUNCIL APPROVAL:** This Lease and any amendments thereto, are subject to the approval by the City Council, and execution by the Mayor or his designee.
54. **COUNTERPARTS:** This Lease may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.
55. **COMPLIANCE WITH LAWS:** For the purposes of this Lease, "Laws" shall mean all present and future (i) federal, state, and local constitutions, laws, statutes, ordinances, rules, regulations, and codes; (ii) decrees, orders, applicable equitable remedies and decisions by courts in cases where such decisions are binding precedent in the State of Florida; (iii) decisions of federal courts applying the Laws of the State of Florida; and (iv) regulations and orders of quasi-official entities or bodies (e.g., boards, bureaus and public utilities), as the same may be amended or supplemented from time to time. Laws shall include, without limitation, the bonding requirements of Florida Statute 255.05, Florida Public Records Laws, and the ADA as provided in Section 56. The Tenant shall use the Premises for the Permitted Use and for no other purpose whatsoever, subject to and in compliance with all other provisions of this Lease. Commencing on the Lease Commencement Date and continuing until the end of the Term then in effect, the Tenant shall comply with applicable Laws, including but not limited to Laws requiring the Premises to be closed on or during any days or hours, health, safety and building codes, and any permit or lease requirements. The City makes no representation that the Premises are suitable for the Tenant's purposes. The Tenant acknowledges that the City and its authorized representatives have not made any warranties or representations as to the Permitted Use that can be made of the Premises under existing Laws.
56. **AMERICANS WITH DISABILITIES ACT OF 1990:** The Tenant assumes all responsibility, including but not limited to, financial, construction and physical modification costs, provision of auxiliary aids, services and legal costs, for ensuring compliance with all aspects of the Americans with Disabilities Act of 1990 ("ADA") and any amendments thereto and regulations promulgated thereunder, including, but not limited to, Title II, Structural and Title III, Programmatic Accessibility Standards as well as any future amendments.
57. **ELECTRONIC:** An electronic copy (e-mail or pdf) of this Lease and any signatures thereon provided electronically or via DocuSign shall be considered for all purposes as originals.
58. **TENANT ENTITY:** The Tenant shall do all things necessary to comply with all the legal requirements to be a business entity authorized to operate within the State of Florida, including but not limited to active registration with the Florida Division of Corporations. Should the Tenant at any time fail to be in compliance with those legal requirements, said failure shall constitute a material default of this Lease and this Lease may be immediately terminated by the City in its sole discretion. The cure periods in Section 28.1.1.1 shall apply to this Section in the event of administrative dissolution.
59. **REPRESENTATIONS AND WARRANTIES:**
- 59.1. **Tenant:** The Tenant represents and warrants to the City that: (i) the Tenant is a duly authorized and validly existing Florida limited liability company qualified to do business in the State of Florida; (ii) the Tenant has the full right and authority to enter into this Lease; (iii) each of the persons executing this Lease on behalf of the Tenant is authorized to do so; (iv) this Lease

constitutes a valid and legally binding obligation of the Tenant, enforceable in accordance with its terms; (v) as of the Lease Commencement Date, the Tenant is not party to or affected by any litigation (pending or current), administrative action, investigation or other governmental or quasi-governmental proceeding which would or could have an adverse effect upon the Premises or upon the ability of the Tenant to fulfill its obligations under this Lease, and (vi) there are no lawsuits, administrative actions, governmental investigations or similar proceedings pending or, to the Tenant's actual knowledge, threatened against or affecting any portion of the Premises or any of the Tenant interest therein.

- 59.2. City: The City represents and warrants to the Tenant that: (i) the City is the fee simple owner of the Premises; (ii) there are no agreements, contracts, covenants, conditions or exclusions which would, if enforced, prohibit or restrict the operation of the Premises for the Permitted Use; (iii) the City is a duly authorized and existing municipal corporation under the laws of the State of Florida and is qualified to do business in the State of Florida; (iv) the City has the full right and authority to enter into this Lease; (v) each of the persons executing this Lease on behalf of the City is authorized to do so; (vi) this Lease constitutes a valid and legally binding obligation of the City, enforceable in accordance with its terms; and (vii) there are no lawsuits, administrative actions, governmental investigations or similar proceedings pending or, to the City's actual knowledge, threatened against or affecting any portion of the Premises or any of the City's interest therein.
60. **NO REPRESENTATIONS CONCERNING FUTURE USE OF PREMISES:** The City has made no representations to the Tenant concerning the use of the Premises after the expiration or earlier termination of this Lease nor has the City made any representations to the Tenant that the City will extend this Lease or enter into any other Lease with the Tenant in the future.
61. **SURVIVAL:** All obligations and rights of any Party arising during or attributable to the period prior to expiration or earlier termination of this Lease, including but not limited to those obligations related to indemnification, survive such expiration or earlier termination.
62. **SMALL BUSINESS ENTERPRISE PROGRAM:** The Tenant shall make a credible effort to engage businesses participating in the City's Small Business Enterprise ("SBE") Program, with preference for St. Petersburg-based SBE companies, during the design and construction phases of the project and in the ongoing operations of the end user business(es) with an SBE goal of thirty percent (30%).
63. **NOTICES:** Any notice, demand, request or other instrument which may be or is required to be given or delivered under this License shall be deemed to be delivered (i) whether or not actually received, five (5) days after deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, or (ii) when received (or when receipt is refused) if delivered personally or sent by a nationally recognized overnight courier, all charges prepaid, at the addresses of the City and the Tenant as set forth in this Section. The Parties acknowledge that copies of any notice sent by e-mail are for convenience only and shall not be deemed to be proper notice required under this Section. Such address may be changed by written notice to the other Party in accordance with this Section.

<u>THE TENANT</u>	<u>THE CITY</u>
<p>Sugar Hill Group, LLC 136 – 4th Street North, Suite 354 St. Petersburg, Florida 33701</p> <p>With Copies to:</p> <p>Bilzin Sumberg Baena Price & Axelrod LLP 1450 Brickell Avenue, 23rd Floor Miami, Florida 33131 Attention: Sara Barli Herald, Esq.</p> <p>and</p> <p>Felton-Howard Law, PLLC 5203 Central Avenue St. Petersburg, Florida 33710 Attention: Tamara Felton-Howard, Esq.</p>	<p>the City of St. Petersburg Real Estate & Property Management Department Post Office Box 2842 St. Petersburg, FL 33731-2842</p>

*[The Remainder of this Page is Intentionally Left Blank]
[Signature Pages and Illustrations Follow]*

The Parties have caused this Lease to be executed by their duly authorized representatives, effective commencing on the date of execution by the Mayor.

TENANT: Sugar Hill Group, LLC

By: _____

Print Name

Title

Date

ATTEST:

By: _____

Print Name

Title
(Affix Corporate Seal)

CITY OF ST. PETERSBURG, FLORIDA,
a Florida municipal corporation

By: _____
Kenneth Welch, as its Mayor

Date: _____

ATTEST

By: _____
Chandrasaha Srinivasa, City Clerk

(Affix City Seal)

REVIEWED BY:

Aaron Fisch, Director
Real Estate & Property Management

APPROVED BY:

James Corbett, Administrator
City Development Administration

APPROVED AS TO FORM & CONTENT:

City Attorney (Designee)
00732068

EXHIBIT "A"
PROPERTY

Legal Description: Lot 1, Block 1, PARKE SUBDIVISION PARTIAL REPLAT AND ADDITION, according to the map or plat thereof, recorded in Plat Book 128, Page 99, of the public records of Pinellas County, Florida.

Parcel ID No.: 25/31/16/66311/001/0010

Approximate Location: 1794 – 22nd Street South, St. Petersburg, Florida



Entreken Associates, Inc.

Real Estate Appraisal & Advisory Services

Appraisal Report

**Tangerine Plaza
1794 22nd St S
St. Petersburg, Pinellas County, Florida**



Prepared By:

**Entreken Associates, Inc.
1100 16th Street North
Saint Petersburg, Florida 33705**

EAI File #: 20240127

Prepared For:

**Mr. Dennis Weber
City of St. Petersburg
One 4th St N, 9th Floor
St. Petersburg, FL, 33701**

March 7, 2024

Mr. Dennis Weber
City of St. Petersburg
One 4th St N, 9th Floor
St. Petersburg, FL 33701

Re: Appraisal Report
1794 22nd St S
St. Petersburg, FL, 33712

Dear Mr. Weber:

As requested, Entreken Associates, Inc. has prepared an Appraisal Report of the above-referenced property for the purpose of estimating the value of the Fee Simple estate of the property, as is, as of the effective date of value.

The subject property is located at the northeast corner of 22nd St S and 18th Ave S in St. Petersburg. The subject property consists of two one-story commercial building sections that total 48,574± Net rentable SF, were constructed in 2005, are in average condition, and are currently being used as a neighborhood shopping center. The subject site contains 3.60± acres of land area. The subject property is identified by the Pinellas County Property Appraiser as Parcel Number(s) 25-31-16-66311-001-0010. The subject property is more fully described in the body of this report.

To the best of our knowledge and belief, our analyses, opinions, and conclusions were developed, and this report has been prepared in conformance with the standards and reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), as promulgated by the Appraisal Standards Board of the Appraisal Foundation; the FDIC Market Value Definition; the Appraisal Institute's Code of Ethics and Standards of Professional Practice; Title XI of the Federal Financial Institution Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the Interagency Appraisal and Evaluation Guidelines; as well as our understanding of the appraisal guidelines of the City of St. Petersburg.

The client of this report is the City of St. Petersburg. The intended user of this report is the City of St. Petersburg. The intended use of this report is to estimate the as-is market value of the subject property for internal use. No other use or users are intended or authorized by Entreken Associates, Inc. The scope of this assignment is restricted to the specific identified intended use and user noted above. Under no circumstances, shall any of the following parties be entitled to use or rely on the appraisal or this appraisal report: (i) the borrower(s) on any loans or financing relating to or secured by the subject property, (ii) any guarantor(s) of such loans or financing, or (iii) principals, shareholders, investors, members or partners of such borrower(s) or guarantor(s).

This letter is not an appraisal report, hence, it must not be removed from the attached appraisal report. If this letter is disjoined from the attached appraisal, then the value opinions set forth in this letter are invalid and the analyses, opinions, and conclusions developed herein cannot be properly understood.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any services regarding the subject within the three-year period immediately preceding acceptance of this assignment.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 24). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Hypothetical Conditions

There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions

There are no Extraordinary Assumptions for this appraisal.

Based on the appraisal described in the accompanying report, subject to the Assumptions and Limiting Conditions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusions:

We have also concluded to the following market values as part of the analysis:

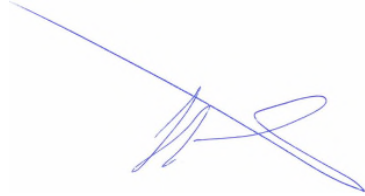
Value Conclusions

Premise	Interest Appraised	Effective Date	Value Conclusion	Estimated Marketing
Current As Is Market Value	Fee Simple	2/28/2024	\$1,600,000	3-6 months

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analyses, or if Entreken Associates, Inc. can be of additional service, please contact us.

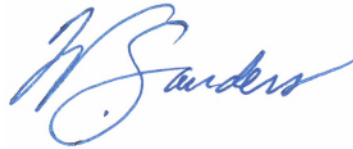
Respectfully submitted,

Entreken Associates, Inc.



Angelo Lallis
Senior Real Estate Analyst
State-Certified General Real Estate Appraiser RZ4211
alallis@eairealestate.com
727.256.8040

Tampa Bay Office
1100 16th St N, St. Petersburg, FL 33705
<http://eairealestate.com>



Wesley R. Sanders, MAI, AI-GRS, CCIM
Senior Managing Director
State-Certified General Real Estate Appraiser RZ2911
wsanders@eairealestate.com
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Table of Contents

Summary of Salient Facts and Conclusions2
Scope of Work.....4
General.....8
Site Analysis Summary9
Improvements Analysis Summary.....13
Highest and Best Use15
Sales Comparison Approach17
Final Reconciliation22
Certification Statement.....23
Basic Assumptions and Limiting Conditions24
Addenda.....27
Regional Analysis28
Neighborhood Analysis.....36
Retail Market Analysis43
Subject Photographs47
Sale Comparables57
Qualifications64

Summary of Salient Facts and Conclusions

Report Dates

Report Date	3/7/2024
Inspection Date	2/28/2024
As Is Date of Value	2/28/2024

Subject Summary

Property Name	Tangerine Plaza
Property Major Type	Shopping Center
Address	1794 22nd St S
City	St. Petersburg
County	Pinellas
State	FL
Zip	33712
Tax ID	25-31-16-66311-001-0010
Owner	City of St. Petersburg
Land SF	156,940
Acres	3.60
Zoning	CCT-1
GBA	49,413
Rentable Area	48,574
Quality	Average
Condition	Average
Year Built	2005

Highest and Best Use

Highest and Best Use as Vacant	Multifamily Development
Highest and Best Use as Improved	Multifamily Redevelopment

Summary of Values

Value Premise	As Is
Date of Value	2/28/2024
Value Type	Market Value
Value Perspective	Current
Interest Appraised	Fee Simple
Land Analysis	\$1,600,000
Value Conclusion:	\$1,600,000

Extraordinary Assumptions

There are no Extraordinary Assumptions for this appraisal.

Hypothetical Conditions

There are no hypothetical conditions for this appraisal.

Projected Exposure and Marketing Time

Exposure time is estimated at 3-6 months for the subject property. Marketing time is estimated at 3-6 months for the subject.

Report Format

Although the current USPAP does not discern between appraisal report formatting, Entreken Associates, Inc., has adapted the following descriptions and comparisons to previous editions of USPAP.

Entreken Associates, Inc. Report format descriptions:

Comprehensive Format - Similar to the former Self-Contained Appraisal Report requirements and provides the greatest depth and detail of analysis in an appraisal.

Summary Format - Similar to the former Summary Appraisal Report requirements and provides a summary of the analysis, property type overviews, and area analysis.

Abbreviated Summary Format - Meets the minimum requirements of the former Summary Appraisal Report and provides a brief summary of data and analysis, as well as summary overviews.

Concise Format: Meets the minimum requirements of USPAP for an Appraisal Report and provides a concise summary of data and analysis. This format also resembles a form report for some sections and has minimal overviews.

The current USPAP Restricted Appraisal Report is equivalent to the former Restricted-Use Appraisal Report and states the valuation conclusions.

This analysis was prepared in a Summary Format.

Additional supporting documentation is retained in our workfile. The significant elements of scope included the following: Inspection of the subject property. Collection, verification, and analysis of market data through searches of our in-house sales database, and multiple subscription-based sales databases. It is our opinion that the scope of research and analysis associated with this Appraisal Report is adequate to produce a credible value conclusion that will serve the needs of the client.

Market Area and Analysis of Market Conditions

A complete analysis of market conditions has been made. We maintain and have access to comprehensive databases for this market area and have reviewed the market for sales and listings relevant to this analysis. The market overview is retained in our files and database.

Highest and Best Use

A highest and best use analysis for the subject has been conducted. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

Property Identification

The subject has been identified by the legal description and the assessors' parcel number.

Property Rights Appraised

We have appraised the Fee Simple property rights.

Subject Inspection

A complete visual interior and exterior inspection of the subject property has been made, and photographs taken.

The visual inspection includes (but not limited to): the readily observable areas, the types and quality of the general construction and finish materials, the floorplan/layout and issues related to functional utility, the neighborhood conformity, special amenities, renovations/remodeling. The visual inspection is done to estimate the overall condition of the property as it relates to the valuation and the intended use of the client. The visual inspection was of exposed areas without removal of personal possessions or FF&E. The visual inspection does not include observation of any crawl space or attic (unless otherwise noted), nor does it include any testing of any systems or the roof outside general observations. The visual inspection does not include the foundation, soil, environmental issues, or other items that are beyond the expertise of the appraiser. The appraiser is not a property inspector, and the testing of systems and components lies outside of the scope of this appraisal. The Appraisal Report is not a property inspection. The Appraisal Report cannot be relied upon to disclose defects, hidden or otherwise, that are not apparent from a visual observation of the surfaces of the subject property from standing height. If the client or any other reader of this Appraisal Report has concerns about the functionality of these items, we recommend obtaining an inspection by an appropriate professional, which is not an appraiser. The appraiser provides no warranties expressed, implied, or otherwise for the function of these items.

Property Inspection and Report Compilation Assistance

Role	Name	Inspected	Extent	Date of Inspection
Appraiser	Angelo Lallis	has	Interior/Exterior	2/28/2024
Appraiser	Wesley R. Sanders, MAI, AI-GRS, CCIM	has	Interior/Exterior	2/28/2024

Use of Real Estate as of Effective Date of Value

As of the as is effective date of the appraisal, the subject was a Shopping Center property.

Appraisal Process

Typically, the cost, sales comparison, and income approaches are used in determining the value of a property. The indicated value developed by these various approaches is weighed by the Appraiser based on the reliability of market data in determining the final value estimate.

Income Capitalization Approach

The income approach measures the present worth of anticipated future benefits (net income) derived from a property. The approach develops the subject property's estimated net income during the remaining economic life of the improvements. It consists of estimated vacancy, gross income, expenses and other charges. The net income is capitalized to arrive at an indication of value. In the case of multi-tenanted properties, or where a property is not fully leased, a discounted cash flow (DCF) analysis may also be appropriate.

Sales Comparison Approach

The sales comparison approach produces a value estimate by comparing the subject property to recent sales of similar properties in the same or competing market areas. Inherent in this approach is the principle of substitution. The comparative process involves judgment as to the similarity of the subject and the comparable sale with respect value factors such as the time of sale, land size, building size and quality of construction. The estimated value through this approach represents the probable price at which the subject property would be sold as of the date of value.

Cost Approach

The cost approach considers the current cost of reproducing a property, less depreciation. The value of the land, as if vacant and available for development, is added to the depreciated cost in arriving at a value conclusion by the cost approach. This approach is based on the assumption that a purchaser is not warranted in paying more for a property than the cost of the land and duplicating the improvements.

Applicable Appraisal Methods

Methods Utilized

- | | | |
|---------------------------|-------------------------------------|--|
| Cost Approach | <input type="checkbox"/> | the age of the improvements makes the depreciation estimation subjective, and buyers do not typically rely on this method for properties similar to the subject. |
| Sales Comparison Approach | <input checked="" type="checkbox"/> | there is adequate data to develop a value estimate and this approach reflects market behavior for this property type. |
| Income Approach | <input type="checkbox"/> | while the subject could generate an income stream, the most probable buyer is an investor that will redevelop the property. |

Conformity

We developed our analyses, opinions and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client as we understand them.

Sources of Information

We obtained information from public records, the client, property contact, and a variety of sources as noted throughout the report.

Data Sources

Category	Sources
Market Data	MLS, CoStar, Public Records, Third-party sources including paid subscription services and our internal database
Ownership & Transaction History	Pinellas County Public Records
Assessment & Tax Data	Pinellas County Public Records
Site Data	Pinellas County Public Records
Zoning Data	City of St. Petersburg Public Records
Improved Data	Pinellas County Public Records
Sale Comparables	MLS, CoStar, Public Records, Third-party sources including paid subscription services and our internal database

General

Property Identification

The subject property consists of two one-story commercial building sections that total 48,574± Net rentable SF, were constructed in 2005, are in average condition, and are currently being used as a neighborhood shopping center.

The subject property is located at 1794 22nd St S within St. Petersburg, Pinellas County, Florida. The subject property is identified by the Pinellas County Property Appraiser as Parcel Number(s) 25-31-16-66311-001-0010.

Legal Description: Lot 7, Block C, Parke Subdivision, according to map or plat thereof as recorded in Plat Book 9 on Page 55 of the Public Records of Pinellas County, Florida, a/k/a 2111 18th Avenue South, St. Petersburg, Florida 33712, together with all oil, gas, mineral, and other subsurface rights in and to the above described property.

Inspection Date: February 28, 2024

Date of Report: March 7, 2024

Ownership History: Current ownership is under the City of St. Petersburg. The last recorded transfer occurred in June 2005.

We are not aware of any other transactions that have involved the subject property in the past three years.

Personal Property/

Non-Realty Items: None, personal property owned by the occupant.

Real Estate Taxes: Assessing Authority: Pinellas County
Assessment Year: 2023

The 2023 assessment is summarized in the table below. The total assessment was \$2,955,000. The taxes concluded were calculated at \$58,682 using the 2023 millage rates and assessed values. This assessment seems to be well above the market value. The subject property is owned by the City of St Petersburg; therefore, no taxes are due.

The following table presents the current real estate taxes, including non-ad valorem assessments and any cap adjustments applied to the subject property.

Current Real Estate Assessment and Taxes

	School District	All Other	Total
Total Assessed Value	\$2,955,000	\$2,955,000	
Less: Total Cap Adjustment	\$0	\$0	
Total Taxable Value	\$2,955,000	\$2,955,000	
Millage Rate	5.93800	13.92070	19.85870
Assessment Per	\$1,000	\$1,000	
Total Ad Valorem Taxes	\$17,547	\$41,136	\$58,682
Total Non-Ad Valorem Taxes			\$0
Total Real Estate Taxes			\$58,682

Site Analysis Summary

Location:

The subject is located at the northeast corner of 22nd St S and 18th Ave S in St. Petersburg. This location is average for a shopping center use.



Aerial Map



Plat Map

Site Summary

Parcel ID	25-31-16-66311-001-0010
Map Latitude	27.752495
Map Longitude	-82.66143
Site Analysis & Comments	The site has average and typical utility.

Site Size Attributes

Gross Land Area (Sq Ft)	156,940
Gross Land Area (Acres)	3.60
Usable Land Area (Sq Ft)	156,940
Usable Land Area (Acres)	3.60
Land Area Source	Public Records

Hazardous Material

No hazardous materials were observed on the subject site. However, we are not experts in the matters of the presence or effects of hazardous materials; therefore, we assume hazardous material is not present on the site.

Site Characteristics

Primary Frontage Street Name	22nd St S
Secondary Frontage Street Name	18th Ave S
Frontage - Primary Street (Feet)	259
Frontage - Secondary Street (Feet)	605
Average Depth (Feet)	605
View	Average
Access	Average
Site Visibility	Average
Street Lighting	Yes
Sidewalks	Yes
Curb and Gutter	Yes
Landscaping	Mature Landscaping, Paved Striped Parking, Street Lights, Sidewalks, Curb and Gutter
Topography	Gently Sloping
Shape	Rectangular
Soil Conditions	Adequate for development

Site Utilities

Adequacy of Utilities	The subject's utilities are typical and adequate for the market area.
Public Electricity	The site is served by public electricity
Water Supply Type	City water
Sewer Type	City sewer

Site Hazards

FEMA Map #	12103C0218G
FEMA Map Date	9/3/2003
Flood Zone	Zone X
Flood Zone Comments	The subject improvements do not appear to be in a flood prone area. The Zone X classification is in an area located outside the 100-year designated flood hazard area.
Encumbrance / Easement Description	There are no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.
Environmental Issues	There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.
Wetlands and Watershed Comments	No wetlands were observed during our site inspection.

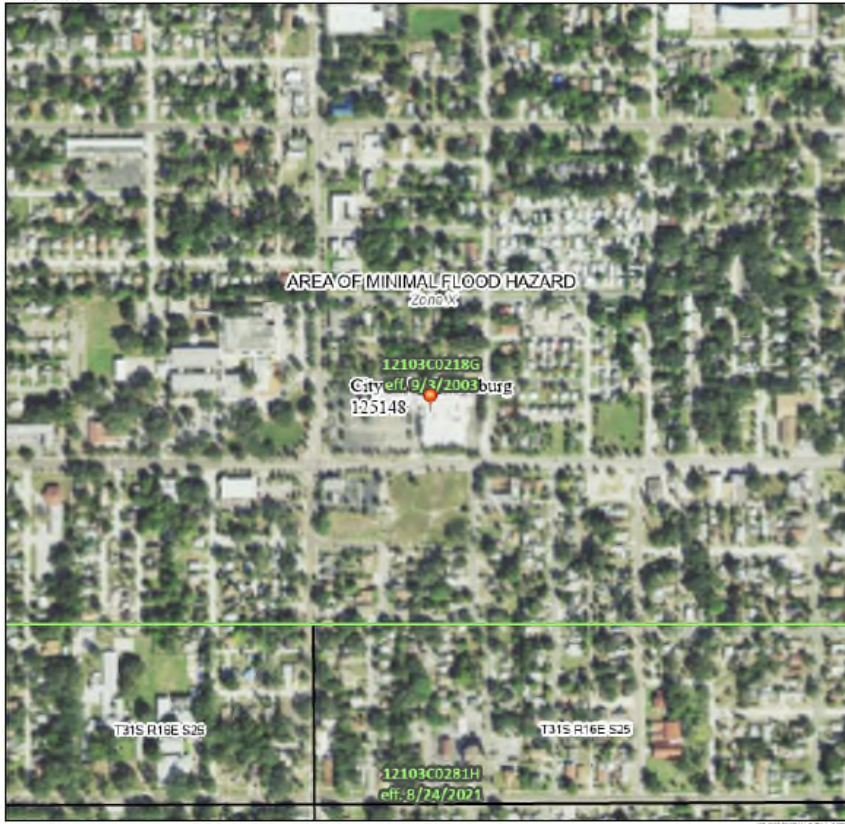
Site Comments

The site has average and typical utility.

National Flood Hazard Layer FIRMMette



ID: 46 W 27 46 25 71



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

- SPECIAL FLOOD HAZARD AREAS**
 - Without Base Flood Elevation (BFE) Zone A, V, AE
 - With BFE or Depth Zone AE, AD, AH, VE, AP
 - Regulatory Floodway
 - OTHER AREAS OF FLOOD HAZARD**
 - 0.2% Annual Chance Flood Hazard, Areas of 1% Annual Chance Flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
 - Future Conditions 1% Annual Chance Flood Hazard Zone X
 - Area with Reduced Flood Risk due to Levee. See Notes. Zone X
 - Area with Flood Risk due to Levee Zone D
 - OTHER AREAS**
 - Area of Minimal Flood Hazard Zone X
 - Effective LOMRIs
 - Area of Undetermined Flood Hazard Zone D
 - GENERAL STRUCTURES**
 - Channel, Culvert, or Storm Sewer
 - Levee, Dike, or Floodwall
 - CROSS SECTIONS**
 - Cross Sections with 1% Annual Chance Water Surface Elevation
 - Coastal Transect
 - Base Flood Elevation Line (BFE)
 - Limit of Study
 - Jurisdiction Boundary
 - Coastal Transect Baseline
 - Profile Baseline
 - Hydrographic Feature
 - MAP PANELS**
 - Digital Data Available
 - No Digital Data Available
 - Unmapped
- The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

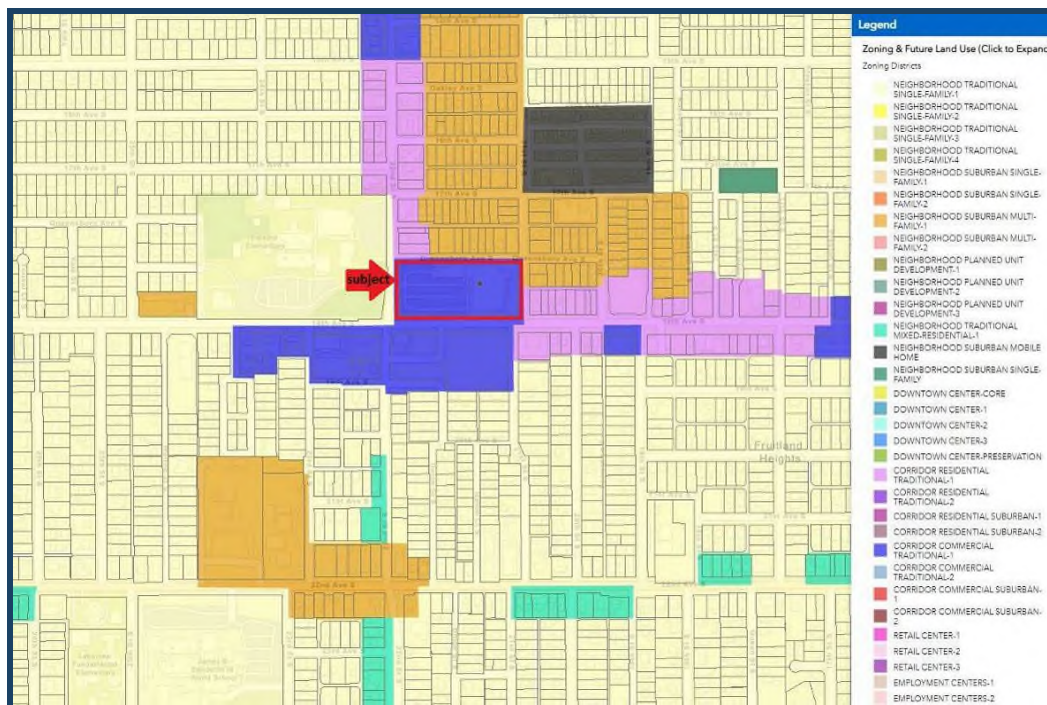
The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 2/23/2024 at 5:27 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and of flood information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM of flood data. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Flood Map

Zoning Summary

Zoning	1
Zoning Authority	City of St. Petersburg
Zoning District	City of St. Petersburg
Zoning Code	CCT-1
Zoning Type/Description	Corridor Commercial Traditional
Current Use Permitted	Yes
Current Use Legally Conforming	Yes
Zoning Intent/Summary	Generally allows one-story to three-story development containing mixed uses with multifamily structures. Additional density is possible when affordable workforce housing or missing middle housing is provided.
Future Land Use	PR-MU
Future Land Use Description	Planned Redevelopment Mixed-Use
Zoning Consistent with FLU	Yes
Development Standards	
Minimum Lot Area	4,500 SF
Units Per Acre	24 units per acre
Max FAR	Nonresidential intensity: 1.0; Nonresidential intensity within activity center: 1.5; Workforce housing intensity bonus: 0.2
Front Set Back Distance	0' from the property line or 10' from the curb, whichever is greater
Side Yard Distance	0' from the property line or 5' from the curb, whichever is greater
Back Yard Distance	with alley: 0'; no alley: 10'
Maximum Building Height	42'
Site Conforms to current standards	Yes
Zoning Data Source	City of St. Petersburg Code of Ordinances



Zoning Map

Improvements Analysis Summary

Property Description

The subject property consists of two one-story commercial building sections that total 48,574± Net rentable SF, were constructed in 2005, are in average condition, and are currently being used as a neighborhood shopping center.

Improvement Type

Property Type: Shopping Center
 Property Sub-Type: Neighborhood Center
 Property Investment Class: Class C

Property Specific Features

Finish-out: Building Section 1 is built out for a big box grocer and Building Section 2 is built out as a multi-tenant strip center with 7 units.

Building Area			
	Building 1	Building 2	Totals
Gross Building Area	40,573	8,840	49,413
Rentable Area	39,734	8,840	48,574
Source for SF Area	Public Records	Public Records	
Land to Building Ratio			3.18

Building Summary

	Building 1	Building 2
Building Name/ID	Building 1	Building 2
Construction Class	Class C	Class C
Construction	Masonry	Masonry
Construction Quality	Average	Average
Year Built	2005	2005
Condition	Average	Average
Appeal and Appearance	Average	Average
Number of Stories	1	1

Parking Attributes

	Building 1	Building 2
Parking Type	Paved open surface parking	

Foundation Frame/Ext.

	Building 1	Building 2
Foundation	Poured concrete slab	Poured concrete slab
Frame	Masonry Frame	Masonry Frame
Exterior Walls	Concrete Block/Stucco	Concrete Block/Stucco
Windows	Fixed Casement	Fixed Casement
Roof Type	Flat	Flat
Roof Cover	Built-Up	Built-Up

Interior		
	Building 1	Building 2
Floor Covering	Ceramic Tile, Finished Concrete, Concrete	Vinyl Tile
Walls	Painted Masonry and Metal	Painted Drywall
Ceiling Cover	Acoustic Ceiling Panels and Open to Roof	Acoustic Ceiling Panels
Interior Lighting	Fluorescent	Fluorescent

Mechanical Systems		
	Building 1	Building 2
Heating	Central HVAC	Central HVAC
Cooling	Central HVAC	Central HVAC
Electrical	Assumed Adequate	Assumed Adequate
Plumbing Condition	Assumed Adequate	Assumed Adequate
Fire Sprinkler	Yes	Yes

Americans With Disabilities Act

Please reference the Limiting Conditions and Assumptions section of this report.

Rents / Vacancy

Building Section 1 is under a long-term lease with Walmart that is set to expire on December 31, 2026. Walmart vacated the property in 2017 and has unsuccessfully tried to sublease the space at an asking rate at \$5.50/SF. It is anticipated that Walmart could terminate the lease if redevelopment were to initiate.

Building Section 2 consists of a 7-unit strip center with only 2 of the spaces rented out. A restaurant is renting on a month-to-month basis and a cell phone store has a lease set to expire in December 2024.

The high vacancy rate and lack of long-term leases will be considered in the highest and best use analysis.

Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use as Vacant

Zoning Code, District	CCT-1, City of St. Petersburg
Permitted Uses	Single and multifamily dwellings, hotels, bed and breakfast, nursing home, indoor pet care, bank, catering service, drug store, mixed use, offices, restaurant, retail, etc.
Legally Permissible Comments	Given the legally permissible uses under the zoning and future land use of Planned Redevelopment Mixed Use (PR-MU), a retail and multifamily use is given further consideration in determining highest and best use of the site, as vacant.
Physically Possible	
Land Size	3.60 acres, 156,940 square feet
Shape	Rectangular
Topography	Gently Sloping
Utilities	The subject's utilities are typical and adequate for the market area.: The site is served by public electricity, City water, City sewer
Access	Average
Visibility	Average
Functional Utility	Average
Physically Possible Comments	Based on an analysis of the physical characteristics of the site, there does not appear to be any adverse conditions or lack of utility. Thus, there are no apparent physical or functional problems with the site, which would hinder development. The site could be developed with 86 units based on the zoning allowance of 24 units per acre plus retail development on the site.
Financially Feasible	Of the legally permissible uses that are physically possible, we have analyzed the market for sales and rental rates versus the cost to construct for the uses that are financially feasible. This includes multifamily development, which appears to be financially feasible to develop under current market parameters. Based on historical performance of the commercial development in the immediate area, retail development does not appear to be financially feasible.
Maximally Productive	There does not appear to be any reasonably probable use of the subject site that would generate a higher residual land value than a multifamily use. Accordingly, we have concluded that a multifamily use, developed to the normal market density permitted by current zoning and development standards, is the maximally productive use of the property.

Highest and Best Use as Vacant

Multifamily Development

Highest and Best Use as Improved

Legally Permissible	Yes
Zoning Code, District	CCT-1, City of St. Petersburg

Physically Possible

Improvement Size	48,574 square feet
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Condition	Average
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Quality	Average
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Functional Utility	The property is assumed to be in compliance with all applicable zoning requirements. The subject improvements are described previously. Based on the overall design and quality, it is our opinion that the current improvement is nearing the end of its economic life due to the high vacancy rate within the subject.
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Financially Feasible	Based on an analysis of the market, the subject improvement is reaching the end of its economic life. This is evident by the current vacancy in the subject with the larger building section vacant since approximately 2017. Also the smaller subject building section has only two of the seven units leased. Based on current market parameters and the financial expectations of the current improvements, as is, we would expect the property to be worth approximately \$1,600,000 after leasing commission and rent loss. This is derived by using an 9.0% cap rate, a triple net rental rate of \$9/SF for the smaller spaces, and a triple net rental rate of \$2.75/SF for the grocery store space. All spaces leased in as is condition, so tenants would be expected to do their own finish-out. Market rate vacancy and reserves would be deducted. The indicated value for the land was reconciled at \$1,840,000, minus demolition costs estimated at \$250,000; therefore, as is the value indication is also \$1,600,000, rounded.
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Maximally Productive	Since there has been a lack of demand for leasing in the subject property, it is our opinion that the maximally productive use of the site is the current retail use as an interim use until demolition and redevelopment can be initiated.
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Highest and Best Use as Improved**Multifamily Redevelopment**

Sales Comparison Approach

In the Sales Comparison Approach, the appraiser develops an opinion of value by analyzing similar properties and comparing these properties with the subject property. Application of the sales comparison approach requires the comparing and rating of other comparable properties to the property appraised. The aim of this approach is to develop indications of what the comparable sales would have sold for if they had possessed all of the basic and pertinent physical, functional and external characteristics of the subject property.

The steps involved in the Sales Comparison Approach are summarized as follows:

1. Comparable sales data in the competitive market is obtained and verified, whenever possible;
2. Market-oriented unit(s) of comparison is determined and applied to each of the comparable sales;
3. The elements of comparison that affect the value of the property being appraised are identified and applied to each comparable sale;
4. A net adjustment is applied to each comparable unit sale price to arrive at a range of adjusted sale or unit prices for the subject property; and
5. The adjusted prices are reconciled to an indication of an appropriate value of the subject property.

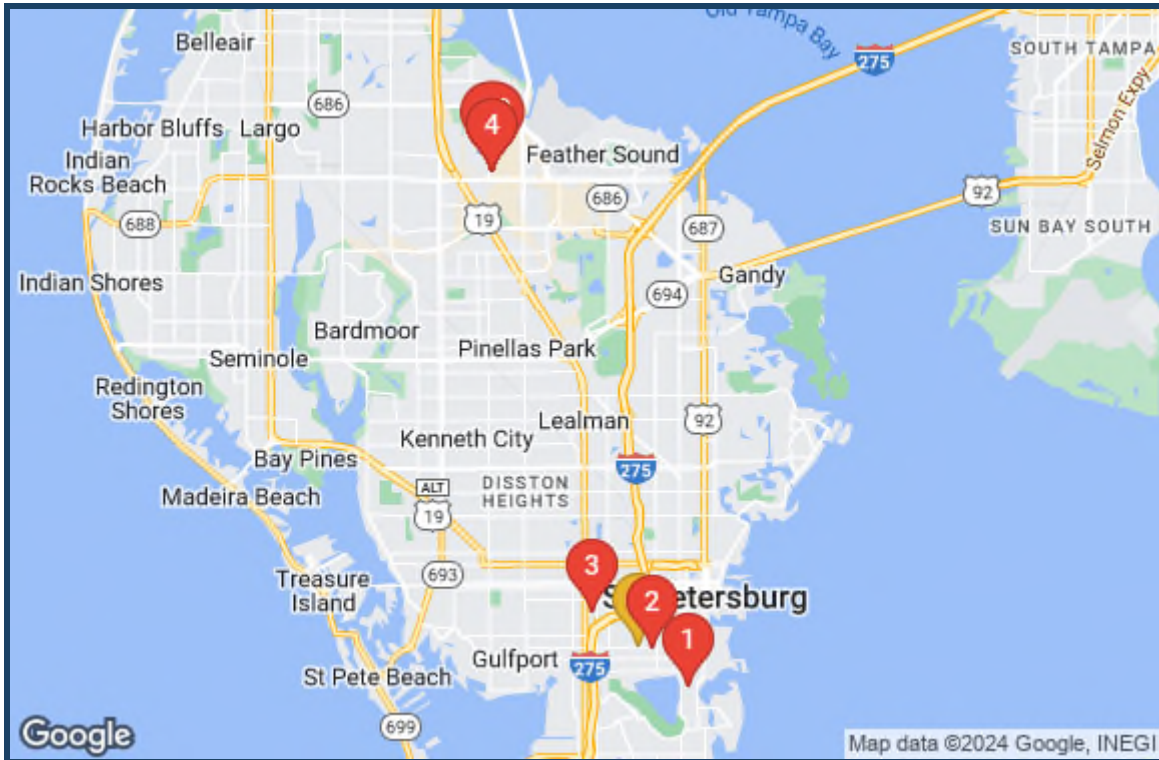
Comparable Sales Data

The subject is located in St. Petersburg. We have identified recent sales of similar vacant sites.

The comparable land sales selected represent the best available for this analysis. The most widely used unit of comparison in this market for the subject property type is based on the price per square foot. As a result, we have analyzed the comparable sales on a price per square foot.

The comparable land sales included in this appraisal report are summarized in the table below. The following page includes a location map for the comparable land sales and reflects proximity to the subject property. The Addenda contains comparable land sales data sheets. Given the characteristics of the subject site, as well as the information obtained for the comparable data, the comparables were analyzed through the application of a traditional adjustment grid using percentage adjustments.

Comp	Address	City	Date	Actual Price	Acres	Price per Land SF
Subject	1794 22nd St S	St. Petersburg		--	3.60	--
1	6th St S	Saint Petersburg	4/14/21	\$6,400,000	14.77	\$9.95
2	1682 18th Ave S	St. Petersburg	2/21/22	\$225,000	0.37	\$13.78
3	3200-3300 Fairfield Ave S & 695 31st St S	Saint Petersburg	2/22/23	\$5,600,000	6.92	\$19.41
4	13707 58th St N	Largo	10/27/23	\$695,000	1.54	\$10.39



Land Sales Map

The subject is overlapped by Comparable 2

The Adjustment Process

The main points of comparison for this analysis include the transactional elements such as property rights conveyed, financial terms, the conditions and/or motivations surrounding the sale, and changes in market conditions since the sale date. Property level adjustments account for differences in the locational, physical and economics elements of the sales as compared to the subject property. The comparable sales utilized herein were analyzed relative to the subject property for the following factors:

Transactional Components

Property Rights Conveyed

Adjustments were made when applicable for conveyance of property rights other than those being appraised herein. No transactional components adjustments were warranted for the comparable land sales.

Financing Terms

Adjustments were made when applicable for extraordinary, special or non-market financing or credits provided by the seller or others which may have influenced the sale price. No adjustment is required.

Conditions of Sale

Adjustments were made when applicable for non-arm's length sale transactions and/or atypical conditions. Each of the sales (or pending sales) was an arm's length transaction. No conditions of sale adjustment are required.

Expenditures After Sale

Adjustments were made when applicable for any reported anticipated expenditures that were incurred after the comparable was purchased. No adjustments are required.

Market Conditions

The sales used represent reasonably similar land parcels compared to the subject's underlying land, which sold since April 2021. While general market conditions appear to have improved through 2023, brokers and market participants report that market activity has been impacted with the increases in interest rates. Therefore, Sales 2, and 3 are given downward adjustments and Sale 1 an upward adjustment.

Property Level Characteristics

Location

northeast corner of 22nd St S and 18th Ave S in St. Petersburg, in St. Petersburg. Each of the sales was adjusted, if required, for locational characteristics differing from those of the subject property. Sale 3 has frontage along US Route 19 and Sale 4 is located near Ulmerton Road, two major commercial thoroughfares in Pinellas County with a downward adjustment warranted.

Land SF

The subject site is 156,940 square feet in size. Differences in land size were also considered. The adjustment is based on the economies of scale as larger tracts typically sell at a lower per square foot price, all else equal. Likewise, a smaller tract typically sells at a greater per square foot price, all else equal. Sale 1 is given an upward adjustment for its larger size and Sales 2 and 4 a downward adjustment for their smaller sizes.

Topography

The subject site has a generally level topography. Each of the land sales has a similar topography; therefore, no adjustments were warranted.

Shape

The subject site is rectangular. Each of the comparable land sales is also rectangular or nearly rectangular and conducive to development with no adjustments warranted.

Utilities

The subject and comparables have access to all public utilities with no adjustments warranted.

Zoning / Density Approvals

The subject property is located in the CCT-1 zoning district, with 24 units per acre permissible. The subject does not have any known approvals for development. Comparables 1, 2, and 3 have superior zoning densities with a downward adjustment warranted. Comparable 4 has an inferior density with an upward adjustment required.

Flood Zone

The subject is located in a flood zone X. Comparables 1 and 4 have flood zone areas with upward adjustments required.

Summary of Adjustments

The following table presents a summary of the adjustments for the underlying site.

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4
Address	1794 22nd St S	6th St S	1682 18th Ave S	3200-3300 Fairfield Ave S & 695 31st St S	13707 58th St N
City	St. Petersburg	Saint Petersburg	St. Petersburg	Saint Petersburg	Largo
State	FL	FL	FL	FL	FL
Date		4/14/2021	2/21/2022	2/22/2023	10/27/2023
Actual Price	--	\$6,400,000	\$225,000	\$5,600,000	\$695,000
Land SF	156,940	643,381	16,331	301,344	66,922
Land SF Unit Price		\$9.95	\$13.78	\$18.58	\$10.39
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%
Financing		Conventional	0.0%	Conventional	0.0%
Conditions of Sale		Arm's Length	0.0%	Arm's Length	0.0%
Expend. After Sale		\$0.00		\$0.00	\$0.00
Adjusted Land SF Unit Price		\$9.95		\$13.78	\$18.58
Market Trends		5.0%		-5.0%	0.0%
Adjusted Land SF Unit Price		\$10.44		\$13.09	\$17.65
Characteristics Adjustments					
Location		Similar		Similar	Superior
% Adjustment		0%		0%	-20%
Qualitative		Similar		Similar	Superior
\$ Adjustment		\$0.00		\$0.00	-\$3.53
Acres	3.60	14.77		0.37	6.92
Land SF	156,940	643,381		16,331	301,344
% Adjustment		20%		-10%	0%
Qualitative		Inferior		Superior	Similar
\$ Adjustment		\$2.09		-\$1.31	\$0.00
Topography	Gently Sloping	Gently Sloping		Gently Sloping	Gently Sloping
% Adjustment		0%		0%	0%
Qualitative		Similar		Similar	Similar
\$ Adjustment		\$0.00		\$0.00	\$0.00
Shape	Rectangular	Rectangular		Rectangular	Rectangular
% Adjustment		0%		0%	0%
Qualitative		Similar		Similar	Similar
\$ Adjustment		\$0.00		\$0.00	\$0.00
Utilities	Available to Site	Available to Site		All to Site	All to Site
% Adjustment		0%		0%	0%
Qualitative		Similar		Similar	Similar
\$ Adjustment		\$0.00		\$0.00	\$0.00
Zoning	CCT-1	NSM-2		CRT-1	IT
Approved/ Potential Density	24 units / acre - potential	30 units / acre - approved		30 units / acre - potential	38 units / acre - approved
% Adjustment		-5%		-5%	-10%
Qualitative		Superior		Superior	Superior
\$ Adjustment		-\$0.52		-\$0.65	-\$1.77
Flood Zone	Zone X	Partially in X and AE		Zone X	Zone X
% Adjustment		5%		0%	0%
Qualitative		Inferior		Similar	Similar
\$ Adjustment		\$0.52		\$0.00	\$0.00
Adjusted Land SF Unit Price		\$12.53		\$11.13	\$12.36
Net Adjustments		20.0%		-15.0%	-30.0%
					5.0%

Land Sale Value Metrics – Fee Simple Market Value

The following table presents the metrics for the unadjusted and adjusted land sales. The table also presents the concluded market value per unit for the subject property. Equal weight is given weight in arriving at our reconciled value of \$11.75 per square foot, near the average and median price.

The subject would require demolition prior to development. Comparable 3 had an estimated \$250,000 in demolition costs after purchase. This is deemed to be reasonable for the subject improvements and deducted from the indicated value.

Land Value Ranges & As Is Reconciled Value

Number of Comparables:	4	Unadjusted	Adjusted	% Δ
Low:		\$9.95	\$10.90	10%
High:		\$18.58	\$12.53	-33%
Average:		\$13.17	\$11.73	-11%
Median:		\$12.08	\$11.74	-3%
Reconciled Value/Unit Value:			\$11.75	land sf
Subject Size:			156,940	
Indicated Value:			\$1,844,045	
Adjustments				
Demolition			-\$250,000	
As Is Indicated Value:			\$1,594,045	
Reconciled Final As Is Value:			\$1,600,000	
One Million Six Hundred Thousand Dollars				

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Cost Approach

The Cost Approach was not applicable and was not used in this analysis.

Sales Comparison Approach

The Sales Comparison Approach analyzes similar properties, which have sold in the general area of the subject property. The sales used are recent transactions of reasonably similar properties in the subject’s immediate area and/or nearby competing market areas. The properties are representative of the most recent transactions involving similar properties available for comparison with the subject. This approach provides a reliable value indication for the subject in the current market.

Income Approach – Direct Capitalization

The Income Capitalization Approach was not applicable and was not used in this analysis.

Summary of Values	
Value Premise	As Is
Date of Value	2/28/2024
Value Type	Market Value
Value Perspective	Current
Interest Appraised	Fee Simple
Land Analysis	\$1,600,000
Value Conclusion:	\$1,600,000

Market Value Conclusion

The Sales Comparison Approach was used in valuing the Fee Simple estate as this is the typical method utilized by an investor, the most likely buyer of the subject. Based on the data and analyses developed in this analysis, we have reconciled to the following value conclusions, as of February 28, 2024, subject to the Assumptions and Limiting Conditions.

Value Conclusions

Premise	Interest Appraised	Effective Date	Value Conclusion	Estimated Marketing
Current As Is Market Value	Fee Simple	2/28/2024	\$1,600,000	3-6 months

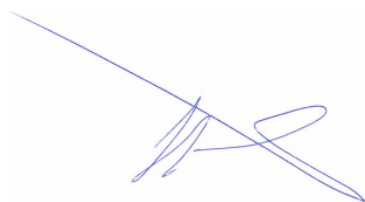
According to the Appraisal Standards Board (ASB) of the Appraisal Foundation, “reasonable marketing time” is an estimate of the amount of time it might take to sell a property interest at the estimated Market Value during the period immediately after the effective date of the report. It is not intended to be a prediction of a specific date of sale and, therefore, may be expressed as a range. Exposure time is defined as the estimated length of time 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 report. Based upon the sales presented herein, an exposure period of 3-6 months or less is considered reasonable. Marketing time is also concluded at 3-6 months.

Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the firm.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The appraiser has not performed any services regarding the subject within the three-year period immediately preceding acceptance of this assignment.
- Angelo Lallis has made an inspection of the subject property.
- Wesley R. Sanders, MAI, AI-GRS, CCIM has made an inspection of the subject property.

As of the date of this report, Wesley Sanders, MAI, AI-GRS, CCIM has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute. As of the date of this report, Angelo Lallis and Wesley Sanders, MAI, AI-GRS, CCIM have completed the requirements of the Department of Business and Professional Regulation under the provisions of Chapter 475 FS of the Florida Real Estate Appraisal Board.



Angelo Lallis
Senior Real Estate Analyst
State-Certified General Real Estate Appraiser RZ4211



Wesley R. Sanders, MAI, AI-GRS, CCIM
Senior Managing Director
State-Certified General Real Estate Appraiser RZ2911

Basic Assumptions and Limiting Conditions

1. By this notice, all persons, companies, or corporations using or relying on this report in any manner bind themselves to accept these contingent and limiting conditions, and all other contingent and limiting conditions contained elsewhere in this report. Do not use any portion of this report unless you fully accept all contingent and limiting conditions contained throughout this document.
2. Throughout this report, the singular term "Appraiser" also refers to the plural term "Appraisers". The terms "Appraiser" and "Appraisers" refer collectively to "Entreken Associates, Inc.", its officers, employees, contractors, and associate appraisers. The masculine terms "he" or "his" also refer to the feminine term "she" or "her".
3. These conditions are an integral part of this appraisal report, and are a preface to any certification, definition, description, fact, or analysis. Moreover, these conditions are intended to establish as a matter of record that the purpose of this report is to provide one or more value opinions for the subject property. All value opinions are prepared solely for the explicitly identified client and other explicitly identified intended users.
4. Value opinions involve only real estate, and inconsequential personal property. Unless explicitly stated otherwise, value conclusions do not include personal property, un-affixed equipment, trade fixtures, business-good will, chattel, or franchise items of material worth.
5. As part of this appraisal, information was gathered and analyzed to form value opinion(s) that pertain solely to one or more explicitly identified effective value dates. The effective value date is the only point in time that the value applies. Information about the subject property, neighborhood, comparables, or other topics discussed in this report was obtained from sensible sources. In accordance with the extent of research disclosed in the Scope of Work section, all information cited herein was examined for accuracy, is believed to be reliable, and is assumed reasonably accurate. However, no guaranties or warranties are made for this information. No liability or responsibility is assumed for any inaccuracy which is outside the control of the Appraiser, beyond the scope of work, or outside reasonable due diligence of the Appraiser.
6. Real estate values are affected by many changing factors. Therefore, any value opinion expressed herein is considered credible only on the effective value date. Every day that passes thereafter, the degree of credibility wanes as the subject changes physically, the economy changes, or market conditions change. The Appraiser reserves the right to amend these analyses and/or value opinion(s) contained within this appraisal report if erroneous, or more factual-information is subsequently discovered. No guarantee is made for the accuracy of estimates or opinions furnished by others, and relied upon in this report.
7. This appraisal is not an engineering, construction, legal, or architectural study. It is not an examination or survey of any kind. Expertise in these areas is not implied. The Appraiser is in no way responsible for any costs incurred to discover, or correct any deficiency in the property. In the case of limited partnerships, syndication offerings, or stock offerings in the real estate, the client agrees that in case of lawsuit (brought by the lender, partner, or part owner in any form of ownership, tenant, or any other party), the client will hold Entreken Associates, Inc., its officers, contractors, employees and associate appraisers completely harmless. Acceptance of, and/or use of this report by the client, or any third party is prima facie evidence that the user understands, and agrees to all these conditions.
8. Unless specifically stated otherwise herein, the Appraiser is unaware of any engineering study made to determine the bearing capacity of the subject land, or nearby lands. Improvements in the vicinity, if any, appear to be structurally sound. It is assumed soil and subsoil conditions are stable and free from features that cause supernormal costs to arise. It is also assumed existing soil conditions of the subject land have proper load bearing qualities to support the existing improvements, or proposed improvements appropriate for the site. No investigations for potential seismic hazards were made. This appraisal assumes there are no conditions of the site, subsoil, or structures, whether latent, patent, or concealed that would render the subject property less valuable. Unless specifically stated otherwise in this document, no earthquake compliance report, engineering report, flood zone analysis, hazardous substance determination, or analysis of these unfavorable attributes was made, or ordered in conjunction with this appraisal report. The client is strongly urged to retain experts in these fields, if so desired.
9. For appraisals of multifamily property, only a portion of all dwellings was observed. A typical ratio of observed dwellings roughly approximates 10% of the total number of units, and this ratio declines as the number of dwellings grows. It is assumed the functionality, physical condition, and interior finish of unseen units are similar to the functionality, physical condition, and interior finish of observed units. If unobserved dwellings significantly differ from those that were viewed in functionality, physical condition, or finish, the Appraiser reserves the right to amend these analysis and/or value opinion(s).
10. If this appraisal values the subject as though construction, repairs, alterations, remodeling, renovation, or rehabilitation will be completed in the future, it is assumed such work will be completed in a timely fashion, using non-defective materials, and proper workmanship. All previously completed work is assumed to substantially conform to plans, specifications, descriptions, or attachments made or referred to herein. It is also assumed all planned, in-progress, or recently completed construction complies with the zoning

ordinance, and all applicable building codes. A prospective value opinion has an effective value date that is beyond or in the future relative to the report preparation date. If this appraisal includes a prospective valuation, it is understood and agreed the Appraiser is not responsible for an unfavorable value effect caused by unforeseeable events that occur before completion of the project.

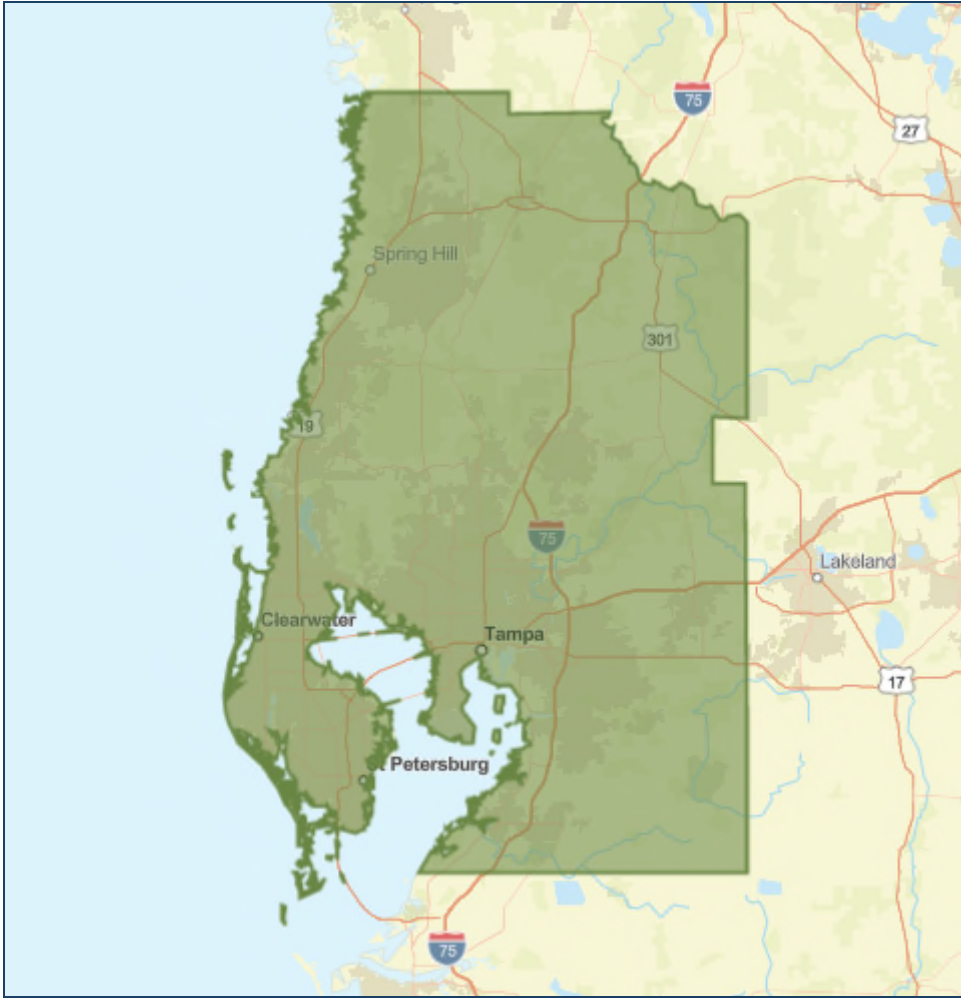
11. This valuation may or may not include an observation of the appraised property by a signatory to this report. The extent of any observation is disclosed in the Scope of Work section of this report. Any observation by a signatory is not, and should not be misconstrued as a professional property inspection. Comments or descriptions about physical condition of the improvements, if any, are based solely on a superficial visual observation. Electric, heating, cooling, plumbing, water supply, sewer or septic, mechanical equipment, and other systems were not tested. No determination was made regarding the operability, capacity, or remaining physical life of any component in, on, or under the real estate appraised. All building components are assumed adequate and in good working order unless stated otherwise. Private water wells and private septic systems are assumed sufficient to comply with federal, state, or local health safety standards. No liability is assumed for the soundness of structural members since structural elements were not tested or studied to determine their structural integrity. The roof cover for all structures is assumed water tight unless otherwise noted. Comments regarding physical condition are included to familiarize the reader with the property. This document is not an engineering or architectural report. If the client has any concern regarding structural, mechanical or protective components of the improvements, or the adequacy or quality of sewer, water or other utilities, the client should hire experts in an appropriate discipline before relying upon this report. No representations are made herein as to these matters unless explicitly stated otherwise in this report.
12. If this appraisal values an interest that is less than the whole fee simple estate, then the following disclosure applies. The value for any fractional interest appraised plus the value of all other complementary fractional interests may or may not equal the value of the entire fee simple estate.
13. An appraised property that is a physical portion of a larger parcel or tract is subject to the following limitations. The value opinion for the property appraised pertains only to that portion defined as the subject. This value opinion should not be construed as applying with equal validity to other complementary portions of the same parcel or tract. The value opinion for the physical portion appraised plus the value of all other complementary physical portions may or may not equal the value of the whole parcel or tract.
14. No liability is assumed for matters of legal nature that affect the value of the subject property. Unless a clear statement to the contrary is made in this report, value opinion(s) formed herein are predicated upon the following assumptions. (A) The real property is appraised as though, and assumed free from all value impairments including yet not limited to title defects, liens, encumbrances, title claims, boundary discrepancies, encroachments, adverse easements, environmental hazards, pest infestation, leases, and atypical physical deficiencies. (B) All real estate taxes and assessments, of any type, are assumed fully paid. (C) The property being appraised is assumed to be owned under responsible and lawful ownership. (D) It is assumed the subject property is operated under competent and informed management. (E) The subject property was appraised as though, and assumed free of indebtedness. (F) The subject real estate is assumed fully compliant with all applicable federal, state, and local environmental regulations and laws. (G) The subject is assumed fully compliant with all applicable zoning ordinances, building codes, use regulations, and restrictions of all types. (H) All licenses, consents, permits, or other documentation required by any relevant legislative or governmental authority, private entity, or organization have been obtained, or can be easily be obtained or renewed for a nominal fee.
15. The allocation of value between the subject's land and improvements, if any, represents our judgment only under the existing use of the property. A re-evaluation should be made if the improvements are removed, substantially altered, or the land is utilized for another purpose.
16. The Appraiser assumes a prospective purchaser of the subject is aware of the following. (A) This appraisal of the subject property does not serve as a warranty on the physical condition of the property. (B) It is the responsibility of the purchaser to carefully examine the property, and to take all necessary precautions before signing a purchase contract. (C) Any estimate for repairs is a non-warranted opinion of the Appraiser.
17. Any exhibits in the report are intended to assist the reader in visualizing the subject property and its surroundings. The drawings are not surveys unless specifically identified as such. No responsibility is assumed for cartographic accuracy. Drawings are not intended to be exact in size, scale, or detail.
18. Conversion of the subject's income into a market value opinion is based upon typical financing terms that were readily available from a disinterested, third party lender on this report's effective date. Atypical financing terms and conditions do not influence market value, but may affect investment value.
19. All information and comments concerning the location, market area, trends, construction quality, construction costs, value loss, physical condition, rents, or any other data for the subject represent estimates and opinions of the Appraiser. Expenses shown in the Income Approach, if used, are only estimates. They are based on past operating history, if available, and are stabilized as generally typical over a reasonable ownership period.
20. The Appraiser is not required to give testimony or appear in court because of having prepared this report unless arrangements are agreed to in advance. If the Appraiser is subpoenaed pursuant to court order, the client agrees to compensate the Appraiser for their court appearance time, court preparation time, and travel

time at their regular hourly rate then in effect plus expenses. In the event the real property appraised is, or becomes the subject of litigation, a condemnation, or other legal proceeding, it is assumed the Appraiser will be given reasonable advanced notice, and reasonable additional time for court preparation.

21. Entreken Associates, Inc. and the Appraiser have no expertise in the field of insect, termite, or pest infestation. We are not qualified to detect the presence of these or any other unfavorable infestation. The Appraiser has no knowledge of the existence of any infestation on, under, above, or within the subject real estate. No overt evidence of infestation is apparent to the untrained eye. However, we have not specifically inspected or tested the subject property to determine the presence of any infestation. No effort was made to dismantle or probe the structure. No effort was exerted to observe enclosed, encased, or otherwise concealed evidence of infestation. The presence of any infestation would likely diminish the property's value. All value opinions in this communication assume there is no infestation of any type affecting the subject real estate. No responsibility is assumed by Entreken Associates, Inc. or the Appraiser for any infestation or for any expertise required to discover any infestation. Our client is urged to retain an expert in this field, if desired.
22. Effective January 26, 1992, the Americans with Disabilities Act (ADA) - a national law, affects all nonresidential real estate or the portion of any property, which is non-residential. The Appraiser has not observed the subject property to determine whether the subject conforms to the requirements of the ADA. It is possible a compliance survey, together with a detailed analysis of ADA requirements, could reveal the subject is not fully compliant. If such a determination was made, the subject's value may or may not be adversely affected. Since the Appraiser has no direct evidence, or knowledge pertaining to the subject's compliance or lack of compliance, this appraisal does not consider possible noncompliance or its effect on the subject's value. All opinions are those of the signatory Appraiser based on the information in this report. No responsibility is assumed by the Appraiser for changes in market conditions, or for the inability of the client, or any other party to achieve their desired results based upon the appraised value. Some of the assumptions or projections made herein can vary depending upon evolving events. We realize some assumptions may never occur and unexpected events or circumstances may occur. Therefore, actual results achieved during the projection period may vary from those set forth in this report. Compensation for appraisal services is dependent solely on the delivery of this report, and no other event or occurrence.
23. No part of this report shall be published or disseminated to the public by the use of advertising media, public relations media, news media, sales media, electronic devices, or other media without the prior written consent of Entreken Associates, Inc. This restriction applies particularly as to analyses, opinions, and conclusions; the identity of the Appraiser; and any reference to the Appraisal Institute or its MAI, SRPA, or SRA designations. Furthermore, no part of this report may be reproduced or incorporated into any information retrieval system without written permission from Entreken Associates, Inc., the copyright holder.

Addenda

Regional Analysis



REGIONAL MAP

Introduction

The subject property is located in St. Petersburg, Pinellas County, Florida, which is within the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA). The Tampa MSA is generally referred to as the Tampa Bay area, which consists of Hernando, Hillsborough, Pasco, and Pinellas Counties, as defined by the US Census Bureau. It includes the major municipalities of Tampa, St. Petersburg, Clearwater, and Brandon. Some publications also include the Citrus, Manatee, Pasco, Polk, and Sarasota counties. However, for this analysis, we have included the four county area. The Tampa Bay area is approximately 80 miles west of Orlando, 270 miles northwest of Miami, and 200 miles southwest of Jacksonville. Because the subject benefits from the strength of the area, an overview of this area is appropriate, followed by a description of the community in which the subject is located. The Tampa Bay MSA is located in Southwest Florida on the Gulf of Mexico and Tampa Bay and encompasses 2,554.5 square miles.

MSA at a Glance - TAMPA-ST. PETERSBURG-CLEARWATER FL

The Tampa Bay Area is a major populated area surrounding Tampa Bay on the west coast of Florida. The metro, comprising of four counties namely: Hillsborough, Pasco, Pinellas and Hernando, is where the hip, and urban heart of Florida's Gulf coast lies.

Over the years, Tampa has attained the status of a vacation spot especially for families. It is a diverse travel destination which offers distinctive and unique selections of delights and activities. The popular Busch Gardens, where families get a thrill of an amusement park and the fun of a zoo all in one place, is one of the popular places in the area dedicated to animals and wildlife. The historic Ybor City neighborhood, developed by Cuban and Spanish cigar-factory workers is likewise viewed as a dining and nightlife destination.

Together with tourism, part of what made Tampa's future so promising is its economic base. Looking towards the future, developers have been seeking to expand businesses to draw in investors as well as more employment. Service-related and office-oriented jobs turn out to be more appealing, making the city an ideal location for companies in search for regional headquarters, financial firms and high-technology industries. Some of the most notable company headquarters to date are Tech Data Corp., Jabil Circuit Inc., and Raymond James Financial.

Key Demographics

- In 2023, Tampa Bay gained approximately 36,600 residents, and is among the top 10 metropolitan areas gaining residents in the nation.
- The median household income for the area is \$65,621 and is \$540 higher than Florida and \$6,982 lower than the national average.
- The average household size is 2.38
- The median price of homes currently listed is \$421,480, while the median price of homes sold is \$410,000.
- Since 2015, the ratio of Median Household Income to Median Home Price has decreased sharply in the Tampa Bay area and across Florida, while the same ratio decreased less across the US.



Average Annual Rainfall: 46.31"
Average Rainfall Days: 11 days
Average Sunshine: 20.5 days



Annual High Temperature: 81.7 F
Annual Low Temperature: 65 F
Average Annual Temperature: 73.3 F

Source: The Weather Atlas

Economic Drivers



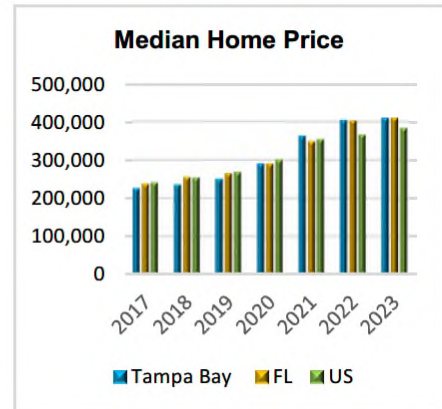
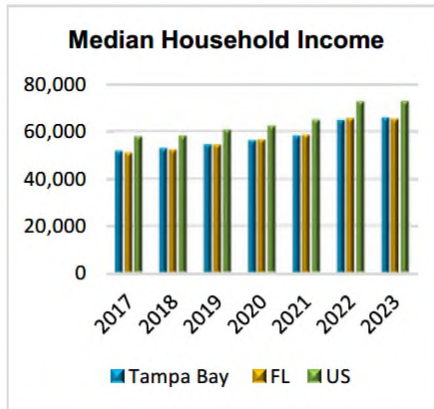
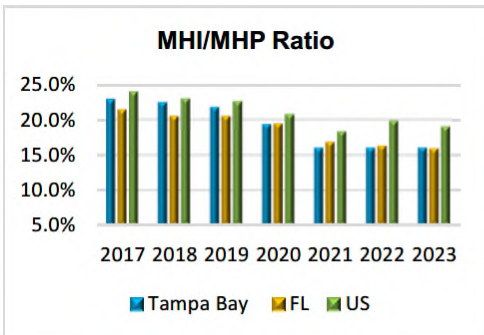
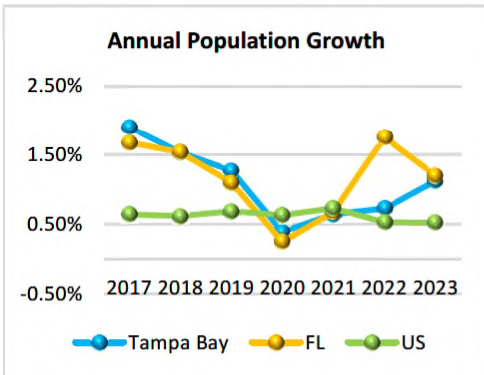
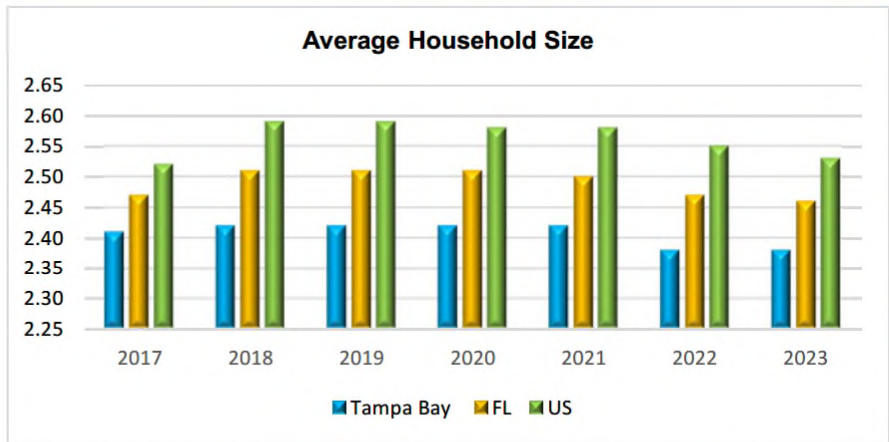
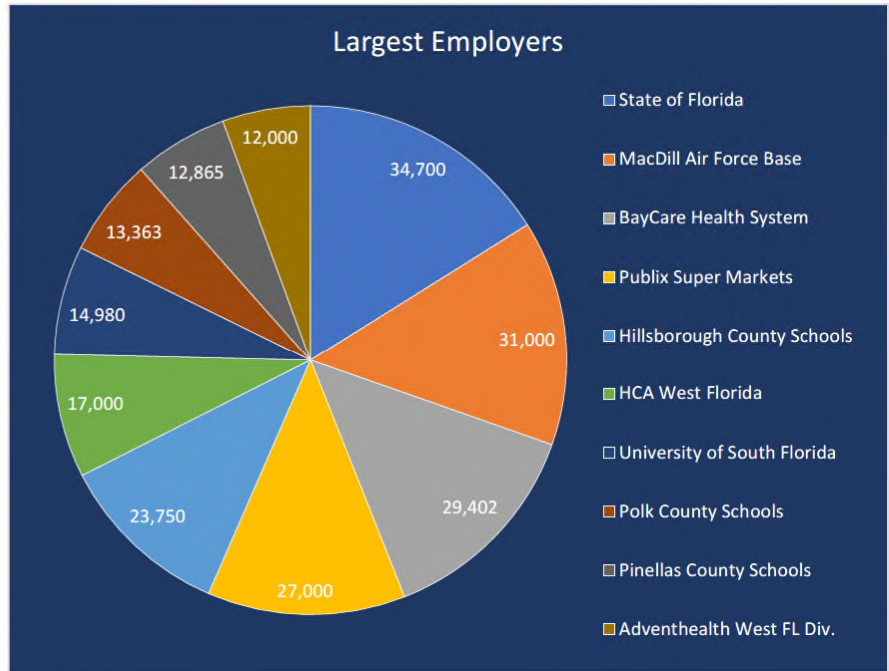
Healthcare



Tourism



Employment

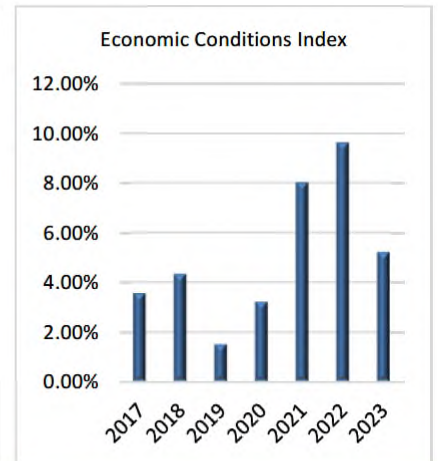
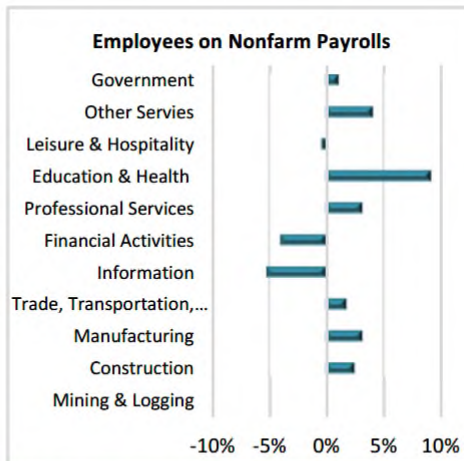


Employment

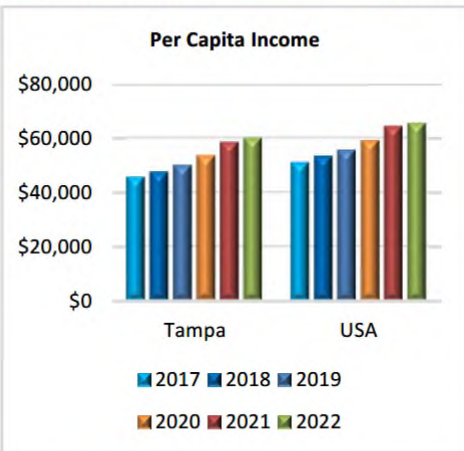
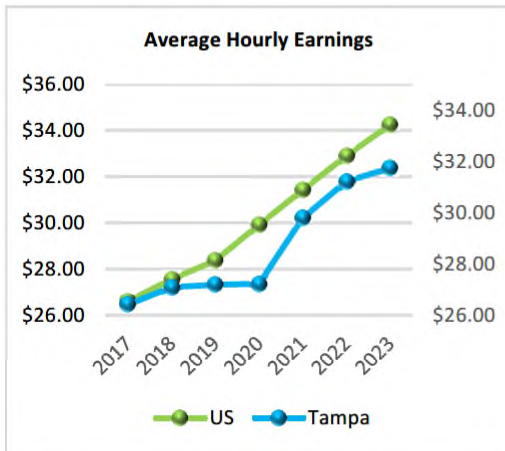
Tampa Bay's unemployment rate steadily decreased from a high of 13.2% in April 2020, and is at 3.2% as of September 2023, according to the Bureau of Labor and Statistics figures. The losses slowed in mid-2020 as Florida re-opened businesses, but much of the leisure, hospitality and tourism industries had ground to a halt. Among the other hardest hit industries were health care, social assistance, retail trade, professional and business services and construction. Health care job loss may have seemed unexpected, but the sector lost at least 43,000 jobs nationally, according to the report. Since mid-2020, these industries have recovered, and Florida unemployment now well outpaces the national average.

Income

An ordinary individual in Tampa works an average of 40 hours for the entire week. Currently, the median household income is at \$65,621, and is projected to increase to \$77,411 in five years. It has been also noted that Tampa enjoys a lower cost of living compared to other American cities of similar size and other Florida cities such as Miami, Fort Lauderdale, and Sarasota.



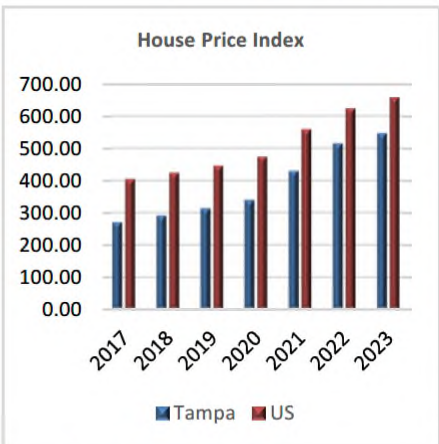
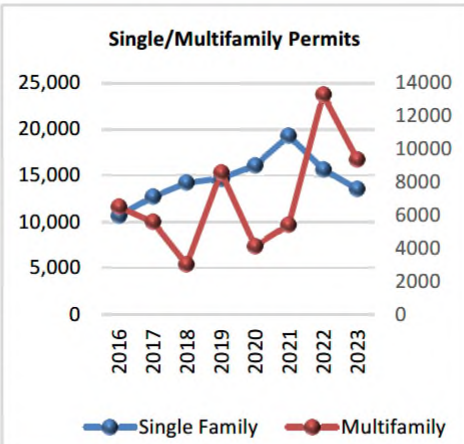
ECONOMIC INDICATORS	2017	2018	2019	2020	2021	2022	2023
Gross Domestic Product (% change)	3.9	5.6	5.5	3.4	12.1	11.2	-
Total Employment (% change)	2.1	2.14	2.5	-3.02	6.2	5.1	2.0
Unemployment Rate (%)	3.7	3.3	2.8	5.4	3.0	2.2	3.2
Personal Income Growth (\$ in ths)	45.6	47.5	50	53.6	58.5	60	-
Median Household Income (\$ in ths)	54.4	55.9	57.9	55.9	64.9	64.7	65.6
Population (# in mill)	3.11	3.16	3.20	3.18	3.22	3.25	3.28
Net Migration (# in ths)	41.2	34.8	35.7	14.0	45.9	54.7	-
Single-family Permits (# in ths)	12.6	14.2	14.8	15.9	19.3	15.6	13.5 YTD
Multi-family Permits (# in ths)	5.6	3.5	8.7	3.8	5.5	13.2	9.4 YTD
House Price Index (1995Q1=100)	268.96	290.21	312.23	338.62	428.74	514.18	545.33



Housing

A prominent number of homes under development in 2023 were single-family. As of November 2023, there were 13,517 dwelling units built at an average value of \$298,100. Among the nation's top 100 housing markets positioned for growth in 2024, Tampa Bay ranked 9th.

Tampa Bay currently has a combination of strong economy that creates new jobs, more commercial transformations and developments which keep locals and more people to move and look for work, while enjoying what the area has to offer.



Sources: Tampa Hillsborough EDC, VisitTampaBay, Dept. of Numbers, BLS, Census Bureau, Texas A&M REC

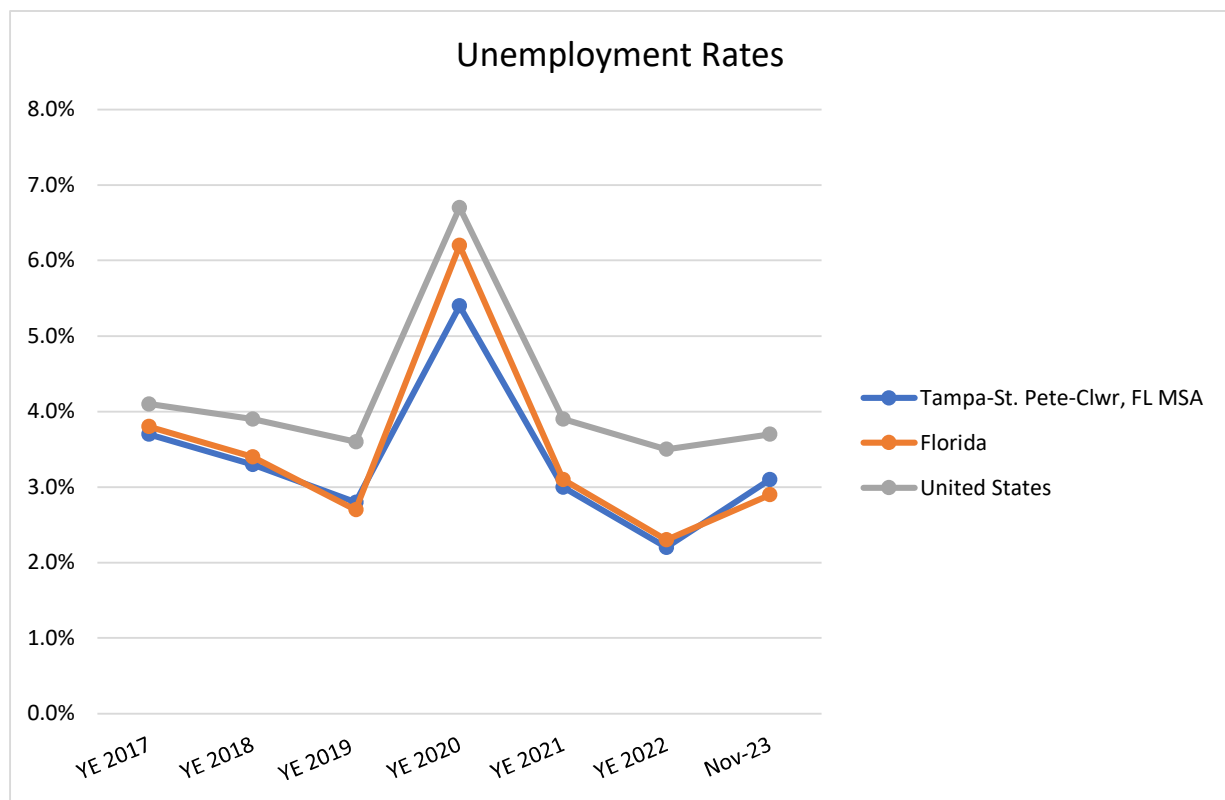
Employment

Tampa Bay's unemployment rate has decreased from a high of 13.2% in April 2020, and is at 3.1% as of November 2023, according to the Bureau of Labor and Statistics figures. The losses slowed in mid-2020 as Florida re-opened businesses, but much of the leisure, hospitality and tourism industries had ground to a halt. Among the other hardest hit industries were health care, social assistance, retail trade, professional and business services and construction. Health care job loss may have seemed unexpected, but the sector lost at least 43,000 jobs nationally, according to the report. Since mid-2020, these industries have recovered, and Florida unemployment now well outpaces the national average.

Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics. Overall, the metro and the state had a lower unemployment rate than the nation. This, combined with the pro-business philosophy of Florida, has increased investor demand for real estate in Florida over the past couple years.

Unemployment Rates							
Area	YE 2017	YE 2018	YE 2019	YE 2020	YE 2021	YE 2022	Nov-23
Tampa-St. Pete-Clwr, FL MSA	3.7%	3.3%	2.8%	5.4%	3.0%	2.2%	3.1%
Florida	3.8%	3.4%	2.7%	6.2%	3.1%	2.3%	2.9%
United States	4.1%	3.9%	3.6%	6.7%	3.9%	3.5%	3.7%



The following table provides the employment by industry for the Tampa Bay MSA.

Employment by Industry - Tampa Bay MSA		
Industry	Nov-23	Percent of Employment
Mining/Logging	300	0.0%
Construction	94,700	6.1%
Manufacturing	76,900	5.0%
Trade, Transportation, Utilities	293,100	18.9%
Information	28,300	1.8%
Financial Activities	135,500	8.7%
Professional and Business Services	301,300	19.4%
Education and Health Services	254,300	16.4%
Leisure and Hospitality	160,700	10.4%
Other Services	50,300	3.2%
Government	156,400	10.1%

Major Employers

The following table indicates the major employers within the Tampa Bay MSA.

Major Employers - Tampa Bay MSA	
Company	No. of Employees
State of Florida	34,700
MacDill Air Force Base	31,000
BayCare Health System	29,402
Publix Super Markets	27,000
Hillsborough County School District	23,750
HCA West Florida Division	17,000
University of South Florida	14,980
Polk County School District	13,363
Pinellas County School District	12,865
Adventhealth West Florida Division	12,000

Tourism

Visitors to the Tampa Bay area contributed a direct impact in excess of \$8 billion in fiscal year 2022, which included spending by international visitors, and domestic day and overnight visitors. Visit Tampa Bay said overall, total taxable hotel revenue for Tampa Bay has reached \$963,632,597 for fiscal year 2022. Tourist development tax collections for the period reached \$57,843,695, a 56.5% increase over the last fiscal year. Those numbers surpass pre-pandemic levels and represent a winning streak that will only continue.

In Hillsborough County, the total Tourist Development Tax collections within the first 9 months of the 2023 fiscal year hit over \$52,000,000.

Pinellas County is known for the beaches of the barrier islands including from Clearwater Beach in the north to St. Pete Beach in the south. The St. Petersburg/Clearwater area is the leading destination on the Gulf Coast.

Busch Gardens Tampa Bay launches the Serengeti Flyer, the tallest and fastest ride of its kind, while Adventure Island Water Park offers its new rides called Rapids Racer and Wahoo Remix. ZooTampa at Lowry Park has also expanded its site to treat some of the injured Florida manatees.

The Gulf Coast draws visitors for the outdoor and on-the-water recreational opportunities such as golf with a myriad of public, municipal and private courses. The area is known as one of the best fishing grounds with both inshore and offshore opportunities and charter companies operating out of the many marinas in the area. Clearwater Beach is known as one of the best beaches in the world (Trip Advisor's #1 in 2018) with many attractions including the Clearwater Marine Aquarium that's home to two of the world's most famous dolphins.

There are many museums and other cultural attractions that draw tourists including the Dali Museum, the Chihuly Collection, St. Petersburg Museum of History and Imagine Museum to name a few. The St. Petersburg Arts Alliance partnered with St. Petersburg to ensure a strong arts-related economic presence and foster growth in the seven arts districts.

Largo offers several attractions including the Florida Botanical Gardens, and the Pinellas County Heritage Village, an open-air historical village and museum dating to the mid-19th Century. The Pinellas Trail is a linear trail extending from St. Petersburg to Tarpon Springs through Largo. The 45-mile trail is developed mostly along abandoned rail lines and is open for cyclists, joggers, and skaters.

Linkages

Interstate 275 traverses north and south through the center of the county. This limited-access highway provides access to Interstate 75 to the north and Saint Petersburg to the south. Interstate 75 is a limited-access highway which traverses north and south through the center of the county. This highway provides access to Manatee County to the south and Hernando and Pasco counties to the north. Interstate 4 is a limited access highway that terminates in Hillsborough County and travels east to Orlando. There are several limited-access toll roads that traverse through the county and numerous county roads.

There are three major bridges that provide access to Pinellas County from Hillsborough County. These include the West Courtney Campbell Causeway (State Route 60), the Howard Frankland Bridge (Interstate 275/State Route 93) and U.S. Highway 92/State Route 600.

Overall, the linkages throughout the county are ample with good access to other areas of the Tampa Bay area.

Transportation

The Tampa Bay MSA is home to two major airports including St. Pete-Clearwater International Airport (PIE) in Pinellas County, and Tampa International Airport (TPA) in Hillsborough County.

Tampa International Airport is an international airport approximately 6.0 miles west of Downtown Tampa. It is served by over twenty major airlines, including Southwest Airlines which operates up to 121 flights per day. In 2022, the airport reportedly handled 21,527,863 passengers, making it the 23rd busiest airport in North America. From March 7, 2023 to April 10, 2023, the airports spring break period, TPA had almost 2.5 million passengers which beats the previous spring break record from 2019 by almost 50,000 passengers. The airport recorded its busiest day on record on March 19, 2023, with more than 90,000 passengers. TPA is also planning a \$790 million Airside D project that is scheduled for completion in late 2027.

St. Pete-Clearwater International Airport saw a 2% increase in passengers in 2023. The airport connects Pinellas County with smaller cities across North America and is seeing growth in its Canadian business and is planning a \$106 million terminal expansion.

Mass transit is provided by the public transports available for each county as stated below:

Pinellas County Pinellas Suncoast Transit Authority (PSTA)

Hillsborough County Hillsborough Area Regional Transit Authority (HART)

Pasco County Pasco County Public Transportation (PCPT)

Hernando County Hernando County Transit Services (TheBus)

Population

The 2023 population data is the most current available for the Tampa MSA with growth as illustrated below. As employment has increased over the past few years, the population growth has also increased. The four county Tampa MSA had an estimated 2023 population of 3,288,270 which is expected to increase by 0.50% per year until 2028.

	2023 Population	2028 Population Estimation	Population: Annual Growth Rate
Tampa-St. Petersburg-Clearwater	3,288,270	3,371,259	0.50%
Florida	22,381,338	23,091,949	0.63%
USA	337,470,185	342,640,129	0.30%

Median Household Income

Total median household income for the region is presented in the following table. Overall, the subject's MSA is similar to the state. However, is slightly below the nation.

	2023 Median Household Income	2023 Average Household Income	2023 Per Capita Income
Tampa-St. Petersburg-Clearwater	\$65,621	\$97,348	\$40,263
Florida	\$65,081	\$97,191	\$38,778
USA	\$72,603	\$107,008	\$41,310

Residential Real Estate

House Price Appreciation:

Median price for houses is \$400,000 in January 2024 compared to \$380,000 in January 2023, which was a 5.3% increase. Condo/townhome median pricing is up 1.4% during the same timeframe, up to \$291,000 from \$287,000.

Active listings are up 13.1% from last year in the Single-Family home market and up 64.7% in the Townhouse/Condo market. This is due to the decreased sales volume and decrease in demand for housing.

The tables below summarize the most important housing market indicators for the Tampa, FL metro in January 2024.

Single-Family				Townhouses and Condos			
Summary Statistics	January 2024	January 2023	Percent Change Year-over-Year	Summary Statistics	January 2024	January 2023	Percent Change Year-over-Year
Closed Sales	2,278	2,446	-6.9%	Closed Sales	868	831	4.5%
Paid in Cash	652	578	12.8%	Paid in Cash	448	427	4.9%
Median Sale Price	\$400,000	\$380,000	5.3%	Median Sale Price	\$291,000	\$287,000	1.4%
Average Sale Price	\$505,272	\$472,436	7.0%	Average Sale Price	\$389,993	\$389,938	0.0%
Dollar Volume	\$1.2 Billion	\$1.2 Billion	-0.4%	Dollar Volume	\$338.5 Million	\$324.0 Million	4.5%
Median Percent of Original List Price Received	96.3%	94.9%	1.5%	Median Percent of Original List Price Received	95.4%	95.5%	-0.1%
Median Time to Contract	35 Days	35 Days	0.0%	Median Time to Contract	42 Days	30 Days	40.0%
Median Time to Sale	81 Days	83 Days	-2.4%	Median Time to Sale	88 Days	69 Days	27.5%
New Pending Sales	3,384	3,661	-7.6%	New Pending Sales	1,236	1,375	-10.1%
New Listings	4,143	3,659	13.2%	New Listings	2,111	1,628	29.7%
Pending Inventory	4,400	4,961	-11.3%	Pending Inventory	1,804	1,870	-3.5%
Inventory (Active Listings)	8,772	7,759	13.1%	Inventory (Active Listings)	5,213	3,165	64.7%
Months Supply of Inventory	2.6	2.1	23.8%	Months Supply of Inventory	4.0	2.4	66.7%

Source: Greater Tampa Realtors

The Tampa, FL metro had a weakening seller's market in January 2024. For the Single-Family segment, months' supply stood at 2.6 months. For the Townhouse/Condo segment, it stood at 4.0 months. On a market segment basis, entry-level markets tend to have a somewhat lower demarcation point between a buyer's and seller's market (estimated around 5 months) and move-up markets tend to have a somewhat higher demarcation point between a buyer's and seller's market (estimated around 7 months). This is because even in a balanced market, the less expensive entry-level homes usually sell more quickly than move-up homes. Lower levels of months' inventory tend to lead to upward price pressures. This is especially common in the entry-level market, where supply has been most constrained since 2012 and which has led to reduced affordability.

Mortgage Risk:

AEI measures the level of mortgage risk present in a metro through the mortgage default rate. A higher mortgage default rate implies greater access to credit, but also indicates greater likelihood of default. While at first glance, greater access may seem like a positive, especially for first-time buyers trying to enter the market, when market conditions are tight, it actually works to their detriment. During a seller's market, greater access to credit is capitalized into higher house prices, which then generally results in home prices rising faster than, for example, incomes or rents.

In the Tampa, FL metro, the most recent mortgage default rate data is for the 2nd quarter of 2023, which stood at 10.9%, compared to 11.6% for the nation. The mortgage default rate in the Tampa, FL metro decreased from a year ago, when the mortgage default rate stood at 11.7%.

The mortgage default rate varied substantially by market segment for the Tampa, FL metro. The mortgage default rate for entry-level buyers was 13.8%, but only 8.4% for move-up buyers.

Expected mortgage rate increases is not likely to be positive for the residential housing market. We expect pricing to stabilize and likely only moderately increase in 2023. This depends heavily on the net positive in-migration of people moving to the area from other parts of the country.

New Construction Activity:

In the second quarter of 2023, new construction share of sales added 15.9% overall to the Tampa, FL metro housing stock. This is higher than the nation, for which the new construction contribution during the same time period was 11.9%. Additions to the existing housing stock during this period varied substantially by market segment. While 11.9% was added to the entry-level tier stock, 21.2% was added to the move-up tier stock.

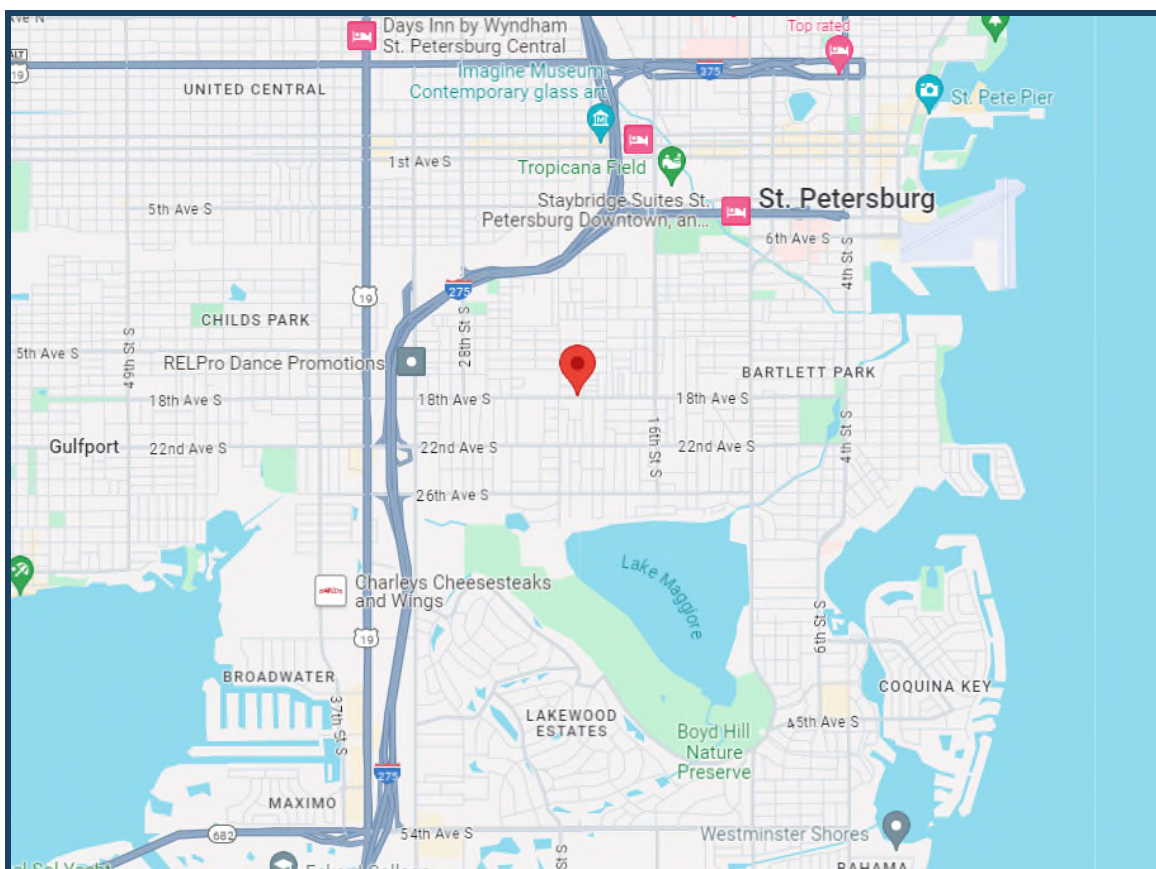
MSA Conclusion

Housing demand and prices continue to grow, while 2023 housing permits topped the previous year by 2%, housing prices are also at the highest levels since 2008. As the economy continued to improve throughout late 2022, not only did housing prices continue to rise, but residential rental rates also increased. These trends have continued into 2023 throughout the residential and commercial real estate sectors. It is unclear what effect rising interest rates will have on the economy and real estate markets. Healthcare is another key driver for the metro area—jobs in the medical profession are over 15% of the area's workforce and pay slightly more than the local average. Hiring in these elective fields is evidence that residents are optimistic about the region's recovery. This increase is also attributable to the extra demand created by the large, fast-growing senior population. Among major metro areas, the Tampa MSA maintains the largest percentage of residents older than 65, even with a population growth trend of under 20-year olds outpacing the country as a whole.

Tampa-St. Petersburg-Clearwater is expected to outpace the nation over the next two years, as an influx of residents, mostly retirees and people moving from the northeast, will drive demand for housing and other locally produced services. These transplants will contribute to its tax base, but not add as much to its tightening labor supply as a high percentage appear to be retirees and remote employees. This will also help to continue to drive the construction market. Overall, these factors have led to the lowest unemployment levels in Tampa Bay since before the COVID pandemic, a growing labor force with more people entering the job market, while driving up wages. While the hospitality industry in the beaches area has been robust over the past few years, continually breaking records, the industry is also expected to continue to slowly recover outside the beaches areas, as the US and world economies improve. The beaches continue to be some of the utmost traveled to destinations with outdoor venues especially in high demand in 2020 and 2021. These factors will ensure that Tampa Bay's income expands faster than the nation's over the forecast horizon. Robust healthcare and the outdoor lifestyle demand will be a catalyst for the foreseeable future and the outlook for the long-term economy is positive.

Neighborhood Analysis

Due to the summary format of the report, detailed information relative to regional and city trends have been summarized as follows.



Overview

The market area contains the southern portion of the City of St. Petersburg near the Fruitland Heights area and surrounding areas located in Pinellas County, Florida. The site address is 1794 22nd St S and the neighborhood area is bound by 5th Ave S to the north, 4th St S to the east, 54th Ave S to the south, and 49th St S to the west.

Access/Visibility

Within the immediate area of the subject property, transportation access helps define the character of its development. The subject neighborhood has good access to major and minor transportation facilities with ingress/egress available to I-275 from both the northern and southern portions of the area from multiple points (I-175, I-375, 22nd and 26th Avenues South, and 54th Avenue South). The major north-south roadway is 34th Street South (AKA US Highway 19), a principal arterial State Road having six divided lanes. Fourth Street South and Dr. MLK, Jr. Street South are minor arterials running north-south through the city. The gulf beach communities are accessible from the subject neighborhood within ten-fifteen minutes from 54th Avenue South via the Pinellas Bayway. The Central Business District is a five-ten minute drive to the north along 4th Street.

Land Use Patterns

The primary market area (PMA) is generally described as being residential in nature with supporting commercial development throughout the neighborhood. The PMA is approximately 98% developed with vacant land being the result of razed buildings. The approximate breakdown of land uses is as follows: Single-family 40%, Multifamily 20%, Retail 20%, Office 12%, Industrial 6%, and Vacant Land 2%. The neighborhood is in the revitalization phase of its life cycle.

Included below is a summary of some of the current and pipeline projects within the nearby area.

- The City of St. Petersburg's Mayor Ken Welch has chosen the Tampa Bay Rays and Hines Development team to redevelop the 86-acre Historic Gas Plant District. The team proposed a 7 million-square-foot redevelopment plan for a mixed-use community that would surround a new ballpark for the Rays, which will have a capacity of approximately 30,000. This endeavor will be one of the largest development projects in St. Pete's history. The team is proposing to build 4,800 multifamily units and 1,200 affordable/workforce residential units (on and off-site). They will also build 1.4 million square feet of office, 750,000 square feet of retail, 100,000 square feet of entertainment space including a 3,000-4,000-seat concert venue, 50,000 square feet of non-profit community space, 100,000 square feet of conference, ballroom and meeting space, 600 senior living residential units, 750 hotel rooms, 14,000 structured parking spaces and 14 acres of parks and open space.
- The ARK Innovation Center will be located on 2.5 acres of city-donated land at 4th St S and 11th Ave S. Construction began in February 2022 and opened in January 2024. There is approximately 30,000 square feet of client space, plus co-working/collaboration space, a 160-person event center, an innovation lab for prototyping, a mixed reality studio, two state of the art classrooms, offices and conference rooms. The aim is to help entrepreneurs and boost the startup activity in the region.
- The Sankofa project is a plan to redevelop approximately 2.8 acres along 22nd St, known as the Deuces Rising area. The project will cost approximately \$22 million, and the city is contributing around \$19 million, and will feature 24 affordable townhomes on 1.6 acres on the western portion of the site. Original plans called for 28,000 to 35,000 square feet of commercial space, 2,000 square feet of coworking space and a 3,000 square foot Digital Tech Incubator but have been set aside for now. The townhomes will range from one to three bedrooms.
- Marina Walk Apartments is a recently completed apartment project that contains 245 units in an 8 story, U-Shaped building that surrounds the pool area. There are one-bedroom and two-bedroom units available.
- Skyway Lofts is a recently completed family housing community located at 3900 34th St S and 3319 39th Ave S. It is a two building, mid-rise affordable housing community consisting of 16 one-bedroom and 49 two-bedroom units. All apartments are equipped with energy efficient features, a kitchen, bathroom and storage closets. Amenities include a clubhouse, on-site laundry and free parking.

Public Facilities/ Services

The neighborhood is served by all public utilities and services that appear adequate.

Neighborhood Demographics

The tables on the following page present the subject neighborhood demographics for a one-, three- and five-mile radius from the subject property.

Demographic Data

Population characteristics and income levels were obtained from STBOnline for 1, 3, and 5-mile radii near the subject's location. A summary of the information is presented in the following tables.

POPULATION

	1 mile	3 miles	5 miles
2010 Population	13,496	102,313	207,239
2020 Population	14,291	110,603	218,898
2023 Population	14,430	113,178	222,021
2028 Population	14,545	116,557	224,279
2010-2020 Annual Rate	0.57%	0.78%	0.55%
2020-2023 Annual Rate	0.30%	0.71%	0.44%
2023-2028 Annual Rate	0.16%	0.59%	0.20%
2020 Median Age	37.1	42.6	45.7
2023 Median Age	36.8	42.8	46.3

TAMPA-ST. PETERSBURG-CLEARWATER MSA



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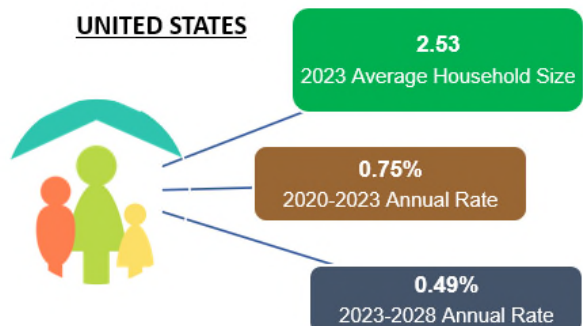
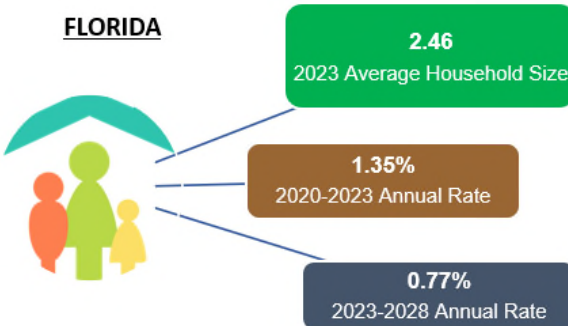
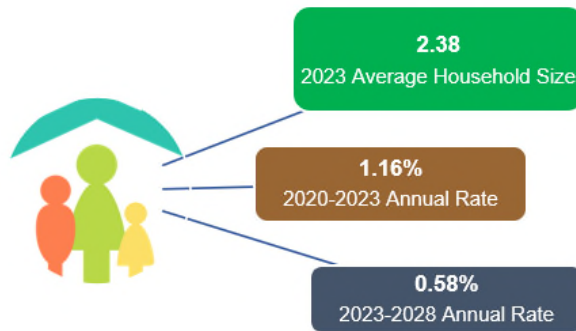
In the identified area, the current year population is 222,021. In 2020, the Census count in the area was 218,898. The rate of change since 2020 was 0.44% annually. The five-year projection for the population in the area is 224,279 representing a change of 0.20% annually from 2023 to 2028.

HOUSEHOLD

	1 mile	3 miles	5 miles
2023 Wealth Index	37	72	88
2010 Households	4,830	44,614	92,558
2020 Households	5,256	51,781	102,054
2023 Households	5,328	53,974	104,380
2028 Households	5,414	56,680	107,007
2010-2020 Annual Rate	0.85%	1.50%	0.98%
2020-2023 Annual Rate	0.42%	1.28%	0.70%
2023-2028 Annual Rate	0.32%	0.98%	0.50%
2023 Average Household Size	2.66	2.04	2.07

The household count in this area has changed from 102,054 in 2020 to 104,380 in the current year, a change of 0.70% annually. The five-year projection of households is 107,007, a change of 0.50% annually from the current year total. Average household size is currently 2.07, compared to 2.08 in the year 2020. The number of families in the current year is 54,020 in the specified area.

TAMPA-ST. PETERSBURG-CLEARWATER MSA



INCOME

	1 mile	3 miles	5 miles
Mortgage Income			
2023 Percent of Income for Mortgage	20.5%	34.7%	32.5%
Median Household Income			
2023 Median Household Income	\$42,489	\$59,682	\$63,442
2028 Median Household Income	\$50,295	\$68,467	\$74,368
2023-2028 Annual Rate	3.43%	2.78%	3.23%
Average Household Income			
2023 Average Household Income	\$57,123	\$89,952	\$96,126
2028 Average Household Income	\$64,461	\$103,781	\$111,049
2023-2028 Annual Rate	2.45%	2.90%	2.93%
Per Capita Income			
2023 Per Capita Income	\$21,473	\$42,902	\$45,267
2028 Per Capita Income	\$24,450	\$50,454	\$53,043
2023-2028 Annual Rate	2.63%	3.30%	3.22%

Current median household income is \$42,489 in the area, compared to \$72,603 for all U.S. households. Median household income is projected to be \$50,295 in five years, compared to \$82,410 for all U.S. households.

Current average household income is \$57,123 in this area, compared to \$107,008 for all U.S. households. Average household income is projected to be \$64,461 in five years, compared to \$122,048 for all U.S. households.

Current per capita income is \$21,473 in the area, compared to the U.S. per capita income of \$41,310. The per capita income is projected to be \$24,450 in five years, compared to \$47,525 for all U.S. households.

TAMPA-ST. PETERSBURG-CLEARWATER MSA



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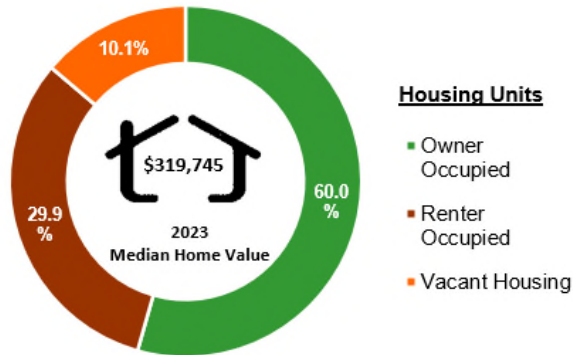


HOUSING

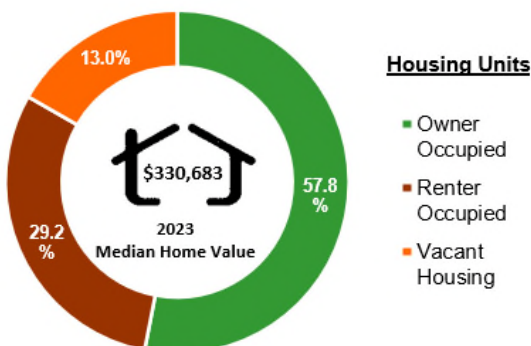
	1 mile	3 miles	5 miles
2023 Housing Affordability Index	120	72	77
2010 Total Housing Units	5,976	55,203	112,659
2010 Owner Occupied Housing Units	2,644	23,438	57,175
2010 Renter Occupied Housing Units	2,185	21,176	35,374
2010 Vacant Housing Units	1,146	10,589	20,101
2020 Total Housing Units	5,838	58,764	116,512
2020 Owner Occupied Housing Units	2,318	24,750	59,641
2020 Renter Occupied Housing Units	2,938	27,031	42,413
2020 Vacant Housing Units	576	6,953	14,450
2023 Total Housing Units	5,842	60,841	118,309
2023 Owner Occupied Housing Units	2,852	27,551	64,842
2023 Renter Occupied Housing Units	2,476	26,423	39,538
2023 Vacant Housing Units	514	6,867	13,929
2028 Total Housing Units	5,876	62,744	120,460
2028 Owner Occupied Housing Units	2,978	28,498	66,367
2028 Renter Occupied Housing Units	2,436	28,183	40,640
2028 Vacant Housing Units	462	6,064	13,453

Currently, 54.8% of the 118,309 housing units in the area are owner occupied; 33.4%, renter occupied; and 11.8% are vacant. Currently, in the U.S., 58.5% of the housing units in the area are owner occupied; 31.7% are renter occupied; and 9.8% are vacant. In 2020, there were 116,512 housing units in the area and 12.4% vacant housing units. The annual rate of change in housing units since 2020 is 0.47%. Median home value in the area is \$342,793, compared to a median home value of \$308,943 for the U.S. In five years, median value is projected to change by 1.12% annually to \$362,409.

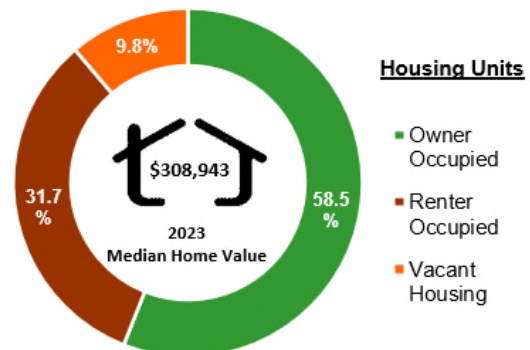
TAMPA-ST. PETERSBURG-CLEARWATER MSA



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Conclusion

The subject is located in south St. Petersburg, FL. The area is nearly completely developed. The neighborhood is well located and is within commuting distance of other areas of Pinellas County and surrounding communities along the barrier islands. The accessibility of the locale is enhanced by its proximity to Alt US-19, US-19, I-275, and US-92. Given its location characteristics and being mostly built-out, a slow but steady population growth is expected within 3 miles of the subject over the next several years. The long-term outlook for the neighborhood is anticipated to be one of continued slow growth, re-development, and demand into the foreseeable future.

Retail Market Analysis

The subject property is classified as a property within the general Tampa Bay MSA market area based property classifications from the CoStar Group, Inc., a leading provider of real estate information services. The following analysis will present a macro level analysis of this property type within the generally defined market area of Tampa Bay MSA and a micro level analysis of this property type which is defined as the South Pinellas submarket.

Tampa Bay MSA Market Area

The following table presents the historical market performance for the market area.

**Tampa Bay MSA Market
Retail Market Statistics**

Quarter	Number of Buildings	Total Inventory	Under Construction	Buildings Delivered	Square Feet Delivered	Absorption SF Total	Vacancy Rate	Direct Rental Rate
2023 Q4	15,305	176,139,386	556,458	29	245,213	32,590	2.6%	\$23.28
2023 Q3	15,277	175,900,969	763,790	23	192,774	95,257	2.6%	\$22.56
2023 Q2	15,258	175,923,301	877,515	17	248,678	123,907	2.6%	\$21.94
2023 Q1	15,243	175,682,981	1,006,385	30	326,101	274,732	2.6%	\$21.38
2022 Q4	15,219	175,437,329	1,064,437	22	157,917	319,023	2.5%	\$20.44
2022 Q3	15,203	175,432,210	1,009,050	35	366,661	225,635	2.7%	\$19.59
2022 Q2	15,171	175,116,821	1,139,544	26	384,259	892,362	2.7%	\$18.85
2022 Q1	15,150	174,759,137	1,102,077	20	141,896	326,369	3.1%	\$19.11
2021 Q4	15,136	174,696,674	903,932	24	171,613	271,643	3.3%	\$18.19
2021 Q3	15,118	174,645,850	653,884	19	230,600	798,079	3.3%	\$17.68
2021 Q2	15,100	174,429,552	624,115	16	222,894	372,601	3.6%	\$17.72
2021 Q1	15,086	174,229,584	620,068	29	476,945	259,614	4.0%	\$17.57
2020 Q4	15,066	173,936,511	864,829	23	407,458	233,031	3.9%	\$17.67
2020 Q3	15,051	173,643,498	1,084,247	39	376,254	(79,281)	3.9%	\$17.52
2020 Q2	15,017	173,729,233	1,209,593	27	268,142	(396,333)	3.8%	\$17.39
2020 Q1	15,006	173,806,757	1,059,165	48	377,392	148,087	3.7%	\$17.19
2019 Q4	14,969	173,475,038	1,000,212	16	145,352	115,054	3.6%	\$17.07
2019 Q3	14,968	173,412,311	739,768	42	512,560	459,351	3.8%	\$16.79
2019 Q2	14,944	173,067,716	996,014	43	401,986	616,032	3.8%	\$16.63
2019 Q1	14,903	172,677,543	1,151,642	31	380,020	484,881	4.0%	\$16.36
Minimum	14,903	172,677,543	556,458	16	141,896	(396,333)	2.5%	\$16.36
Maximum	15,305	176,139,386	1,209,593	48	512,560	892,362	4.0%	\$23.28
Median	15,109	174,537,701	998,113	27	297,122	265,629	3.5%	\$17.70
Mean	15,110	174,507,120	921,336	28	301,736	278,632	3.3%	\$18.75

Inventory

The Tampa Bay MSA market contains an overall inventory of 176,139,386 square feet of rentable area within 15,305 buildings. This equates to an average building size of 11,509 square feet.

Construction

There is currently 556,458 square feet of space under construction in the market area. There were 20 quarters that reported construction over the past five years. The largest amount of construction during this time period was in the second quarter of 2020, with 1,209,593 square feet constructed.

Deliveries

The most recent quarter reported 29 buildings delivered, containing 245,213 square feet of rentable area. There has been a total of 6,034,715 square feet in 559 buildings over the past five years.

Absorption

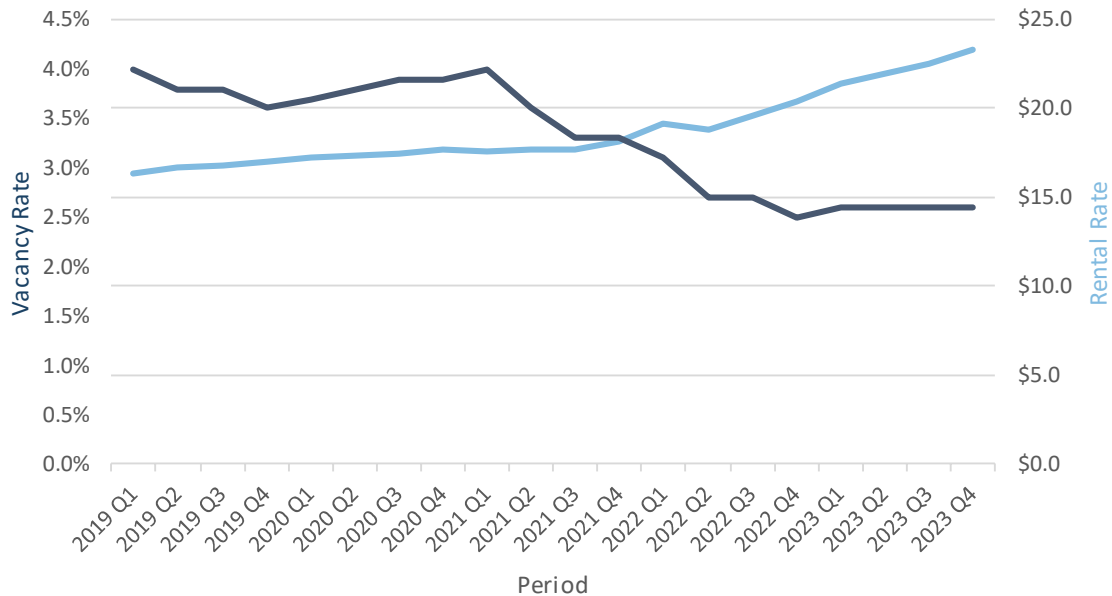
The most recent quarter reported positive 32,590 square feet of absorption. Absorption in the market over the past five years has been positive with an aggregate of 5,572,634 square feet absorbed.

Rental Rates and Vacancy

The average quoted rental rate in the Tampa Bay MSA market was \$23.28 per square foot for the most recent quarter. This represents the highest rental rate over the past 20 quarters. The lowest rental rate over the past five years in the market was in the first quarter of 2019 at \$16.36 per square foot. The vacancy rate in the Tampa Bay MSA market was 2.6% in the most recent quarter.

The following table presents the vacancy rate and rental rate relationship for the market area.

Vacancy-Rental Rate Comparison



The above graph indicates the market's vacancy rates have been slowly decreasing over the past five years, while the rental rates have been increasing as the economy continues to improve.

Tampa Bay MSA Market Area Conclusion

Overall, the Tampa Bay MSA market has been moderately growing with generally positive absorption figures, along with stable rental rates and stable vacancy rates. Based on all data presented, it has been concluded the market area is expected to display moderate growth into the foreseeable future.

South Pinellas Submarket Area

The following table presents the historical market performance for the submarket area.

South Pinellas Submarket Retail Market Statistics

Quarter	Number of Buildings	Total Inventory	Under Construction	Buildings Delivered	Square Feet Delivered	Absorption SF Total	Vacancy Rate	Direct Rental Rate
2023 Q4	2,258	20,340,255	22,811	1	6,514	11,318	2.8%	\$24.79
2023 Q3	2,258	20,340,537	29,325	3	65,356	66,316	2.8%	\$23.98
2023 Q2	2,257	20,285,262	94,681	1	5,000	22,514	2.8%	\$23.79
2023 Q1	2,257	20,284,059	88,543	2	105,600	21,323	3.0%	\$24.05
2022 Q4	2,256	20,217,380	159,587	1	2,198	14,792	2.6%	\$21.30
2022 Q3	2,257	20,340,772	107,798	2	35,408	(32,771)	2.6%	\$17.58
2022 Q2	2,257	20,326,636	137,606	1	6,500	80,032	2.6%	\$17.40
2022 Q1	2,256	20,320,136	36,306	0	0	105,257	3.2%	\$17.62
2021 Q4	2,257	20,324,692	34,108	0	0	(90,835)	3.7%	\$16.79
2021 Q3	2,259	20,366,892	34,108	0	0	227,778	3.6%	\$15.65
2021 Q2	2,260	20,381,194	34,108	2	8,000	(25,316)	4.8%	\$17.12
2021 Q1	2,258	20,373,194	14,500	3	13,843	(19,962)	5.5%	\$16.59
2020 Q4	2,255	20,359,351	21,843	2	25,542	52,080	5.4%	\$16.71
2020 Q3	2,254	20,346,204	47,385	2	22,246	(147,631)	5.3%	\$16.89
2020 Q2	2,252	20,323,958	69,631	4	106,195	100,492	4.6%	\$17.34
2020 Q1	2,250	20,279,244	155,554	1	7,400	(117,217)	4.5%	\$18.34
2019 Q4	2,253	20,302,425	161,711	0	0	(602)	4.2%	\$19.31
2019 Q3	2,253	20,302,425	104,400	2	25,447	9,571	4.6%	\$18.97
2019 Q2	2,255	20,403,178	119,447	3	13,119	10,840	4.5%	\$19.56
2019 Q1	2,252	20,390,059	132,566	0	0	35,456	5.1%	\$20.14
Minimum	2,250	20,217,380	14,500	0	0	(147,631)	2.6%	\$15.65
Maximum	2,260	20,403,178	161,711	4	106,195	227,778	5.5%	\$24.79
Median	2,257	20,333,446	79,087	2	7,700	13,055	4.0%	\$17.98
Mean	2,256	20,330,393	80,301	2	22,418	16,172	3.9%	\$19.20

Inventory

The South Pinellas submarket contains an overall inventory of 20,340,255 square feet of rentable area within 2,258 buildings. This equates to an average building size of 9,008 square feet.

Construction

There is currently 22,811 square feet of space under construction in the market area. There were 20 quarters that reported construction over the past five years.

Deliveries

The most recent quarter reported 1 buildings delivered, containing 6,514 square feet of rentable area.

Absorption

The most recent quarter reported positive 11,318 square feet of absorption. Absorption in the market over the past five years has been positive with an aggregate of 323,435 square feet absorbed.

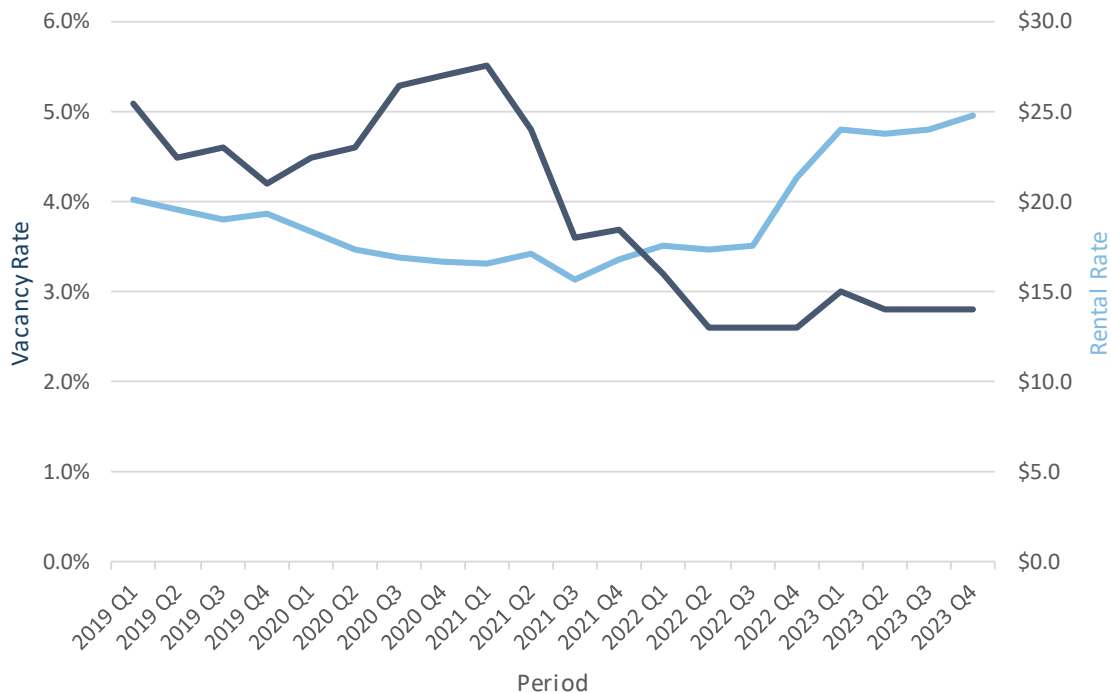
Rental Rates and Vacancy

The average quoted rental rate in the South Pinellas market was \$24.79 per square foot for the most recent quarter. This represents the highest rental rate over the past 20 quarters. The highest rental rate over the past five years in the market was in the fourth quarter of 2023 at \$24.79 per square foot. The lowest rental rate over the past five years in the market was in the third quarter of 2021 at \$15.65 per square foot.

The vacancy rate in the South Pinellas market was 2.8% in the most recent quarter.

The following table presents the vacancy rate and rental rate relationship for the market area.

Vacancy-Rental Rate Comparison



The above graph indicates the market's vacancy rates have been decreasing over the past five years, while the rental rates have been increasing as the economy continues to improve.

South Pinellas Market Area Conclusion

Overall, the South Pinellas submarket has been moderately growing with generally positive absorption figures, along with stable rental rates and stable vacancy rates. Based on all data presented, the submarket displays similar fundamentals compared to the market area; and it has been concluded the submarket area is expected to display moderate growth into the foreseeable future.

Subject Photographs



View of Signage



Exterior



Exterior



Exterior

Subject Photographs



Exterior



Exterior



Exterior

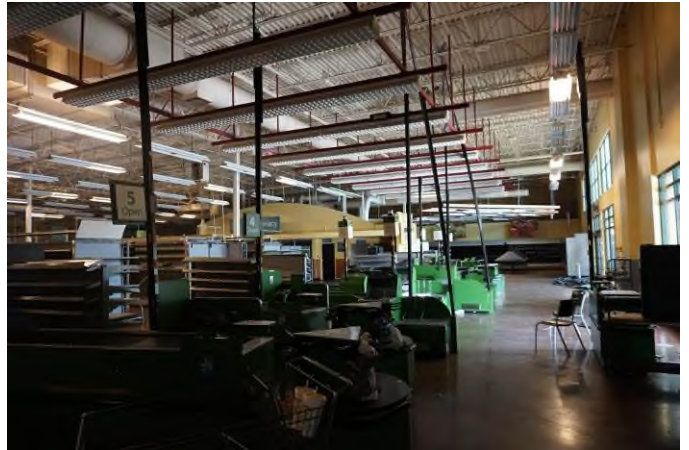


View of Parking

Subject Photographs



View of Parking



Interior of Building 1



Interior of Building 1



Interior of Building 1

Subject Photographs



Interior of Building 1



Interior of Building 1



Interior of Building 1



Interior of Building 1

Subject Photographs



Interior of Building 1



Interior of Building 1



Interior of Building 1



Interior of Building 1

Subject Photographs



Interior of Building 1



Interior of Building 1



Interior of Building 1



Interior of Building 1

Subject Photographs



Interior of Building 2



Interior of Building 2



View Looking East Along Queensboro Ave S
(Subject on Right)



View Looking South Along 22nd St S
(Subject on Left)

Subject Photographs



View Looking North Along 22nd Ave S
(Subject on Right)



View Looking East Along 18th Ave S
(Subject on Left)



View Looking South Along 21st St S
(Subject on Right)



View Looking West Along Queensboro Ave S
(Subject on Left)



Plat Map

(Outline is Approximate) Source: Pinellas County Property Appraiser



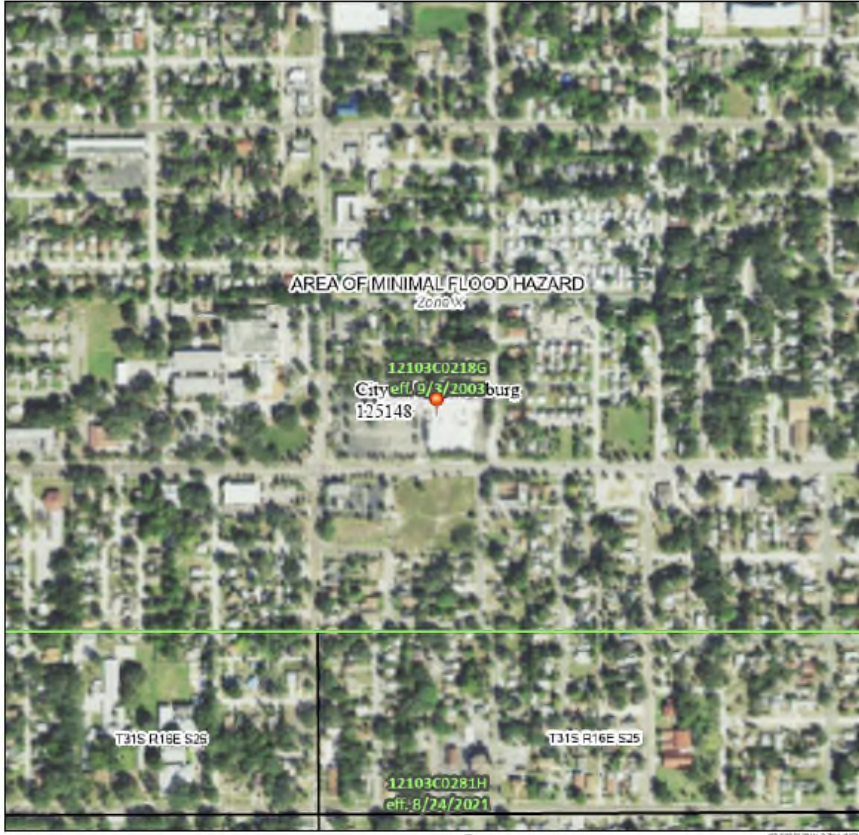
Aerial Map

(Outline is Approximate) Source: Pinellas County Property Appraiser

National Flood Hazard Layer FIRMette



ID: 40°W 27°46'25"N



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

- SPECIAL FLOOD HAZARD AREAS**
 - Without Base Flood Elevation (BFE) Zone A, A(1)
 - With BFE or Depth Zone A(2), AO, A(1)VE, A(2)
 - Regulatory Floodway
 - OTHER AREAS OF FLOOD HAZARD**
 - 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
 - Future Conditions 1% Annual Chance Flood Hazard Zone X
 - Area with Reduced Flood Risk due to Levee, See Notes, Zone X
 - Area with Flood Risk due to Levee Zone D
 - OTHER AREAS**
 - NO SCREEN Area of Minimal Flood Hazard Zone X
 - Effective LOMNs
 - Area of Undetermined Flood Hazard Zone D
 - GENERAL STRUCTURES**
 - Channel, Culvert, or Storm Sewer Levee, Dike, or Floodwall
 - OTHER FEATURES**
 - Cross Sections with 1% Annual Chance Water Surface Elevation
 - Coastal Transsect
 - Base Flood Elevation Line (BFE)
 - Limit of Study
 - Jurisdiction Boundary
 - Coastal Transsect Baseline
 - Profile Baseline
 - Hydrographic Feature
 - MAP PANELS**
 - Digital Data Available
 - No Digital Data Available
 - Unmapped
- The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The base map shown complies with FEMA's base map accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 3/23/2024 at 9:27 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: base map imagery, flood zone labels, legend, scale bar, map or region data, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and undetermined areas cannot be used for regulatory purposes.

Flood Map

Sale Comparables

Land Comparable 1

Property Data

ID	22069
Address	6th St S
City	Saint Petersburg
State	FL
Zip	33705
County	Pinellas
Latitude	27.74066312
Longitude	-82.64445267
Tax ID	31-31-17-08244-000-0101 & 31-31-17-08244-000-0105
Book/Page or Reference	21488 / 1519



Transaction

Transaction Type	Closed Sale	Date	4/14/2021
Financing	Conventional	Actual Price	\$6,400,000
Property Rights	Fee Simple	Price Adjustment	--
Conditions of Sale	Arm's Length	Price	\$6,400,000
Days on Market	--	Price Per Land SF	\$9.95
Grantor	Lexicon Properties, LLC	Price Per Acre	\$433,311
Grantee	SWD Lake Maggiore LLC	Price Per Unit	\$19,394
Legal Description	Long Legal	Sale Verification Source	Third Party Source, Public Records

Site

Acres	14.77	Topography	Gently Sloping
Land SF	643,381	Zoning	NSM-2
Road Frontage	6th St S, Dr Martin Luther King	Flood Zone	Partially in X and AE
Shape	Rectangular	Encumbrance or Easement	None Noted
Utilities	Available to Site	Environmental Issues	None Noted

Sale Comments

This 14.77-acre commercial land property located NW of 6th St S and 32nd Ave S, St. Petersburg, FL, was sold on April 14, 2021, for \$6,400,000. A 330-unit mixed-income residential development was approved by St. Petersburg's Development Review Commission and was developed by Stoneweg US, a St. Pete-based investment firm specializing in multifamily acquisitions and developments. The property was also rezoned from CCT-1 and NSM-1 to NSM-2, allowing it to build 30 units per acre or 330 units in total. At least 100 units will be income-restricted workforce housing catering to households making between 80% to 120% of Area Median Income (AMI). The community will consist of seven garden-style apartment buildings, two townhome-style buildings, a pool, outdoor amenity area, a club house, leasing office, dog park and community garden area. Each residential building will vary between two and four stories. Along 6th Street South will be two two-story townhome-style buildings with seven units each. At the center of the project will be a larger four-story building with 136 units, which will be flanked by six three-story buildings.

Land Comparable 2

Property Data

ID	24764
Address	1682 18th Ave S
City	St. Petersburg
State	FL
Zip	33712
County	Pinellas
Latitude	27.7518265
Longitude	-82.656657
Tax ID	25-31-16-29664-005-0100
Book/Page or Reference	21952/0971



Transaction

Transaction Type	Closed Sale	Date	2/21/2022
Financing	Conventional	Actual Price	\$225,000
Property Rights	Fee Simple	Price Adjustment	--
Conditions of Sale	Arm's Length	Price	\$225,000
Days on Market	--	Price Per Land SF	\$13.78
Grantor	SH St Pete II, LLC	Price Per Acre	\$600,144
Grantee	Simmons Investment Group,	Price Per Unit	\$20,455
Legal Description	FRUITLAND HEIGHTS BLK E,	Sale Verification Source	Broker, Third Party Source, Public Records

Site

Acres	0.37	Topography	Gently Sloping
Land SF	16,331	Zoning	CRT-1
Road Frontage	18th Ave S & 17th St S	Flood Zone	Zone X
Shape	Rectangular	Encumbrance or Easement	None Noted
Utilities	All to Site	Environmental Issues	None Noted

Sale Comments

This vacant land parcel located at 1682 18th Ave S, St Petersburg, FL, was sold on February 21, 2022, for \$225,000. The broker indicated the site sold without any entitlements, but the seller had a site plan for an 11-unit residential development.

Land Comparable 3

Property Data

ID	22067
Address	3200-3300 Fairfield Ave S & 695 31st St S
City	Saint Petersburg
State	FL
Zip	33712
County	Pinellas
Latitude	27.76311017
Longitude	-82.67744558
Tax ID	23-31-16-18736-000-0020, 23-31-16-18736-000-0010, 23-31-16-18736-000-0030
Book/Page or Reference	22357/1382 & 1482



Transaction

Transaction Type	Closed Sale	Date	2/22/2023
Financing	Conventional	Actual Price	\$5,600,000
Property Rights	Fee Simple	Price Adjustment	\$250,000
Conditions of Sale	Arm's Length	Price	\$5,850,000
Days on Market	--	Price Per Land SF	\$19.41
Grantor	Fairfield Office LLC & Fairfiled	Price Per Acre	\$845,632
Grantee	WILKES 4TH STREET	Price Per Unit	\$22,159
Legal Description	--	Sale Verification Source	Buyer, Third Party Source, Public Records

Site

Acres	6.92	Topography	Gently Sloping
Land SF	301,344	Zoning	IT
Road Frontage	Fairfield Ave S	Flood Zone	Zone X
Shape	Rectangular	Encumbrance or Easement	None Noted
Utilities	All to Site	Environmental Issues	None Noted

Sale Comments

Sale of three parcels that sold under two separate contracts from two different two entities. Parcels 23-31-16-18736-000-0010 and 23-31-16-18736-000-0020 sold for \$4,088,000 and Parcel 23-31-16-18736-000-0030 sold for \$1,512,000 for a total combined price of \$5,600,000. The sale was contingent upon the buyer's gaining approvals from the city of St. Petersburg to redevelop the property into affordable housing. The sale was an off-market transaction without the use of broker. The buyer purchased the property with the intention of redeveloping the site into a 264 unit multifamily affordable housing complex. The buyer anticipated \$250,000 in demolition costs. The site is located in an industrial zone and received a nontransferable approval for multifamily development through a State Law and City Ordinance permitting the rezoning of the site to affordable housing.

Land Comparable 4

Property Data

ID	23282
Address	13707 58th St N
City	Largo
State	FL
Zip	33760
County	Pinellas
Latitude	27.89638222
Longitude	-82.71167544
Tax ID	04-30-16-77515-000-0201
Book/Page or Reference	22609/102



Transaction

Transaction Type	Closed Sale	Date	10/27/2023
Financing	Conventional	Actual Price	\$695,000
Property Rights	Fee Simple	Price Adjustment	--
Conditions of Sale	Arm's Length	Price	\$695,000
Days on Market	322	Price Per Land SF	\$10.39
Grantor	St Petersburg College	Price Per Acre	\$452,380
Grantee	Robot Risers LLC	Price Per Unit	--
Legal Description	Long Legal	Sale Verification Source	Broker, Third Party Source, Public Records

Site

Acres	1.54	Topography	Gently Sloping
Land SF	66,922	Zoning	I - Institutional
Road Frontage	58th St N	Flood Zone	Zone AE
Shape	Irregular	Encumbrance or Easement	None Noted
Utilities	Available to Site	Environmental Issues	None Noted

Sale Comments

This vacant land parcel located at 13707 58th St N, Largo, FL, was sold on October 27, 2023 for \$695,000. The parcel was improved with drainage and a parking lot in fair condition. The broker reportedly received five offers within one month being on the market. According to the broker, the seller planned to work with a potential buyer in getting the land use changed before closing. The process typically takes nine to twelve months. The property was previously commercial before the College owned it.

Definitions

Definitions are from The Dictionary of Real Estate Appraisal, 7th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant.¹

Amortization

1. The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund.¹
2. The gradual reduction of an amount over time, such as tax depreciation of intangible items.

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.¹

Base Rent

The minimum rent stipulated in a lease.¹

Base Year

The year on which escalation clauses in a lease are based.¹

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but that are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations.²

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration.²

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy.¹

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.¹

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep.³

Condominium

An attached, detached, or stacked unit within or attached to a structure with common areas that are held as tenants in common (an undivided interest) with other owners in the project. The units can be

residential, commercial, industrial, or parking spaces or boat docks. These units are commonly defined by state laws in their locations. Because units can be stacked on top of other units, these units can be defined both vertically and horizontally.¹

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement.¹

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries.¹

Depreciation

1. In appraisal, a loss in property value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date.
2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques.¹

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time;
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
- 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.⁴

Easement

The right to use another's land for a stated purpose.¹

Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analyses, opinions, and conclusions apply.
3. The date that a lease goes into effect.¹

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income.¹

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is

¹ Dictionary of Real Estate Appraisal, 7th Edition

² Building Owners and Managers Association (BOMA)

³ International Council of Shopping Centers (ICSC), 4th Edition

⁴ Dictionary of Real Estate Appraisal, 7th Edition

effectively paid by a tenant net of financial concessions provided by a landlord. (TIs).¹

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.¹

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount.¹

Exposure Time

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.¹

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)⁵

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor.⁶

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*.¹

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory.¹

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*.⁷

Gross Building Area (GBA)

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

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces.¹

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up."¹

Gross Retail Sellout

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values* or *aggregate retail selling price*.¹

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term.¹

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land.¹

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP – Standards of Valuation Practice)
2. 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. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)¹

Insurable Value

A type of value for insurance purposes. (Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees).¹

Investment Value

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

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.¹

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.¹

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.

⁵ USPAP, 2020-2021 ed.

⁶ Building Owners and Managers Association (BOMA)

⁷ Dictionary of Real Estate Appraisal, 7th Edition

- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- 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

Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs).¹

Market Value

The most probable price that 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:

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

Marketing Time

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 and Advisory Opinion 35 of the Appraisal Standards Board of the Appraisal Foundation address the determination of reasonable exposure and marketing time.)¹

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*.¹

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., $OER = 1 - NIR$ ¹

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common or easement.¹

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property

insurance, and any other expenses determined in the lease agreement to be paid by the tenant.¹

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted.¹

Prospective Opinion of Value

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

Rentable Area

For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring the inside finished surface of the dominant portion of the permanent building walls, excluding any major permanent penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.¹

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout.¹

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same or similar materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building.¹

Retrospective Value Opinion

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

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.¹

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *net net net lease*, or *fully net lease*.¹

Use Value

The value of a property based on a specific use, which may or may not be the property's highest and best use. If the specified use is the property's highest and best use, use value will be equivalent to market value. If the specified use is not the property's highest and best use, use value will be equivalent to the property's market value based on the hypothetical condition that the only possible use is the specified use.

Value-in-Use

The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned.

Qualifications



Qualifications of Angelo Lallis Senior Real Estate Analyst

EDUCATION

Bachelor of Science in Business Management, State University of New York Empire State College, Saratoga Springs, NY

REAL ESTATE EDUCATION AND COURSES

Basic Appraisal Principles, Course R-1
Basic Appraisal Procedures, Course R-2
USPAP
Fair Housing, Fair Lending and Environmental Issues, AQ-1
Basic Income Capitalization, G-1
General Market Analysis and Highest and Best Use, G-4

Real Estate Finance Statistics, and Valuation Modeling
General Appraiser Sales Comparison Approach, G-5
General Appraiser Site Valuation and Cost Approach, G-6
General Appraiser Income Approach, G-7
General Appraiser Report Writing and Case Studies, G-8
Numerous other courses and seminars completed

REAL ESTATE EXPERIENCE

Mr. Lallis is a Commercial Real Estate Appraiser with Entreken Associates, Inc., a real estate valuation and consulting firm. Mr. Lallis has worked in the Residential and Commercial Real Estate Appraisal field for over 15 years encompassing nearly all property types including office, industrial, retail, subdivisions, multi-family and hotels. Mr. Lallis started his career as a residential appraiser in 2004 and has also worked for municipalities from 2005 to 2011 as a commercial and residential appraiser with a focus on mass appraisal modeling for property tax assessments. In 2012, he entered the commercial appraisal field and became licensed as a State Certified General Appraiser in 2013 and has completed hundreds of appraisal assignments for various clients. Mr. Lallis has been with Entreken Associates, Inc. since 2021.

 Ron DeSantis, Governor Melanie S. Griffin, 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


LALLIS, ANGELO
1100 16TH STREET NORTH
ST. PETERSBURG FL 33705

LICENSE NUMBER: RZ4211

EXPIRATION DATE: NOVEMBER 30, 2024
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Qualifications of Wesley R. Sanders, MAI, AI-GRS, CCIM
Senior Managing Director

EDUCATION

Bachelor of Science in Economics, Texas A&M University, College Station, TX
Associate in Arts in English, Blinn College, Brenham, TX
Associate in Science in Business, Blinn College, Brenham, TX

REAL ESTATE EDUCATION AND COURSES

Real Estate Appraisal	Advanced Applications	Uniform Standards of Professional Appraisal Practice
Real Estate Principles I and II	Advanced Income Capitalization	Litigation Appraising: Specialized Topics and Applications
Real Estate Brokerage	Real Estate Development	Understanding and Testing DCF Valuation Models
Law of Agency	Hotel Appraising	Report Writing & Valuation Analysis
Law of Contracts	Real Estate Math	Advanced CCIM Education
Commercial Real Estate	Advanced Sales Comparison & Cost Approaches	Avoiding Bias
Business Practices and Ethics	Florida State Law Update for R.E. Appraisers	<i>Numerous other courses and seminars completed</i>
Highest & Best Use and Market Analysis	Fundamentals of Separating Real Property	
Comprehensive Guide to Real Estate Finance	Litigation Skills for the Appraiser	
Appraisal Review Theory – General		
ARGUS Financial Software Training		

REAL ESTATE EXPERIENCE

Mr. Sanders is a Senior Managing Director of a real estate valuation and consulting firm. In the real estate profession for 20+ years, Mr. Sanders has a wide variety of real estate experience. Mr. Sanders is active in the valuation industry with completion and review of over 800 appraisals in the past few years and several thousand over his career. This includes the appraisal of a wide variety of property types, including office buildings, hotel, multifamily (conventional, student-housing, LIHTC, Fannie, Freddie, HUD 221(d) and 223(f), M.A.P. certified), industrial warehouses, gas stations, single and multi-tenant retail centers, net leased properties, self-storage and cold-storage facilities, breweries, subdivisions, proposed and existing condominium high rises, proposed water-front condominium developments, vacant land, parking garages, hotels, and special-use properties.

He has extensive experience in feasibility studies, rent studies, and valuing many different types of commercial properties for the purposes of financing, possible sale or purchase, renovation feasibility, ad valorem assessment, corporate and estate planning, and asset disposition.

He has testified as a qualified expert in Circuit Court (Second Judicial Circuit, Leon County Florida and Sixth Judicial Circuit, Pinellas County Florida), testified in US District Court (Middle District of Florida), and Deposed as a qualified expert in Circuit Court (Multiple Counties). Valuation Trends speaker at the 2014 Annual Conference for the Aggie Real Estate Network in Dallas, TX. He has also led a seminar on brewery valuation multiple times for the Appraisal Institute. National appraisal and market studies have included properties in over 15 states in the Midwest, Southeast, Northeast, and Puerto Rico.

Since 2014, Wes has closed almost \$30M in commercial real estate sales transactions. He was also directly involved in analyzing, underwriting, submitting offers, or valuations, on over \$1.5B in properties during the same timeframe. He has been involved with multiple multifamily redevelopment projects, yielding investors significant returns, well above expectations.

PROFESSIONAL DESIGNATIONS AND MEMBERSHIPS

Certified Commercial Investment Member, CCIM Institute (CCIM Designated Member).
Member, Appraisal Institute (MAI and AI-GRS Designated Member).

Currently serving on the National Board of Directors for the Appraisal Institute. He previously served on the Florida Gulf Coast Chapter of the Appraisal Institute's Education Committee in 2011, Chapter Board of Directors (2012-2014), and other positions before serving as the Chapter President in 2018. He also served as the 2016-2017 Region X Government Relations Committee Chairman after two years as Vice Chairman. Recipient of the AI Volunteer of Distinction on numerous occasions. Certified General Real Estate Appraiser in Texas and Florida. Previously licensed in multiple other states. Licensed Real Estate Broker in Texas.

Member of the National Association of Realtors, North Texas Commercial Association of Realtors, Florida Gulf Coast Chapter of the Appraisal Institute, and a Designated Member of the CCIM Institute.



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



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SANDERS, WESLEY ROY

3720 DELTA STREET
SARASOTA FL 34232

LICENSE NUMBER: RZ2911

EXPIRATION DATE: NOVEMBER 30, 2024

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