



APPRAISAL Co. OF KEY WEST

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December 19, 2017

Mr. Paul D. Kissinger, Principal
EDSA, Inc.
1512 E. Brown Boulevard, Suite 110
Fort Lauderdale, Florida 33301

Subject:

Appraisal Report: Subject Parcel "A"
Portion of Atlantic Boulevard & White Street
Key West, Monroe County, Florida 33040

Subject Parcel "B"
Portion of Charles "Sonny" McCoy Indigenous Park
1801 White Street
Key West, Monroe County, Florida 33040
Our File No.: 178-17

Dear Mr. Kissinger:

I have personally examined and appraised the above property for the purpose of reporting to you my opinion of the "*As Is*" Market Value of the Fee Simple Interest of the Subject Parcel "A" and Subject Parcel "B" as of November 14, 2017. The reader is advised to review the Scope of Work section within this report.

The assumptions and the real estate referenced above are more clearly defined in the general and extraordinary assumptions and limiting conditions and in the property description section of this report. The appraisal report has been prepared to comply with my understanding of the requirements of the Uniform Standards of Professional Appraisal Practice.

Parcel "A" is a L-shaped parcel that encompasses the intersection of Atlantic Boulevard and White Street, and extends northerly along White Street and easterly along Atlantic Boulevard. This parcel contains 12,582 square feet. The Florida Department of Transportation FDOT will abandon this portion of the right-of-way and swap with the City of Key West's Subject Parcel "B" in order to relocate the roadway. Subject Parcel "B" is a small strip of land extending from Atlantic Boulevard to White Street. This parcel contains 3,005 square feet of site area. The parcel dimensions and site area are based on a recent survey and legal descriptions prepared by Florida Keys Land Surveying dated August 29, 2017.

Mr. Paul D. Kissinger, Principal
EDSA, Inc.
December 19, 2017

Market Value is defined as the most probable price in cash (or its equivalency) for which the appraised property will sell in a competitive market under all conditions requisite to a fair sale. Market value assumes a normal or reasonable time for exposure on the open market.

This report contains the results of my investigation and analysis made in order to furnish an estimate of the "*As Is*" *Market Value of the Fee Simple Interest* of subject property. The Fee Simple Estate is the unencumbered value of the subject property; basically, market rents and terms are considered with no regard to existing leases and terms. The Leased Fee Interest is an ownership interest held by the landlord, who conveys the rights of use and occupancy to a tenant by lease. The landlord's rights include the right to receive rent and the right of possession at the end of the lease period. In the case at hand, there are no leases encumbering the subject property. As a result, a Fee Simple analysis was performed for the subject properties.

It is my opinion, based on analysis of market data, and site visit to the subject property and research, that the "*As Is*" *Market Value of the Fee Simple Interest* in Subject Parcel "A", a portion of Atlantic Boulevard and White Street, Key West, Monroe County, Florida, subject to definitions, assumptions and limiting conditions, as of November 14, 2017 is:

ONE MILLION ONE HUNDRED THIRTY THOUSAND DOLLARS
(\$1,130,000)

In addition, it is my opinion, based on analysis of market data, and site visit to the subject property and research, that the "*As Is*" *Market Value of the Fee Simple Interest* in Subject Parcel "B", a portion of Indigenous Park, 1801 White Street, Key West, Monroe County, Florida, subject to definitions, assumptions and limiting conditions, as of November 14, 2017 is:

TWO HUNDRED FIFTY THOUSAND DOLLARS
(\$250,000)

The attached appraisal report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in the attached report. The appraiser is not responsible for unauthorized use of this report. The reader is referred to the scope of work section of the report.

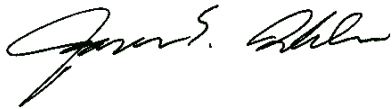
This confidential report was prepared for the sole use of and benefits of EDSA, Inc. and is based, in part, upon documents, writings, and information owned and possessed by EDSA, Inc. This report is provided for informational purposes only to third parties authorized to receive it. The appraiser-client relationship

Mr. Paul D. Kissinger, Principal
EDSA, Inc.
December 19, 2017

is with, EDSA, Inc, as the client. This report should not be used for any purpose other than to understand the information available to client concerning this property. The Appraisal Company of Key West assumes no responsibility if this report is used in any other manner.

If you have any questions regarding the attached appraisal report, please feel free to contact us. Thank you for giving me the opportunity to provide this service for you.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "James E. Wilson".

James E. Wilson, President, MRICS
State-certified general real estate appraiser
RZ 2164

A handwritten signature in cursive script, appearing to read "Blair C. Lee".

Blair C. Lee, MAI, Reviewer
State-certified general real estate appraiser
RZ 2125

Report Attached:
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APPRAISAL REPORT

Property Type:

PARCEL "A"

INTERSECTION OF WHITE STREET AND ATLANTIC BOULEVARD, RIGHT-OF WAYS

PARCEL "B"

STRIP OF LAND, PART OF INDIGENOUS PARK PARKING LOT

Commonly Known As:

PORTIONS OF INDIGENOUS PARK, PLUS A PORTION OF
ATLANTIC BOULEVARD AND WHITE STREET
KEY WEST, FLORIDA 33040

Prepared For:

MR. PAUL D. KISSINGER, PRINCIPAL
EDSA, INC.
1512 E. BROWN BOULEVARD, SUITE 110
FORT LAUDERDALE, FLORIDA 33301

Valuation Dates:

NOVEMBER 14, 2017

Prepared By:

James E. Wilson, MRICS, President
State-certified general real estate appraiser
RZ 2164

Blair C. Lee, MAI, Reviewer
State-certified general real estate appraiser
RZ 2125

APPRAISAL COMPANY OF KEY WEST
3144 Northside Drive, Suite 201
Key West, Florida 33040

OUR FILE NO.: 178-17

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SUMMARY OF FACTS AND CONCLUSIONS

Subject Property Address: Subject Parcel "A"

Portion of Atlantic Boulevard & White Street
Key West, Monroe County, FL 33040

Subject Parcel "B"

Portion of Charles "Sonny" McCoy Indigenous Park
1801 White Street
Key West, Monroe County, FL 33040

Property Type:

Parcel "A"

Intersection of White Street and Atlantic Boulevard, Right-of Ways

Parcel "B"

Strip of Land, Part of Indigenous Park Parking Lot

Land Size:

Parcel "A"

12,582 Square Feet

Parcel "B"

3,005 Square Feet

Zoning:

PS, Public & Semipublic Service

Highest & Best Use:

The highest and best use is to swap the subject parcels in order to accommodate the proposed roadway changes.

"As Is" Market Value of Fee Simple Estate:

<u>Reconciliation</u>	
<i>Subject Parcel "A"</i>	
<i>Portion of White St. & Atlantic Blvd., Key West, FL</i>	
"As Is" Fee Simple	
Valuation Method:	Market Value
Cost Approach:	Not-Applicable
Income Approach:	Not-Applicable
Sales Comparison Approach:	\$ 1,130,000
"As Is" Market Value as of November 14, 2017 (Rnd):	\$ 1,130,000

<u>Reconciliation</u> <i>Subject Parcel "B"</i> <i>Portion of Indigenous Park, Key West, FL</i>	
"As Is" Fee Simple	
Valuation Method:	Market Value
Cost Approach:	Not-Applicable
Income Approach:	Not-Applicable
Sales Comparison Approach:	\$ 250,000
"As Is" Market Value as of November 14, 2017 (Rnd):	\$ 250,000

Date of Valuation: November 14, 2017

Date of Site Visit: November 14, 2017

Date of Report: December 18, 2017

Marketing Time: 12 months or less based on a list price within 5 percent of appraised value and based on stable economic conditions. Please refer to further discussion and support in report.

Exposure Time: Equal to present marketing time.

Extraordinary Assumptions: None

Hypothetical Conditions: None

AN APPRAISAL REPORT

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CLIENT: Mr. Paul D. Kissinger, Principal
 EDSA, Inc.
 1512 E. Brown Boulevard, Suite 110
 Fort Lauderdale, Florida 33301

APPRAISERS: James E. Wilson, MRICS, President
 State-certified general real estate appraiser
 RZ 2164

 Blair C. Lee, MAI, Reviewer
 State-certified general real estate appraiser
 RZ 2125

SUBJECT

PARCEL "A": Portion of Atlantic Boulevard & White Street
 Key West, Monroe County, Florida 33040

SUBJECT

PARCEL "B": Portion of Charles "Sonny" McCoy Indigenous Park
 1801 White Street
 Key West, Monroe County, Florida 33040

SUBJECT PROPERTY PHOTOGRAPHS



View of Subject Parcel "B" Looking Northwesternly



View of Subject Parcel "A" Looking Southeasterly Along Atlantic Boulevard

SUBJECT PROPERTY PHOTOGRAPHS



View of Subject Parcel "A" Looking Southwesterly Along Atlantic Boulevard



View of Subject Parcel "B" Looking Northwesterly

SUBJECT PROPERTY PHOTOGRAPHS



View of Subject Parcel "A" Looking Northwesternly Along White Street



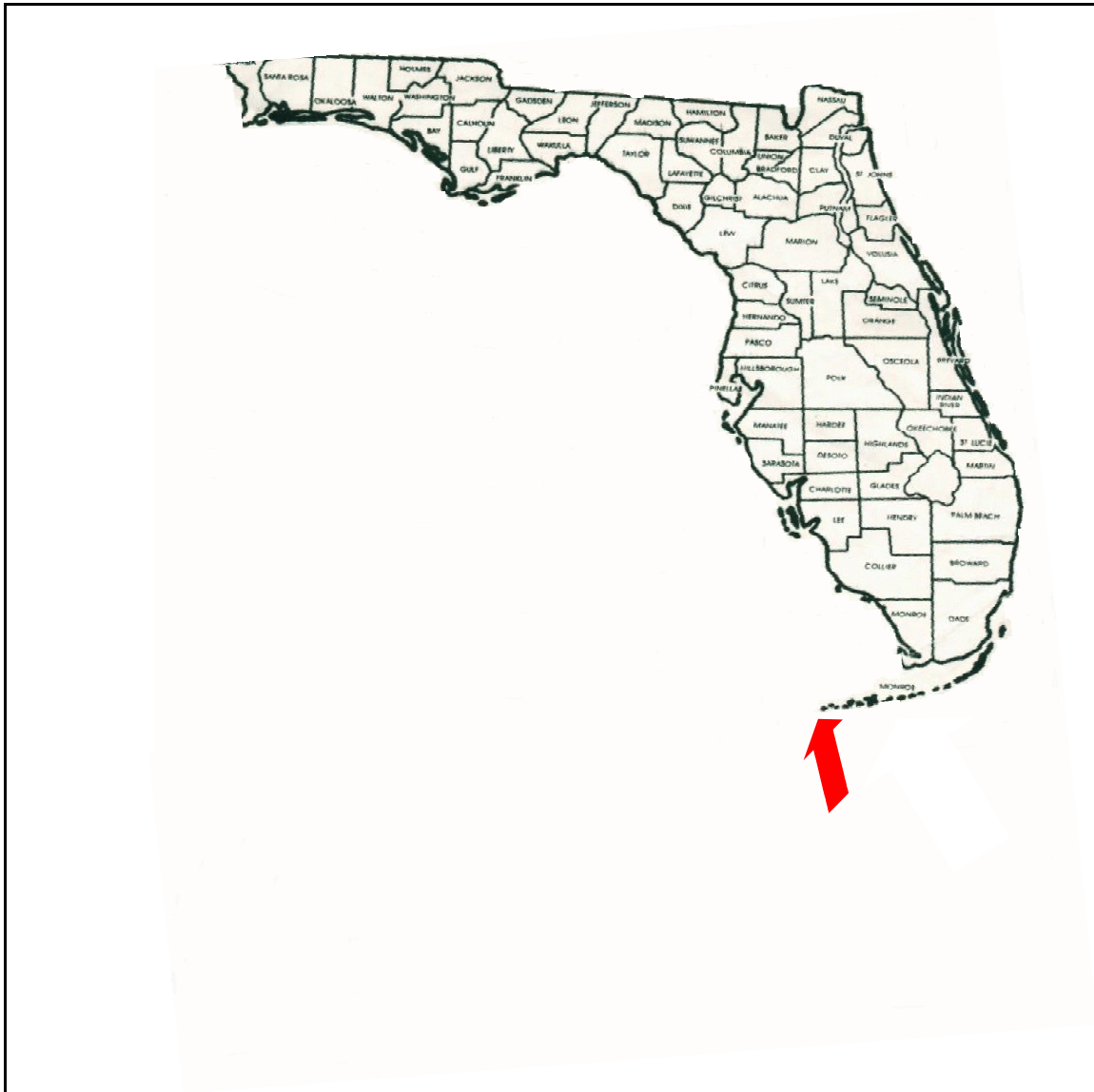
View of Subject Parcel "A" Looking Southerly Along White Street

SUBJECT PROPERTY PHOTOGRAPHS

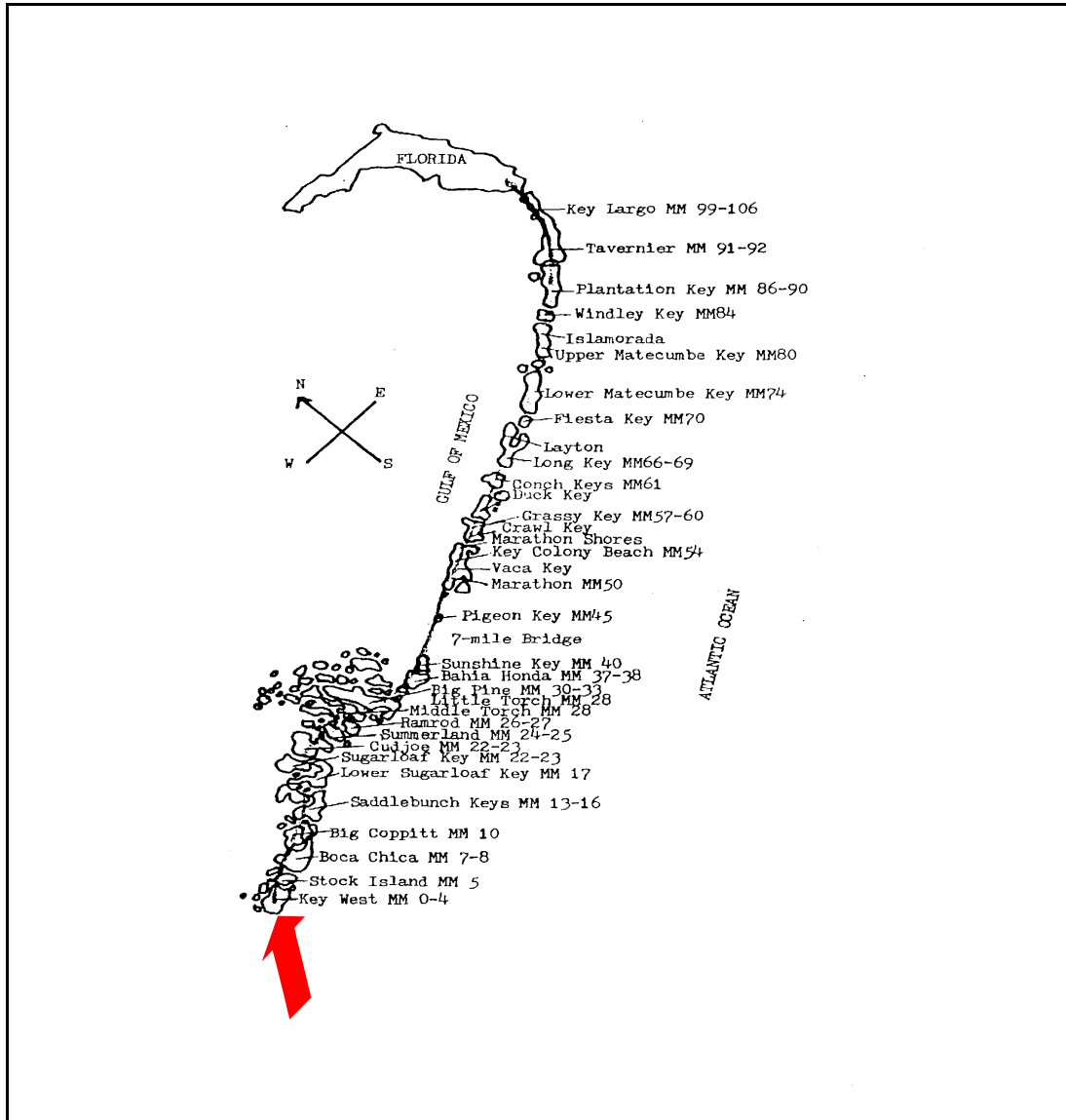


View of Subject Parcel “A” and “B” Looking Westerly From the Intersection of White Street and Atlantic Boulevard

STATE MAP



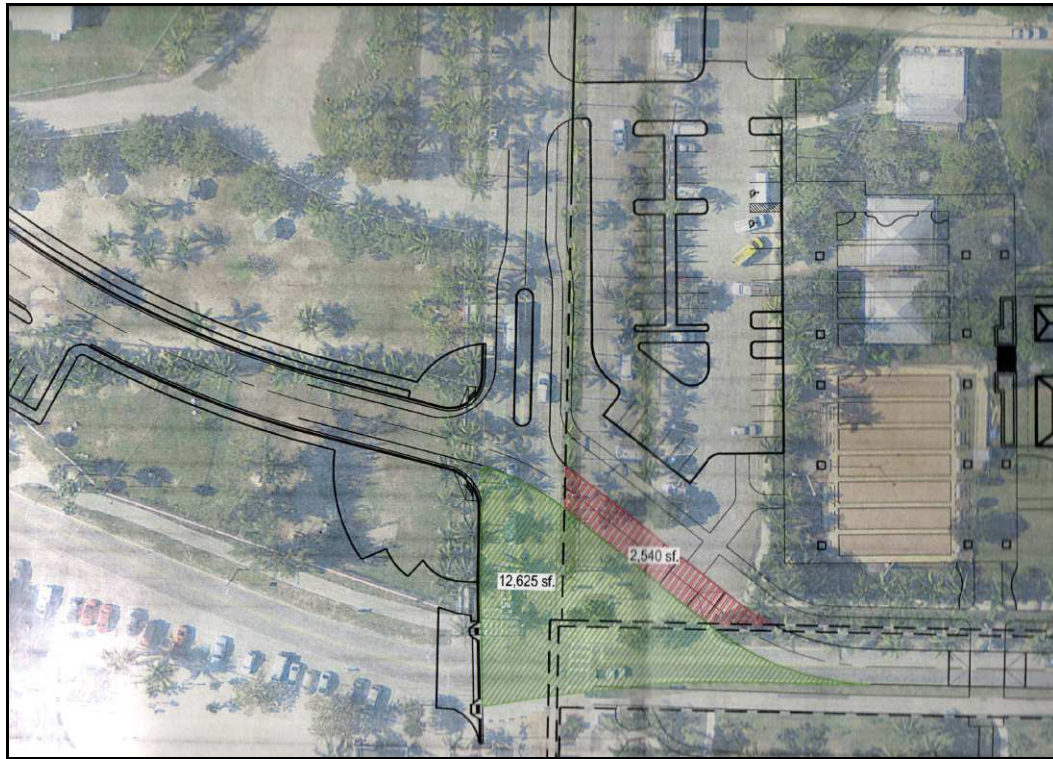
FLORIDA KEYS MAP



LOCATION MAP

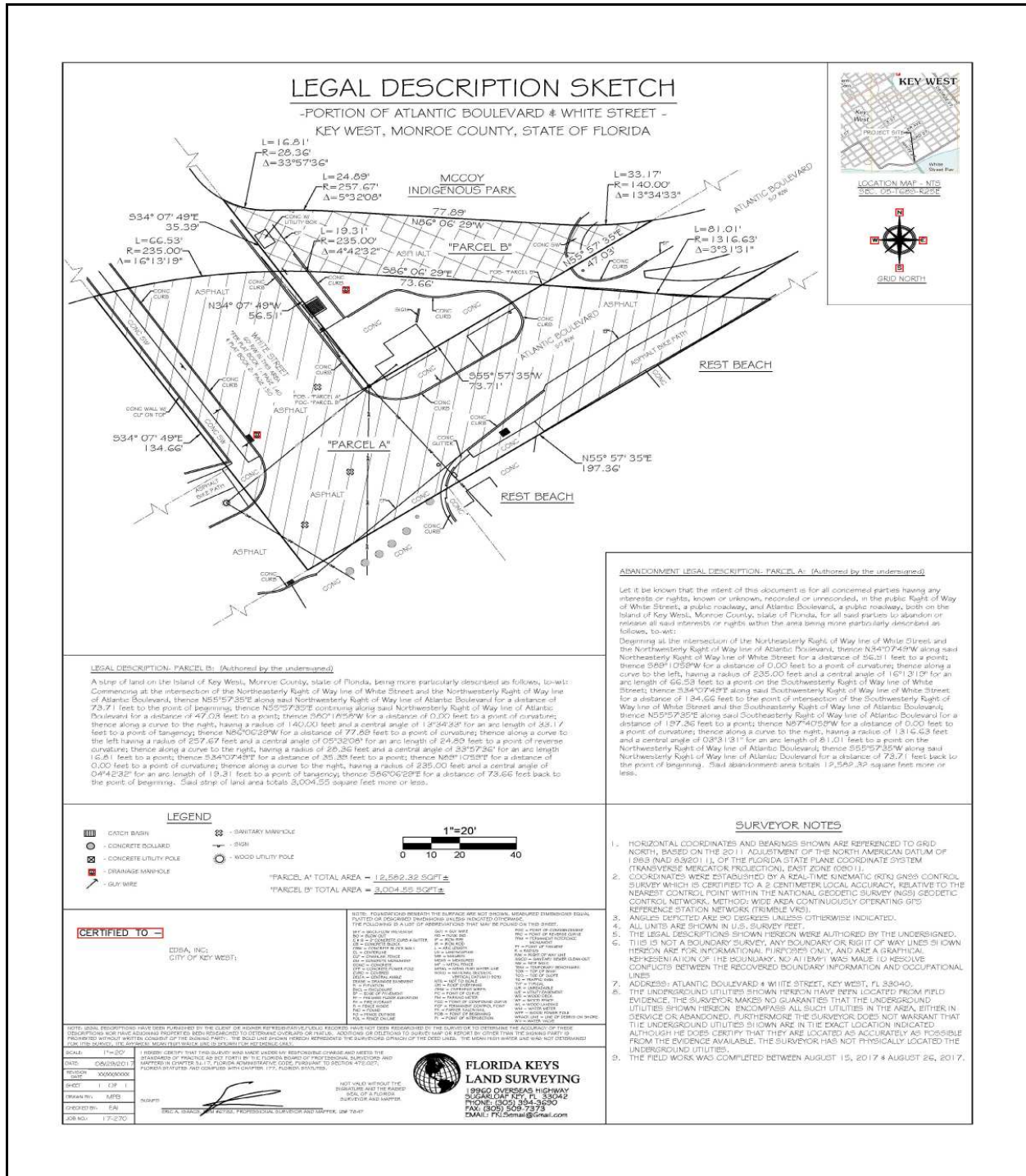


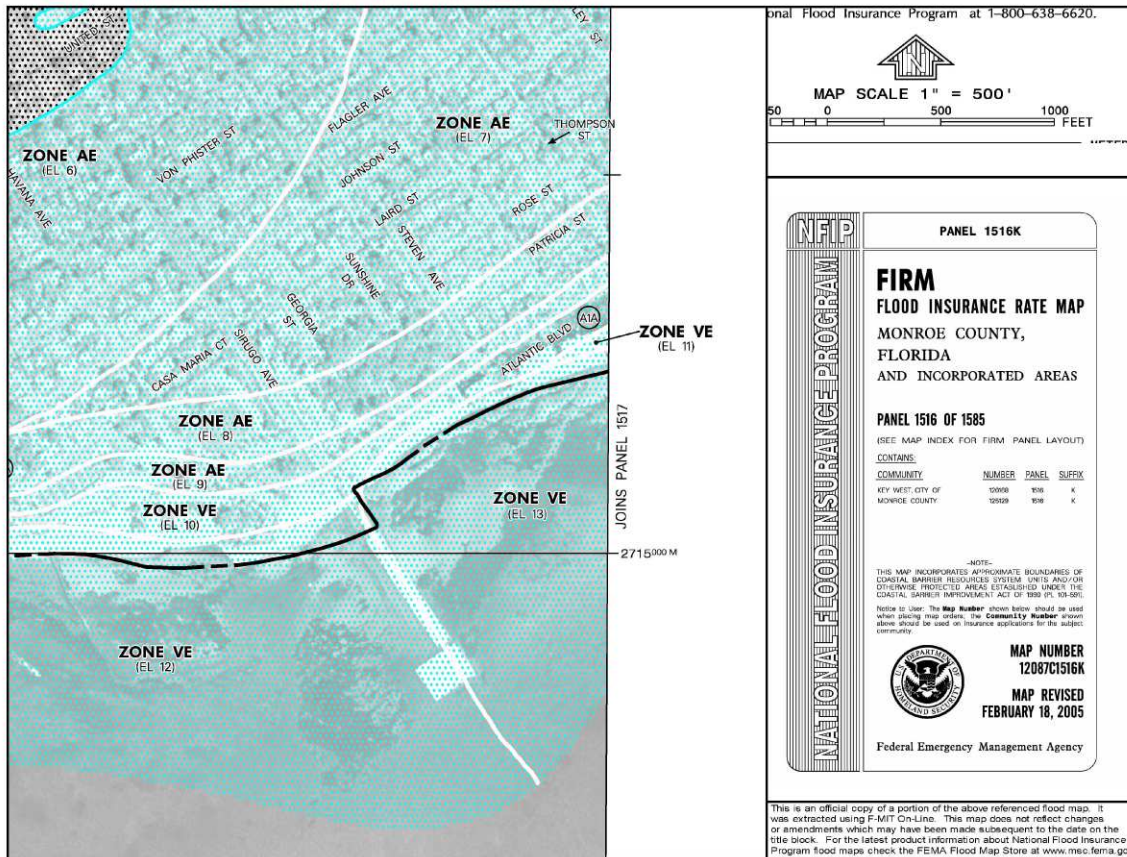
AERIAL PLAT MAP



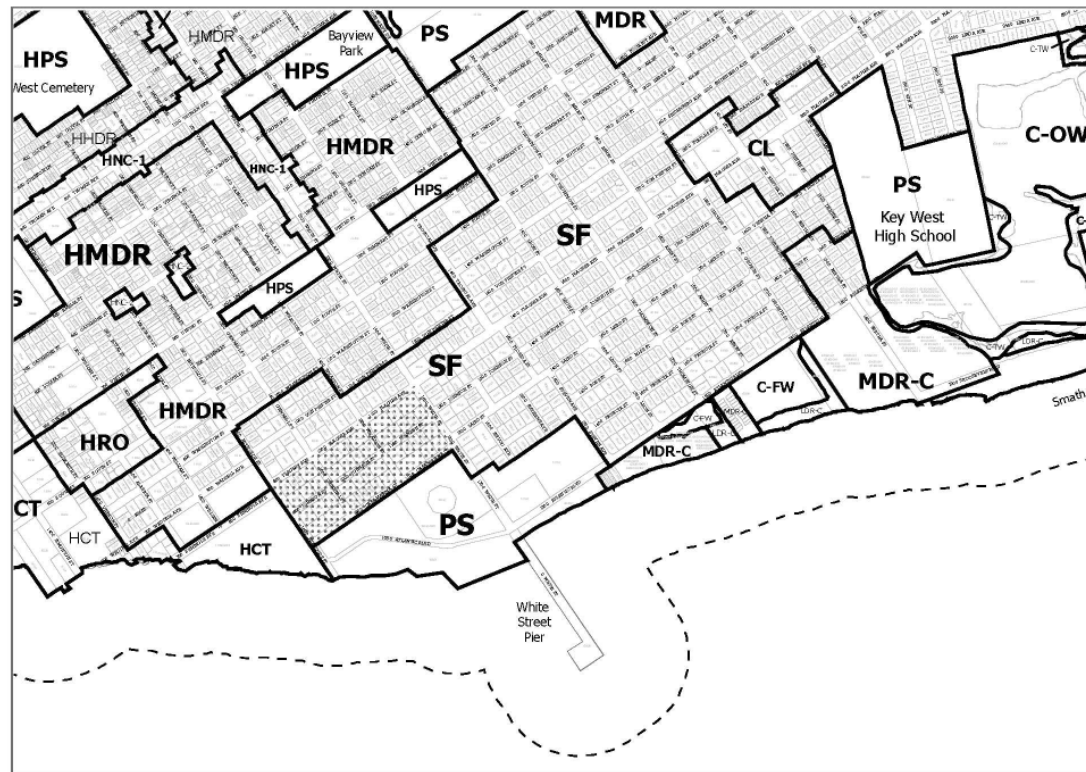
Note: The Layout and size of the subject parcels have slightly changed from this original rendering from the City of Key West Planning Department. We have relied on the recent survey for site dimensions and area calculations.

SURVEY



FLOOD MAP & PANEL

ZONING MAP



ZONING MAP OF THE CITY OF KEY WEST

PLATE 3 OF 8.

Not official version. Please contact the Planning Department or City Clerk for the official version.

PURPOSE AND INTENDED USE OF THE APPRAISAL

The *purpose* of this appraisal is to render my opinion of the “As Is” Market Value of the Fee Simple Interest in the Subject Property as of November 14, 2017.

The *intended use* is to estimate the “As Is” Market Value for Subject Parcel “A” and Parcel “B”. The subject parcels will be swapped with ownership transferred in order to alter the roadway and the redevelopment of the Higgs Beach Park and changes to Indigenous Park.

The *intended users* are EDSA, Inc., and City of Key West and State of Florida, FDOT.

PROPERTY RIGHTS APPRAISED

This appraisal is made with the understanding that the present ownership of the property includes all the rights that may lawfully be held under a Fee Simple Estate. These rights are sometimes referred to in appraisal literature as the "bundle of rights". It includes the right to use, keep others from using, sell, rent or otherwise dispose of the property. The Fee Simple Estate is the unencumbered value of the subject property; basically, market rents and terms are considered with no regard to existing leases and terms. The Leased Fee Interest is an ownership interest held by the landlord, who conveys the rights of use and occupancy to a tenant by lease. The landlord's rights include the right to receive rent and the right of possession at the end of the lease period. In the case at hand, there are no leases encumbering the subject property. As a result, a Fee Simple analysis was performed for subject property. The reader is cautioned that a title search was not made; thus, no other encumbrances are considered herein.

LEGAL DESCRIPTION

The following metes and bounds legal descriptions were reference from the previously mentioned survey.

ABANDONMENT LEGAL DESCRIPTION- PARCEL A: (Authored by the undersigned)

Let it be known that the intent of this document is for all concerned parties having any interests or rights, known or unknown, recorded or unrecorded, in the public Right of Way of White Street, a public roadway, and Atlantic Boulevard, a public roadway, both on the Island of Key West, Monroe County, state of Florida, for all said parties to abandon or release all said interests or rights within the area being more particularly described as follows, to-wit:

Beginning at the intersection of the Northeasterly Right of Way line of White Street and the Northwesterly Right of Way line of Atlantic Boulevard, thence N34°07'49"W along said Northeasterly Right of Way line of White Street for a distance of 56.51 feet to a point; thence S89°10'59"W for a distance of 0.00 feet to a point of curvature; thence along a curve to the left, having a radius of 235.00 feet and a central angle of 16°13'19" for an arc length of 66.53 feet to a point on the Southwesterly Right of Way line of White Street; thence S34°07'49"E along said Southwesterly Right of Way line of White Street for a distance of 134.66 feet to the point of intersection of the Southwesterly Right of Way line of White Street and the Southeasterly Right of Way line of Atlantic Boulevard; thence N55°57'35"E along said Southeasterly Right of Way line of Atlantic Boulevard for a distance of 197.36 feet to a point; thence N87°40'59"W for a distance of 0.00 feet to a point of curvature; thence along a curve to the right, having a radius of 1316.63 feet and a central angle of 03°31'31" for an arc length of 81.01 feet to a point on the Northwesterly Right of Way line of Atlantic Boulevard; thence S55°57'35"W along said Northwesterly Right of Way line of Atlantic Boulevard for a distance of 73.71 feet back to the point of beginning. Said abandonment area totals 12,582.32 square feet more or less.

LEGAL DESCRIPTION- PARCEL B: (Authored by the undersigned)

A strip of land on the Island of Key West, Monroe County, state of Florida, being more particularly described as follows, to-wit: Commencing at the intersection of the Northeasterly Right of Way line of White Street and the Northwesterly Right of Way line of Atlantic Boulevard, thence N55°57'35"E along said Northwesterly Right of Way line of Atlantic Boulevard for a distance of 73.71 feet to the point of beginning; thence N55°57'35"E continuing along said Northwesterly Right of Way line of Atlantic Boulevard for a distance of 47.03 feet to a point; thence S80°18'58"W for a distance of 0.00 feet to a point of curvature; thence along a curve to the right, having a radius of 140.00 feet and a central angle of 13°34'33" for an arc length of 33.17 feet to a point of tangency; thence N86°06'29"W for a distance of 77.89 feet to a point of curvature; thence along a curve to the left having a radius of 257.67 feet and a central angle of 05°32'08" for an arc length of 24.89 feet to a point of reverse curvature; thence along a curve to the right, having a radius of 28.36 feet and a central angle of 33°57'36" for an arc length 16.81 feet to a point; thence S34°07'49"E for a distance of 35.39 feet to a point; thence N89°10'59"E for a distance of 0.00 feet to a point of curvature; thence along a curve to the right, having a radius of 235.00 feet and a central angle of 04°42'32" for an arc length of 19.31 feet to a point of tangency; thence S86°06'29"E for a distance of 73.66 feet back to the point of beginning. Said strip of land area totals 3,004.55 square feet more or less.

MARKET VALUE DEFINITION

Market Value: as defined per Interagency Appraisal Guidelines:

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

- a) buyer and seller are typically motivated;
- b) both parties are well informed or well advised and each acting in what he considers his own best interest;
- c) a reasonable time is allowed for exposure in the open market;
- d) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

FEE SIMPLE ESTATE DEFINITION

According to The Dictionary of Real Estate Appraisal, Sixth Edition, "Fee Simple Estate is 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."

LEASED FEE INTEREST DEFINITION

The Leased Fee Interest is an ownership interest held by the landlord, who conveys the rights of use and occupancy to a tenant by lease. The landlord's rights include the right to receive rent and the right of possession at the end of the lease period.

SUBJECT'S MARKET AREA (NEIGHBORHOOD) ANALYSIS

The subject parcel is located within the Clarence Higgs Beach Park and Charles "Sonny" McCoy Indigenous Park area at the Intersection of Atlantic Boulevard and White Street. The beach and recreation areas border the Casa Marina area, which is an upscale mostly residential neighborhood featuring many estate homes. White Street is recognized as the dividing line between the South Beach district (Southwest) and Old Town (West to Northwest) and Mid-Town, plus New Town on the East side of the Island. Atlantic Boulevard is bordered by single and multi-family residences (to the north) and residential oceanfront condominiums, and small parks (to the South).

The subject's neighborhood is bordered on the north by Flagler Avenue, west by Simonton Street and on the east by Bertha Street. This neighborhood is mostly referred to as Casa Marina district, although the major street boundaries does include some areas of the South Beach district and Mid-Town.

Most of the structures are a mixture of brick, CBS/masonry, or frame, historically preserved structures more than 50 years of age. This area is a part of the "Old Town" section of the island which is fully developed except for a few isolated vacant parcels. The principal land uses are commercial and commercial/residential mixed-use buildings, residential condominium projects, large resort hotels, boutique hotels, motels, retail store, restaurants.

In conclusion, the subject property is favorable for vehicular and pedestrian traffic because of its prime location within the Higgs Beach and Indigenous Park.

Subject Location Analysis:

Taking into consideration, the neighborhood and trade area influences, it appears that there is sufficient demand for recreation and vehicle, pedestrian, and bicycle access. The subject site contains the essential elements: location, exposure, situs, and access due to its location by the beach and parks.

The following average daily two-way traffic data was provided by the State of Florida Department of Transportation:

AVERAGE DAILY TRAFFIC COUNTS

<u>Average Daily Traffic Count (Both Directions)</u>								
D.O.T.								
Station	Location	2010	2011	2012	2013	2014	2015	2016
5004	US-1/Truman Ave., 200' W. First St.	22,000	20,500	19,500	19,600	15,500	18,100	21,000
5008	SR-5/US-1/Truman Ave., 200' W. White St.	17,700	14,700	13,600	14,700	16,100	16,700	15,700
5011	SR-5/US-1/Truman Ave., 200' E Duval St.	9,700	9,000	8,100	8,500	9,300	10,200	9,100

In terms of demographic trends taking place in Key West, Florida the following information has been compiled by the Key West Chamber of Commerce:

Key West and Monroe County Demographics and Economy

Key West is an island city some 4 miles long by 1.5 miles wide. The island is located at the southern end of U. S. Highway 1, 153 miles southwest of Miami, Florida and 93 miles northwest of Havana, Cuba, at 24.5 degrees north of the equator. Key West is the county seat of Monroe County. The city occupies the entire island as well as a portion of neighboring Stock Island to the northeast. The principal industry is tourism, and the U. S. Navy and Coast Guard maintain a presence here as well.

Florida Keys Visitor Person-Trip Estimates

	2008	2009	2010	2011	2012	2013	2014	2015
Key West Overnight Visitors	1,112,978	1,165,300	1,517,600	1,577,500	1,588,607	1,588,845	1,556,340	*
Key West Day Trippers	205,901	238,400	299,100	313,300	311,337	314,915	309,200	*
Cruise Ship Passengers	739,218	859,409	850,270	811,458	813,713	765,132	796,960	*
Total Key West Visitors	2,058,097	2,263,109	2,666,970	2,702,258	2,713,658	2,668,892	2,662,500	*
Key West Lodging Occupancy %:	74.2%	76.9%	78.0%	82.5%	82.6%	86.3%	87.1%	84.5%
All Keys Overnight Visitors	2,169,565	2,103,100	2,502,200	2,742,500	3,026,165	3,090,267	3,131,500	3,740,000
All Keys Day Trippers	401,369	404,400	473,300	519,400	565,785	580,667	588,000	1,000,000
Cruise Ship Passengers	739,218	859,409	850,270	811,458	813,713	765,132	796,960	726,937
Total All Keys Visitors	3,310,152	3,366,909	3,825,770	4,073,358	4,405,662	4,436,066	4,516,400	5,466,937
Monroe County Lodging Occupancy %:	67.5%	69.4%	70.3%	74.3%	75.0%	78.1%	79.5%	77.8%

Sources: [Monroe County Tourist Development Council](#) (*2015 Key West details were not available); [Smith Travel Research](#)

Population (as of July 1st)

<u>Year</u>	<u>Monroe County</u>	<u>Key West</u>
1970	52,543	29,312
1980	63,188	24,382
1990	78,024	24,832
2000	79,589	25,478
2005	75,750	23,935
2010	73,090	24,649
2011	74,028	24,873
2012	74,849	25,119
2013	76,351	25,550
2014	77,136	25,704
2015	77,482	25,755

Source: [US Census Bureau](#); [American Fact Finder](#)

Military - Uniform Personnel (as of September 2016)

Navy	666
Coast Guard	636
Army/Air Force/Marines	158
Total Uniform Personnel.....	1,460
Civilian Support Staff	1,028
Contractors	368
Total Payroll.....	2,856
Family Members	2,190
Grand Total	5,046

Source: [U. S. Dept. of Defense](#); [Key West for Military Data](#)

<u>Population Age Breakdown:</u>	<u>Key West 2015</u>	<u>Monroe County 2015</u>	<u>Florida 2015</u>	<u>United States 2015</u>
0-19	18%	17%	23%	26%
20-34	21%	17%	19%	21%
35-44	17%	13%	12%	13%
45-54	15%	16%	14%	14%
55-64	16%	17%	13%	12%
65-74	9%	12%	10%	8%
75+	4%	8%	9%	6%
Median Age:	41.6	46.8	41.4	37.6

Source: [US Census Bureau, American FactFinder](#)

<u>Population Racial Breakdown:</u>	<u>Key West 2015</u>	<u>Monroe County 2015</u>	<u>Florida 2015</u>	<u>United States 2015</u>
White	65.3%	69.0%	56.1%	62.3%
Black	10.3%	6.1%	15.5%	12.3%
Hispanic	20.8%	22.0%	23.7%	17.1%
Other	3.6%	2.9%	4.7%	8.3%

Source: [US Census Bureau, American FactFinder](#)

Registered Voters (as of August 1, 2016)

<u>Affiliation</u>	<u>Key West</u>	<u>Monroe County</u>
Democrat:	6,699	17,166
Republican:	3,514	20,181
Other:	4,516	14,931
Total:	14,729	52,278

Source: [Monroe County Supervisor of Elections](#)

Key West Income (2011-2015 Five-Year Estimate)

Median Household Income.....\$57,042

(Median income is the amount that divides the income distribution into two equal groups, half having income above that amount, and half having income below that amount.)

Median earnings for workers.....\$30,237

(Per capita earned income, also known as income per person, is the amount that divides the income distribution into two equal groups, half having income above that amount, and half having income below that amount.)

Average Household Size.....2.53 Persons

Per Capita Personal Income.....\$74,409

**including Dividends, Interest
& Rent (Monroe County)**

(Per capita personal income is the broadest measure of individual economic well-being available by county. Personal income includes earnings (consisting of wages and salaries of workers, other labor income, and proprietors' income); dividends, interest, and rent; and transfer payments (such as retirement benefits, food stamps, and unemployment compensation). Per capita personal income is calculated by dividing personal income by population.)

Source: [U. S. Census Bureau; American Fact Finder; U. S. Dept. of Commerce; Bureau of Economic Analysis; University of Florida; Bureau of Economic and Business Research](#)

Economy - Gross Sales

Monroe County (2009):	\$3,352,780,910
Monroe County (2010):	\$3,428,421,285
Monroe County (2011):	\$3,787,980,413
Monroe County (2012):	\$3,950,239,774
Monroe County (2013):	\$4,127,027,833
Monroe County (2014):	\$4,493,971,903
Monroe County (2015)	\$4,664,449,579

Source: [Florida Department of Revenue](#)

2016 Tax Roll Ad Valorem Millage Rate

Monroe County:	2.82970
Monroe County School District:	3.48400
City of Key West:	2.48960
South Florida Water Management District:	0.33070
Mosquito Control:	0.58310
Total per \$1,000 Assessed Value:	9.71710

Source: [Monroe County Property Appraiser](#)

Employment

(Not Seasonally Adjusted)

	<u>Key West</u>	<u>Monroe County</u>	<u>Florida</u>	<u>United States</u>
Per Capita Income (2015):	\$34,020¹	\$36,208 ¹	\$26,829 ¹	\$28,930 ¹
Civilian Labor Force (2015):	15,599²	44,165 ²	9,601,465 ²	157,130,000 ²
Civilian Employment (2015):	15,078²	42,548 ²	9,083,122 ²	148,833,000 ²
Unemployment Rate (2015):	3.3%²	3.7% ²	5.4% ²	5.3% ²

¹ [U. S. Dept. of Commerce; Bureau of Economic Analysis](#) ² [U. S. Bureau of Labor Statistics](#)

Monroe County Florida Price Level Index for School Personnel
(Florida Population – Weighted Average = 100)

Monroe County:	2008 = 100.85
(including housing)	2009 = 102.15
	2010 = 103.16
	2011 = 104.03
	2012 = 102.96
	2013 = 100.24
	2014 = 103.03
	2015 = 101.35

Source: EFlorida.com reporting: [University of Florida; Bureau of Economic & Business Research](#) ; [Florida Polytechnic University](#)

Key West Housing Profile (2011 – 2015 Five-Year Estimate)

	<u>Key West</u>	<u>Monroe County</u>
Total Housing Units:	14,270	52,913
Occupied Housing Units:	9,524 (66.7%)	28,910 (54.6%)
Average Number of Bed Rooms:	2.1	2.3
Average Number of Vehicles:	1.3	1.5
<u>Owner Occupied Housing Units:</u>	4,264	28,910
Percent of Occupied Units:	44.8%	61.1%
Average Number of Household Members:	2.53	2.44
Median Value Occupied Unit:	\$439,400	\$379,700
Median Monthly Housing Cost with Mortgage:	\$2,339	\$2,210
<u>Renter Occupied Housing Units:</u>	5,092	10,681
Percent of Occupied Units:	55.2%	38.9%
Average Number of Household Members:	2.53	2.71
Median Monthly Housing Cost	\$1,514	\$1,385

Source: [U. S. Census Bureau; American Fact Finder](#)

Key West Median Property Sales (The median value represents that value at which one-half of the unit sales are above and one-half of the unit sales are below the value.)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Key West Single Family Home:</u>	\$490,000	\$509,000	\$532,000	\$425,000	\$420,000
<u>Key West Condominium:</u>	\$377,500	\$390,000	\$375,000	\$330,000	\$325,000

Source: [Monroe County Property Appraiser, Qualified Sales \(not including short sales and bank sales\)](#)

Key West Business Licenses

(as of July 2016)

<u>Number of Lodging Licenses</u>	<u>Number of Licenses</u>	<u>Units</u>
Hotels	39	2,464
Motels	29	2,077
Bed and Breakfasts	45	464
Transient Multi-Unit Complexes	118	787
Sub-Total Lodging (without vacation rentals)	231	5,792
Vacation Rentals	307	1,004
Grand Total Lodging	538	6,796
<u>Other Licenses</u>	<u>Number of Licenses</u>	
Retail:	738	
Motorized Rentals (Autos, Scooters, and Jet Skis):	53	
Non-Motorized Rentals (Bikes, Kayaks, and Paddleboards):	67	
Charter Boats:	214	
Food Services:	326	

Source: [City of Key West; Florida Dept. of Business & Professional Regulation](#)

Monroe County Employees by Industry in 2015:

(last updated November 20, 2016)

<u>Industry</u>	<u>Number of Jobs</u>	<u>Percentage of Total</u>
Forestry, Fishing and Related Activities	1,414	2.25%
Mining	361	0.57%
Utilities	179	0.29%
Construction	3,805	6.06%
Manufacturing	618	0.98%
Wholesale Trade	907	1.44%
Retail Trade	7,232	11.53%
Transportation and Warehousing	1,484	2.36%
Information	654	1.04%
Finance and Insurance	2,040	3.25%
Real Estate and Rental and Leasing	5,129	8.17%
Professional, Scientific, and Technical Services	2,836	4.52%
Management of Companies and Enterprises	356	0.57%
Administrative and Waste Management Services	3,543	5.64%
Educational Services	797	1.27%
Health Care and Social Assistance	3,144	5.01%
Arts, Entertainment, and Recreation	2,587	4.12%
Accommodation and Food Service	14,504	23.11%
Other Services, except Public Administration	<u>4,020</u>	<u>6.40%</u>
 Total Private Non-Farm Employment (Farm Employment in Monroe County is Zero.)	 55,610	 88.58%
 Federal, Civilian Workers	 1,205	 1.92%
Military	1,414	2.25%
Local Government	3,945	6.28%
State Government	<u>606</u>	<u>0.97%</u>
 Total Government and Government Enterprises	 7,170	 11.42%
 Total Employment in Monroe County:	 <u>62,780</u>	 <u>100.00%</u>

Source: [U. S. Department of Commerce; Bureau of Economic Analysis](#)

MARKETING TIME

I have estimated the **marketing period** and **exposure period** for the Subject Property based on discussions with brokers and property owners and based on the marketing periods for the comparable sales. Reasonable marketing periods for the appraised property consist of two separate periods in time. These are **exposure time** and **reasonable marketing time**

Reasonable Marketing Time

Reasonable marketing time is the estimated prospective amount of time it will likely take the appraised property to sell at the equivalent estimate of market value contained in this appraisal. This time period assumes that the economic conditions currently impacting the property, and which have been taken into consideration in the estimate of value, continue into the foreseeable future. Further, it assumes an arm's length sale within the context of a normal marketing period experienced by similar-type property.

Taking into account the various differences between the sales utilized, current market conditions, and the quality and quantity of the income stream analyzed, the estimated reasonable marketing time (the amount of time it would probably take to sell the appraised property at the estimate of market value contained herein, if exposed for sale beginning on the date of the valuation) would be 12 months or less. We estimate a reasonable marketing time (the amount of time it would probably take to sell the appraised property at our estimate of market value if exposed for sale beginning on the date of this valuation) to be within 12 months. The reasonable Exposure Time has also been estimated at within 12 months.

I have analyzed the days on market of the comparable closed commercial land sales in Key West as follows.

Sale No.	Address, Key West	DOM
1	2312-2318 N. Roosevelt Blvd.	168
2	1100-1104 White Street	0
3	631 Whitehead St./409 Angela St.	520
4	921 Truman Avenue	N/A
Subj. "A" Part of White St. & Atlantic Blvd.		
Subj. "B" Part of Indigenous Park		
Mean		229
Median		168
Minimum		0
Maximum		520

Based on sales of comparable commercial land sales in Key West, I estimated a marketing time of 12 months or less for the subject property if listed within 5.0 percent of the appraised value.

EXPOSURE TIME

Exposure Time

- 1 The time a property remains on the market.
2. The estimated 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.

Comment

Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (USPAP, 2016-2017 ed.).

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th Edition (Chicago: Appraisal Institute), 2015.

In the case at hand, it is my opinion that the exposure time would be equal to the marketing time, based on a listing price within 5.0% of my appraised value.

OWNERSHIP

Subject Parcel "A" is owned by the State of Florida, FDOT and Subject Parcel "B" by the City of Key West.

SALES HISTORY OF THE SUBJECT PROPERTY

The subject parcels have not been listed for sale nor sold over the previous three years.

ZONING

DIVISION 13. - PUBLIC AND SEMIPUBLIC SERVICES DISTRICT (PS)

Sec. 122-1016. - Intent.

- (a) The purpose and intent of the public and semipublic services district (PS) is to provide a management framework for implementing comprehensive plan policies for areas located outside of Old Town which are designated "PS" or "M" on the future land use map. All public and semipublic services developed shall comply with the comprehensive plan, performance criteria in chapter 102; articles III, IV, V and VII of chapter 108; section 108-956; and article II of chapter 110, as well as other applicable land development regulations.
- (b) Development plans for sites within the PS district shall provide sufficient acreage and open space and shall be properly screened and buffered in order to minimize potential adverse impacts on adjacent land uses. The maximum intensity of public and semi-public institutional structures and buildings on lands designated "PS," measured in terms of floor area ratio (FAR), shall not exceed eight-tenths (0.8), including floor area allocated to all uses. The maximum floor area ratio for structures and buildings accessory to principal uses recreation and open space both active and passive parks and recreation shall be two-tenths (0.2).

(Ord. No. 97-10, § 1(2-5.6(A)), 7-3-1997; Ord. No. 12-16, § 1, 6-5-2012)

Sec. 122-1017. - Uses permitted.

Uses permitted in the public and semipublic services district (PS) are as follows:

- (1) Community centers, clubs and lodges.
- (2) Educational institutions and day care.
- (3) Golf course facilities.
- (4) Hospitals and supportive care facilities.
- (5) Nursing homes, rest homes and convalescent homes.
- (6) Parks and recreation, active and passive.
- (7) Business and professional offices.
- (8) Medical services.
- (9) Parking lots and vehicular storage facilities.
- (10) Veterinary medical services with or without outside kennels.
- (11) Government operated transit facilities.
- (12) Governmental administration buildings.
- (13) Essential public services and facilities inclusive of, but not limited to, drainage facilities, and emergency services; i.e., staging areas responsive to declared emergency, with the exception of shelters for the homeless, which are regulated as a conditional use.
- (14) Non-recreational open spaces.
- (15) Temporary storage, for less than six (6) months, of construction materials and debris generated by storms or other natural disasters.
- (16) Other similar activities such as uses critical to government function, uses for essential public services, uses to serve social and cultural needs not otherwise listed.
- (17) Government maintenance facilities and garages.

(Ord. No. 97-10, § 1(2-5.6(B)), 7-3-1997; Ord. No. 00-04, § 12, 2-1-2000; Ord. No 07-18, § 1, 12-4-2007; Ord. No. 12-16, § 1, 6-5-2012)

Sec. 122-1018. - Conditional uses.

Conditional uses in the public and semipublic services district (PS) are as follows:

- (1) Emergency shelters for the homeless, and shelters for temporarily housing the homeless which meet the following minimum standards for development review, site development and operation:
 - a. Fencing: The entire site shall have a six-foot opaque fence on all sides.
 - b. Landscape buffer: A minimum of a five-foot wide "D" buffer as specified in section 108-347(c).
 - c. Security lighting on the perimeter of the site and upon the interior of the fenced premises which shall be designed to "dark sky" lighting standards to protect adjacent residential uses.
 - d. Onsite security personnel licensed by the State of Florida for such role and activity provided by the operator of the facility during the hours of operation inclusive of nighttime or any time when clients of the facility are present.
 - e. An outdoor daytime congregation area inside the grounds of the site large enough to accommodate the maximum client population of the facility to prevent waiting and congregating off site.
 - f. Onsite facilities:
 - I. Sleeping facilities for 100% of the maximum client population;
 - ii. Dining facilities for at least 50% of the maximum client population;
 - iii. Shower and toilet facilities in a quantity necessary to serve the maximum client population;
 - iv. Intake and counseling offices;
 - v. Storage for client personal effects, food, sleeping linens, miscellaneous support materials;
 - vi. A loading zone and bus parking area.
 - g. All shelters for the homeless or for temporary housing [of] the homeless shall undergo review as a major development plan and meet the requirements of section 108-92 et seq.
- (2) Cemeteries.
- (3) Cultural and civic activities, inclusive of museums, theatres and stadiums.
- (4) Protective services.
- (5) Public and private utilities.
- (6) Funeral homes and crematoriums.
- (7) Marinas.
- (8) Restaurants and food service facilities associated with recreational activities.
- (9) Solid waste and recycling transfer and storage facilities.

(Ord. No. 97-10, § 1(2-5.6(C)), 7-3-1997; Ord. No. 12-16, § 1, 6-5-2012)

Sec. 122-1019. - Prohibited uses.

In the public and semipublic services district (PS), all uses not specifically or provisionally provided for in this division are prohibited.

(Ord. No. 97-10, § 1(2-5.6(D)), 7-3-1997)

Sec. 122-1020. - Dimensional requirements.

The dimensional requirements in the public and semipublic services district (PS) are as follows:

- (1) Maximum density: Not applicable; except where the capacity of transitional housing with supportive services shall be evaluated in terms of floor area ratio, only.
- (2) Maximum floor area ratio: Outside the historic districts, as designated on the future land use map, the maximum floor area ratio for all public and semi-public institutional structures and buildings services shall not exceed eight-tenths (0.8), except for structures and buildings accessory to principal uses and both active and passive parks and recreation and open space, which shall have a maximum floor area ratio of two-tenths (0.2).
- (3) Maximum height: 25 feet.

- (4) Maximum lot coverage:
 - a. Maximum building coverage: 40 percent.
 - b. Impervious surface ratio: 60 percent.
- (5) Minimum lot size: 5,000 square feet.
 - a. Minimum width: 50 feet.
 - b. Minimum depth: 100 feet.
- (6) Minimum setbacks for principal structures:
 - a. Front: 20 feet.
 - b. Side: 15 feet.
 - c. Rear: 20 feet or 15 feet when abutting an alley.
 - d. Street side: 15 feet.
- (7) Minimum setbacks for active and passive recreational uses:
 - a. Front: 10 feet.
 - b. Side: 10 feet.
 - c. Rear: 10 feet.
 - d. Street side: 10 feet.
- (8) Additional regulations: Required street landscape buffers may be reduced to the setbacks enumerated in subsection (7) above when the principal and only use is passive and active recreation defined in chapter 86, section 86-9, definitions. (Ord. No. 97-10, § 1(2-5.6(E)), 7-3-1997; Ord. No. 12-16, § 1, 6-5-2012)

REAL ESTATE TAX ASSESSMENT AND BURDEN

The Subject Parcels “A” and “B” are owned by the State of Florida and the City of Key West, respectively. Therefore, the subject parcels are not assessed and real estate taxes are not levied.

The tax comparables based on recent land sales are as follows.

Sale No.	Address, Key West	DOM	Land List/SP Ratio	Land 2017 Assessment	Land Assessment/ SP Ratio	Land Assessment /SF Land	RE Tax Burden	Burden \$/SF of Land
1	2312-2318 N. Roosevelt Blvd.	168	78.1%	\$1,136,021	61.1%	\$26.49	\$10,420.62	\$0.33
2	1100-1104 White Street	0	100.0%	\$344,396	57.3%	\$8.19	\$3,434.66	\$0.66
3	631 Whitehead St./409 Angela St.	520	96.1%	\$836,096	58.3%	\$19.98	\$8,338.39	\$0.01
4	921 Truman Avenue	N/A	N/A	\$420,021	39.7%	\$10.07	\$4,188.87	\$0.50
Subj. "A" Part of White St. & Atlantic Blvd.								
Subj. "B" Part of Indigenous Park								
Mean		229	91.4%		54.1%	\$16.18		\$0.38
Median		168	96.1%		57.8%	\$15.03		\$0.42
Minimum		0	78.1%		39.7%	\$8.19		\$0.01
Maximum		520	100.0%		61.1%	\$26.49		\$0.66

DESCRIPTION OF THE SUBJECT PROPERTIES

Subject Site Analysis:

Parcel "A" is a L-shaped parcel and encompasses the intersection of Atlantic Boulevard and White Street, and extends 134.66 northerly along White Street and easterly 197.36 along Atlantic Boulevard. The portion that spans across White Street is about 66.53 linear feet wide and 81.01 feet wide across Atlantic Boulevard. This parcel contains 12,582 square feet. The Florida Department of Transportation FDOT will abandon this portion of the right-of-way and swap with the City of Key West's Subject Parcel "B" in order to relocate the roadway.

Subject Parcel "B" is a small strip of irregular-shaped land extending from Atlantic Boulevard to White Street. The length of the boundary lines are as follows: north: 152.76 linear feet, east: 47.03 feet, south: 92.97 feet, west: 35.39 feet. This parcel contains 3,005 square feet of site area.

The parcel dimensions and site area are based on a recent survey and legal descriptions prepared by Florida Keys Land Surveying dated August 29, 2017.

According to preliminary Monroe County 2010 Census Maps, the subject property is located in Census Tract Block Number 9726.

The site is located in a Flood Area designated as Zone AE, Elevation 9 feet and Zone VE, Elevation 10 feet, as defined by the Federal Emergency Management Agency, Flood Insurance Rate Maps of Monroe County, Florida, Map No. 12087C1516K, dated February 18, 2005. Monroe County does participate in a National Flood Insurance Program and is covered by a regular program.

HIGHEST AND BEST USE

In order to estimate the Highest and Best Use of the subject property, I considered those uses that are physically possible, legally permissible, maximally productive, and financially feasible.

AS VACANT AND AVAILABLE

The first major aspect of the Highest and Best Use analysis is considering the property as if it were vacant and available for development. This assumption is made to determine whether the land alone is worth more than the existing property as is, to determine whether the site is presently under-utilized.

Possible Use - The subject parcels are located at the intersection corner of White Street and Atlantic Boulevard. The subject parcels are located within the Higgs Beach Park and Indigenous Park area of the City of Key West. The physical aspects of the land impose the first constraints on any possible use of the property. Based on the above physical facts, various land uses are possible.

Permissible Use: - The subject parcels are located in the PS zoning district. The purpose and intent of the public and semipublic services district (PS) is to provide a management framework for implementing comprehensive plan policies for areas located outside of Old Town which are designated "PS" or "M" on the future land use map. All public and semipublic services developed shall comply with the comprehensive plan, performance criteria in chapter 102; articles III, IV, V and VII of chapter 108; section 108-956; and article II of chapter 110, as well as other applicable land development regulations. The subject parcels would lend themselves to park and recreation use or access roadway if vacant and available for development. The permissible uses and conditional uses were detailed earlier in the zoning section of this report. The following dimensional restrictions are designated within the subject's zoning district:

PS- Public and Semi Public Services District

Minimum Lot Area:	5,000 sq. ft.
Minimum Lot Width:	50.0 feet
Minimum Lot Depth:	100.0 feet

Maximum Lot Coverage Ratio:

Maximum Building Coverage	40.0 percent
Impervious Surface Ratio	60.0 percent

Maximum Density:	Not Applicable
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Minimum Building Setbacks

For Recreational Uses:	Front: 10 Feet
	Side: 10 Feet
	Rear: 10 Feet
Maximum Building Height:	25 feet
Maximum Floor Area Ratio:	0.8:1.0

The appraiser has referenced some building criteria above. For further details, the reader is referred to the City of Key West Building Department or the Land Development Regulations for the City of Key West.

Feasible Use - Vacant land in this zoning district is in great demand with appreciating values, as this section of the city is approximately 98% built-up. The general uses in the subject's area consist of: hotels, motels, retail users, professional offices, tourist-oriented businesses and attractions, restaurants, bars, with single family and multi-family residential within adjacent areas. Analysis of all market factors which affect development within the City of Key West have been considered and it is the appraiser's opinion that development of the sites for recreation uses would provide a positive net return to the land under the current zoning regulations.

Most Profitable Use - In the final analysis, a determination must be made as to which feasible use is the Highest and Best Use of the parcel as if vacant. Based on the current zoning, coupled with the subject site's prime location, it is our opinion that if the site were vacant and available, the Highest and Best Use would be for recreational public use.

AS IMPROVED

The subject parcels are vacant land with minimal site improvements. The highest and best use is to raze or demolish the existing site redevelop the property as a recreation use (Parcel "A") and Ingress/Egress access road way (Parcel "B"). As a result, I have valued the subject parcels, as if vacant and the as improved analysis is not applicable.

CONCLUSION OF HIGHEST AND BEST USE

Based on the preceding analysis of the Highest and Best Use of the subject site as if it were vacant and available for development, into a recreational use and an access road.

SCOPE OF WORK, APPRAISAL DEVELOPMENT AND REPORTING PROCESS

There are three typical approaches to value to consider in each appraisal assignment. The three traditional approaches to value are the Cost Approach, the Sales Comparison Approach and the Income (Direct Capitalization and/or Discounted Cash Flow) Approach. The three approaches to value are not always applicable to the assignment; however, the three approaches to value are always considered.

All appraisals begin by identifying the subject property (property to be appraised) and the appraisal problem. Data relevant to the subject property is obtained from various sources including but not limited to: the Monroe County Property Appraiser's Office, surveys, building plans and specifications and the property owner. If possible, more than one source is utilized to confirm information. Improvements, if applicable, are inspected and measured by the appraisers. If and when building plans or sketches are made available, the measurements are verified for accuracy. Land size is based on recorded plat maps, Monroe County public records, legal descriptions or surveys (when available). The local geographical market was researched and analyzed.

The appraiser describes the improvements in detail, if applicable; these descriptions are based on a physical inspection and/or plans and specifications. The appraiser is not a contractor nor structural engineer; therefore, structure soundness or damage cannot be warranted. The appraiser will note any apparent or potential problems such as deferred maintenance, water damage or spalling.

James E. Wilson and Blair C. Lee have made a site visit to the subject parcels. In preparing this appraisal, the appraiser visited and walked the subject site.

The Cost Approach consists of combining the estimated value of the land, based on comparable sales, with the depreciated value of the improvements. The vacant land sales are always inspected. The cost of the improvements is estimated by utilizing a cost service, Marshall and Swift, plus knowledge of costs to construct obtained from local contractors.

Exterior site visits of the comparable sales are always made. Sales prices for the comparable sales are obtained from the public records. Prices are customarily confirmed with a party to the transaction, i.e., buyer, seller, closing agent/attorney, or real estate agent. The public records are researched for mortgage terms and information.

The comparable sales are researched utilizing First America Real Estate Solution and Realist.com, (FARES), Flex, LoopNet.com and Co-Star are computerized MLS (Multiple Listing System). All sources use data from the Monroe County Property Appraiser's Office, as well as, from the public records. The data is verified and compiled. Additional data sources include: newspaper clippings and the National Multiple Listing Service. Real estate agents in the market area are interviewed for the most

current information on sales and listings. All of the information is analyzed in preparing the report and is utilized in supporting the indicated value.

The reader of the appraisal should be made aware that the valuation contained herein is based on a specific date. The value estimated on the specified valuation date will likely differ from the value one, two or three years in the future or in the past. The reader is advised to review the Assumptions and Limiting Conditions in Section, as well as, the Certificate of Value.

Finally, the three indicated values developed by the approaches, are reconciled to produce the final estimate of value. A brief description of each of the approaches to value follows.

Information on comparable land sales projects were gathered, confirmed, and analyzed. The subject parcels are part of an intersection of White Street and Atlantic Boulevard, plus a portion of the parking lot of Indigenous Park. The Income Approach was deemed not applicable as the subject parcels are a roadway and vacant recreational use. The Cost Approach consists of combining the estimated value of the land, based on comparable sales, with the depreciated value of the improvements. A purchaser would normally give little consideration to this value approach when his primary interest in the property is its income stream and desirable rate of return on his equity. The two major exceptions might be in the case of a purchaser who is acquiring a property for his own use and occupancy or an investment property. In the case at hand, the existing site improvements have no significant contributory value and the property has considerable land value. Therefore, the Sales Comparison Approach utilizing recent land sales was totally weighted herein. The Cost Approach was considered, but deemed as not applicable as the site improvements do not provide significant contributory value to the final valuation.

THE SALES COMPARISON APPROACH

The Sales Comparison Approach is an appraisal technique in which the market value estimate is based on the prices paid in actual market transactions and current listings. The actual transaction will fix the lower limits of value in a static or advancing market and higher limit in a declining market. It is a process of correlation and analysis of similar properties that recently sold in the subject's market area.

This approach is based upon the principal of substitution; that is, when a property is placed in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming no costly delays in making the substitution. The Sales Comparison Approach bases its value indication on sales of vacant tracts or other similar redevelopment properties in the area. These sales are analyzed and compared to the subject property. The Sales Comparison Approach bases its value indication on recent sales that are pertinent to the value of the subject property.

Land Valuation (Sales Comparison Approach):

A thorough search was conducted for recent sales of commercial zoned land and redevelopment properties in the City of Key West. The subject property is in an area which is mostly developed with more than 95.0% of the tracts actually built-up or developed. I reported the most recent comparable sales available for analysis.

A land sales location map and summaries of the land sales can be found on the following pages:

Resume of Comparable Key West Land Sales												
Sale No.	Address, Key West	Sale Date	Sales Price	Value of Improv. / Demo.	Adj. Mkt. Cond. SP (Rnd)	Land Sq. Ft.	Main Frontage	Location	Corner	Adjusted \$/Front Ft	Adjusted \$/SF Land	Zoning
1	2312-2318 N. Roosevelt Blvd.	06/06/17	\$1,780,000	\$80,000	\$1,860,000	31,649	294	1.00	0	\$6,327	\$58.77	CG
2	1100-1104 White Street	02/23/15	\$540,000	\$0	\$601,000	5,168	68	1.00	1	\$8,838	\$116.29	HNC-1
3	631 Whitehead St./409 Angela St.	07/21/14	\$1,200,000	\$58,125	\$1,433,000	9,514	142	1.50	1	\$10,092	\$150.62	HRO
4	921 Truman Avenue	02/28/14	\$880,000	\$33,870	\$1,057,000	8,347	72	1.50	1	\$14,681	\$126.63	HNC-1
Subj. "A" Part of White St. & Atlantic Blvd.						12,582	All Str.	1.00	1	NA	NA	PS
Subj. "B" Part of Indigenous Park						3,005	82	1.00	1	NA	NA	PS
	Valuation Date:	11/14/17	Average		\$1,237,750	13,670	144			\$9,984	\$113.08	
	Corner: 0 = Interior		Median		\$1,245,000	8,931	107			\$9,465	\$121.46	
	1 = Corner		Minimum		\$601,000	5,168	68			\$6,327	\$58.77	
	Appreciation Rate:	4.0%	Maximum		\$1,860,000	31,649	294			\$14,681	\$150.62	

LAND SALES MAP



Land Sale No.1- 2312-2318 N. Roosevelt Blvd.: This comparable, 2312 N. Roosevelt Boulevard (former Banner Tire) is improved with a one-story, four bay, CBS/Masonry structure which had been utilized as an automotive service/repair property. The structure contains 3,798 square feet of gross building area, based on measurements made on-site. The improvements are situated on a site containing 19,971 square feet. This easterly portion of this comparable, 2318 N. Roosevelt Boulevard (former Blue Flamingo Café) encompasses 11,960 square feet of site area. The site is improved with a one-story CBS/masonry structure containing 1,496 square feet of gross building area. The structure is basically a shell with no significant buildout.

Both of the existing structures are in fair to poor condition with deferred maintenance and minimal buildout. Furthermore, both properties have low floor area (building to land) ratios. In the case at hand, the existing buildings have no contributory value as the value of the land, as if vacant, is higher than as currently improved. The highest and best use was to assemble the adjacent parcels, raze or demolish the building and site improvements and redevelop the property.

These adjacent parcels have been assembled and are planned to be redeveloped with a Sonic Drive-In quick-service restaurant (QSR) also known as a fast food restaurant. The property will be encumbered by a long-term ground (land) lease, upon completion of the purchase of both parcels. The buyer/landlord will deliver the property “pad ready”. The Sonic Corporation will develop the property, and the tenant/franchisee, AQSR Key West, LLC will operate the restaurant. AQSR will be responsible for the ground rent, along with payments to Sonic for the building and furniture, fixtures, and equipments (F,F&E) notes. The lease appears to be at market rates and terms. My office appraised the properties at the time of sale and on prior occasions.



Land Sale No. 2-1100-1104 White Street: This land sale was a scarified and level site with the previous improvements razed following a fire in June 2008. This property is comprised of 3 contiguous lots. This site fronts 68 linear feet along the westerly side of White Street and 76 linear feet along the southerly side of Virginia Street. The site contains 5,168 square feet and was sold for \$75.46 per square foot of site area on February 27, 2009 during the recession, but has recently resold on February 23, 2015 for \$104.49 per square foot, which is about a 39% increase or 6.5% per annum. This site has development rights to rebuild 4,352 square of the previous building footprint without having to conform to current setback requirements. I appraised this comparable at the time of sale.



Land Sale No. 3-631 Whitehead St/409 Angela Street: This is the sale of an improved property consisting of a vacant, two story, CBS/wood frame, mixed-use building, which has two commercial offices containing 2,366 square foot and one unlicensed, non-transient 1,384 square foot, residential unit. The building contains a gross building area of 3,750 square feet. According to the Monroe County Property Appraiser's records, the structure was built in 1958. This sale also includes the adjacent vacant lot located at 409 Angela Street, which consists of a 10 space, parking lot with no improvements. The site located at 631 Whitehead Street consists of a 7,638 square foot corner lot which fronts 67 linear feet along the easterly side of Whitehead Street and extends easterly approximately 114 linear along the northerly side of Angela Street. The site located at 409 Angela Street fronts 28 linear feet along the northerly side of Angela Street and extends 67 linear feet in depth encompasses the site 1,876 square feet. The two parcels contain a total of 9,514 square feet of site area and were purchased as one economic unit.

The buyer's plan was to raze the existing structure and construct a large commercial parking lot, which could serve nearby guest house complexes that she owns. As a result, at the time of purchase the

existing improvements did not add any significant contributory value. This was an arm's length sale with conventional financing. This property was appraised by my office at the time of sale. The estimated demolition costs were considered in order to arrive at the land value.



Land Sale No. 4-921 Truman Avenue: This property, was formerly the Kyushu Japanese Restaurant which was destroyed by a fire in January, 2011. The site has 71.75 feet of frontage along the northerly side of Truman Avenue and 116.33 feet along the westerly side of Packer Street. The site contains 8,347 square feet. The building has no contributory value as it will be demolished by the new owner. This site has been redeveloped and is the new location of Seven Fish, a popular nearby restaurant with limited seating. This was a cash sale with no financing.



Quantitative Adjustments to Comparable Sales:

The four most recent and similar comparable sales were analyzed in order to make comparisons to the subject property. Adjustments are required for individual physical and locational characteristics which

typically affect value. Each characteristic is detailed below with an explanation of adjustments which were made to the comparable sales.

Property Rights:

The subject parcels are not encumbered by any long-term leases; thus, the Fee Simple Interest was valued herein. Land Sale 1 sold with a proposed ground lease; however, the rent and terms were at market and considered to be equal to the Fee Simple Interest. The remaining comparables sold Fee Simple with no leases encumbering the property. As a result, no adjustments were warranted.

Financing:

All of the comparable sales were considered cash equivalent and sold with conventional financing. Thus, none of the comparables required adjustments for financing.

Market Conditions:

I have considered this market segment to have stabilized in 2011 with appreciation since, especially in 2015 and 2016. I analyzed the sales/resales of the comparable land sales over time to estimate a reliable appreciation rate.

Sale No.	Address, Key West	Previous Sales Date	Previous Sales Price	2nd Price/ Sq. Ft.	Change Price	Annual Appreciation Rate	Difference In Dates Years
1	2312-2318 N. Roosevelt Blvd.	N/A	N/A	N/A	N/A	N/A	N/A
2	1100-1104 White Street	03/02/09	\$390,000	\$75.46	\$150,000	5.59%	6.0
3	631 Whitehead St./409 Angela St.	N/A	N/A	N/A	N/A	N/A	N/A
4	921 Truman Avenue	03/01/96	\$500,000	\$59.90	\$380,000	3.19%	18.0
Subj. "A" Part of White St. & Atlantic Blvd.							
Subj. "B" Part of Indigenous Park							
Mean						4.4%	12.0
Median						4.4%	12.0
Minimum						3.2%	6.0
Maximum						5.6%	18.0

Based on the market data, I projected a conservative annual appreciate rate of 4% for Sales 2 through 4. Sale 1 is a recent transaction that did not warrant a market conditions adjustment.

Conditions of Sale:

All of the comparable sales were arm's length transactions; thus no adjustments for condition of sale.

Land Size:

The unit of measure is price per square foot of site area. Typically, the larger the site, the lower the price per square foot (diminishing returns), which is supported by market data. The comparables larger than

the subject parcels were positively adjusted and vice versa.

Main Street Frontage: Comparable Nos. 1, 2 and 4 are similar to the subject parcels in this aspect. However, Sale 3 was positively adjusted for being slightly inferior.

Corner:

There appears to be a slight premium for a corner lot as compared to an interior lot. Sale Nos. 2, 3 and 4 are located on similar corner lots; thus no adjustments were made. Sale No.1 was an inferior interior parcel; thus, it was positively adjusted.

Overall Location:

Location adjustments were made for superior or inferior neighborhoods based on paired sales between the comparables. The subject is located on the border of Old Town Casa Marina area of Key West and the Mid Town area. Sale 1 has an inferior New Town location; thus, was positively adjusted. Sale Nos. 2, 3 and 4 have superior Old Town/Down Town locations and were negatively adjusted.

NROGO Entitlement/Utility/Shape: The subject parcels are vacant with no development entitlements. All of the sales have development rights or entitlements for replacement of commercial floor area or NROGO. Thus, they were considered superior and negatively adjusted. Sales with limited utility such as right-of-way sales or sales with no entitlements typically sell at a 5% to 40% discount based on market data throughout the Florida Keys we have also considered the shape of the comparables in comparison to the Subject Parcels. All of those factors were considered in a composite adjustment for each comparable.

Zoning: The subject parcels are zoned PS, Public and Semi Public Services district. There have been no recent sale of Public Service zoned land sale. Typically, PS zoned parcels are government owned and do not sell often. Based on market data throughout, Monroe County, there typically a 5% to 40% discount for parcels purchased for public use. All of the comparables were in commercial zoning districts. Thus, they were all negatively adjusted. Some of the districts were more superior than others.

The quantitative adjustment grids are included as follows.

The following grid summarizes each sale and shows the necessary adjustments as previously described:

<u>Subject Property Adjustment Grid for the Subject Property</u>					
Subject /Comparable: Address: Key:	Subject Part of White St. & Atlantic Blvd., KW	Sale 1 2312-2318 N. Rsvlt. Blvd., Key West	Sale 2 1100-1104 White St. Key West	Sale 3 409 Angela St. Key West	Sale 4 921 Truman Ave. Key West
Adjusted Sales Price	N/A	\$1,860,000	\$601,000	\$1,433,000	\$1,057,000
Adjusted Sales Price/SF	N/A	\$58.77	\$116.29	\$150.62	\$126.63
Sales Date	N/A	06/06/17	02/23/15	07/21/14	02/28/14
Property Rights		Leased Fee	Fee Simple	Fee Simple	Fee Simple
Financing		Conventional	Conventional	Conventional	Conventional
Conditions of Sale		Arm's Lgth/No Cons.	Arm's Lgth/No Cons.	Arm's Lgth/No Cons.	Arm's Lgth/No Cons.
Market Conditions		Apprec.	Apprec.	Apprec.	Apprec.
Upland Area Square Feet	12,582	31,649	5,168	9,514	8,347
Main Street Frontage	Yes	Yes	Yes	No	Yes
Corner /Access	Yes	No	Yes	Yes	Yes
Overall Location	Old/New Town	Inferior	S'ly Superior	Superior	Superior
NROGO Entitlements/Utility	No	Yes	Yes	Yes	Yes
Zoning	PS	CG	HNC-1	HRO	HNC-1
Adjustments					
Adjusted Sales Price/Acre	N/A	\$58.77	\$116.29	\$150.62	\$126.63
Property Rights		=	=	=	=
Financing		=	=	=	=
Conditions of Sale		Adj. SP Considers	Adj. SP Considers	Adj. SP Considers	Adj. SP Considers
Market Conditions		=	=	=	=
Site Size in Square Feet	12,582	10%	-5%	=	-5%
Main Street Frontage	Yes	=	=	5%	=
Corner /Access	Yes	5%	=	=	=
Overall Location	Old/New Town	10%	-5%	-10%	-10%
NROGO Entitlements/Utility	No	-10%	-10%	-10%	-10%
Zoning	PS	-20%	-10%	-5%	-10%
Indicated Overall Adjustments %		-5%	-30%	-20%	-35%
Indicated Overall Adjustments \$		-\$2.94	-\$34.89	-\$30.12	-\$44.32
Indicated Overall Adj. Value/SF		\$55.83	\$81.40	\$120.50	\$82.31
Weight		15.0%	30.0%	30.0%	25.0%
		\$8.37	\$24.42	\$36.15	\$20.58
					100%
					\$89.52

<u>Subject Property Adjustment Grid for the Subject Property</u>						
Subject /Comparable: Address: Key:	Subject Part of Indigenous Park, Key West	Sale 1 2312-2318 N. Rsvlt. Blvd., Key West	Sale 2 1100-1104 White St. Key West	Sale 3 409 Angela St. Key West	Sale 4 921 Truman Ave. Key West	
Adjusted Sales Price	N/A	\$1,860,000	\$601,000	\$1,433,000	\$1,057,000	
Adjusted Sales Price/SF	N/A	\$58.77	\$116.29	\$150.62	\$126.63	
Sales Date	N/A	06/06/17	02/23/15	07/21/14	02/28/14	
Property Rights		Leased Fee	Fee Simple	Fee Simple	Fee Simple	
Financing		Conventional	Conventional	Conventional	Conventional	
Conditions of Sale		Arm's Lgth/No Cons.	Arm's Lgth/No Cons.	Arm's Lgth/No Cons.	Arm's Lgth/No Cons.	
Market Conditions		Apprec.	Apprec.	Apprec.	Apprec.	
Upland Area Square Feet	3,005	31,649	5,168	9,514	8,347	
Main Street Frontage	Yes	Yes	Yes	No	Yes	
Corner /Access	Yes	No	Yes	Yes	Yes	
Overall Location	Old/New Town	Inferior	S'ly Superior	Superior	Superior	
NROGO Entitlements/Utility	No	Yes	Yes	Yes	Yes	
Zoning	PS	CG	HNC-1	HRO	HNC-1	
Adjustments						
Adjusted Sales Price/Acre	N/A	\$58.77	\$116.29	\$150.62	\$126.63	
Property Rights		=	=	=	=	
Financing		=	=	=	=	
Conditions of Sale		Adj. SP Considers	Adj. SP Considers	Adj. SP Considers	Adj. SP Considers	
Market Conditions		=	=	=	=	
Site Size in Square Feet	3,005	15%	=	5%	5%	
Main Street Frontage	Yes	=	=	5%	=	
Corner /Access	Yes	5%	=	=	=	
Overall Location	Old/New Town	10%	-5%	-10%	-10%	
NROGO Entitlements/Utility	No	-20%	-20%	-20%	-20%	
Zoning	PS	-20%	-10%	-5%	-10%	
Indicated Overall Adjustments %		-10%	-35%	-25%	-35%	
Indicated Overall Adjustments \$		-\$5.88	-\$40.70	-\$37.66	-\$44.32	
Indicated Overall Adj. Value/SF		\$52.89	\$75.59	\$112.96	\$82.31	
Weight		15.0%	35.0%	25.0%	25.0%	100%
		\$7.93	\$26.46	\$28.24	\$20.58	\$83.21

“As Is” Value for the Subject Parcel “A” Conclusion:

In order to estimate the value of the subject property, I analyzed recent sales of comparable commercial land. On the preceding tables, a detailed adjustment grid is presented for the subject parcels. The comparables indicate an adjusted value per square foot for the Subject Parcel “A” from \$55.83 to \$120.50 per square foot with a mean at \$85.01 and a median at \$81.86.

Based on analysis and adjustments to the individual comparables, Sales 2, 3 and 4 were weighted the heaviest, while Sale 1 was lightly weighted. Therefore, in my opinion the land value for the subject property should be at \$90 per square foot (rounded). The value calculations are noted as follows.

\$/SF	Multiplied By	Site Size in SF	Equals	Land Value (Rnd)
\$90.00	X	12,582	=	\$1,132,380
				\$1,130,000
			Less Demolition:	\$0
			Equals "As Is" Value:	\$1,130,000

“As Is” Market Value of the Fee Simple Interest in

Subject Parcel “A” as of November 14, 2017 (Rounded) \$1,130,000

“As Is” Value for the Subject Parcel “B” Conclusion:

In order to estimate the value of the subject property, I analyzed recent sales of comparable commercial land. On the preceding tables, a detailed adjustment grid is presented for the subject parcels. The comparables indicate an adjusted value per square foot for the Subject Parcel “B” from \$52.89 to \$112.96 per square foot with a mean at \$80.94 and a median at \$78.95.

Based on analysis and adjustments to the individual comparables, Sales 2, 3 and 4 were weighted the heaviest, while Sale 1 was lightly weighted. Therefore, in my opinion the land value for the subject property should be at \$83 per square foot (rounded). The value calculations are noted as follows.

\$/SF	Multiplied By	Site Size in SF	Equals	Land Value (Rnd)
\$83.00	X	3,005	=	\$249,415
				\$250,000
			Less Demolition:	\$0
			Equals "As Is" Value:	\$250,000

“As Is” Market Value of the Fee Simple Interest in

Subject Parcel “B” as of November 14, 2017 (Rounded) \$250,000

RECONCILIATION AND CONCLUSION

The following Fee Simple indications of property value have been developed in my analysis of market data for the subject property.

“As Is” Market Value of Fee Simple Estate:

<u>Reconciliation</u>	
<i>Subject Parcel "A"</i>	
<i>Portion of White St. & Atlantic Blvd., Key West, FL</i>	
"As Is" Fee Simple	
Valuation Method:	Market Value
Cost Approach:	Not-Applicable
Income Approach:	Not-Applicable
Sales Comparison Approach:	\$ 1,130,000
"As Is" Market Value as of November 14, 2017 (Rnd):	\$ 1,130,000

<u>Reconciliation</u>	
<i>Subject Parcel "B"</i>	
<i>Portion of Indigenous Park, Key West, FL</i>	
"As Is" Fee Simple	
Valuation Method:	Market Value
Cost Approach:	Not-Applicable
Income Approach:	Not-Applicable
Sales Comparison Approach:	\$ 250,000
"As Is" Market Value as of November 14, 2017 (Rnd):	\$ 250,000

The greatest weight is given to that approach in which the appraiser has the highest degree of confidence. This implies a minimum of assumptions and a sufficient quantity of data. Based on an analysis of the real estate market activity in the subject property's market area, and after considering the applicability of each of the value indications, it is the appraiser's opinion that the “As Is” Market Value of the Fee Simple Estate of the subject property is most accurately indicated by the Sales Comparison Approach (land valuation). The Cost Approach was not applicable in the valuation of a property, as the existing site improvements do not have any contributory value. The Income Approach was not applicable as the highest and best use is to redevelop the property. The Sales Comparison Approach was applicable due

to recent vacant land and redevelopment sales.

It is my opinion, based on analysis of market data, and site visit to the subject property and research, that the “*As Is*” *Market Value of the Fee Simple Interest* in Subject Parcel “A”, a portion of Atlantic Boulevard and White Street, Key West, Monroe County, Florida, subject to definitions, assumptions and limiting conditions, as of November 14, 2017 is:

ONE MILLION ONE HUNDRED THIRTY THOUSAND DOLLARS
(\$1,130,000)

In addition, it is my opinion, based on analysis of market data, and site visit to the subject property and research, that the “*As Is*” *Market Value of the Fee Simple Interest* in Subject Parcel “B”, a portion of Indigenous Park, 1801 White Street, Key West, Monroe County, Florida, subject to definitions, assumptions and limiting conditions, as of November 14, 2017 is:

TWO HUNDRED FIFTY THOUSAND DOLLARS
(\$250,000)

CERTIFICATE OF APPRAISAL

I HEREBY CERTIFY THAT UPON APPLICATION FOR VALUATION BY:

**Mr. Paul D. Kissinger, Principal
EDSA, Inc.
1512 E. Brown Boulevard, Suite 110
Fort Lauderdale, Florida 33301**

I have personally examined the following described property:

COMMONLY KNOWN AS:

**Subject Parcel "A"
Portion of Atlantic Boulevard & White Street
Key West, Monroe County, FL 33040**

**Subject Parcel "B"
Portion of Charles "Sonny" McCoy Indigenous Park
1801 White Street
Key West, Monroe County, FL 33040**

and it is my opinion, based on analysis of market data, and site visit to the subject property and research, that the *"As Is" Market Value of the Fee Simple Interest* in the above Subject Parcel "A", subject to definitions, assumptions and limiting conditions, as of November 14, 2017 is:

**ONE MILLION ONE HUNDRED THIRTY THOUSAND DOLLARS
(\$1,130,000)**

In addition, it is my opinion, based on analysis of market data, and site visit to the subject property and research, that the *"As Is" Market Value of the Fee Simple Interest* in the above Subject Parcel "B", subject to definitions, assumptions and limiting conditions, as of November 14, 2017 is:

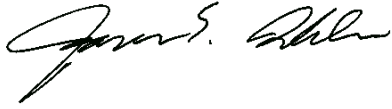
**TWO HUNDRED FIFTY THOUSAND DOLLARS
(\$250,000)**

I ADDITIONALLY CERTIFY that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.

- The reported analyses, opinion, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or a direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- James E. Wilson has performed a site visit of the property that is the subject of this report on November 14, 2017. Blair C. Lee has made an earlier site visit to the subject property.
- No one has provided significant professional assistance to the persons signing this report.
- The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Appraisal Board of the Department of Professional Regulations, Division of Real Estate.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics.
- I have not appraised the subject property nor rendered professional services for the subject property in the prior three years.
- James E. Wilson has completed the Professional Standards and Ethics educational requirement by the Appraisal Institute for Associate Members.
- Blair C. Lee has completed the Professional Standards and Ethics educational requirement by the Appraisal Institute for Appraisal Institute.

APPRAISAL COMPANY OF KEY WEST



James E. Wilson, President, MRICS
State-certified general real estate appraiser
RZ 2164



Blair C. Lee, MAI, Reviewer
State-certified general real estate appraiser
RZ 2125

ASSUMPTIONS AND LIMITING CONDITIONS
APPRAISAL DEVELOPMENT AND REPORTING PROCESS

Extraordinary Assumptions/Hypothetical Conditions

Extraordinary assumptions are defined by the Uniform Standards of Professional Appraisal Practice as "...an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information 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." This appraisal employs the following extraordinary assumptions:

Hypothetical conditions are defined by the Uniform Standards of Professional Appraisal Practice as "...that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions 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 the analysis." This appraisal employs the following hypothetical conditions:

APPRAISAL DEVELOPMENT AND REPORTING PROCESS: In preparing this appraisal, the appraiser inspected the subject site and both the exterior and interior of the improvements. Information on comparable land sales rental and expense data. This appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) the Uniform Standards of Professional Appraisal Practice for an appraisal report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Such discussion of the data would not change the appraisers' opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report.

This confidential report was prepared for the sole use of and benefits of EDSA, Inc., and is based, in part, upon documents, writings, and information owned and possessed by EDSA, Inc.. This report is provided for informational purposes only to third parties authorized to receive it. The appraiser-client relationship is with, EDSA, Inc., as the client. This report should not be used for any purpose other than to understand the information available to client concerning this property. The Appraisal Company of Key West assumes no responsibility if this report is used in any other manner.

THIS VALUATION IS CONTINGENT UPON THE FOLLOWING CONDITIONS:

The Uniform Standards of Professional Practice (USPAP) requires that the values of real estate, personal property, trade fixtures, and intangibles be allocated to their separate components when they are significant to the overall value conclusion. In the case at hand, my valuation does not consider the contributory value of the furniture, fixtures and equipment, plus any additional value business enterprise

or intangible assets in excess of the real property.

This report is prepared in accordance with the guidelines from: the Uniform Standards of Professional Appraisal Practice (USPAP) adopted the Appraisal Foundation; Federal regulations as stipulated by the Real Estate Appraisal Ruling (12 CFR Part 34 [Title XI of FIRREA]).

This appraisal is to be used in whole and not in part, in particular, no part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which he is connected.

The distribution of value between land and building applies only under the present program of utilization and is invalidated if used in making a summation appraisal.

No responsibility is assumed by the Appraiser for matters which are of legal nature, nor is any opinion on the title rendered herewith. Good title is assumed.

The property has been appraised as though free of liens and encumbrances, except as herein described.

The management of the property is assumed to be competent and the ownership in responsible hands.

The parcel dimensions and site area are based on a recent survey and legal descriptions prepared by Florida Keys Land Surveying dated August 29, 2017.

This report contains the results of my investigation and analysis made in order to furnish an estimate of the “*As Is*” *Market Value of the Fee Simple Interest* of subject property. The Fee Simple Estate is the unencumbered value of the subject property; basically, market rents and terms are considered with no regard to existing leases and terms. The Leased Fee Interest is an ownership interest held by the landlord, who conveys the rights of use and occupancy to a tenant by lease. The landlord’s rights include the right to receive rent and the right of possession at the end of the lease period. In the case at hand, there are no leases encumbering the subject parcels. As a result, a Fee Simple analysis was performed for subject parcels.

Any maps or plats reproduced and included in this report are intended only for the purpose of showing spatial relationships. They are not measured surveys nor measured maps, and no responsibility for cartographic or surveying errors is assumed.

Upon site visit of the property, no visible signs of environmentally hazardous materials were noted. The appraiser is not aware of any environmental hazards on the property. The Appraiser is not an expert in the field of environmental hazards. An expert in the field is recommended if desired, as no environmental tests were made by the appraisers.

The Appraiser herein is not required to give testimony in court unless arrangements have been previously made thereof.

The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or

structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.

Information, estimates and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraiser is assumed by the Appraiser.

Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated.

The undersigned Appraiser has no present or contemplated future interest in the property and the compensation is in no manner contingent upon the value reported.

Possession of this report does not carry with it the right of publication or advertisement of any of its conclusions, nor may any except the applicant use the same for any purpose without the previous written consent of the appraiser or the applicant.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser has not made a specific survey or analysis of the proposed preliminary plans to determine whether or not it is in conformity with the various detailed requirements of the ADA. The appraiser is not a contractor and is not qualified to make a determination if the building adheres to the requirements. The property, together with a detailed analysis of the requirements of the ADA, could reveal that the proposed property may or may not be in compliance with one or more of the requirements of the Act. If so, this fact could have an effect upon the value of the property.

This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organizations with which the Appraiser is affiliated.

The discovery of latent conditions is beyond the scope of this appraisal. Detection of latent conditions requires the expertise of qualified persons such as architects and engineers. Latent conditions include, among other things, non-apparent structural conditions; presence of prohibited hazardous wastes; presence of radon gas, methane gas, asbestos, lead, petroleum products and other air, soil, or water contaminants; and many other conditions too numerous to mention which may affect the value of the property being appraised. The appraiser conducting this appraisal is not qualified to detect latent conditions and has conducted this appraisal upon the assumption that no latent conditions (including those mentioned above and others) exist on the property covered by this appraisal.

ACCORDINGLY NOTICE IS HEREBY GIVEN that neither the appraiser conducting this appraisal, nor the APPRAISAL COMPANY OF KEY WEST make any warranty, express or implied, to property covered by this appraisal, and neither shall have any liability to any person for differences in the value of the appraised property, or other damages, resulting from discovery of latent conditions (including those mentioned above and others) on, or in proximity to, the appraised lands.

This appraisal report is in conformity with the Uniform Standards of Professional Appraisal Practices and this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or

the approval of a loan.

I do hereby certify that to the best of my knowledge and belief the statements of fact contained in this report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct; also this report sets forth all the limiting conditions affecting the analyses, opinions and conclusions contained in this report; also this report has been made in conformity with the Appraisal Institute.



PROFESSIONAL QUALIFICATIONS

JAMES E. WILSON, III, MRICS

James E. Wilson has been a resident of South Florida since 1976. His education includes a Bachelor of Science in Business Administration with a Major in Economics from the University of Florida, 1987-1991. His experience in the real estate industry began in early 1992 as a residential real estate appraiser in Pompano Beach, Florida. He appraised a wide variety of single and multi-family residential properties in Dade, Broward, and Palm Beach counties over a two-year period. In the search of advancement and challenge, James Wilson moved to the City of Key West, Monroe County, Florida in order to obtain experience and practice commercial real estate appraisal valuation techniques in a demanding and somewhat unique market area. Over the past 25 years James has been exposed to a wide-range of appraisal projects, including highest and best use studies, complex property appraisals, and wetland and environmentally sensitive valuations including transferrable development rights. His appraisal experience includes financial and investment analysis, appraisal review, feasibility and planning analysis, as well as market research and analysis. James Wilson is a State Certified General Real Estate Appraiser (licensed to perform residential and commercial appraisals) and a General Associate Member of the Appraisal Institute. He is a member of RICS (Royal Institution of Chartered Surveyors), which is an international member organization for professionals in property, land, real estate, construction and related environmental issues. Jim is past President of the Key West Gator Club, 2013/2014 President of the Sunset Key West Rotary Club, member of Class VII Leadership Monroe, 2012 President of the Key West Chamber of Commerce, and has been elected to continue to serve on the Board of Directors of the Key West Chamber of Commerce. Jim is still an active member on the Board of Directors for the Key West Chamber of Commerce.

Education: SOUTH BROWARD HIGH SCHOOL, Hollywood, FL, 1987.

UNIVERSITY OF FLORIDA, Gainesville, Florida - Bachelor of Science in Business Administration - Major in Economics, 1987-1991.

APPRAISAL INSTITUTE

Appraisal Reporting of Complex Residential Properties, October, 1993.

Persuasive Style in Narrative Appraisal Reports, May, 1994.

ACE 1779 - "Special Purpose Properties - The Challenge of Real Estate Appraising in Limited Markets", September, 1996.

410 Standards of Professional Practice, Part A (USPAP), 8/97.

420 Standards of Professional Practice, Part B, August, 1997.

520 Highest & Best Use and Market Analysis, October, 1997.

Non-Conforming Uses Seminar, January, 1998.

510 Advanced Income Capitalization, May, 1998.

530 Advanced Sales Comparison & Cost Approach, May, 1998.

540 Report Writing & Valuation Analysis, August, 1998.

550 Advanced Applications, February, 1999.

Regression Analysis in Appraisal Practice: Concepts & Applications, Seminar, March, 2000.

General Demonstration Appraisal Report Writing Seminar, March, 2000.

800 Separating Personal & Real Property from Intangible Business Assets, March, 2002.

Successful Completion of the General Comprehensive Examination for the Appraisal Institute

Uniform Appraisal Standards for Federal Land Requisitions, March, 2007

General Demonstration Appraisal Report Writing Seminar, August, 2007

Valuation of Conservation Easements, January, 2008.

Appraising Distressed Commercial Real Estate, June, 2009

Oil Spills and Property Values, Webinar, August, 2010

Business Practices and Ethics, September, 2010

A Debate of the Allocation of Hotel Total Assets, October 26, 2010

Appraisal Institute Update, May 19, 2011

Appraisal Curriculum Overview (2-day General) May, 2011

Professional Qualifications of James E. Wilson, III (Continued)

APPRAISAL INSTITUTE

Perspectives from Commercial Review Appraisers, July 20, 2011

Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets, 05/07/2012 - 05/08/2012

UAD-Up Close and Personal, November, 2014

Expert Witness Testimony: To Do or Not to Do, November, 2014

Analyze This! Applications of Appraisal Analysis, November, 2014

Florida Appraisal Laws and Regulations Update

Reviewers Checklist , November, 2014

National USPAP Update Equivalent (2014-2015) , November, 2014

Purchase Price Allocations for Financial Report and Tax, April 16, 2014

Behind the Headlines, the New Real Estate Real Estate Economy, May 16, 2014

GOLD COAST SCHOOL OF REAL ESTATE

Real Estate Principles, Practices, and Law - FREC Course I, May, 1992.

Salesman Post-License Program, February, 1994.

Mortgage Broker, Exam-Prep Program, September, 1992.

AB I - Appraisal Board - Fundamentals of R.E. Appraising, 5/92.

AB II - Appr. Board - Appraising Resid. & Income Properties, 2/94.

AB IIb - Appraisal Board - Cert. Resid. Appraisal Course, 7/94.

AB III - Appraisal Board - Certified General Appraisal Course (Income Capitalization Course), February, 1995.

USPAP - Uniform Standards of Professional Appraisal Practice, 6/92.

USPAP Course, September, 1995.

A-102 - Plan Reading for Appraisers, September, 1995.

National USPAP Update Course, June 2006

Techniques of Income Property Appraisal, June 2006

McKISSOCK DATA SYSTEMS

Automated Valuation Models, October, 2000.

Uniform Standards of Professional Appraisal Practice, October, 2000.

Factory Built Housing, October, 2000.

Appraiser Liability, September, 2002.

Appraising Nonconforming & Difficult Properties, September, 2002.

Appraiser Liability, USPAP, September, 2002.

Appraising for the Secondary Market, October, 2004.

Appraising High-Value Residential Properties, October, 2004.

Florida Laws and Regulations, October, 2004.

Limited Appraisals and the Scope of Work Decision, October, 2004.

National USPAP Equivalent, October, 2004.

Florida Laws and Regulations, September 2006.

Disclosures and Disclaimer, September, 2006.

Appraisal Trends, September 2006.

National USPAP Update Equivalent(2008-2009), November, 2008.

Introduction to Expert Witness Testimony, November 2008.

Mortgage Fraud-Protect Yourself, November, 2008.

Florida Appraisal Supervisor-Trainee Roles and Relationships, November, 2008.

Florida Laws and Regulations, November, 2008.

National USPAP Update Equivalent (2010-2011), August, 2010.

Risky Business: Ways to Minimize Liability, August, 2010.

Professional Qualifications of James E. Wilson, III (Continued)

Florida Laws and Regulations, August 2010.

Florida Appraisal Supervisor-Trainee Roles and Relationships, August, 2010.

The Changing World of FHA Appraising, August, 2010.

Systems Built Housing: Advances in Housing for the New Millennium, October, 2012

Deriving and Supporting Adjustments, October, 2012

Introduction to Regression Analysis for Appraisers, October, 2012

Introduction to Residential Green Building for Appraisers, October, 2012

Florida Appraisal Laws and Regulations Update

National USPAP Update Equivalent (2012-2013), October, 2012

Appraisal of Fast Food Facilities, November, 2016

2016-201 7-Hour National USPAP Update Course, November, 2016

Managing Appraiser Liability, November, 2016

Florida Appraisal Laws and Regulations, November, 2016

Advanced Hotel Appraising-Full Service Hotels, November, 2016

VALUE INFORMATION TECHNOLOGY, INC.

"Perspectives on Appraisals" FREAB Course ACE#1591, June, 1995.

NORTH BROWARD BOARD OF REALTORS

ACE 591 - Basics of Construction - How a Florida Home is Built II, January, 1994.

Certification:

State certified general real estate appraiser, as designated by the Department of Professional Regulation, State of Florida; Registration No. RZ 2164.

Licensed Real Estate Salesperson, as designated by the Department of Professional Regulation, State of Florida; License No. SL 0589552 (currently inactive).

Professional Associations:

Key West Board of Realtors

General Associate Member of the Appraisal Institute

Member of RICS (Royal Institute of Chartered Surveyors), October, 2010 Member#1299389

Affiliations:

Past President of the Key West Gator Club (Alumni Organization of the University of Florida)

Member of Class VIII, Leadership Monroe County

Board Member of the Rotary Club of Sunset Key West, 2013/2014 President, 2009 Treasurer, 2010 Vice President, 2011 President-Elect, 2012 President Board of Directors of the Key West Chamber of Commerce, Current Board Member

Experience:

WILCO VALUATIONS, P.A. d/b/a APPRAISAL COMPANY OF KEY WEST, James Wilson, President and his wife, Maria Virginia Wilson, also a State Certified General Real Estate Appraiser purchased the Appraisal Company of Key West from Mr. Richard Padron in April, 2004. Mr. Padron has continued to be a Fee Commercial Real Estate Appraiser with the Appraisal Company of Key West, which has ensured continuity and quality control.

APPRAISAL COMPANY OF KEY WEST, INC., Fee Commercial Real Estate Appraiser, April, 1994 to April, 2004.



F.C.P. APPRAISAL SERVICES, INC., Senior Real Estate Appraiser and Trainer, May, 1992 to April, 1994.

Appraised various types of properties in the Florida Keys, including:

Retail Stores	Commercial/Residential Condominiums
Restaurants	Full-Service Marinas/Boat Yards
Strip Centers	Environmentally Sensitive Acreage
Office Buildings	Industrial Uses
Mixed-Use Properties	Guest Houses /Hotels/Motels
Service Stations	Mobile Home and RV Parks
Multi-family Projects	Warehouse (including mini-storage)
Proposed Developments	Special-Use Properties including Schools
Single-family Estates	Seafood Processing Plants

APPRAISER CERTIFICATION

STATE OF FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION FLORIDA REAL ESTATE APPRAISAL BD	
LICENSE NUMBER	
RZ2164	
The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2018	
WILSON, JAMES E 3144 NORTHSIDE DR SUITE 201 KEY WEST FL 33040	



PROFESSIONAL QUALIFICATIONS**Blair C. Lee, MAI**

Blair's real estate career began in June 1990 as a researcher for Callaway & Price, Inc., an established leader in the commercial real estate appraising field whose headquarters are located in Jupiter, Florida. In 1992, he was promoted to work as a commercial appraiser/consultant to value various types of properties all over the State of Florida. His experience includes, but is not limited to, acquiring properties, leasing, brokering and/or valuing numerous types of properties that ranged in complexity from land to large multi-tenant properties that required in-depth cash flow modeling, ARGUS and projections.

After 15 years of experience working for Callaway & Price, Mr. Lee was recruited as Vice-President of Acquisitions for Ashkenazy & Agus Ventures, LLC, a private real estate developer/investor firm in Boca Raton. While working with this firm, Blair successfully assisted in the acquisition of 250 million + portfolio, which included both commercial and multifamily properties throughout the United States.

In 2009, Mr. Lee branched out on his own and founded Lighthouse Realty Services, Inc., a full service real estate firm that specializes in commercial real estate appraisals, brokerage, consultation, acquisitions, and due diligence. Also, Mr. Lee has worked with Ibis Development in Miami and Summit Development. These are private real estate groups that specialized in sourcing bank notes, foreclosures, distressed properties and commercial development opportunities. Since 2012, Lighthouse Realty has focused its efforts on appraising real estate, consulting, tenant rep leasing, Investment sales, brokerage and business development.

Blair is a native Floridian whose formal education includes a Bachelor of Science with a double major in Real Estate and Business Management from Florida State University. He also holds an active State Certified General Real Estate Appraiser License and a Real Estate Broker License in the State of Florida. In 2004, he became a designated Member of the Appraisal Institute (MAI).

PROFESSIONAL EXPERIENCE**Lighthouse Realty Services, Inc., Palm Beach Gardens, FL****March 2009 - Current****President & Founder**

- A multi-dimensional real estate group that has extensive experience in acquisitions, consulting brokerage, appraising, and valuing residential, commercial, retail, industrial, multi-family, special purpose sites and properties all over the state of Florida. The firm's current geographical area is extensive and includes, but is not limited to, South Florida (Palm Beach to Miami-Dade), Monroe County (Florida Keys), Martin County, Port Saint Lucie County and the Orlando & Tampa Bay Metropolitan Statistical Areas (MSA). Special assignments are accepted on a case-by-case basis throughout the remainder of Florida.

Ibis Development Group, Miami and Palm Beach, FL**March 2009 – August 2010****Chief Operating Officer**

- Ibis Development is a private real estate group that searches for investment opportunities including value-add properties, distressed/discounted notes, development and REO properties. Primary role was to source deals and analyze real estate that fits the needs and criteria of the group and partnerships.

PROFESSIONAL QUALIFICATIONS

Blair C. Lee, MAI

Ashkenazy & Agus Ventures, Boca Raton, FL

June 2005 – March 2009

Vice-President of Acquisitions

- Responsible for the acquisition of loans & properties, due diligence review, underwriting, analysis of property, identifying assets for redevelopment and repositioning throughout the U.S. with an emphasis in Florida.
- Create and maintain relationships with financial institutions, asset receivers, service providers, real estate brokers and other organizations in order to obtain leads and create opportunities to acquire real estate properties, distressed properties, and/or notes. Worked directly with principals.
- Draft letters of intent and coordinate aspects of negotiations with sellers to secure purchase agreements. Contributed in the acquisition of over 1,500 multi-family units in Florida and approximately 2 million square feet of commercial space.

Callaway & Price, Inc., Jupiter, FL

May 1990 – June 2005

Senior Real Estate Appraiser/Consultant

- Prepared written reports in order to estimate retrospective, current, and/or prospective property values of a variety of property types including commercial, retail, mixed-use, industrial, agricultural, multifamily, and special purpose properties for financial institutions, private clients, government entities, and developers. Mr. Lee has appraised properties from Jacksonville to Key West, Florida.
- Performed Investment Analysis, Feasibility Studies, Tax appeals, Insurable value estimates, Market Analysis, Highest & Best Use Studies and Appraisal Reviews. Some of these complex valuation approaches included the use of diverse cash flows and Argus models.
- Established relationships with bankers, loan officers, and brokers; as well as communicated, discussed and reviewed properties of all asset classes.

FORMAL EDUCATION

AA, Associate of Arts Degree, Business Administration

1987

Palm Beach State College (formerly PB Community College), Palm Beach Gardens, Florida

BS, Bachelor of Science, Real Estate and Management

1990

Florida State University, Tallahassee, Florida

PROFESSIONAL AFFILIATIONS/CERTIFICATIONS

- Member of Appraisal Institute (MAI) – Member since 1992 and Designated since 2004 - No. 12271
- Member of International Council of Shopping Centers (ICSC)
- Licensed State Certified General Real Estate Appraiser – State of Florida RZ2125
- Licensed Real Estate Broker – State of Florida BK0570280
- Member – Realtors Association of the Palm Beaches
- Member – Realtors Commercial Alliance (RCA)
- Member of the Northern Palm Beach Chamber of Commerce
- Member of the Chamber of Commerce of the Palm Beaches

PROFESSIONAL QUALIFICATIONS

Blair C. Lee, MAI

- RCA – Realtors Commercial Alliance Board Member
2018 President elect RCA – RAPB-GFLR
- First City Bank of Commerce Advisory Board Member
- CCIM – East Coast District Florida Board Member
- ACRES – Alliance of Corporate Real Estate & Specialist Executive Committee Member
- Fannie Mae Certified - Multi-family Property Risk Management and Inspector

APPRAISAL EDUCATION



Principles of Income
Advance Income 510
Report Writing & Analysis 540
Advance Applications 550
Standards of Professional Practice, A, B & C
Separating Real and Personal Property from Tangible Business Assets, Course 800
FHA & the new Residential Appraisal Reports
Supervisor Trainee Roles & Rules, 2010, 2014, 2016
Business Practice & Ethics, 2011
Property Tax Assessment, 2010
Hotel Appraising – New Techniques for Today's uncertain times, 2010
National Uniform Standards of Professional Practice (USPAP), 2010, 2012, 2014, 2016
Florida Appraisal Law 2012, 2014, 2016
Appraising the Appraisal – Appraisal Review, 2012

APPRAISING/CONSULTING EXPERIENCE

Agricultural Acreage	Marinas	Shopping Centers
Apartment Buildings	Mobile Home Parks	Subdivisions/Residential
Automobile Dealerships	Multifamily Projects	Special Purpose Property
Commercial Property	Office Buildings	Vacant Commercial Property
Condominiums	Restaurants	Vacant Residential
Day Care centers	Retail Buildings	Vacant Waterfront Property
Eminent Domain	RV Parks	Vacant Industrial Property
Golf Courses	Single Family Homes	Warehouses
Hotels	Parking Garages	Wetlands
Industrial uses	Proposed Projects	

APPRAISER'S CERTIFICATION

RICK SCOTT, GOVERNOR		KEN LAWSON, SECRETARY	
STATE OF FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION FLORIDA REAL ESTATE APPRAISAL BD			
LICENSE NUMBER			
RZ2125			
The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2018			
LEE, BLAIR C 4440 PGA BLVD SUITE 600 PALM BEACH GARDENS FL 33410			
ISSUED: 11/18/2016		DISPLAY AS REQUIRED BY LAW	
		SEQ # L1611180001806	



ENGAGEMENT LETTER



SUBCONSULTANT AGREEMENT

THIS AGREEMENT made the 7th day of July in the year 2017, by and between

EDSA, Inc.
1512 E. Broward Boulevard, Suite 110
Fort Lauderdale, Florida 33301 USA

hereinafter referred to as "EDSA," and

APPRAISAL CO. OF KEY WEST
3144 Northside Drive, Suite 201
Key West, FL 33040

hereinafter referred to as "APPRAISAL CO. OF KEY WEST"

WITNESSETH:

EDSA and APPRAISAL CO. OF KEY WEST, for the considerations hereinafter named, agree as follows:

1. EDSA has entered into an Agreement with (EDSA Client City of Key West, in Key West, Florida) hereinafter referred to as the "Prime Contract" to provide professional services for the Indigenous Park (hereinafter referred to as the "Project").
2. APPRAISAL CO. OF KEY WEST agrees to furnish to EDSA professional services related to the Project generally as outlined in the APPRAISAL CO. OF KEY WEST Subcontractor Proposal and more specifically as follows.
3. All services to be provided by the APPRAISAL CO. OF KEY WEST shall be in accordance with the terms and conditions outlined in the prime contract and in the Agreement Between Owner and Consultant for the City of Key West and in a sequence, time and manner which permits EDSA to adhere to and comply with the requirements and applicable sections of the Prime Contract. APPRAISAL CO. OF KEY WEST agrees to be bound in the same manner and to the same extent that EDSA is bound by all applicable sections of the Prime Contract and Agreement between Owner and Consultant for the City of Key West. In the event of a conflict between the Terms and Conditions of this Subconsultant Agreement and the Prime Contract, the Prime Contract will prevail.
4. APPRAISAL CO. OF KEY WEST compensation for services to be provided in this Agreement shall be \$3,200 USD in accordance with the deliverables stated below, and more specifically, the deliverables stated in the Prime Contract.

Appraisal Report: Appraiser agrees to prepare in writing a narrative Appraisal Report in conformity with USPAP, (Uniform Standards for Professional Appraisal Practice). Blair C. Lee, MAI will inspect, review, and sign appraisal report.

The report shall conform to any professional organizations to which the Appraiser may belong. The appraiser shall consider, if applicable, at least the three traditional approaches to value, Cost Approach, Direct Sales Comparison Approach and Income Approach, plus any other approach deemed appropriate by the Appraiser.

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Rev. 2.10

LC0000001

SUBCONSULTANT AGREEMENT BETWEEN EDSA AND APPRAISAL CO. OF KEY WEST
PAGE 2 OF 3

Conditions: The Appraisal Report shall be subject to the Appraiser's assumptions, conditions and limitations standard. The Appraisal Report will be prepared for the sole and exclusive use of Client. The appraisal report shall not be reproduced, printed or distributed in any manner without written consent of Appraiser, as it consists of "trade secrets and commercial and financial information" which is privileged, confidential and exempted from disclosure.

Litigation: In the event Appraiser is called upon voluntarily or otherwise, to testify in court or deposition regarding the Appraisal Report herein, Client agrees to pay an additional sum of \$250.00 per hour plus Appraiser's usual and customary expenses, minimum of 2 hours.

APPRAISAL CO. OF KEY WEST is not authorized to expend sums in excess of those allocated to APPRAISAL CO. OF KEY WEST in this Agreement except as approved in writing by EDSA.

5. APPRAISAL CO. OF KEY WEST will invoice EDSA once a month for services provided in the previous month. EDSA will submit to the APPRAISAL CO. OF KEY WEST those monies due and paid by the Client within thirty (30) days following receipt by EDSA from the Client. It is expressly understood and agreed that EDSA will not be obligated to pay the APPRAISAL CO. OF KEY WEST unless EDSA has received such payment from the Client.
6. APPRAISAL CO. OF KEY WEST agrees to indemnify EDSA against any payments made by EDSA to APPRAISAL CO. OF KEY WEST which are subsequently disallowed by the Client and agrees to promptly reimburse EDSA for any such amount which EDSA may be required to pay the Client on behalf of the Subconsultant.
7. APPRAISAL CO. OF KEY WEST acknowledges that it has the expertise, experience, personnel and resources to perform the services outlined under this Agreement and it is fully qualified and authorized under Florida law to provide such services.
8. In the event APPRAISAL CO. OF KEY WEST abandons or suspends the project, and/or EDSA's contract with APPRAISAL CO. OF KEY WEST is terminated, this Agreement shall be terminated according to the Prime Contract.
9. EDSA will provide APPRAISAL CO. OF KEY WEST with any information available to EDSA, but APPRAISAL CO. OF KEY WEST will be responsible for insuring that he has all information needed for his work.
10. The Subconsultant's services are to be performed in a professional manner expeditiously and subject to the same standards and requirements as pertain to EDSA's services under the Prime Contract. APPRAISAL CO. OF KEY WEST shall indemnify EDSA and the Client for any and all damages which EDSA or the Client might sustain due to the Subconsultant's negligent acts or omissions. If any litigation or other controversy arises involving the Subconsultant's work, APPRAISAL CO. OF KEY WEST will assume the responsibility, therefore, and APPRAISAL CO. OF KEY WEST will hold EDSA and/or the Client harmless against any claim for damages by the Client or any other person arising out of the Subconsultant's work.
11. During the term of any executed Work Order until the expiration of any applicable statute of limitations, APPRAISAL CO. OF KEY WEST shall secure and maintain a minimum baseline insurance coverage of \$1,000,000 General Liability and \$1,000,000 Professional Liability. Before starting work on the project, APPRAISAL CO. OF KEY WEST shall furnish EDSA with Certificates of Insurance to be provided by his insurance carriers.
12. Any decision or determination by APPRAISAL CO. OF KEY WEST relating to EDSA's performance or compensation under his Prime Contract with the Client, which is binding upon EDSA, shall also be binding upon APPRAISAL CO. OF KEY WEST insofar as it relates to or involves his performance or compensation under this Agreement. Except as heretofore provided in this paragraph, any dispute arising between the parties to this Agreement, or involving the interpretation of the terms of this Agreement or any breach thereof, shall be interpreted according to the Laws of the State of Florida.

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SUBCONSULTANT AGREEMENT BETWEEN EDSA AND APPRAISAL CO. OF KEY WEST
PAGE 3 OF 3

13. This Agreement is binding on the partners, successors, executors, administrators and assigns of both parties and neither party shall assign, sublet or transfer his interest in this Agreement without the written consent of the other.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

APPRAISAL CO. OF KEY WEST

BY: [Signature]
TITLE: PRESIDENT
DATE: July 13, 2017

EDSA, Inc.

BY: [Signature]
TITLE: Principal
DATE: July 7, 2017

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ENDNOTES

1. The Appraisal of Real Estate, 10th Edition, Appraisal Institute, 1992, Page 80.