
**AN APPRAISAL OF THE
MARKET LEASE RATE
FOR
UNIT 104, 660 NW PEACOCK BLVD.
PORT ST. LUCIE, FLORIDA**

PREPARED FOR
Port St. Lucie Police Department
c/o Jennifer Ledina, PD Administration
Operation Corridor Support Services
121 SW Port St. Lucie, Blvd.
Port St. Lucie, FL 34984

DATE OF APPRAISAL: May 12, 2025 (Date of inspection)

Prepared by:
Daniel D. Fuller, MAI, SRA
State-Certified General Real Estate Appraiser RZ567
FULLER-ARMFIELD-WAGNER
Appraisal & Research, Inc.
Serving - St. Lucie / Martin / Okeechobee Counties

Appraisal No. 20405

FULLER-ARMFIELD-WAGNER Appraisal & Research, Inc.

Daniel D. Fuller, MAI, SRA, State-Certified General Real Estate Appraiser RZ567

700 22nd Place - Suite D4, Vero Beach, Florida 32960 – Mail: P.O. Box 152, Vero Beach, Florida 32961
(772) 468-0787 / dan_faw@bellsouth.net Serving - St. Lucie / Martin / Okeechobee Counties

May 12, 2025

Port St. Lucie Police Department
c/o Jennifer Ledina, PD Administration
Operation Corridor Support Services
121 SW Port St. Lucie, Blvd.
Port St. Lucie, FL 34984

Re: Market lease rate for Unit 104, 660 NW Peacock Blvd., Port St. Lucie, FL

Dear Ms. Ledina:

Per our appraisal services contract, on May 12, 2025, I inspected the referenced property, and I have made an analysis of the market influences affecting the subject property to provide an opinion of the property's Market Lease Rate terms and conditions "as is", as identified within the Scope of Work section (page 2) of this report.

The appraisal adheres to the Uniform Standards of Professional Appraisal Practice (USPAP), presented in a USPAP stated "Appraisal Report" format.

- Client: Port St. Lucie Police Department and/or client representatives.
- The Intended Use of this appraisal is to assist the client with negotiating the market lease rate and there is no other intended use.
- The Intended User of this report is my client and/or client representatives.
- The appraisal and report are subject to the Ordinary Limiting Conditions, Extraordinary Assumptions, and Certification included within this report.

My opinion of the market lease rate, terms, and conditions are reported within Summary of Important Facts and Conclusions (page 1) of this report, and within the summary of conclusions within the valuation section(s).

I believe you will find my appraisal and report complete, but if there are questions, please contact me at your convenience.

Sincerely,



Daniel D. Fuller, MAI, SRA
State-Certified General Real Estate Appraiser RZ567

DDF/asf 20405

TABLE OF CONTENTS

SUMMARY OF IMPORTANT FACTS	1
PROPERTY TYPE AND USE "AS IS"	2
SCOPE OF WORK.....	2
APPRAISAL REPORT FORMAT	2
ORDINARY LIMITING CONDITIONS AND UNDERLYING ASSUMPTIONS.....	3
EXTRAORDINARY ASSUMPTIONS.....	4
CERTIFICATE OF APPRAISAL.....	5
OWNER OF RECORD AND SALES HISTORY	6
LEGAL DESCRIPTION	6
LOCATION MAP	7
SUBJECT PHOTOGRAPHS	8
AREA DATA	11
NEIGHBORHOOD DATA.....	12
NEIGHBORHOOD MAP.....	13
CENSUS TRACT.....	16
ZONING AND LAND USE CLASSIFICATION	16
CONCURRENCY	16
UTILITIES	17
FLOOD ZONE	17
ASSESSED VALUE AND TAXES	18
PROJECT DESCRIPTION.....	19
SITE MAP	20

BUILDING DESCRIPTION.....	21
Overall Building Footprint Sketch Exhibit.....	22
Subject Unit Description.....	23
SUBJECT FLOOR PLAN EXHIBIT	24
HIGHEST AND BEST USE	25
MARKET LEASE RATE ANALYSIS	27
LEASE RATE SUMMARY	28
COMPARABLE DATA LOCATION MAP.....	29
SUMMARY & CONCLUSION OF SUBJECT'S MARKET RENTAL SPACE	30
Annual Rate Adjustment	31
Common Area Maintenance (CAM)	31
Lease Terms	32
QUALIFICATIONS OF THE APPRAISER.....	33
ADDENDUM A – ST LUCIE COUNTY AREA DATA	A1

Summary of Important Facts and Conclusions

- Property Type: Flex space unit within flex space building
- Use of the Property "As is": Subject unit - Vacant
- Location: Unit 104, 660 NW Peacock Blvd., Port St. Lucie, FL

- Purpose of Appraisal: Estimate Market Lease Rate
- Property Rights Appraised: Fee Simple Interest

- Date of Appraisal: May 12, 2025
- Date of Inspection: May 12, 2025
- Inspected by: Daniel D. Fuller, MAI, SRA
- Date of Appraisal Report: May 12, 2025
- Report Prepared: May 2025
- Report Format: USPAP stated "Appraisal Report."

- Project Description: Average quality, multi-occupant, flex space property.
Site Size: 3.134 acres
Gross building footprint area – 49,476 square feet to include 11,254 square feet of finished area, plus 3,844 square feet of storage loft.

- Subject Unit Description: 1st floor unit gross enclosed footprint 9,711 square feet, including 893 square feet of finished office/restroom area, plus 923 square feet of limited access loft storage.

- Zoning: WI, Warehouse Industrial
- Land Use: LI/OSR/I, Light Industrial, Open Space Recreation, Institutional
- Census Tract: 3821.08
- Flood Zone: Zone X – area of minimal flood hazard
(FEMA Map 12111C0260J, date 2/16/2012)
- Highest and Best Use– "as is": Flex space – light industrial

Lease Conclusion –

As of May 12, 2025, it is my opinion:

- **Subject's NNN lease rate is \$10.00 per square feet.**
- **Market typical annual cost of living adjustments is in the range of 3% to 5% of the current net lease rate.**
- **Market Common Area Maintenance (CAM) fee is \$3.50 per square feet, annually.**
- **Also, the typical lease term within the subject's market segment is 3 to 5 years.**

Property Type & Use “as is”

- Property Type: Flex space unit within flex space building
- Use of the Property “As is”: Subject unit - Vacant

Scope of Work

Jennnifer Ledina, PD Administration Operations Coordinator Support Services, for the Port St. Lucie Police Department, engaged my services to provide an opinion of the Market Lease Rate, plus market lease terms and conditions for the subject Unit 104, within 660 NW Peacock Boulevard, Port St. Lucie, FL. Market Rent & Fee Simple Estate is defined as follows:

Marker Rent - Source, *Appraisal Institute, Dictionary of Real Estate Appraisal, 6th ed.*

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Fee Simple Estate – Source, *Appraisal Institute, Dictionary of Real Estate Appraisal, 6th ed.*

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.

Forming an opinion of the subject’s Market Lease Rate, terms and conditions, is accomplished by comparison of lease rates, terms, conditions, etc. from similar leased properties. Research began within the subject’s immediate neighborhood and extended through industrial neighborhoods within the city of Port St. Lucie. However, research produced adequate data within the subject’s immediate St. Lucie West Commerce Park neighborhood to form opinion(s) of the subject’s market lease rate, terms and conditions, thus research did not extend beyond the St. Lucie West Commerce Park.

Data gathered was verified with a knowledgeable participant of the transaction, and then the data is analyzed to interpret market trends. The data analyzed is then applied to the subject for an indication market lease rate, terms, and conditions.

The appraisal adheres to the Uniform Standards of Professional Appraisal Practice (USPAP), presented in a USPAP stated “Appraisal Report” format.

- Client: Port St. Lucie Police Department and/or client representatives.
- The Intended Use of this appraisal is to assist the client with negotiating the market lease rate and there is no other intended use.
- The Intended User of this report is my client and/or client representatives.
- The appraisal and report are subject to the Ordinary Limiting Conditions, Extraordinary Assumptions, and Certification included within this report.

Appraisal Report Format

Appraisal Report Format - Per *Uniform Standards of Appraisal Practice (USPAP 2020-2021)* – Standards Rule 2-2, each written real property appraisal report must be prepared under one of the following options and prominently state which options is used: Appraisal Report or Restricted Appraisal Report.

This report is an identified “Appraisal Report” (narrative) format.

Ordinary Limiting Conditions and Underlying Assumptions

1. The opinion value given in this report represents the opinion of the signer as of the DATE SPECIFIED. Real estate is affected by an enormous variety of forces and conditions will vary with future conditions, sometimes sharply within a short time. Responsible ownership and competent management are assumed.
2. This report covers the premises herein described only. Neither the figures herein nor any analysis thereof, nor any unit values derived therefrom are to be construed as applicable to any other property, however, similar the same may be.
3. It is assumed that the title to said premises is good; that the legal description of the premises is correct; that the improvements are entirely and correctly located on the property; but no investigation or survey has been made, unless so stated.
4. The opinion(s) given in this appraisal report is gross, without consideration given to any encumbrance, restriction, or question of title, unless so stated.
5. Easements on the subject parcels are unknown. Easements may or may not be recorded or may exist by customary use or other legal means. The appraiser has not nor is he qualified to search legal records as to the existence of other easements.
6. Information as to the description of the premises, restrictions, improvements and income features of the property involved in this report is as has been submitted by the applicant for this appraisal or has been obtained by the signer hereto. All such information is considered to be correct; however, no responsibility is assumed as to the correctness thereof unless so stated in the report.
7. The physical condition of the improvements described herein was based on visual inspection. No liability is assumed for the soundness of structural members since no engineering tests were made of the same. The property is assumed to be free of termites and other destructive pests.
8. Possession of any copy of this report does not carry with it the right of publication, nor may it be used for any purpose by any but the applicant without the previous written consent of the appraiser or the applicant, and in any event, only in its entirety.
9. Neither all nor 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 of the author; particularly as to the valuation conclusions, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute, or to the SRA or MAI designations.
10. The appraiser herein, by reason of this report is not required to give testimony in court or attend hearings, with reference to the property herein appraised, unless arrangements have been previously made.
11. The Contract for the appraisal/consulting services is fulfilled by the signer hereto upon the delivery of this report duly executed.
12. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and zoning laws unless non-compliance is stated, defined, and considered in the appraisal report.
13. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field, if desired.
14. The Americans with Disabilities Act (ADA) became effective January 26, 1992, we have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

Extraordinary Assumptions

Extraordinary Assumption – *Appraisal Inst, Dictionary of Real Estate Appraisal*, 6th ed., per USPAP 2016-2017 ed. An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: 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.

1. My reported gross area encompassing subject unit 104 are calculated by my field measurements, although my area calculations are somewhat different than generally reported per Realtor listing information.

Certificate of Appraisal

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

- a) The statements of fact contained in this report are true and correct.
- b) The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- c) I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- d) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- e) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- f) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- g) My analysis, opinion, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- h) Daniel D. Fuller inspected the property that is the subject of this report.
- i) No one provided significant real property appraisal assistance to the person signing this certification.
- j) The reported analyses, opinion, and conclusions were developed, and this report has been prepared, in conformity with the requirement of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute including the Uniform Standards of Professional Appraisal Practice.
- k) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- l) "As of the date of this report, I, Daniel D. Fuller, MAI, SRA, have completed the requirements under the continuing education program of the Appraisal Institute."
- m) This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- n) I have not previously appraised this property in the three years prior to this assignment, nor have I performed any other services related to this property within the three years prior to being engaged for this assignment.



Daniel D. Fuller, MAI, SRA
State-Certified General Real Estate Appraiser RZ 567

Property Owner and Sales History

Per St. Lucie County recorded Public Records found in OR Book 4361, Page 2084 the subject unit of this appraisal is titled as follows:

600 PSL, LLC
101 Puglieses Way, Suite 200
Delray Beach, FL 33444-3761

Sale History

Per St. Lucie County recorded Public Records, found in OR Book 4361, Page 2084, the most recent transaction on the subject's title occurred December 15, 2019. The transaction includes the total property. Because of the older transaction date, the transaction is not further analyzed.

Listings/Contracts

The property, including subject unit 104, are not offered for sale or under sale/purchase contract.

Lease

The subject unit 104 is not encumbered with a lease contract. The subject unit 104 is offered for lease at \$10.50 per square feet, NNN. I am informed a lease contract is "out for signatures" with the lease rate stated at \$10.00 per square feet, NNN, plus \$3.50 per square feet common area maintenance (CAM) cost to the tenant, also included there is a 4% annual upward adjustment to the base rate, and an initial term of five (5) years, plus 1 – 5 year option period with 4% increase in option year one lease rate.

Subject's Legal Description

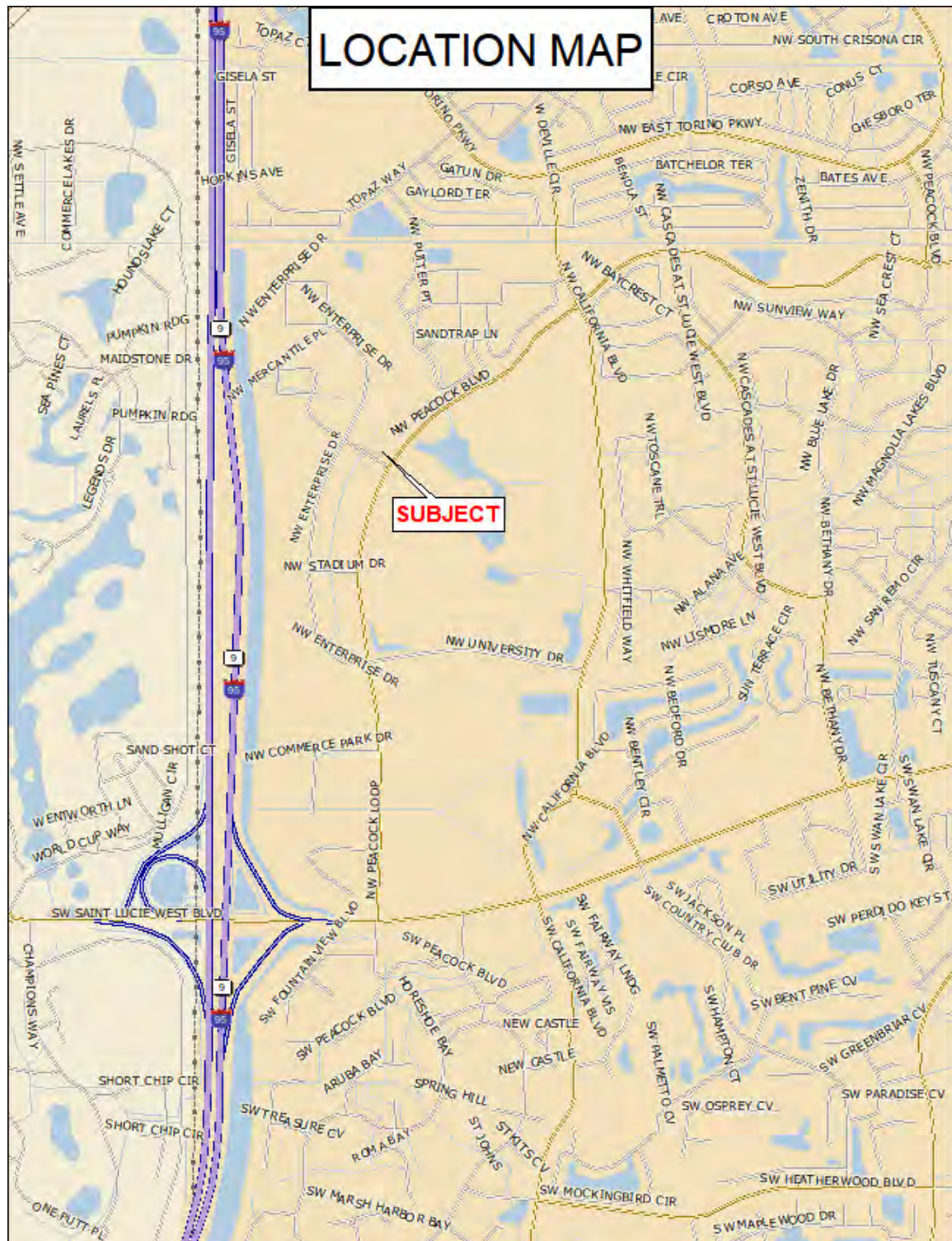
The following legal description for the total project, including unit 104, is compiled by the appraiser utilizing St. Lucie County recorded Public Records found in OR Book 4361, Page 2084:

Lot I-38, Block 2, ST. LUCIE WEST PLAT NO. 14, COMMERCE PARK - PHASE TWO, according to the plat thereof recorded in Plat Book 27, Pages 17 and 17A-F, of the Public Records of St. Lucie County, Florida.

Easements

I am unaware of easements encumbering the subject, but your attention is directed at Ordinary Limiting Condition #5 concerning easements.

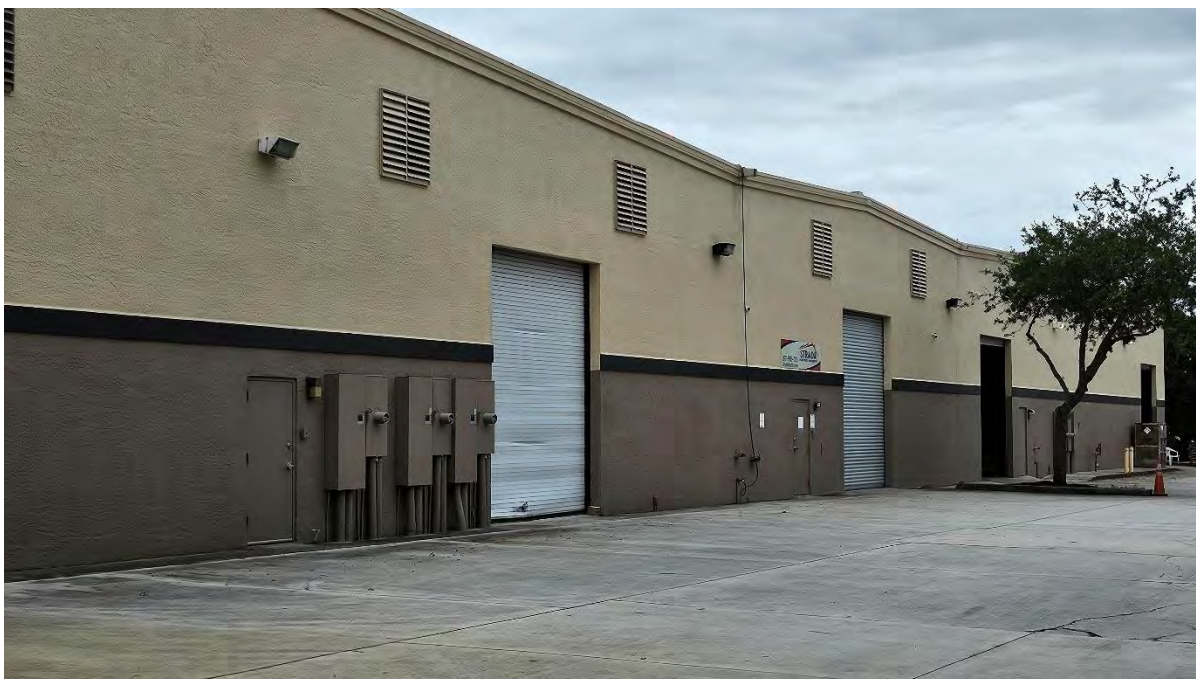
A map locating the total project and photographs of the subject project and unit comprise the following Exhibits.



Subject Photographed 5/12/2025



Subject building, front elevation – subject unit identified via arrow



Rear elevation subject unit



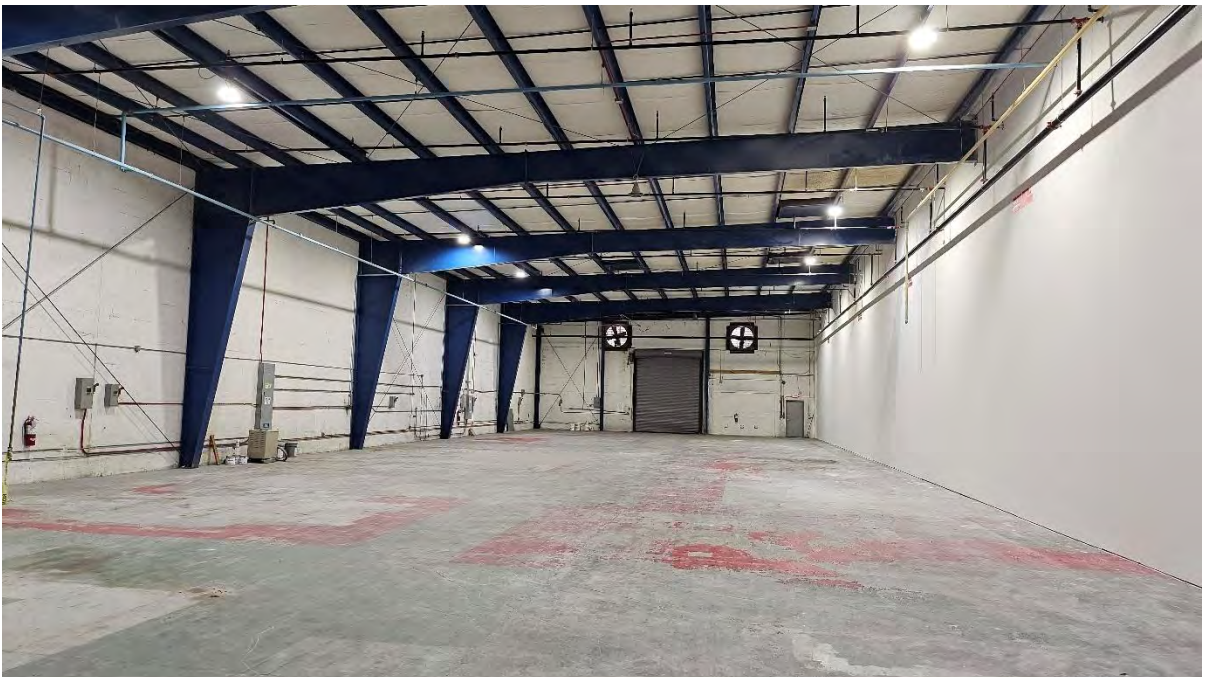
Office



Restroom



Warehouse area with office in background



Warehouse area with unit/building rear wall in background

Area Data

Detailed St. Lucie County Area Data is Addendum A of this report. In brief.

- The subject is located within the northeast corner of the St. Lucie West Park of Commerce, within the St. Lucie West DRI neighborhood of the city of Port St. Lucie.
- Port St. Lucie incorporated in the early 1960's with population in 2010 of 164,603, and 2020 US Census Bureau population estimate of 202,914, an increase of approximately 23% for the ten-year period (2.3% per year).
- Fort Pierce is the oldest city within St. Lucie County with a 2010 census population of 41,590 and 2020 US Census Bureau population estimate of 44,476, an increase of approximately 6.9% for the ten-year period (0.69%/year).
- St. Lucie Village is a mostly residential community with a population of some 600 persons, and historically very little change in the community thus the community has nominal impact on the County.
- The 2010 census placed the County's total population at 277,789 with 2020 US Census Bureau population estimate of 322,265, an increase of approximately 16% for the ten-year period (1.6% per year).
- Over the past ten years the population growth within the city of Fort Pierce remained relatively nominal and is expected to continue to grow at a relatively slow pace. The majority of the near-term growth in St. Lucie County is expected to occur in and surrounding the city of Port St. Lucie. To a great degree this occurs because the city of Ft. Pierce has little vacant land for new growth vs. the large acreage tracts incorporated within the southwest environs of the city of Port St. Lucie available for development. Thus, a majority of the County's near-term growth is expected to occur in and around the city of Port St. Lucie with near term growth in the city of Ft. Pierce and northerly St. Lucie County expected to continue at its historic slow to modest development pace.
- Prior to the announcement of the coronavirus pandemic real estate conditions throughout St. Lucie County were strengthening, although depending upon location, strengthening occurred at different levels. Post pandemic, demand in residential markets significantly strengthened as did demand in the industrial markets, with demand in the retail, office and institutional experiencing slower recovery. However, as mortgage rates began to increase in about the 2nd quarter of 2022, demand in the residential markets again softened, followed by demand generally softening in all market segments, but while it appears conditions in all market segments have stabilized, it is likely long-term trends in all markets will not be clearly defined for several months. But, regardless of current market conditions, long term growth within the city of Fort Pierce is expected to continue at historic modest to slow pace while growth within and adjacent to the city of Port St. Lucie will remain strong.

Neighborhood Data

Neighborhoods are defined as – Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed.

1. A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.
2. A developed residential superpad within a master planned community usually having a distinguishing name and entrance.

Neighborhood Boundaries – St. Lucie West DRI

The subject's broad neighborhood is defined as the St. Lucie West Development of Regional Impact (DRI) within the city of Port St. Lucie with the St. Lucie West broad boundaries as follows:

	Boundary	Distance/Direction from Subject
North	Torino Blvd	1 mile northeast
East	Florida's Turnpike	2 miles east
South	Crosstown Parkway	2.5 miles south
West	Interstate 95	0.25 mile west

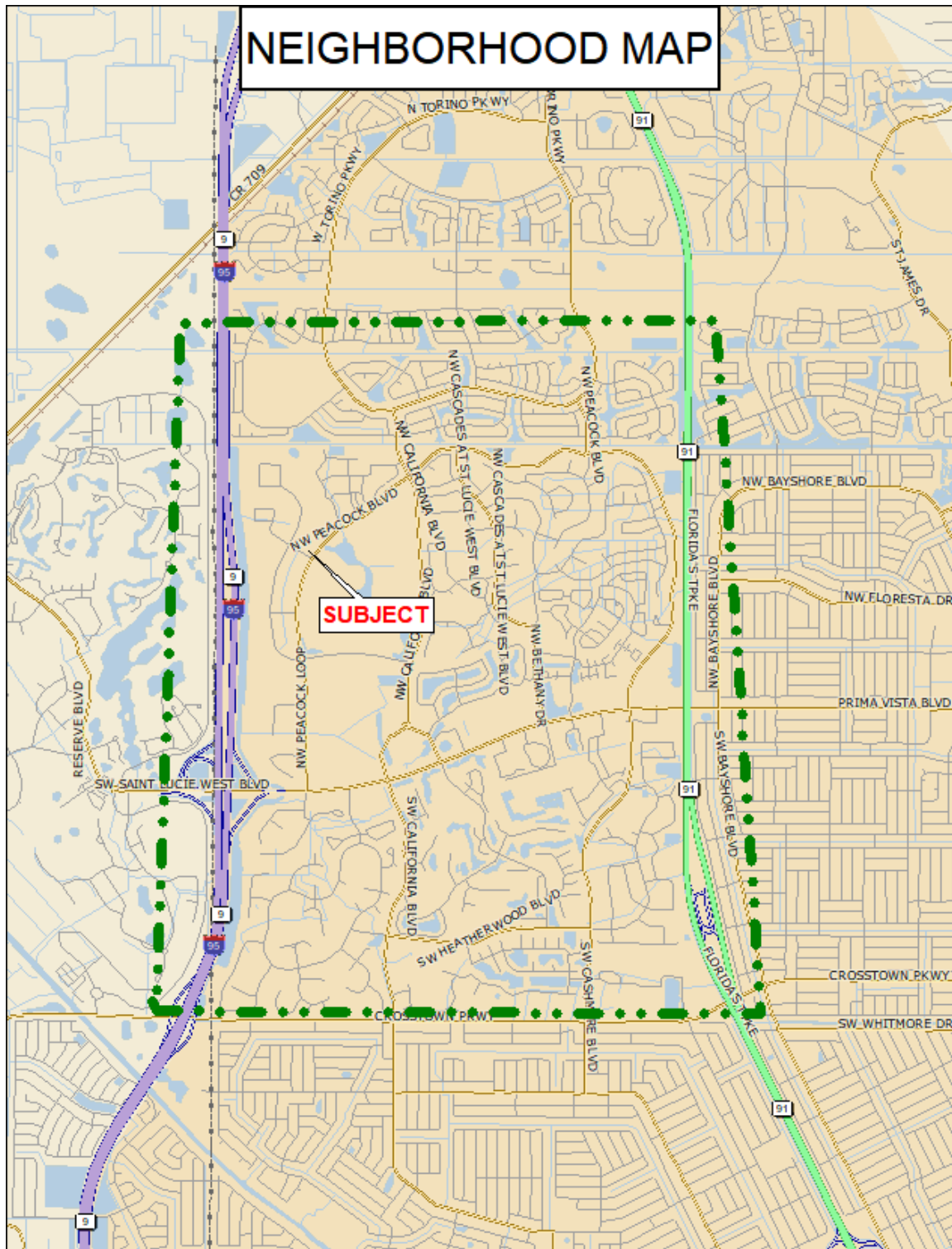
St. Lucie West is a mixed-use community, opening for sales in 1988. The development is located on approximately 4,600 acres of land, extending east-west from Interstate 95 to the Florida Turnpike. The project is an approved Development of Regional Impact (DRI) with its original development order approvals as follows:

<u>Land Use</u>	<u>Acreage</u>	<u>Permitted Density</u>
Residential	2,188 acres	18,000 units
Industrial	500 acres	6,100,000 square feet
Commercial/Retail	362 acres	1,800,000 square feet
Office	64 acres	1,900,000 square feet
Open space, lakes, parks, schools, etc.	<u>1,486 acres</u>	
Total	4,600 acres	

The DRI approval indicates that the community will include a maximum population of 30,000 residents with a permanent job base of 35,000 workers. In addition, the community will include a maximum of 90 acres of college campuses and over 100 acres of public parks and recreational facilities. However, in the past, representatives of the developer reported the final development will be less than the DRI approval maximums, i.e., 12,000 units planned, rather than the 18,000 unit maximum.

Office, industrial, and other uses were also reported to be lower than the DRI approved maximums, and in recent years the 1,800,000 SF retail space is almost fully built, but Port St. Lucie Zoning Department personnel previously reported a change occurred in the Development Order now permitting a total of 2,125,282 square feet of retail, an increase of 325,000 square feet over the former DRI allowance. Of this amount some 70,000 square feet remain un-built. Plus, industrial development is nearing build-out.

A Neighborhood Map Exhibit depicting boundaries comprises the following exhibit.



Highway Access

The primary street corridors within the St. Lucie West DRI include St. Lucie West Boulevard running east/west through the mid north/south center of the project, connecting to US Hwy 1, approximately 3.5 miles east of the St. Lucie West neighborhood, and Interstate 95 (I-95) at the project's west boundary. St. Lucie West Boulevard, west of I-95, connects to Reserve Boulevard and Commerce Centre Drive, accessing developments immediately west of I-95 and beyond.

North/south collector corridors include Cashmere Boulevard running near the east line of the St. Lucie project., Peacock Boulevard on the west side of the project between St. Lucie West Boulevard and the north line of the St. Lucie West project, and through the east/west middle of the project, California Boulevard runs north/south from the project's north line to the project's south line. Cashmere Boulevard, Peacock Boulevard, and California Boulevard provide ingress/egress to city neighborhoods north and south of St. Lucie West DRI. Plus, within the overall St. Lucie West DRI there are numerous neighborhood streets with several gated private streets within residential subdivisions.

Except for St. Lucie West Boulevard, at times traffic volume on the named primary corridors can be heavy, because St. Lucie West is nearing build-out, the traffic volumes are expected to remain near current levels. Because St. Lucie West Boulevard is an east/west corridor providing access to I-95 and most of the intense commercial development within St. Lucie West, St. Lucie West Boulevard traffic volume ranges from heavy to overcapacity, especially during the winter tourist season. There is an adequate right of way with two lanes in-place in each direction, plus there is adequate right of way to add another lane for east and west traffic flows, but to the date of appraisal widening has not occurred.

Streets adjacent to the subject include Peacock Boulevard on the east and NW Mercantile Place on the south. The subject's street frontage provides the subject with good neighborhood exposure and good project and regional ingress/egress.

Subject's Immediate Neighborhood Boundaries

The subject's immediate neighborhood is generally defined as properties northwest of University Boulevard, beginning approximately 0.66 miles north of St. Lucie West Boulevard. University Boulevard is also the south line of the St. Lucie Mets spring training complex fronting the east R/W of NW Peacock Boulevard. The subject's immediate neighborhood consists of the St. Lucie West Commerce Park, laying northwest of University Boulevard, an industrial/commerce neighborhood within the St. Lucie West DRI, covering an area approximately one mile north/south and ½ mile east/west at its widest point.

The immediate neighborhood is surrounded on the north by an upscale RV campground, on the south there are low intensity office or retail properties with the southerly area gradually moving to high intensity retail properties fronting St. Lucie West Boulevard. East of the subject there is the "Clover" stadium, home to the St. Lucie Mets spring training and grapefruit lease teams. The neighborhood's west property line is Interstate 95.

Immediate Neighborhood Property Uses

The subject is located within a mostly built-out business/industrial park developed within the St. Lucie West DRI. Improvements within the commerce park include flex space properties offering moderate size units to large units like the subject. Plus, there are numerous single occupant light

industrial properties, with an approximate mix of owner/tenant occupancy. There are also numerous multi-occupant properties offering plus or minus 1,500 square feet size range, and again there are an approximate even mix of owner and tenant occupancy. Overall occupancy in the project is within an estimated range of 95%. Rental rates are within a close range of \$16 to \$18 per square feet, gross to owner, for 2,000 to 4,000 square feet units. Recent signed leases for units in the 10,000 square feet size range, similar to the subject, indicate lease rates in the range of \$10.00 per square feet, mostly leased on gross or triple net-basis, plus common area maintenance (CAM) fees passed through to the tenants.

Economic Trends

St. Lucie West DRI was planned and developed as a mostly self-contained community with residential, retail, light industrial, professional services, national retailers, i.e., Lowe's, Home Depot, Publix grocery, Aldi grocery, Academy Sports, and others, plus numerous national brand and mom & pop restaurants. There is also a County governmental building, including a court facility, fire station, several religions are represented in the project, plus public and private schools, and as previously discussed, the New York Mets occupy the baseball training facility, plus there are other recreation facilities. Overall, St. Lucie West is a maturing project where residents can live, work, and recreate within the project's some 4,600 acres.

As previously mentioned, the St. Lucie West DRI began for sales in 1988 and since opening economic conditions within the project followed overall national economic conditions with demand and prices fluctuating with economic trends including changing several developers, however beginning in about 2015, strengthening economic trends grew to the beginning of the covid economic shutdown with demand in most neighborhood market segments resulting in near buildout within St. Lucie West. Post covid economic shutdown the office market demand remains somewhat soft, which is typical for the office market regionally. Retail market demand is strengthening in the project's prime exposure locations. In recent years the institutional market has grown very slowly, i.e., two private schools were developed, one in the easterly and one in the northerly environs of St. Lucie West, but these properties were developed over an extended period, in part because of the lack of vacant tracts in appropriate size range and locations for school improvements. Demand in the industrial markets remains steady, but also in recent years at the edge of the St. Lucie Commerce Park vacant sites were developed in the flex space office/retail market and a pickle ball club, and one large vacant industrial project was refit for a large fitness center, indicating demand in the industrial market was less than strong. However, demand in most residential markets slowed to at minimum, stable demand, but the slowdown is estimated to be cyclical, and as economic conditions again strengthen, and as the national economic trends strengthen with the lowering of mortgage rates, demand in the residential markets is expected to move to the strong side.

Conclusion

Neighborhood trends have generally strengthened since the project's development. The project is maturing with few vacant tracts remaining for development. Because the project is near build-out, there are few tracts of land available for development, and to some degree, the developing Tradition, Western Grove, Southern Grove, DRI neighborhoods within the city of Port St. Lucie southwest environs are competing with the St. Lucie West neighborhood with high demand in the residential markets, plus strong demand in industrial and developing demand in the commercial property markets, providing new development options within all market segments.

However, long term, in my opinion, the mentioned St. Lucie West development positives will remain in-place supporting demand and value levels.

CENSUS TRACT	
A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features but may follow governmental unit boundaries and other non-visible features in some instances; they always nest within counties. Designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment, census tracts average about 4,000 inhabitants. They may be split by any sub-county geographic entity. (U.S. Census Bureau) Source: Appraisal Institute, <i>The Dictionary of Real Estate Appraisal</i> , 6th ed. (2016).	
Per St. Lucie Co. Census Maps, subject is located in Census Tract # 3821.08	

ZONING / LAND USE CLASSIFICATIONS	
Authorization:	Port St. Lucie city Commission
Administration:	Port St. Lucie Planning & Zoning Department
Zoning:	WI, Warehouse Industrial
Land Use:	LI/OSR/I, Light Industrial / Open Space Recreational / Institutional
Details of the zoning / land use classifications are summarized as follows.	

Sec. 158.135. Warehouse Industrial Zoning District (WI)

The purpose of the warehouse industrial zoning district (WI) shall be to locate and establish areas within the City which are deemed to be uniquely suited for the development and maintenance of warehousing, wholesale trade and limited industrial activities of light intensity; to designate those uses and services deemed appropriate and proper for location and development within said zoning district; and to establish such development standards and provisions as are appropriate to ensure proper development and functioning of uses within the district.

Future Land Use (FLU) classification – LI//OSR/I

Light Industrial (LI). Primarily for light manufacturing and assembling warehousing and storage. Excludes the more intensive industrial uses as defined in the zoning code. / Open Space Recreation (OSR). These areas are designated for existing or future parks. / Institutional (I). This category combines both public and private institutional land uses from previous plans into one category. It is designed to accommodate both public and private institutional sites such as schools, public buildings and libraries, government buildings and hospitals, childcare, various group home categories as well as other uses defined in the zoning code.

Conclusion - It appears the subject building and subject units within the building are a legal use within the current zoning and land use classifications.

CONCURRENCY
Concurrency is the comparison of any proposed development's impact on public facilities and the capacity of the public facilities that are, or will be, available to serve the proposed development. Compliance with Concurrency is required of all proposed new development in St. Lucie County. Concurrency is determined when a site plan is submitted to the City Commission for approvals.
Since the subject is developed, the subject is expected to comply with Concurrency.

UTILITIES	
SERVICE	PROVIDER
Electric	Port St. Lucie Utilities
Water	Port St. Lucie Utilities
Sewer	Port St. Lucie Utilities
Trash	Private carrier contracted thru City Commission
Utilities are typical for the property type.	

FLOOD ZONE DESIGNATION		
FEMA MAP #	MAP DATE	FLOOD ZONE
12111C0260J	February 16, 2012	X
Flood Zone X – area of minimum flood hazard.		

Assessed Value and Taxes

Property is assessed for taxing purposes by the St. Lucie County Property Appraiser. Primary taxing authorities within subject's neighborhood are St. Lucie County and the City of Ft. Pierce. Property assessments based on market conditions as of January 1st. Tax bills are delivered on or about November 1st of the tax year with payment due April 1st of the following year.

Florida's constitution requires all property to be appraised as "Just Value". While this concept is not adequately defined in the constitution nor in Florida statutes, numerous court decisions have held that it approximates Market Value as defined herein, less normal seller expenses of sale. While this represents the legal target of the property appraiser, it has been found that assessments produced by mass appraisal techniques vary considerably and are not good indicators of market value.

2024 assessments and taxes are reported as January 1, 2025, assessments and taxes are not published until the 3rd quarter of 2025.

Tax Parcel ID	Market "Just" Value - Land / Improvements	Assessed Value	*Taxes / **Non-ad valorem assessments
3323-640-0004-000-5 (3.134 acres site) (54,646sf gross bld. area)	\$6,297,700 \$746,400 (\$5.17/sf) / \$5,551,300 (\$101.59/sf)	\$5,039,268	*120,562.02 / **\$11,033.86

*Taxes and non-ad valorem assessments are reported prior to discounts for early payments.

** Non-ad valorem assessments are applied for PSL Stormwater SLW Improvement/Maintenance / SLW5-St. Lucie West Benefit Assmt. Service District / SLW6 – St. Lucie West Maint. Assmt. Service District.

Note: The Property Appraiser appears to include all areas of the building within the assessed gross building area, which would include 2nd floor unfinished lofts assessed at the same rate as the building's footprint area.

Project Site Description

- Area: 3.134± acres (136,517± sf)
Frontage: 346.98± feet (Peacock Blvd.)
364.51± feet (NW Mercantile Place)
Depth (average): 361.16± feet
- Site Improvements: Concrete paved parking (80± spaces).
50,000± square feet
One parking lot drainage catch basin.
Estimated underground drainage.
Landscape, yard sprinkler system.
- Site Map: See the following exhibit.

Access – Exposure - Views

- Access: NW Peacock Boulevard & NW Mercantile Place, proving adequate ingress/egress to subject.
- Exposure: Good exposure to NW Peacock Boulevard and NW Mercantile Place.



Aerial Site Map (subject project outlined)

Building Description – Total Building

- Gross Building Area: 49,476 gross footprint area.
In some units there is legal loft storage over the office areas.
Note: Per Property Appraiser data, it appears the unfinished loft areas above the offices are included in the building's total finished area, calculating to 54,496 square feet. Since the total building is not included in this Market Rent Study, I could not inspect all units, and since the other units are not a part of this appraisal, further analysis of the finished gross building area is not performed.

- Foundation: Assumed reinforced poured concrete.
- Floors: Poured concrete.
- Frame: Engineered steel frame.
- Walls: Concrete block w/ stucco finish curtain walls.
- Roof/Warehouse Ceiling: Steel frame (exposed in warehouse), insulated roof panels w/ metal panel weather proofing.
Interior ceiling clearance 17.83 feet to 20.28 feet.

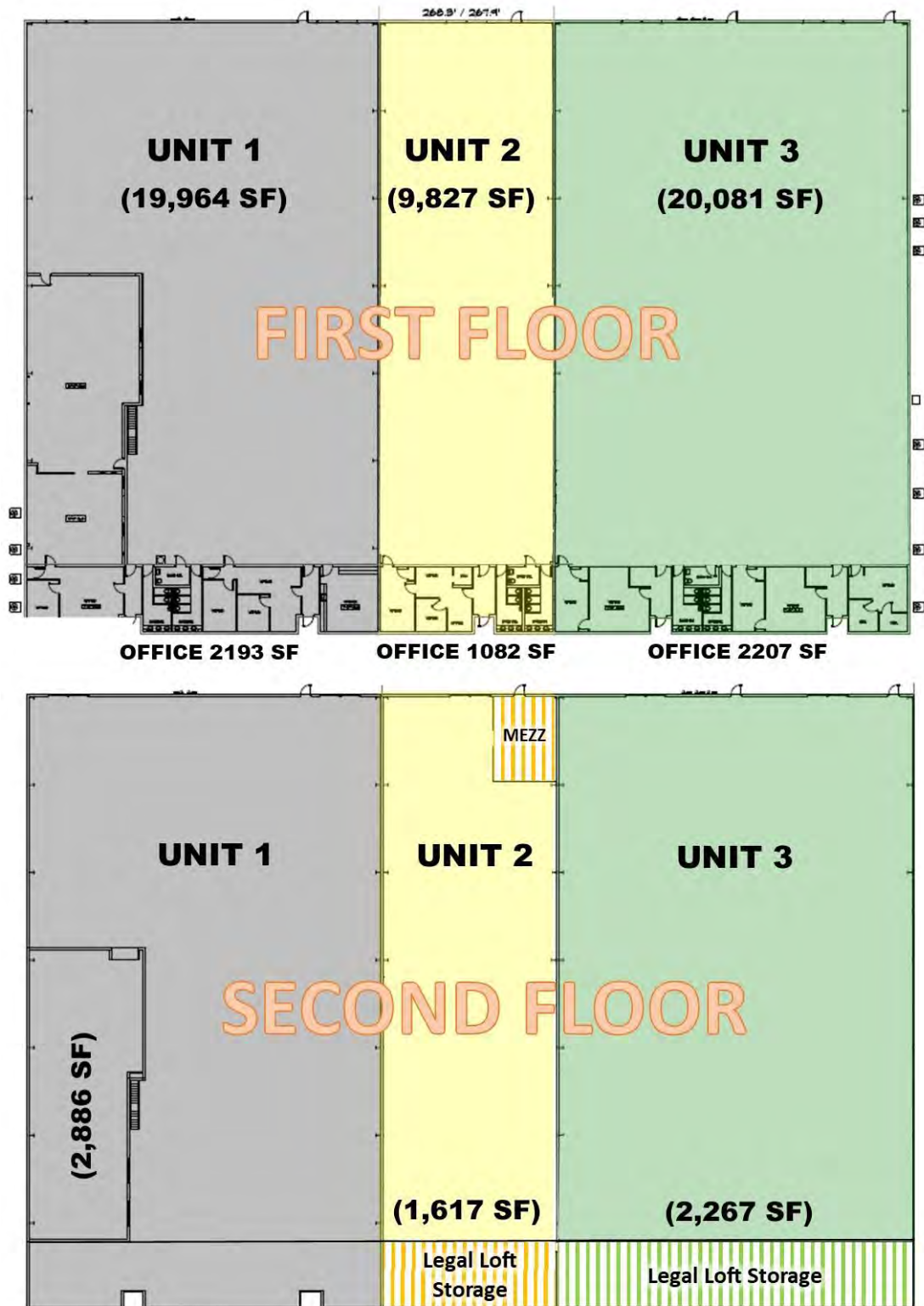
- Windows: Fixed pane within front wall.
- Doors: 5 - front wall glass storefront passenger doors &
5 - rear wall steel passenger doors, plus
5 – 12 feet x 14 feet metal roll-up garage doors.

- Interior Party Walls: Concrete block, within original structure.
- Plumbing: Two sets of gang restrooms per original unit configuration.
- Electric: High bay lighting system in warehouse areas.
Fluorescent ceiling panels in office areas.
Three phase electric service.

- Other: 6 – wall exhaust fans, rear wall.
19 – warehouse roof fans
Standard office finishes, w/ painted drywall, suspended acoustic ceiling panels with fluorescent light panels, tile floors, central climate control.
Fire sprinkler system.

- Building footprint sketch: See the following exhibit.

Building Footprint Sketch Exhibit



Subject Unit Description – unit 104

- Gross Unit Area: Measured - 9,711 square feet enclosed footprint area including 893 square feet of finished air-conditioned office / restroom area. Plus, limited access loft storage area – 923 square feet

- Foundation: Assumed reinforced poured concrete.
- Floors: Poured concrete.
- Frame: Engineered steel frame.
- Walls: Concrete block w/ stucco finish exterior walls.
- Roof/Whse. Ceiling: Steel frame (exposed to warehouse), insulated roof panels w/ metal panel weather proofing.
Interior ceiling clearance 17.85 feet to 20.58 feet

- Windows: Fixed pane within front wall.
- Doors: 1 - front wall glass storefront passenger door
1 – rear wall steel passenger door
1 – 12 feet x 14 feet metal roll-up garage doors

- Interior Party Walls: Wall between unit 103 & subject is painted concrete block with wall between subject and unit 105, estimated steel frame, expected to be fire rated drywall, painted.
Interior office walls, expected to be steel frame, w/ painted drywall finish.

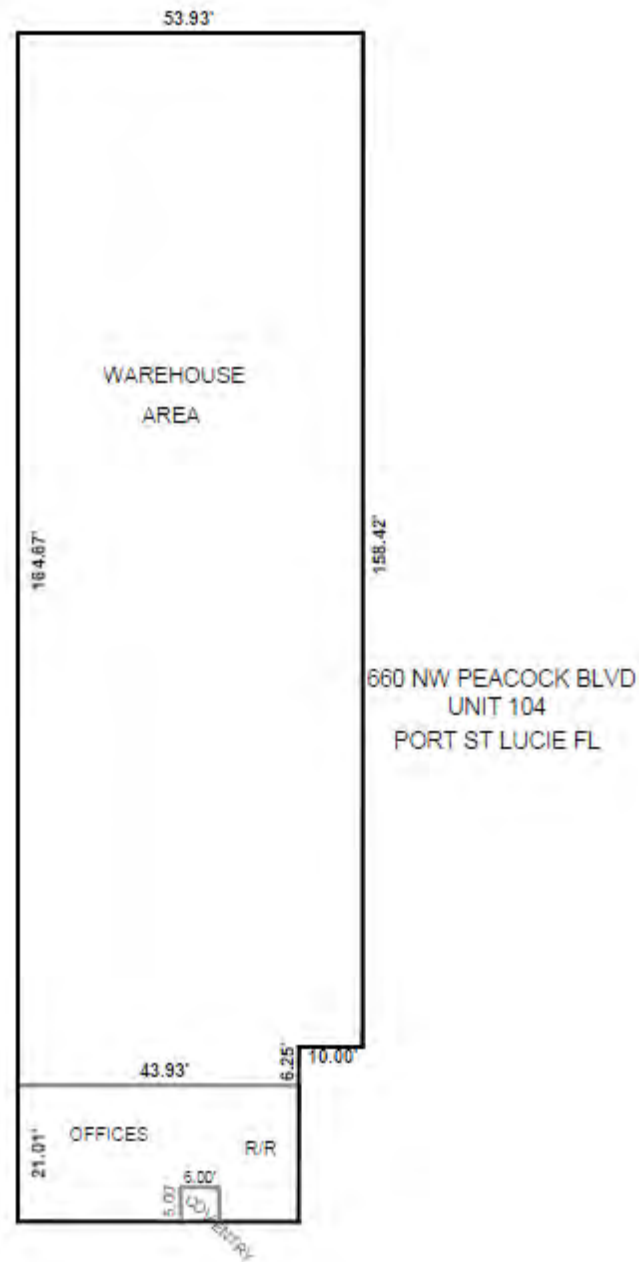
- Plumbing: One – four fixture restroom consisting of 2- water closets and 2 sinks.

- Electric: High bay lighting system in warehouse area.
Fluorescent ceiling panels in office area.
Appears to include 3 phase electric service.

- Other: 2 – wall exhaust fans, rear wall.
5 – warehouse roof fans
Standard office finishes, w/ painted drywall, suspended acoustic ceiling panels with fluorescent light panels, tile floors, central climate control.
Fire sprinkler system.

- Subject floor sketch: See the following exhibit.

Subject floor plan sketch



Highest and Best Use – Analysis - Subject Unit 104

The value of real property is directly related to the use to which it can be put. It follows that a parcel may have several different value levels under alternative uses. Accordingly, the property appraised herein is appraised under its Highest and Best Use, which is defined as:

"The reasonably probable of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financially feasible, and maximum productivity". Generally considered the standards for Highest and Best Use analysis.

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2016)

In each appraisal of improved property there are two considerations of Highest and Best Use: one for the land considered as though vacant and one for the property as improved. Since the subject is a unit within a multi-occupant building improvement, only Highest and Best Use analysis of the subject unit 104 is exercised.

Analysis – “as vacant”

Physically Possible Use

The first analysis in determining highest and best use of a property is physical – that is, with what use can a property be physically improved? The following are a summation of the primary physical considerations: Real estate has potential to be developed with an almost infinite range of improvement types and market segments broadly categorized as commercial, industrial, residential, agricultural, institutional, and governmental improvements.

The subject consists of one unit within a flex space building with common areas consisting of site improvements surrounding the building with units 101 - 105. As such, the subject can function in the flex space, light industrial, warehouse distribution market, and other similar market segments.

Conclusion: Physically the subject can function within a wide range of markets.

Legally Potential Use

The primary legal constraints are zoning and land use classifications, deed restrictions, concurrency, etc. In the subject's case:

Per zoning and land use classifications it appears the subject unit “as is” can be legally occupied by a light industrial user, along with storage user, or distribution market segment user. I am unaware if there are deed restrictions in-place controlling the subject's use.

Financially Feasible/Maximally Productive Use

Economically, the Highest and Best Use of a property is one which will return the highest income for the investment in the property type. Of the financially feasible uses, the use that produces the highest price, or value, consistent with the rate of return warranted by the market for that use is the Highest and Best Use.

In my opinion, the financially feasible and maximally productive use of the subject unit is occupancy in the light industrial market which can include light manufacture, bulk storage, distribution facility, etc.

Conclusion of Highest and Best Use – subject unit 104

Based on market analysis, it is my opinion the highest and best use of the unit “as is” is occupancy by a light industrial tenant which could fall in the broad industrial market, i.e., general storage, a distribution center, light manufacturing, etc.

Analysis of Market Lease Rate, Terms, and Conditions**Market Lease Rate –**

The appraisal assignment is to provide an opinion the market lease rate for the real estate identified as unit 104, within the property located at 660 NW Peacock Boulevard, Port St. Lucie, Florida.

As previously described in this report, the subject is an average quality “flex space” unit with measured 9,711 square feet of footprint area including 893 square feet of 1st floor office / restroom area, plus an estimated 923 square feet of limited access loft storage over the office area. The warehouse area clear frame height ranges from 17.83 feet to 20.58 feet. The subject unit is vacant on the date of appraisal.

The listing and the tenant’s Realtor report the asking rate is \$10.50 per square feet, plus Common Area Maintenance (CAM) of \$3.50 per square feet.

Also, the listing Realtor reports there is a lease contract under review by the parties and upon approval the lease contract is available for signature. The listing Realtor reports the contract NNN lease rate is \$10.00 per square feet.

The subject’s market segment consists of similar “flex space” units within multi-occupant buildings. Research for leased or listed for lease properties began within the subject’s immediate St. Lucie West Commerce Park neighborhood. Because several similar leased or for lease units were located within the subject’s immediate St. Lucie West Commerce Park, including three leased units within the subject’s building, plus two units within other flex space properties and one similar flex space unit for lease.

It is noted the units leased within the subject project are based on triple net (NNN) rates to the owner, plus a CAM fee covering real estate tax expenses, insurance premiums, and property maintenance (exterior). However, two of the analyzed leased units, units 4 and 5, within other projects are leased based on gross rates to the owner with the owner responsible for paying operating expenses. The gross lease rates are adjusted for CAM costs to extract the NNN base rate for the properties.

Plus, in the case of either gross rents or triple net rents with CAM, the owner also experiences other expenses such as the operating cost paid during vacancy, miscellaneous expenses including professional fees, etc. although the owner’s additional expenses are not considered within this analysis.

Note: lease rate analysis is based on rate per nit footprint as some units may not include loft storage as included within the subject.

A summary of the properties analyzed is found as a following Exhibit, along with a map locating the properties, followed by my conclusion of the subject’s Market Rental Rate.

SUMMARY of LEASE COMPARABLES

	<u>Subject</u>	<u>Subject Contract</u>	<u>Rental 1</u>	<u>Rental 2</u>	<u>Rental 3</u>	<u>Rental 4</u>	<u>Rental 5</u>	<u>Listing 1</u>
Address	660 NW Peacock Blvd., Unit 104 Port St. Lucie	660 NW Peacock Blvd., Unit 104 Port St. Lucie	660 NW Peacock Blvd., Unit 105 Port St. Lucie	660 NW Peacock Blvd., Unit 2 Port St. Lucie	660 NW Peacock Blvd., Unit 1 Port St. Lucie	513-523 NW Enterprise Drive Unit 519 Port St. Lucie	603-619 NW Mercantile Place Unit 603 Port St. Lucie	562 NW Mercantile Place Units 102 - 105 Port St. Lucie
Unit size - footprint	9,711	9,711	10,307	9,827	28,321	5,300	2,500	12,949
Office/showroom SF	893	893	1,319	1,082	7,965	1,000	250	Realtor Estimate 3,893
Office/showroom - percent of footprint	9%	9%	13%	11%	28%	19%	10%	30%
Mezzanine SF - (Limited Access)	923	923	1,349	1,617	0	0	0	0
Mezzanine percent footprint	10%	10%	13%	16%	0%	0%	0%	0%
Year Built	1998	1998	1998	1998	1998	1990	2006	2007
Construction	Steel Frame / CBS curtain walls	Steel Frame with CBS curtain walls	Steel Frame with CBS curtain walls	Steel Frame with CBS curtain walls	Steel Frame with CBS curtain walls	Steel Frame with metal & brick curtain walls	Concrete tilt wall construction	Concrete tilt wall construction
Approximate Wall Height (feet)	17.83 ft to 20.58 ft	17.83 ft to 20.58 ft	17.83 ft to 20.58 ft	Center hgt. 21+- ft	Center hgt. 21+- ft	Exterior 22' est. int. 20'	Exterior 23' est. int. 20'	18
Parking	Adequate	Adequate	Adequate	Adequate	Adequate	Adequate	Adequate	Adequate
Loading Area	Adequate / grade level	Adequate / grade level	Adequate / grade level	Adequate / grade level	Adequate / grade level	Adq. / grade level & truck well	Adequate / grade level	Adequate / grade level
<u>Expenses</u>								
Utilities - Electric	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Building Insurance	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Property Taxes	Tenant	Tenant	Tenant	Tenant	Tenant	Owner	Tenant	Tenant
Interior Maintenance	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Exterior Maintenance	Owner	Owner	Owner	Owner	Owner	Owner	Owner	Owner
Comments:	Subject is composed of 9,950 sf footprint with estimated 1,133 sf A/C average quality office area, plus estimated 1,133sf limited access storage loft above office.	5 year lease term w/ 1-5 year renewal at minimum 4% rate increase for 1st year renewal. Initial base lease rate \$10.00/sf NNN - adjusted 4% annually. CAM initial rate of \$3.50/sf. To be leased "as is".	5 year lease term, beginning 01±/01/25 expires 12±/31/29 - initial base lease rate \$10.00/sf NNN - adjusted 4% annually. CAM initial rate of \$3.50/sf.	5 years lease term, beginning 6/20/22, expires 6/19/2027 - initial base lease rate \$9.06/sf NNN - w/ rate adjusted to current annual rate in the range of \$9.89/sf NNN to \$10.17/sf NNN after applying estimated contract annual adjustment of plus 3% to 4%.	5 years lease term, beginning 9/18/22, expires 9/17/2027 - initial base lease rate \$9.13/sf NNN - w/ rate adjusted to current annual rate between \$9.89/sf NNN to \$10.16/sf NNN after applying estimated contract annual adjustment of plus 3% to 4%.	6-unit project with 2,650, 5,300 & 10,600sf units. Leased space is 5,300sf with 1,000± a/c avg. qual. office. One on-grade truck door & one truck well door. 4 years lease term, w/ lease start 11/24/24 - expiring 11/24/28. 3% annual increase. Current lease rate \$14/sf "modified gross" which is essentially a NN lease with w/ tenant responsible for interior maintenance & insurance premium. Owner pays RE taxes and other maintenance. Realtor reports long term owner willing to keep rent low side of market range to retain high occupancy.	22,500sf whse bld. Leased 2,500 sf, approx. 10% office. 3 years lease term, start 5/1/25 - expiration 4/30/28. Initial & current lease rate gross \$18/sf, includes CAM at \$5.50/sf equating to \$12.50/sf NNN. Annual increase 3%. Leasing agent opinion rate is market high, but uncertain if market will continue to support rate.	21,579sf whse bld. Offering 12,949sf for lease. Per listing Realtor, approx. 30% is office finish. The space is 100% A/C. Asking for 5 years lease term Initial & current asking lease rate \$15/sf, gross. Listing Realtor reports asking 5% annual CPI increase, but will negotiate 3% to 5% annual increase.
<u>Contract Rents</u>								
Contract Gross Rent	n/a	Proposed contract rent	n/a	n/a	n/a	NN Rate - \$14.00	Gross Rate - \$18.00	n/a
CAM		\$3.50	\$3.50	\$0.00	\$0.00	\$2.00	\$5.50	n/a
Contract Base NNN Rents		\$10.00	\$10.00	\$9.89 to \$10.17	\$9.89 to \$10.16	\$10.57	\$12.50	n/a
<u>Asking Rents</u>								
Contract Gross Rent		n/a		n/a	n/a	n/a	n/a	Asking Gross Rate - \$15.00
CAM	\$3.50							Estimated \$4.00
Asking Base NNN Rent	\$10.50							\$11.00



Summary and Conclusion of subject's Market Rental Rate

<u>Property</u>	<u>NNN Rental Rate</u>	<u>Comparability</u>
Subject Listing	\$10.50/sf	Subject's current asking rate
Subj. Contract	\$10.00/sf	Contract under review by parties
1	\$10.00	Current lease within subject's building - similar size & unit finish
2	\$9.89 to \$10.17	Within subject's building - similar size & unit finish
3	\$9.89 to \$10.16	Within subject's building – larger unit with 17% more finished area
4	\$10.57	Smaller unit, similar quality finish
5	\$12.50	Smaller unit, plus superior interior finish
Listing 1	\$11.00	Within subject's size range, superior interior finish including 100% A/C

The subject has been offered for lease at an asking rate of \$10.50 NNN per square feet with a contract rate of \$10.00 per square feet, subject to approvals. Because the \$10.50 NNN per square feet is an asking rate, the rate is cautiously weighted as the market rate, unless broader market data supports the asking rate as the market rate. The \$10.00 per square feet offered contract rate is a good indication of the market rate for the subject unit.

Rental 1 is unit adjacent to the subject within the subject's building with size and finish similar to the subject. The lease is a current lease with a base \$10.00 NNN per square feet rate, and terms and conditions reported to be similar to the lease contract on the subject. Thus, the base rate of \$10.00 NNN per square feet is also a good indication of the subject's market rent.

Rentals 2 and 3 are located within the subject building. The leases began in 2022, thus somewhat older, but demand in the 2022 market is approximately the same as current demand as rates and sales prices have stabilized. The rates are, however, adjusted for estimated annual CPI adjustments in the range of 3% to 4% of each year base rate. The adjusted rates fall within the range of current lease rates, suggesting the adjusted rates represent current market conditions. The unit size differences do not appear to influence the rental rate.

Rental 4 is located within a generally similar project and the unit finish is similar to the subject, but there is a significant size difference, although again, it appears size did not influence the rate, rather, per the listing Realtor, the owner does not seek top of the market rates in an attempt to keep the property 100% leased.

Rental 5 is also located within a generally similar project, although the interior finish is superior to the subject, upwardly influencing the rate, but again it appears the size difference did not influence the rate.

Finally, the listing 1 asking price was analyzed which may be above market, but the interior finish is superior to the subject's interior finish, including 100% A/C thus the net asking rate is higher than expected for the subject.

Conclusion - Lease Rate, Terms, and Conditions

In summary, as of May 12, 2025, it is my opinion the subject's initial NNN lease rate is:

Ten Dollars *\$10.00* per square feet

Annual Rate Adjustment –

Typically, lease terms are structured with annual change in the base rate primarily protecting the owner from runaway inflation. Historically most leases were written with annual consumer price index rate (C.P.I.) changes, although in the case of C.P.I. adjustments there could be instances where the adjustment is negative and/or the C.P.I. did not truly account for changes in economic conditions, thus more recently it appears in most market segments leases are written with fixed of minimum annual change in base rates which is the method expected for the subject's lease conditions.

In the case of the properties analyzed to form an opinion of the base NNN rent for the subject the annual base rate adjustments are as follows:

<u>Base Rent Comparable</u>	<u>Annual Base Rate Adjustments</u>
Subject	4%
1	4%
2	3% to 4% (estimated)
3	3% to 4% (estimated)
4	3%
5	3%
Listing 1	3% to 5% (asking rate adj.)

The typical market annual adjustments are within the range of 3% to 4% of the current base rate.

Common Area Maintenance (CAM) -

CAM costs are typically passed through to the tenants and in the current market CAM pass-throughs typically include real estate taxes, building liability and hazard insurance premiums, and general maintenance (interior and exterior) with CAM fees prorated with a multi-tenant property.

CAM charges are typically applied based on costs per square feet of leased area. In the case of the properties analyzed to form an opinion of the base NNN rent for the subject the annual CAM rates are as follows:

<u>Base Rent Comparable</u>	<u>Annual CAM Rate / SF</u>
Subject	\$3.50
1	\$3.50
2	\$3.50
3	\$3.50
4	\$2.00 (does not include RE taxes)
5	\$5.50
Listing 1	\$4.00

CAM rates can vary depending upon the pass-throughs as in the case of rental 4, real estate taxes are not passed through. Also, although not clear, in the case of rental 5 other operating expenses are included in the CAM pass-through. Also, rates will change when costs are extended across several properties under the same ownership, i.e. insurance premiums covering several properties tend to experience premium reductions.

Therefore, in my opinion, the CAM charge of \$3.50 per square feet presently applied within the subject's building best represents the expected market CAM change for the subject.

Lease Term –

In the market, lease terms are typically three (3) to five (5) years as indicated by the lease terms for the units analyzed.

<u>Base Rent Comparable</u>	<u>Lease Terms - Years</u>
Subject	5
1	5
2	5
3	5
4	4
5	3
Listing 1	5

QUALIFICATIONS OF THE APPRAISER
DANIEL D. FULLER, MAI

Education

IRJC now Indian River State College, A/S Degree

Professional Memberships

Member Appraisal Institute (MAI)#7876 - Appraisal Institute
Senior Real Property Appraiser (SRPA) - Appraisal Institute
Senior Residential Appraiser (SRA) - Appraisal Institute
Florida - State Certified General Real Estate Appraiser RZ567
Registered Florida Real Estate Broker

Work Experience

1992 - Pres. President, Fuller-Armfield-Wagner Appraisal & Research, Inc., Fort Pierce, FL
1987 - 1992 Vice President & Partner, Armfield-Wagner Appraisal & Research, Inc., Fort Pierce, FL
1983 - 1987 Staff Appraiser, Armfield-Wagner Appraisal & Research, Inc., Vero Beach, FL
1981 - 1983 Salesman/Appraiser, Florida Licensed Realtor-Associate, Procino Realty, Ft Pierce, FL
1979 - 1983 Staff Appraiser, Harbor Federal Savings and Loan Association, Fort Pierce, FL
1974 - 1979 Staff Appraiser, St. Lucie County Property Appraiser's Office, Fort Pierce, FL

Real Estate Appraisals made for the following:

Accountants	PNC Bank
Attorneys	Port St. Lucie, City of
Dept. of Natural Resources	Regions Bank
Federal Deposit Ins. Corp.	Resolution Trust Corporation
Federal Home Loan Bank Board	Seacoast Bank
Federal National Mortgage Corp.	St. Lucie County
Florida Community Bank	South Florida Water Management District
Fort Pierce, City of	SunTrust Banks nka Truist Bank
Centerstate Bank nka SouthState Bank	TD Bank
Iberia Bank	TITF
Indian River County	Vero Beach, City of
Martin County	Wells Fargo

Types of Appraisals Completed

Airplane Hangars	Offices
Automobile Dealerships	Packing Houses
Car Washes	Ranches
Commercial	Recreational Vehicle Parks
Groves	Residential
Industrial	Restaurants
Insurable Value	Retail Shopping Centers
Land Locked Parcels	Service Stations
Mini-Warehouses	Subdivision
Motels	Warehouses
Multi-Family	Wetlands
	Vacant Lands

Qualified as Expert Witness

Circuit Court -
St. Lucie County
Martin County
Indian River County
Okeechobee County
Palm Beach County
U.S. Bankruptcy Court -
West Palm Beach District

Accomplishments

Past President - Society of Real Estate Appraisers - Indian River Chapter 211 (1989 - 1990)
Past Instructor - Indian River Community College - Appraising Income Producing Real Estate
Past Board Member - East Florida Chapter of Appraisal Institute
Veteran United States Air Force

ADDENDUM A

ST. LUCIE COUNTY AREA DATA

St. Lucie County is located on the east coast of Florida, 123 miles north of the city of Miami and 220 miles south of the city of Jacksonville. St. Lucie County lies within the Treasure Coast region of the state with Indian River County to the north, Martin County to the south, Okeechobee County to the west, and the Atlantic Ocean to the east. St. Lucie County encompasses a land area of approximately 572 square miles.

St. Lucie County ranks 20th in the state in population. St. Lucie County, combined with Martin County is an U.S. Census Bureau Metropolitan Statistical Area (MSA).

The distance from Fort Pierce to other Florida cities are as follows:

<i>NORTH</i>	<i>Miles</i>	<i>SOUTH</i>	<i>Miles</i>
Vero Beach	15	Port St. Lucie	6
Melbourne	50	Stuart	17
Orlando	120	West Palm Beach	55
Daytona Beach	140	Miami	123
Jacksonville	220	Key West	250

Fort Pierce, the county seat, is located on the eastern edge of the county adjacent to the Indian River - Intercoastal Waterway and the Atlantic Ocean. In addition to Fort Pierce there are two other incorporated communities within St. Lucie County, the city of Port St. Lucie and St. Lucie Village.

The three cities basically operate with minimal support from each other, and through county government and/or the Treasure Coast Regional Planning Council for overall development of the region with cooperation between the agencies generally good. The Treasure Coast Regional Planning Council is composed of government officials from the St. Lucie, Indian River, Martin, and Palm Beach Counties. The purpose is to give support, guide and develop growth policies within the four counties.

With nearly 80% of the state's population within 150 miles radius of St. Lucie County, Fort Pierce maintains a position as the transportation hub of the area with its easy accessibility to I-95, Florida's Turnpike, U.S. 1, S.R. 70, and the St. Lucie County International Airport.

For several years governmental leaders within the county and the city of Fort Pierce touted the west Fort Pierce highway connections as a transportation / distribution hub. In 2004 Wal-Mart developed a 1.1M square feet distribution facility, but others remained nonexistent until from mid-2020 to 2023 several distribution facilities were developed within the westerly city limits. However, most new facilities remain vacant, but they afford substantial potential to expand distribution businesses as the regional population grows.

St. Lucie County and city populations are summarized as follows:

	1960	1970	1980	1990	2000	4/1/2023*
St. Lucie County **	39,294	50,836	87,182	150,171	192,695	338,628
Fort Pierce	25,256	29,721	33,802	36,830	38,683	49,508
Port St. Lucie		330	14,690	55,866	85,751	239,653
St. Lucie Village			593	584	604	621

* U.S. Census Bureau.

**Includes all unincorporated & incorporated areas.

The greatest percentage of population growth from 2000 to 4/1/2023 occurred in the city of Port St. Lucie with an average annual increase of some 8.8%, with the city of Fort Pierce experiencing average annual increase of 1.4% during the same period. The total average annual percentage population growth for the County for the same period was 3.7% which is very similar to the state of Florida average annual growth rate of 3.8% over the same period.

Population age distribution is about equal in all age groupings with a slightly higher level in the mid-year group. It is expected the age levels will remain relatively the same with some increase in the over 65 group as people continue to move to the Sunbelt at retirement.

0-19	21.5%
20-39	22.7%
40-64	31.0%
65-85 plus	24.9%

*Census – 2022 ACS 5-year estimates.

Along with the substantial population growth, St. Lucie County experienced a rapid expansion in the number of households from 2000 to 2023 but household size remaining stable. The following summary indicates trends.

YEAR	NUMBER OF HOUSEHOLDS	HOUSEHOLD SIZE
1980*	32,506	2.65
1990*	58,174	2.54
2000*	76,933	2.47
2023**	144,621	2.53

*University of Florida Statistical Abstract, 2007 & **U.S. Census 2023 ACS 1 yr. est.

The majority of future growth is expected to continue within the city of Port St. Lucie and surrounding neighborhoods under County governmental jurisdiction, with growth within the city of Fort Pierce and St. Lucie County governmental jurisdiction experiencing growth at lower rates. Limited growth can be predicted for the beachfront areas primarily caused by increasing barrier island development restrictions by the county, state, and federal government, creating a general negative effect on development.

St. Lucie County

Historically the St. Lucie County economic base was dominated by agriculture, primarily citrus and cattle production. While the agri-business remains a part of the County economy, real estate sales and leasing have moved to the top gross domestic product (GDP) in the county, followed by retail trade, utilities, construction, health care and social assistance, holding the top spots. Tourism is not in the top five but remains an important part of the local economy. Trends indicate that winter residents occupying long term rental or retirement homes eventually become full-time residents. This trend helps build a strong economic base, indicating that tourism is no longer only a transient, seasonal business.

Additionally, in recent years, the county developed more aggressive recruitment methods in attracting life sciences companies providing employment for all residents including several small to mid-size manufacturing businesses attracted to the area in the last ten years, ranging from boat builders to plastic water pipe production, metal parts production. Beginning in late 2020 several distribution facilities developed in west Fort Pierce, near Interstate 95, and within the Port St. Lucie, Southern Grove industrial/commercial neighborhood, adding to employment opportunities, including an Amazon distribution facility, Cheney Brothers food distribution, a Costco distribution facility, etc. Also, several of the newer projects within the industrial neighborhoods are located within areas the County designated as the Central Florida Foreign-Trade Zone (CFFTZ) which exempts duties on some manufacturer's imports / exports.

Fort Pierce / St. Lucie County has one of the few deep-water inlets on the east coast of Florida. Although the Port is located within the city of Fort Pierce, the County Commission sitting as the Port and Airport Authority control port development. In May 2020, the County Commission purchased 12 acres with deepwater frontage within the port neighborhood. The site is leased to Derecktor Shipyards, a yacht refurbishment company. Plus, 67+ acres privately owned within the port neighborhood remains vacant, which is unlikely to change in the near term.

Also, the County Commission in conjunction with the FAA has been on track to expand the airport with visions the airport will be a regional facility of some significance, including passenger service. The airport offers full time customs service, thus has international status.

Service and professional fields also compose a large part of the area's economic base. Among the professional fields, real estate plays an important part in the area's growth with the Multiple Listing Service connected to high demand south Florida Counties.

The following is a summary of the top employment fields in the county.

ED. SERVICES / HEALTH CARE / SOCIAL ASSISTANCE	24.0%
RETAIL TRADE	13.5%
PROFESSIONAL / SCIENTIFIC / MANAGEMENT / ADMINISTRATIVE / WASTE MANAGEMENT SERVICES	13.5%
ARTS / ENTERTAINMENT / RECREATION / ACCOMMODATION / FOOD SERVICES	9.4%
CONSTRUCTION	9.0%
TRANSPORTATION / WAREHOUSING / PUBLIC UTILITIES	6.9%
MANUFACTURING	6.3%
OTHER SERVICES	5.3%
FINANCE / REAL ESTATE / INSURANCE	4.7%
PUBLIC ADMINISTRATION	3.9%

*U.S. Census – 2023 Am. Community survey 1-yr. est.

According to Economic Development Council of St. Lucie County, 2022-2023 report, the top employment generators in St. Lucie County include the following:

ST. LUCIE COUNTY PUBLIC SCHOOLS	5,253
HCA FLORIDA LAWNWOOD HOSPITAL	1,896
CLEVELAND CLINIC MARTIN HEALTH	1,544
CITY of PORT ST. LUCIE	1,363
WALMART DISTRIBUTION CENTER	1,273
HCA FLORIDA ST. LUCIE HOSPITAL	937
ST. LUCIE COUNTY	791
INDIAN RIVER STATE COLLEGE	734
PURSUIT BOATS	652
FLORIDA POWER & LIGHT CO.	610
ST. LUCIE FIRE DISTRICT	539
MAVERICK BOAT GROUP	470
FED EX GROUND	469

*Economic Development of St. Lucie County, 2022-2023

Historically, unemployment has been higher in St. Lucie County than in neighboring counties, primarily caused by seasonal agricultural workers, however with the decline in agricultural activities, and the increase in full time employers in the manufacturing sectors, i.e., construction trades, boat building, medical fields, unemployment is beginning to align closer to state averages, a good sign for the county's economic stability.

Below is a summary of unemployment rates for recent years and as seen from the data, improvement in unemployment is occurring of course with changes in national economic conditions unemployment fluctuates.

Year	Total Labor Force	Unemployment Rate
2014	130,404	8.2%
2015	131,823	6.4%
2016	135,657	5.8%
2017	138,130	5.2%
2018	141,818	4.5%
2019	145,238	4.0%
2020	146,560	8.1%
2021	150,432	5.0%
2022	154,276	3.5%
2023	159,361	3.5%

*Fla. Dept. Commerce Local Area Unemployment Statistics

In addition to the St. Lucie County International Airport and Port facilities, previously discussed, St. Lucie County is served by Federal Highway U.S. 1, a four lanes median divided highway serving as a primary inter and intra-county north-south route. The area is also served by five primary state highways including the Florida Turnpike, plus Interstate 95. St. Lucie County has the distinction of being the only area where the Florida Turnpike and Interstate 95 interchanges are within ½ mile.

Fort Pierce is also served by Florida East Coast Railway, (freight only) and is the terminal point for the railroad cut-off to the Lake Okeechobee area. Brightline passenger service between Miami and Orlando runs through St. Lucie County but there are no stations serving St. Lucie County. Community delivery service is by Airborne Express, Federal Express, United Parcel Service,

Greyhound, and several common carriers, plus there are several over the road commercial cargo carrier terminals. There are also locally owned taxicab companies, plus there are public bus services with very recent low-cost bus non-stop route connecting the city of Port St. Lucie and West Palm Beach central business district.

St. Lucie County government operates as a five-member commission with professional county administrator as mandated by the state. The city of Fort Pierce operates as a five-member commission and a city manager. Port St. Lucie operate as a five-member commission presided over by a mayor/councilman. St. Lucie Village has a five-member board of aldermen and a mayor, however generally the Village Aldermen conduct limited city business. The major governing bodies have generally been very favorable to development but also tempered with quality of life in mind.

Each city provides its own law enforcement department along with a county Sheriff as the county's chief law enforcement office. Fire protection is provided by a county wide fire district.

The school system is operated under one county wide five-member board with Superintendent management. The system has seventeen elementary schools (grades K-5), nine K-8 schools, four middle schools, one 6-12 school, five high schools, one virtual school and one Alternative Education Centers. Plus, there are eight charter schools in the county. Of these totals there are several magnet schools offering advanced education classes. Higher education facilities consist of Indian River State College, plus Florida Atlantic University (FAU) campus in St. Lucie West and FAU offers marine sciences and ocean engineering courses at the Harbor Branch Oceanographic Facility, also Florida State University offers medical school courses at Indian River State college facilities. Finally, The University of Florida (UF) Institute of Food and Agriculture Science offers bachelor's and master's degree programs at its UF Indian River Research and Education Center local campus.

There are three hospitals within the county. HCA Lawnwood Regional Medical Center, located in Fort Pierce, and HCA St. Lucie Medical Center located within the eastern environs of the city of Port St. Lucie. Plus, Cleveland Clinic operates a relatively new and modern hospital and research facilities within the Port St. Lucie, Tradition neighborhood. Also, there are two in-patient psychiatric hospitals, Lawnwood Pavilion located in Fort Pierce, and Savannas Hospital located in Port St. Lucie, and there is also a regional publicly funded mental health facility, New Horizons of the Treasure Coast. There are also numerous privately operated walk-in medical clinics, plus adult care and nursing homes spread throughout the county.

City of Fort Pierce

Fort Pierce, incorporated in 1901, is the oldest city in the County and for many years the city limits remained relatively small, but in recent years annexations expanded the city to 31 square miles as of the 3rd quarter of 2024. The City Commission is on an annexation track to bring developments adjacent into the city limits when utility service is provided, expanding the tax base. Also, because of the age of the City's infrastructure, the city is in refurbishment mode as funds are available, but funding is available at a relatively slow pace with long-term positive expectations for revitalized city infrastructure. As might be expected in older city's, gentrification slowly occurs in the older residential neighborhoods, with residential demand moving to the new communities annexed into the city, but new residential development with the city of Port St. Lucie also tends to draw demand away from the older Fort Pierce neighborhoods. Thus, in my opinion, growth within the city will continue at a modest pace even though while the city of Ft. Pierce is the oldest community in the County, the city has many

advantages such as one of the best east coast inlets to the Atlantic Ocean providing access to some of the best boating waters along Florida's east coast, plus Ft. Pierce Inlet provides a popular gateway to the Bahamas, plus as discussed, the city of Fort Pierce also reigns as the regions commercial center with its central transportation network providing access to north / south Interstate 95 and the Florida Turnpike, plus east / west cross state, State Road 70, the St. Lucie County International Airport, and the Port of Fort Pierce.

City of Port St. Lucie

The City of Port St. Lucie, primarily located within southern St. Lucie County, is the largest city in the county and the seventh largest in population within the State of Florida.

Port St. Lucie, incorporated in 1960, was originally developed by Mackell Brothers, continued by General Development Corporation (aka Atlantic Gulf Communities). Port St. Lucie initially encompassed approximately 77 square miles, growing to its present 120+ square miles. Initial development was primarily in the detached single-family market with moderate price range homes, although upscale housing developed around golf courses and along the shores of the North Fork of the St. Lucie River. However, with strong residential growth low rise condominium projects as well as multi-occupant apartment projects are flourishing, but single-family detached housing remains dominate, especially within the newer development projects within southwest city limits.

With the strong residential growth commercial retail projects followed, including name retailers such as Target, two Wal-Mart super centers as well as two Sam's Club projects, an Academy Sports store, and others. Plus, numerous locally owned business opened in recent years including up to date facilities such as a private pickleball club.

Although housing in the cities of Fort Pierce and Port St. Lucie, as well as St. Lucie County, is generally considered affordable compared to neighboring counties to the north and south, the south county area also attracts large upscale developments such as the Reserve and Tesoro.

Projects of Development of Regional Impact (DRI) size (1,0000+ acres) dominate development trends, including near built-out St. Lucie West, developing PGA Village DRI (Verano), LTC Ranch DRI, Tradition DRI, Southern Gove DRI, mostly industrial / commercial development, plus Riverland / Kennedy DRI, and future Western Grove DRI, and Wilson Grove DRI.

Within the St. Lucie West DRI, there is a campus of the Indian River State College, plus Glover Field (originally the Thomas J. White Stadium), the spring training facility for the New York Mets and home to the Mets farm team within the "grapefruit league".

Plus, within the Reserve project west of St. Lucie West, PGA of America owns two Tom Fazio designed 18-hole PGA golf courses and a nine holes course designed by Pete Dye. The PGA courses are supported by a 12,000 square foot clubhouse with pro-shop, etc.

Depending upon national economic conditions, because of affordability, weather, and the mentioned amenities, Port St. Lucie is expected to continue residential growth at a relatively strong pace as occurred in the recent past.

St. Lucie Village

Adjacent to the northerly city limits of Fort Pierce there is St. Lucie Village, the third incorporated community within St. Lucie County. St. Lucie Village has city officials with a mayor, etc., but maintains a steady population base in the range of 600 people and imposes only minimal tax and offers minimal services to its residences. St. Lucie Village is primarily a residential community with many residents having deep St. Lucie County roots, and the population does not desire further expansion of its community, thus St. Lucie Village is not expected to change, at least in near term years.

Summary

The overall economic outlook for St. Lucie County is good. Projections show the most rapid expansion will be in the city of Port St. Lucie. However, all the incorporated or unincorporated areas should, by all forecasts, show a steady to brisk growth rate.

With governing and private forces vigorously working toward industrial expansions, unemployment should in the future decline. The growth of new stable industries should add a great deal to the overall employment picture. Along with new industrial employment, growth will create new jobs in the service and professional fields again adding to the overall economic outlook for the area. Thus, the area should continue to attract new residents as well as continuing to offer existing residents an attractive place in which to live and work.

Of course, much of the economic growth will depend upon national trends. As in the past, economic highs and lows brought about by national economic policies affect the local economy because of its dependence on tourism and the related construction and service industries.