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Griggs Express Car Wash

Proposed express car wash
1401 Southwest 26th Avenue
Pompano Beach, FL 33069

BBG File #0125013976

Report Date

August 15, 2025

August 15, 2025

Mr. Scott Griggs
Griggs Express, LLC
3920 North Ocean Drive
Riviera Beach, FL 33404

Re: Feasibility Study
Griggs Express Car Wash
1401 Southwest 26th Avenue
Pompano Beach, FL 33069
BBG File #0125013976

Dear Mr. Griggs:

In accordance with your authorization (per the engagement letter found in the addenda of this report), we have prepared a Feasibility Study of the above-referenced property.

The subject property is a proposed 3,585 square foot express car wash facility that will be configured with a 96' conveyor wash tunnel, vehicle loading entryway, office area, restroom, and a second story equipment room that will be accessible by outdoor stairs as well as an enclosed cargo elevator. Additionally, the facility will be oriented with two automatic pay stations and 18 vacuum stations. The site consists of 41,146 square feet and is considered to be an above average location for a car wash.

The subject property is owned by FFT Pompano, LLC, who purchased the site as improved with a vacant 832 square foot drive-thru restaurant on April 17, 2024, for a recorded consideration of \$2,300,000. There have been no other known sales or transfers of the subject property within the three years preceding this assignment. The subject is currently under contract to Scott Griggs and/or assigns, for a purchase price of \$2,300,000. Subsequent to closing, the new owner plans to construct an express car wash facility. Construction is expected to begin in June 2025 and be completed by January 2026. Upon completion, the subject will represent an owner-operated express car wash facility. It is determined in this analysis that the development of the car wash is feasible and that there is a demand within the market area for a new express car wash.

The feasibility analysis concludes that there is a significant demand for additional car wash services within the local market and the development of the subject car wash is considered justified. Given the population characteristics combined with the lack of a modern express car wash along Southwest 26th Avenue (Powerline Road) in the subject market area, it is determined that there is demand for the subject development. The population totals in the area in combination with the number of existing car washes indicate that the market is currently considered undersupplied.

Additionally, the presence of a convenient express car wash in the market area will likely reduce the number of residents that wash their vehicles at home. Washing a vehicle at home tends to use 100 plus gallons of water per vehicle. Express car washes on average utilize around the same amount of water with a range of 60 to 120 gallons depending on the wash type. However, the proposed car wash utilizes a water reclaim system that will recycle about 90% of the water used. Therefore, if it takes 100 gallons to wash a single vehicle then only 10%, or 10 gallons would be fresh water. The water reclamation systems at car washes are therefore more environmentally responsible than washing a vehicle at home.

Our knowledge and experience, combined with our professional qualifications, are commensurate with the complexity of this assignment. Clayton Belger, MAI has appraised or provided consulting services on over 350 car washes throughout the country over the last 12 months.

This report was prepared to conform with the Uniform Standards of Professional Appraisal Practice as it relates to consulting (feasibility) assignments. Standards 4 and 5, which addressed real property appraisal consulting, were retired from USPAP. This does not mean that appraisers are no longer permitted to complete appraisal consulting assignments; it simply means that the consulting portion of the assignment has no USPAP development or reporting standards. In completing the consulting portion of the assignment, the appraiser is required to comply only with the ethics rule, competency rule, and jurisdictional exception rule. This report has been written in accordance with the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute.

Note: Our feasibility conclusion is subject to the following Extraordinary Assumptions and/or Hypothetical Conditions:

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards Rule 2-2(a)(xi), it is stated here that the use of any extraordinary assumptions might have affected the assignment results.

Extraordinary Assumption(s)

We have only been provided with an overview of building specifications. Our feasibility conclusions are subject to completion of the improvements in accordance with what has been described by documentation provided by the developer. It is assumed that completion of construction will occur in a timely manner and that the quality of workmanship will be consistent with what has been envisioned for the project.

Prospective NOI estimates are intended to reflect the current expectations and perceptions of market participants along with available factual data. They should be judged on market support for the forecasts when made, not whether specific items in the forecasts are realized. In estimating our prospective values, we analyzed market trends with regard to income, expenses, and stabilization. Furthermore, economic indicators such as market demographics and future competition were also analyzed. The Prospective NOI cited herein is predicated on the projections incorporated within our analyses. However, all of the projections are subject to external influences (e.g. supply/demand, economy, competition, etc.) and may or may not occur as projected within this appraisal.

If construction costs, pricing figures or car wash services provided change significantly, this report may become unreliable and an updated feasibility study may be suggested.

Hypothetical Condition(s)

This appraisal employs no hypothetical conditions.

Our firm appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact us.

Sincerely,
BBG, Inc.



Clayton Belger, MAI
State-Certified General Real Estate Appraiser
License #: RZ3658
904-622-6334
cbelger@bbgres.com



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License #: RI25644
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TABLE OF CONTENTS

Aerial Photograph..... 1

Summary of Salient Facts..... 2

Property History 3

Scope of Work 4

Regional Analysis 5

Market Area Analysis..... 9

Site Description 12

Improvements Description 16

Property Assessment and Tax Analysis 18

Market Analysis 20

Projected Financial Performance 27

Certification 38

Standard Assumptions and Limiting Conditions 40

Addenda 44

AERIAL PHOTOGRAPH

(As Is - Prior to Redevelopment)



SUMMARY OF SALIENT FACTS

ASSIGNMENT INFORMATION

Client	Griggs Express, LLC 3920 North Ocean Drive Unit 2 Riviera Beach, FL 33404
Intended User(s)	This report may only be relied upon by the client and intended user(s) named herein Griggs Express, LLC.
Intended Use	This report is to be used for financial decision making.
Owner of Record	FFT Pompano, LLC
Property Contact(s)	Mr. Scott Griggs, buyer, was interviewed several times via e-mail and phone.

PROPERTY DATA

Property Name	Griggs Express Car Wash
Address	1401 Southwest 26th Avenue Pompano Beach, FL 33069
Property Description	Proposed express car wash
County	Broward
Parcel Number(s)	4942-04-26-0010
Legal Description	See Addenda
Site Area	41,146 square feet (0.94 acres)
Zoning	B-3; General Business District
Year Built (Proposed)	2027
Type of Construction	Steel and masonry
Number of Buildings	1
Gross Building Area	3,585 square feet
Overall Condition	New, upon completion
Overall Quality	Excellent
Overall Design/Functionality	Good

RISK SUMMARY

Advantages	The subject property will be a newly constructed, modern express car wash that will be in excellent condition. The subject benefits from being a corner lot with good visibility along major roadway, Southwest 26th Avenue.
Challenges	Risk of new competition.

PROPERTY HISTORY

The subject property is owned by FFT Pompano, LLC, who purchased the site as improved with a vacant 832 square foot drive-thru restaurant on April 17, 2024, for a recorded consideration of \$2,300,000. There have been no other known sales or transfers of the subject property within the three years preceding this assignment. The subject is currently under contract to Scott Griggs and/or assigns, for a purchase price of \$2,300,000. Subsequent to closing, the new owner plans to construct an express car wash facility. Construction is expected to begin in June 2025 and be completed by January 2026. Upon completion, the subject will represent an owner-operated express car wash facility. It is determined in this analysis that the development of the car wash is feasible and that there is a demand within the market area for a new express car wash.

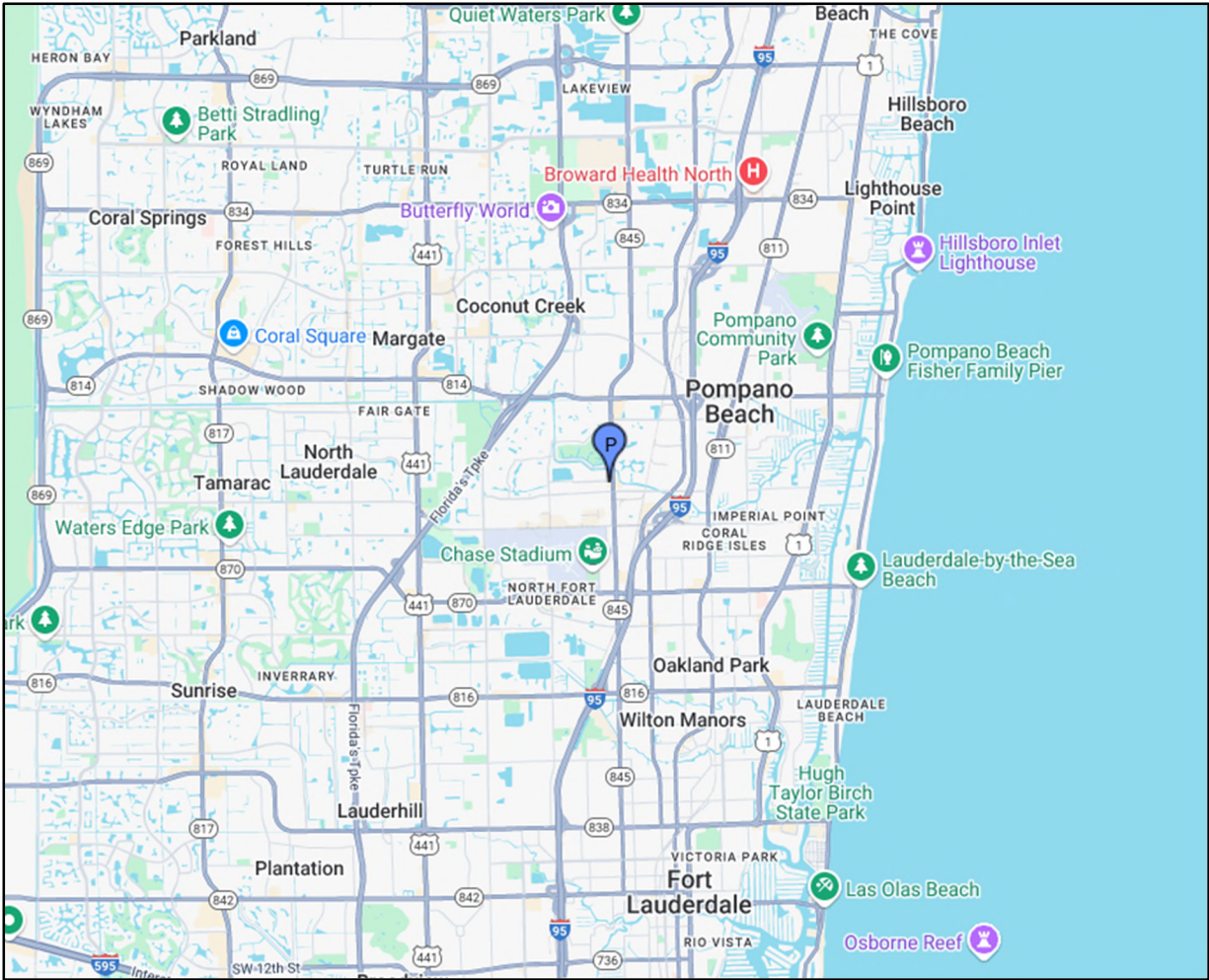
SCOPE OF WORK

SCOPE OF THE INVESTIGATION														
Inspection Details	The subject site was not inspected.													
Property Specific Data Requested and Received	PROPERTY DATA RECEIVED													
	Site plan Sale contract Construction and equipment budget Pro forma ALTA survey													
	DATA REQUESTED, BUT NOT PROVIDED													
	Phase 1 ESA													
Data Sources	DATA SOURCES													
	<table><tr><td>Site Size</td><td>Survey</td></tr><tr><td>Building Size</td><td>Site plan</td></tr><tr><td>Tax Data</td><td>Property Appraiser Records</td></tr><tr><td>Zoning Information</td><td>Planning Dept</td></tr><tr><td>Flood Status</td><td>FEMA</td></tr><tr><td>Demographics Reports</td><td>Claritas</td></tr><tr><td>Pro forma</td><td>Property Contact</td></tr></table>	Site Size	Survey	Building Size	Site plan	Tax Data	Property Appraiser Records	Zoning Information	Planning Dept	Flood Status	FEMA	Demographics Reports	Claritas	Pro forma
Site Size	Survey													
Building Size	Site plan													
Tax Data	Property Appraiser Records													
Zoning Information	Planning Dept													
Flood Status	FEMA													
Demographics Reports	Claritas													
Pro forma	Property Contact													
VALUATION METHODOLOGY														
Feasibility Methods Utilized	To test the feasibility of this project we have applied a typical overall rate of return to the total project costs to determine an NOI that would be acceptable to the typical market participant. We then compare the pro forma NOI that was derived from our projected financial analysis to the market derived NOI based on the cost to determine if the project is feasible.													
LEVEL OF REPORTING DETAIL														
Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report.														
This report is prepared as a Feasibility Study in an Appraisal Report format. An Appraisal Report must at a minimum summarize the appraiser’s analysis and the rationale for the conclusions. This format is considered most similar to what was formerly known as a Self-Contained Appraisal Report in prior versions of USPAP.														

REGIONAL ANALYSIS

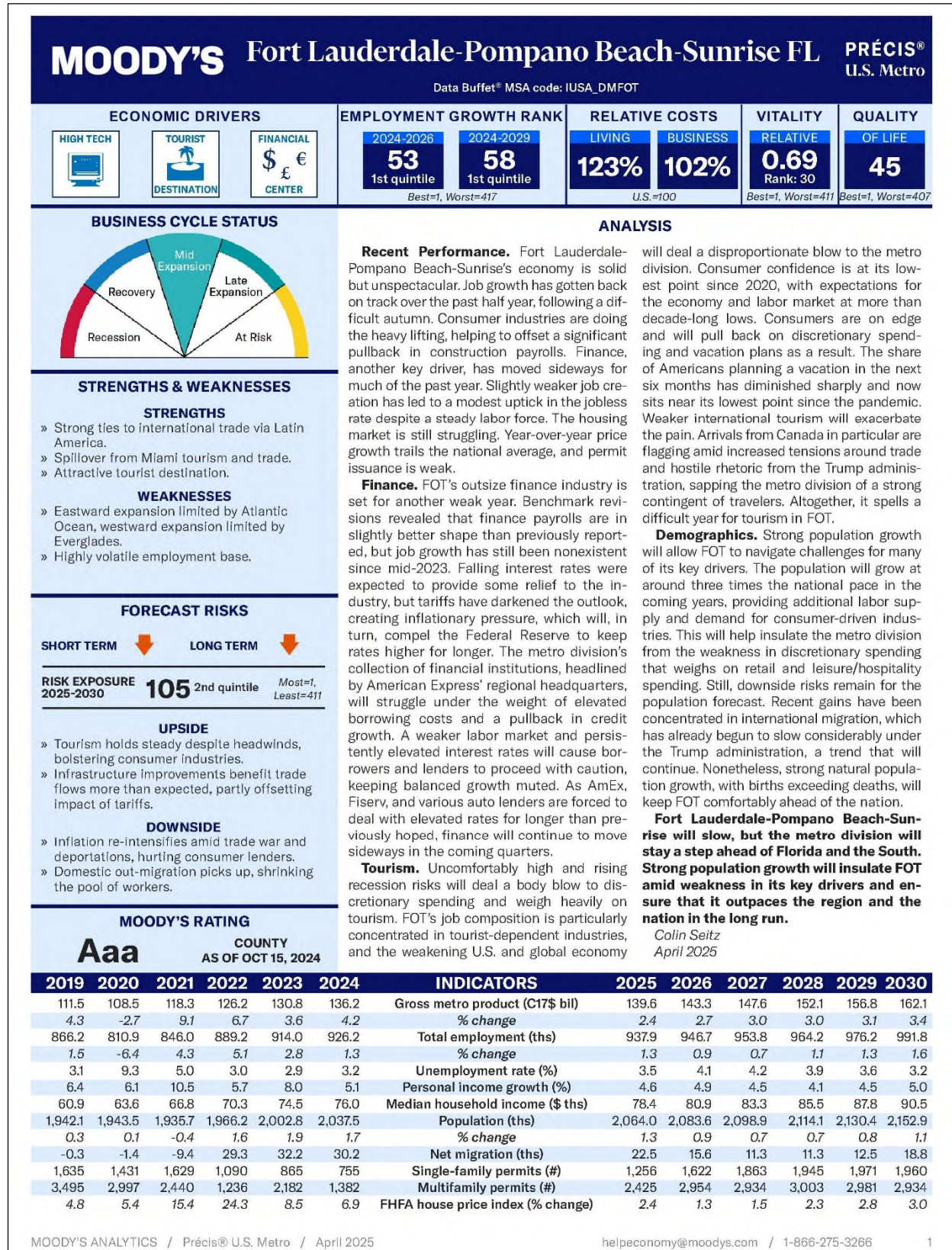
The short- and long-term value of real estate is influenced by a variety of factors and forces that interact within a given region. Regional analysis serves to identify those forces that affect property value, and the role they play within the region. The four primary forces that influence real property value include environmental characteristics, governmental forces, social factors, and economic trends. These forces determine the supply and demand for real property, which, in turn, affect market value.

REGIONAL MAP



ECONOMIC & DEMOGRAPHIC PROFILE

The following profile of the Fort Lauderdale-Pompano Beach-Deerfield Beach, FL MSA was provided by Economy.com, a leading provider of economic, financial, and industry information.



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ECONOMIC HEALTH CHECK

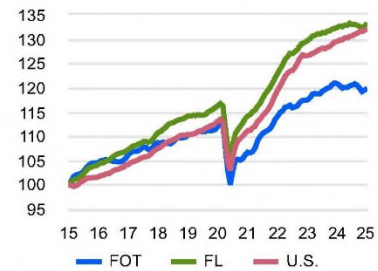
3-MO MA	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25
Employment, change, ths	-0.2	-0.2	2.3	1.3	1.4	1.3
Unemployment rate, %	3.3	3.3	3.2	3.2	3.3	3.4
Labor force participation rate, %	65.1	65.0	64.9	64.9	64.8	64.7
Average weekly hours, #	33.7	33.7	34.1	34.2	34.4	34.6
Industrial production, 2012=100	99.3	99.5	99.9	100.7	ND	ND
Residential permits, single-family, #	725	594	651	805	840	739
Residential permits, multifamily, #	418	584	666	610	670	629
Dec/Dec	Dec 19	Dec 20	Dec 21	Dec 22	Dec 23	Dec 24
Employment, change, ths	17.1	-58.1	50.5	33.8	19.8	8.5

Stronger than prior 3-mo MA Unchanged from prior 3-mo MA Weaker than prior 3-mo MA

Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX

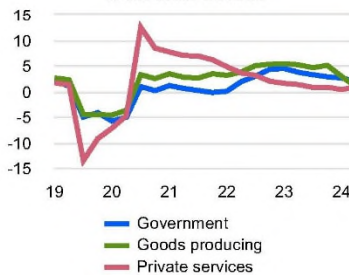
JAN 2015=100



Source: Moody's Analytics

INDUSTRY EMPLOYMENT

% CHANGE YR AGO



Sources: BLS, Moody's Analytics

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO, 3-MO MA

	Mar 24	Sep 24	Mar 25
Total	1.9	1.4	1.0
Mining	-0.0	0.0	0.0
Construction	5.5	6.3	0.1
Manufacturing	4.5	2.8	0.8
Trade	0.5	0.1	2.7
Trans/Utilities	1.5	-2.3	-1.8
Information	-2.1	-1.8	-3.4
Financial Activities	2.2	0.0	-0.8
Prof & Business Svcs.	0.3	1.2	-1.8
Edu & Health Svcs.	1.9	2.5	2.5
Leisure & Hospitality	2.6	0.6	2.2
Other Services	3.3	2.6	5.8
Government	3.6	2.8	2.1

Sources: BLS, Moody's Analytics

DIFFUSION INDEX

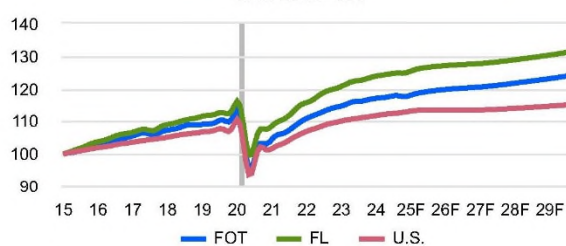
3-DIGIT NAICS LEVEL, 6-MO MA



Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT PERFORMANCE

JAN 2015=100



Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT FORECAST

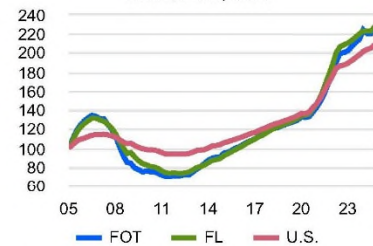
VS. 6 MO PRIOR

	2-Yr	5-Yr
FOT	↓	↓
FL	↓	↓
U.S.	↓	↔

Sources: BLS, Moody's Analytics

HOUSE PRICE

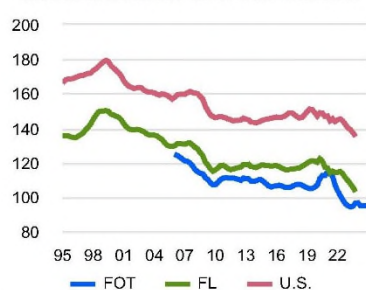
2005Q1=100, NSA



Sources: FHFA, Moody's Analytics

RENTAL AFFORDABILITY

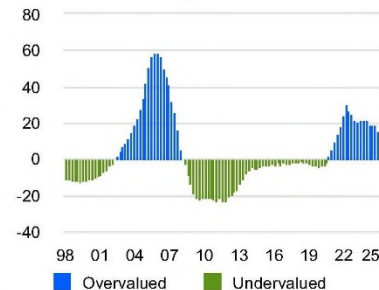
GREATER THAN 100=MORE AFFORDABLE



Sources: Census Bureau, BLS, Moody's Analytics

HOUSE PRICE TRENDS

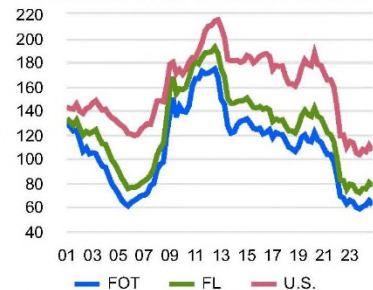
%



Source: Moody's Analytics

HOUSING AFFORDABILITY

GREATER THAN 100=MORE AFFORDABLE



Sources: NAR, Moody's Analytics

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TOP EMPLOYERS

First Service Residential	4,869
HEICO	4,532
Nova Southeastern University	4,089
American Express	3,600
Spirit Airlines	2,734
Mednax	2,484
AutoNation	2,469
JetBlue Airways	2,377
UKG, f.k.a Ultimate Software	1,902
JM Family Enterprises Inc.	1,720
Citrix	1,640
National Beverage Corp.	1,550
Chewy	1,467
City Furniture	1,403
DHL Express	1,400
Magic Leap	1,217
Amazon	1,100
Kemet Corp.	1,000
Rick Case Automotive Group	968
PwC	906

Source: Greater Fort Lauderdale Alliance, 2024

PUBLIC

Federal	7,795
State	7,903
Local	93,566

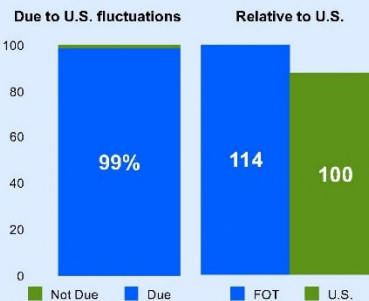
2024

INDUSTRIAL DIVERSITY

Most Diverse (U.S.)

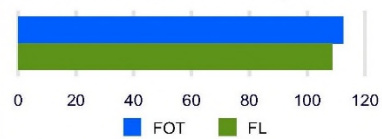


EMPLOYMENT VOLATILITY



ENTREPRENEURSHIP

BROAD-BASED START-UP RATE; U.S.=100



Sources: Census Bureau, Moody's Analytics, 2023

EXPORTS

Not Available

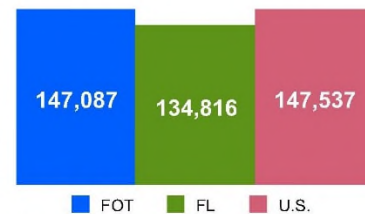
COMPARATIVE EMPLOYMENT AND INCOME

Sector	% OF TOTAL EMPLOYMENT			AVERAGE ANNUAL EARNINGS		
	FOT	FL	U.S.	FOT	FL	U.S.
Mining	0.0	0.0	0.4	ND	\$106,620	\$131,640
Construction	6.0	6.5	5.2	\$73,643	\$72,674	\$82,056
Manufacturing	3.5	4.3	8.1	\$80,905	\$83,004	\$87,025
Durable	2.2	3.0	5.0	\$91,819	\$87,848	\$92,947
Nondurable	1.2	1.4	3.1	\$61,078	\$72,409	\$77,301
Transportation/Utilities	4.6	4.4	4.6	\$81,566	\$74,625	\$76,163
Wholesale Trade	5.8	4.0	3.9	\$119,638	\$109,854	\$104,785
Retail Trade	11.7	11.7	9.8	\$50,485	\$42,991	\$43,459
Information	2.2	1.6	1.9	\$127,056	\$114,896	\$169,311
Financial Activities	8.0	6.9	5.8	\$103,667	\$112,369	\$126,368
Prof. and Bus. Services	18.8	16.3	14.3	\$91,050	\$90,967	\$104,538
Educ. and Health Services	13.2	15.5	16.8	\$69,442	\$67,680	\$64,430
Leisure and Hosp. Services	10.6	13.3	10.6	\$43,941	\$44,199	\$38,557
Other Services	4.0	3.8	3.8	\$75,440	\$67,074	\$64,195
Government	11.7	11.6	14.8	\$83,137	\$76,673	\$78,132

Sources: Percent of total employment — BLS, Moody's Analytics, 2024, Average annual earnings — BEA, Moody's Analytics, 2024

PRODUCTIVITY

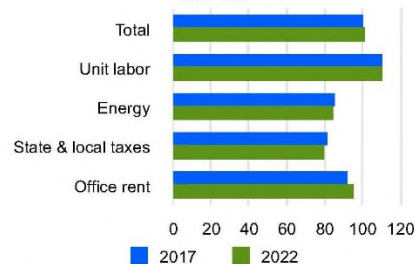
REAL OUTPUT PER WORKER, \$



Sources: BEA, Moody's Analytics, 2024

BUSINESS COSTS

U.S.=100



Source: Moody's Analytics

EMPLOYMENT

HIGH-TECH

	Ths	% of total
FOT	48.6	5.2
U.S.	8,351.2	5.3

HOUSING-RELATED

	Ths	% of total
FOT	115.7	12.5
U.S.	15,584.6	9.9

Source: Moody's Analytics, 2024

LEADING INDUSTRIES BY WAGE TIER

NAICS	Industry	Location Quotient	Employees (ths)
6211	Offices of physicians	1.3	22.6
5411	Legal services	2.3	15.5
5416	Mgmt., scientific & technical consult. svcs.	1.4	15.0
5242	Agencies, brokerages & other insur. rel. acts.	1.9	15.0
GVL	Local Government	1.1	93.6
2382	Building equipment contractors	1.2	17.5
5313	Activities related to real estate	2.7	12.9
4811	Scheduled air transportation	4.4	12.7
7225	Restaurants and other eating places	1.1	68.0
5613	Employment services	1.4	26.9
4451	Grocery stores	1.4	22.8
5617	Services to buildings and dwellings	1.7	21.8

High Mid Low

Source: Moody's Analytics, 2024

MARKET AREA ANALYSIS

INTRODUCTION

A market area is the geographic area in which the subject property competes for the attentions of market participants; the term broadly defines an area containing diverse land uses. Market areas are defined by a combination of factors including physical features the demographic and socioeconomic characteristics of the residents or tenants, the condition of the improvements and land use trends. Market area analysis focuses on the identification of boundaries and the social, economic, governmental and environmental influences that affect the value of real property within those boundaries. In conducting market area analysis, the competitive supply and demand for the subject property is more directly addressed.

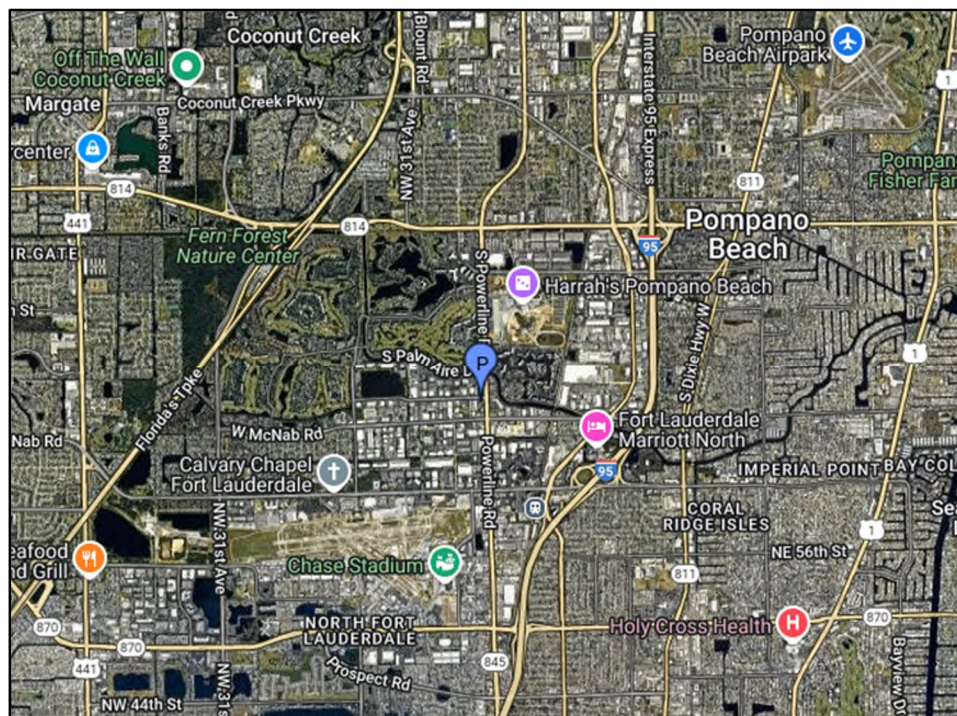
The purpose of a market area analysis is to provide a bridge between the study of general influences on all property values and the analysis of a particular subject. Market area boundaries are identified by determining the area in which the four forces that affect value (social, economic, governmental and environmental) operate in the same way they affect the subject property. Interaction of the various components influencing these four forces often results in the dissimilarities regarding the length of time between the stages of a market area's life cycle.

GENERAL DESCRIPTION

The market area boundaries are generally:

North	West Copans Road
South	West Oakland Park Boulevard
East	US Route 1
West	South State Road 7

MARKET AREA MAP



ACCESS

Access to the subject market area is good, which contributes to the market area's stability. Primary linkages within market area boundaries include:

MAJOR LINKAGES OF THE MARKET AREA		
Name	Direction	Number of Lanes
Southwest 26th Avenue	North/South	6
South State Road 7	North/South	6
Florida Turnpike	North/South	6
Interstate 95	North/South	6
State Route 814	East/West	6
State Route 870	East/West	6

GENERAL LAND USES

The subject is located on the southwest corner of Southwest 26th Avenue and Gateway Drive. The surrounding market area is suburban in nature developed with a variety of retail, residential, office, and industrial properties located nearby. Land use patterns follow traditional development trends. The more intense commercial and retail uses are along major carriers and at major intersections, the majority of commercial development is concentrated along West Atlantic Boulevard and Southwest 26th Avenue.

Adjacent to the north of the subject, across Gateway Drive is a free-standing restaurant and a small retail center. Adjacent to the east, across Southwest 26th Avenue is a retail center with a variety of personal service businesses, a fitness center, and an outparcel coffee shop. Adjacent to the west is a Dunkin' driver thru followed by a variety of flex office and industrial properties. Adjacent to the south is a small office building followed by an auto repair shop and a gas station.

- **Residential** – Adequate mix of single-unit homes, manufactured homes, and multifamily properties. Although much of the surrounding area is developed, there has been some but minimal new construction in the market over the last several years. There is a proposed redevelopment project, located 2,500 feet north of the subject site that is slated to become an entertainment district named "The Pomp" and will feature a remodeled Harrah's Pompano Beach casino as well as 1.3 million square feet of retail and entertainment space, 4,000 residential units, two hotels, and 1.35 million square feet of office space.
- **Retail** – Primarily concentrated along West Atlantic Boulevard and Powerline Road, where most regional big box retailers and supporting uses such as restaurants, bank branches, drug stores, gas stations/convenience stores, specialty shops, etc. are located.

Although there is a lack of major retailers in the immediate area surrounding the subject, the closest big box stores will include a Walmart Supercenter, located one mile north and BJ's Wholesale store, located a mile and a half to the south.

- **Industrial** – There is significant development in the area with properties ranging from small warehouses and storage facilities to larger distribution centers.
- **Employment Centers** – Numerous local, regional, and national employers located in the immediate area as well as proximity to number employment centers within nearby Fort Lauderdale. Major economic drivers in the region include high tech, finance, and professional business services as well as tourism.

DEMOGRAPHICS

The following data highlights the market area demographics for the 1, 3, and 5-mile radii from the subject, as provided by *Claritas Inc.*

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA			
	1401 SW 26th Avenue - 1 mi.	1401 SW 26th Avenue - 3 mi.	1401 SW 26th Avenue - 5 mi.
Description	Totals	Totals	Totals
Population			
2030 Projection	6,347	131,573	424,381
2025 Estimate	6,026	127,857	414,431
2020 Census	5,722	124,703	407,053
2010 Census	5,112	112,491	372,772
Households			
2030 Projection	3,571	54,695	178,070
2025 Estimate	3,341	53,243	174,005
2020 Census	3,113	52,208	171,323
2010 Census	2,791	46,977	158,084
2025 Est. Average Household Size	1.78	2.35	2.35
2025 Est. Households by Household Income (%)			
Household Income < \$15,000	13.0	8.5	9.8
Household Income \$15,000 - \$24,999	10.1	8.9	8.9
Household Income \$25,000 - \$34,999	5.3	9.3	8.7
Household Income \$35,000 - \$49,999	15.1	12.6	12.6
Household Income \$50,000 - \$74,999	20.7	18.7	17.7
Household Income \$75,000 - \$99,999	10.8	12.4	12.7
Household Income \$100,000 - \$124,999	6.0	9.5	9.2
Household Income \$125,000 - \$149,999	5.1	6.3	6.0
Household Income \$150,000 - \$199,999	6.8	6.3	6.3
Household Income \$200,000 - \$249,999	3.2	3.0	3.0
Household Income \$250,000 - \$499,999	3.1	3.3	3.4
Household Income \$500,000+	0.9	1.3	1.6
2025 Est. Average Household Income	\$81,479	\$88,625	\$89,985
2025 Est. Median Household Income	\$56,942	\$63,562	\$63,292
2025 Est. Tenure of Occupied Housing Units (%)			
Owner Occupied	67.6	53.1	58.2
Renter Occupied	32.4	46.9	41.8
2025 Est. Median All Owner-Occupied Housing Value	\$247,502	\$403,113	\$393,208
Source: 2025 Claritas, Inc.			

SITE DESCRIPTION

INTRODUCTION

The description of the site is based upon our information available from the client and public sources.

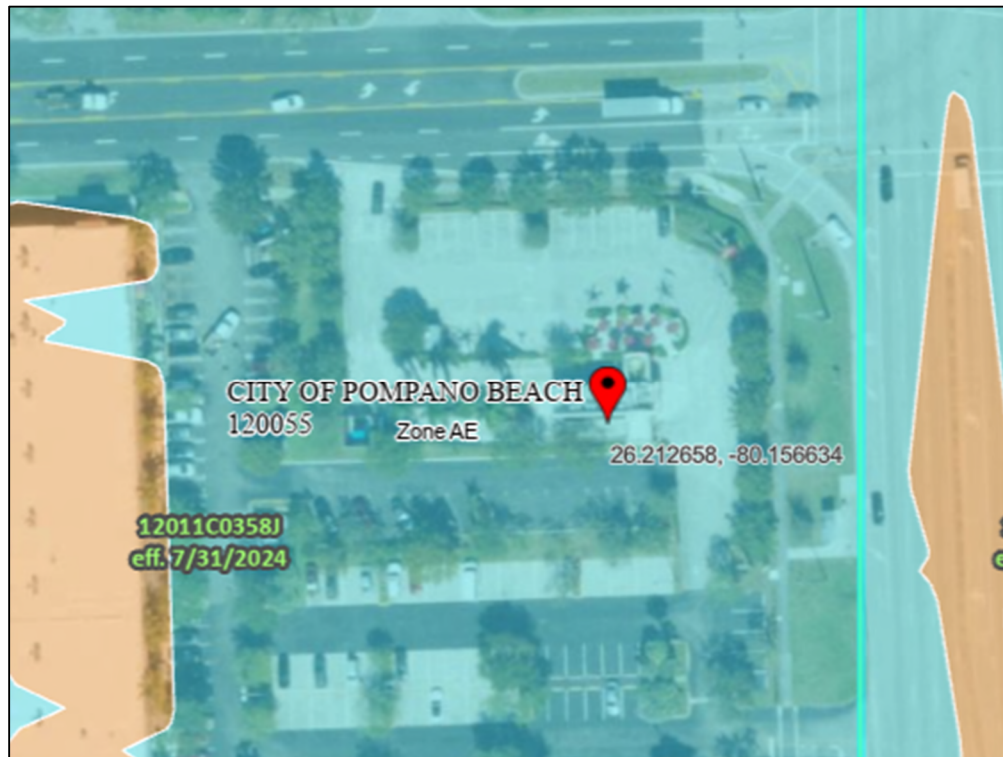
GENERAL DESCRIPTION OVERVIEW		
Location	Southwest corner of Southwest 26th Avenue and Gateway Drive	
Parcel Number	4942-04-26-0010	
Legal Description	See Addenda	
Site Area	41,146 square feet	(0.9446 acres)
Configuration	Generally Rectangular	
Topography	Level	
Drainage	Appears adequate	
Utilities/Municipal Services	All available to site.	
Floodplain:	<u>Zone</u>	<u>Map</u> <u>Date</u>
	Zone AE	12011C0358J July 31, 2024
	Zone AE is a Special Flood Hazard Area (SFHA) where base flood elevations are provided. AE Zones are now used on new format Flood Insurance Rate Maps (FIRM) instead of A1-A30 Zones. In communities that participate in the National Flood Insurance Program (NFIP), mandatory flood insurance purchase requirements apply to this zone.	
Soil/Subsoil Conditions	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s).	
Environmental Concerns	No unusual conditions noted. No studies provided. The site is assumed to be free of any environmental concerns.	
Land Use Restrictions	There are no known detrimental easements, encroachments or other restrictions that	
Hazards Nuisances	None noted	
Frontage	200' Gateway Drive and 150' Southwest 26th Avenue	
Access	The subject is located at a light-controlled intersection. Main access to the subject will be available via a curb-cut from Gateway Drive to both directions of traffic. Additionally, there will be an access easement with the south adjacent parcel that is accessible to vehicles traveling southbound along Southwest 26th Avenue.	
Visibility	Good	
Surrounding Land Uses	Retail, residential, and industrial	
Enterprise Zone	No	
Traffic Counts	Southwest 26th Avenue has an AADT of 45,500 vehicles per day.	
Transportation Facilities	Private vehicles is the common and preferred.	
Comments	The proposed facility is considered to be an above average location for an express car wash. See the Car Wash Market Analysis section for additional details.	

ZONING	
Designation	B-3
Future Land Use	General Business District
Zoning Intent	The General Business (B-3) district is established and intended to accommodate a diverse range of moderate-intensity retail, service, office, recreation/ entertainment, visitor accommodation, and institutional uses that serve the residents and businesses in the community at large (e.g., most retail sales and service uses, restaurants, offices, banks, restaurants, gasoline filling stations, marinas, auto and boat sales and service uses, theaters, hotels, child care facilities, vocational or trade schools, health care facilities, places of worship). It also accommodates complementary residential uses (e.g., live-work and upper-story dwellings) and moderate- to high-density multifamily development (either stand-alone or mixed with commercial development), community residences, and recovery communities.
Compliance	The proposed subject will be a legal, conforming use in this zoning district via a special exception permit.
ZONING REQUIREMENTS	
Permitted Uses	A variety of commercial uses
Minimum Lot Size	10,000 SF
Maximum Lot Size	None
Minimum Lot Width	100'
Maximum Coverage Ratio	60%
Minimum Open Space	20%
Front (min. ft.)	None
Rear (min. ft.)	30'
Side (min. ft.) interior	None
Maximum Height	105'
Required No. Parking Spaces	One space per 500 SF of building area
Subject's Actual	24 total proposed spaces (19 vacuums and five parking spaces)

ZONING MAP



FLOOD MAP



PARCEL MAP



IMPROVEMENTS DESCRIPTION

The proposed improvement descriptions are based on general discussions with the developer and typical of an express car wash.

GENERAL DESCRIPTION OVERVIEW	
Address	1401 Southwest 26th Avenue Pompano Beach, FL 33069
Property Description	Proposed express car wash
Year Built (Proposed)	2027
Number of Buildings (Proposed)	1
Number of Stories (Proposed)	2
Gross Building Area	3,585 square feet
Land-to-Building Ratio	8.31 : 1
Total Parking Spaces	22
ADA Compliance	The proposed property is assumed to be fully ADA compliant.

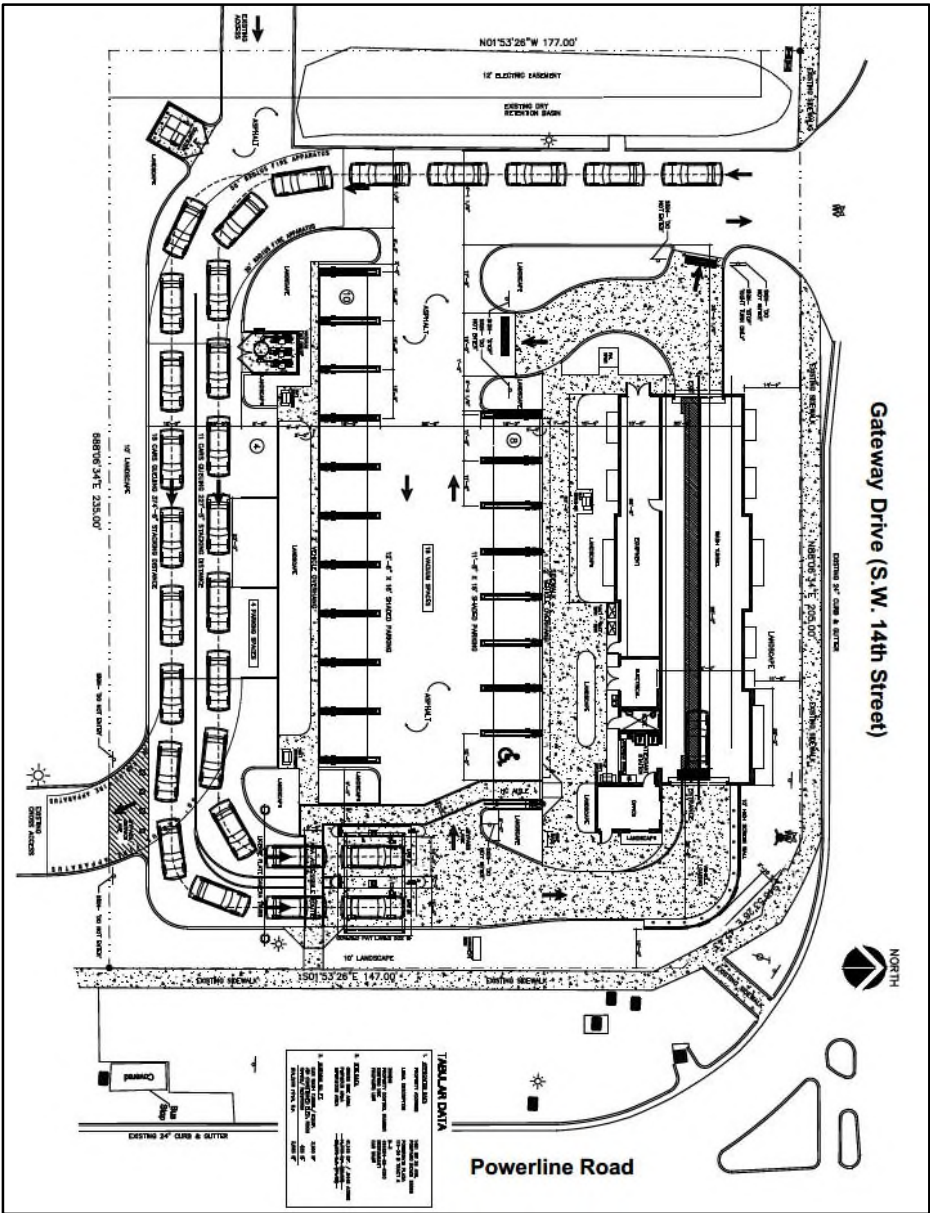
CONSTRUCTION DETAIL	
General Layout	The subject property is a proposed 3,585 square foot express car wash facility that will be configured with a 96' conveyor wash tunnel, vehicle loading entryway, office area and restroom. Additionally, the facility will be oriented with two automatic pay stations and 18 vacuum stations.
Foundation	Poured concrete slab
Construction	Steel and masonry
Floor Structure	Reinforced concrete
Exterior Walls	Stucco, EIFs, paneling
Roof Type	Sloped and flat
Roof Cover	Sealed membrane and metal

MECHANICAL DETAIL	
Heating	Forced Air (office and restroom only)
Cooling	Central HVAC (office and restroom only)
Plumbing	Assumed to code and adequate
Electrical	Assumed to code and adequate
Car Wash Equipment	The subject will be oriented with equipment that is typical of an express car wash. This includes a 96' log chain conveyor, correlator, arches, mitters, brushes, wraps, high pressure system, chemical delivery system, blowers and supporting equipment. Additionally, the site will be oriented with two automatic pay stations, tunnel computer system, vacuum system, and various other equipment items.

SITE IMPROVEMENTS	
Parking Type	Surface
Landscaping	Low maintenance trees, shrubs, and grass
Signage	Proposed building and monument signage

SUMMARY	
Building Condition	Excellent, upon completion
Building Quality	Excellent
Design and Functionality	Good

SITE PLAN



PROPERTY ASSESSMENT AND TAX ANALYSIS

The subject property is currently assessed as a drive-thru restaurant. We have utilized assessment comparables of other nearby express car wash facilities within Broward County to estimate the subject property taxes upon completion of development. The following chart summarizes the assessment comparables.

ASSESSMENT COMPARABLES				
Property Address	Year Built	Bldg Size (SF)	Assessed Value	Assessed Value Per SF
Subject Property (Pro Forma)	2027	3,585	\$1,792,500	\$500
Dirty Dogs Car Wash (1821 S State Rd 7, North Lauderdale)	2023	3,708	\$1,786,600	\$482
Rising Tide Car Wash (10340 Royal Palm Blvd, Coral Springs)	2022	2,944	\$2,237,280	\$760
Rising Tide Car Wash (2970 N State Road 7, Margate)	2017	4,299	\$2,038,870	\$474
El Car Wash (7880 W McNab Road, North Lauderdale)	2019	2,997	\$1,257,400	\$420
Car Wash Café (3050 N University Dr, Sunrise)	2008	5,671	\$1,816,910	\$320
Low	2008	2,944	\$1,257,400	\$320
High	2023	5,671	\$2,237,280	\$760
Average	2018	3,924	\$1,827,412	\$491

We have estimated the subject property assessment, upon completion, equal to \$500 PSF, which is within the range of the comparables and considered reasonable, given it will be a newly constructed car wash facility.

The following table summarizes our projection of real property taxes for the subject as a newly constructed express car wash facility:

REAL ESTATE ASSESSMENT AND TAXES		
Tax ID No.		Proforma
4942-04-26-0010		\$1,792,500
Tax Value Subtotal		\$1,792,500
Assessed Value @	100.00%	\$1,792,500
General Tax Rate	per \$1,000	20.52630
Property Taxes		\$36,793
Non-Ad Valorem Taxes		\$0
Total Taxes		\$36,793
Less 4% Early Payment Discount		(\$1,472)
Total Net Taxes		\$38,265
Total Taxes PSF		\$10.67

Given the extent of the equipment involved, car wash facilities like the subject are often assessed an additional personal property/equipment tax liability. Based on several car wash expense comparables and the fact that the subject will be new, we estimate an additional personal property tax liability of \$10,000. The following chart illustrates the personal property taxes for several other express car washes in the area.

ASSESSMENT COMPARABLES		
Property Address	Year Built	Personal Property Taxes
Subject Property (Pro Forma)	2027	\$10,000
LUV Car Wash (1250 S State Rd 7, North Lauderdale)	2022	\$6,414
LUV Car Wash (1075 W Sunrise Boulevard, Fort Lauderdale)	2019	\$9,736
Rising Tide Car Wash (10340 Royal Palm Blvd, Coral Springs)	2022	\$9,285

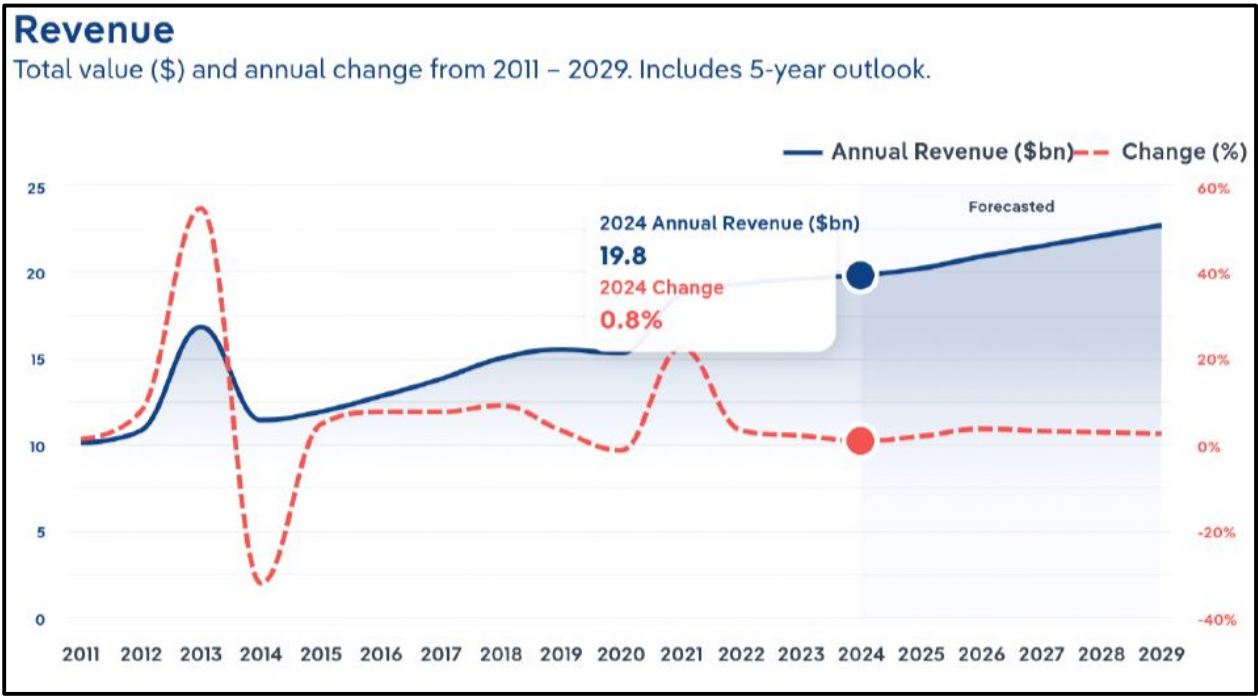
Therefore, the total proposed tax liability estimate for the subject is \$48,265 (\$38,265 RE tax + \$10,000 PP tax).

MARKET ANALYSIS

INDUSTRY OVERVIEW

The following market analysis is based primarily on the January 2025 IBIS World report on Car Wash and Auto Detailing in the United States. Operators in the Car Wash and Auto Detailing industry clean, wash and wax automotive vehicles, such as passenger cars, trucks, vans and trailers. This industry also includes self-service car wash establishments. The Car Wash and Auto Detailing industry does not include companies that predominantly change motor oil or provide automotive repair and maintenance services.

<div>Revenue</div> <div>\$19.8bn</div> <div>'19-'24 ↑ 5.1 %</div> <div>'24-'29 ↑ 2.8 %</div>	<div>Employees</div> <div>208k</div> <div>'19-'24 ↑ 1.1 %</div> <div>'24-'29 ↑ 2.6 %</div>	<div>Businesses</div> <div>60,355</div> <div>'19-'24 ↑ 4.6 %</div> <div>'24-'29 ↑ 3.4 %</div>
<div>Profit</div> <div>\$4.4bn</div> <div>'19-'24 ↑ 7.4 %</div>	<div>Profit Margin</div> <div>22.3%</div> <div>'19-'24 ↑ 2.3 pp</div>	<div>Wages</div> <div>\$5.6bn</div> <div>'19-'24 ↑ 2.9 %</div> <div>'24-'29 ↑ 2.7 %</div>



WASH FORMATS

Conveyor Car Washes

Conveyor car wash sales currently account for an estimated 52.2% of total industry revenue. In a conveyor wash, a vehicle is typically driven onto a conveyor belt and taken through a tunnel that uses mechanized brushes and cloths in conjunction with high-pressure water application and a drying system. Customers have the option of purchasing a range of services such as express wash, wheel bright, waxes, and undercarriage washes.

Typically, conveyor washes operate under three different models; that is, operators can offer full-serve, flex-serve or express conveyor washes to consumers. According to car wash supplier Mark VII, full-service washes are considered to comprise the most high-end, time-consuming services and are, therefore, considered a destination model, as consumers must exit their vehicle to have the car washed. Furthermore, since full-serve washes are more time-consuming, consumers must be willing to allocate more time to capitalize on the extra services offered by the car wash. Examples of extra services include windshield repair and carpet cleaning.

While full-serve tunnels generally require less space to operate, full-serve car washes require more labor to compensate for the services not performed by the typical car wash machinery. Amid the COVID-19 (coronavirus) crisis, demand for full-service washes decreased as some industry operators temporarily curtailed the interior cleaning service associated with this wash. For instance, Mister Carwash announced that its full-service washes would not come with interior cleaning due to health and safety reasons. After the pandemic has slowed down, the company has gradually offered interior cleaning at selected locations.

Flex-serve car washes primarily focus on cleaning the car's exterior. However, if a customer wants to clean the car's interior, a section of the car wash is allocated for that service, while all other vehicles simply receiving an exterior wash are able to exit the car wash without having to exit their cars. Flex-serve car washes are similar to full-serve car washes in that they offer comparable services and therefore require more employees than express car washes by offering exterior cleans irrespective of interior cleaning services. Flex-serve car washes are able to simultaneously appeal to those who wish to take advantage of a full-serve wash, as well as time-poor consumers who wish to wash their car's exterior and exit the car wash without any added inconvenience of having to exit their vehicle.

Express tunnel washers are becoming more popular in the industry. This type of conveyor car wash provides exterior cleaning only and free access to vacuums after exiting the tunnel. The typical wait time averages five minutes, while full-service tunnel washes have a much longer wait time of between 10 and 15 minutes, according to industry operator Carwash & Detail. Furthermore, express exterior tunnel washes typically cost \$7.00, while full-service tunnel washes average \$15.00, according to the International Carwash Association. Due to its convenience, demand for express wash services is expected to continue to grow.

In-bay Automatic Car Washes

With in-bay automatic car washes, customers usually remain within their automobiles. The vehicle remains stationary and is washed by soap and water applied from a rollover mechanism. These automatic car washes can be touchless, friction or a combination of both. The fully automated system is usually triggered by a coin-operated vending machine. These types of car washes are a relatively minor segment within the specialized car wash industry. However, in the total car wash market, they are more prominent. Gas stations operate most of the 40,000 automatic or rollover car washes in the United States.

As a result, the majority are classified outside this industry. The average price is \$10.00 for an in-bay automatic wash. Demand for this segment is expected to increase as consumers increasingly use in-bay automatic car washes as an alternative to full-serve car washes. Furthermore, technological advancements in the way of reducing friction on vehicles while cleaning have also contributed to this segment's increase in market share.

Many consumers typically equate a rough car wash (i.e. aggressive friction from the brushes causing a car to sway as it is being washed) with unwanted wear and tear on their vehicles. New in-bay automatic configurations, such as PDQ's ProTouch in-bay automatic wash system are capitalizing on those who prefer a wash with a softer amount of friction than other conventional car washes. Moreover, this segment is expected to expand as a share of industry revenue amid the coronavirus pandemic as it involves the least human contact between customers and employees.

Detailing Services

With detailing services, vehicles are washed and waxed manually. Furthermore, detailing includes careful cleaning of the vehicle's interior panels and upholstery, door jams, and windows. Detailing services are more commonly performed when a vehicle is about to be sold and often involve engine detailing, which includes removing all dirt and grease with a degreasing agent. Detailing may also involve minor paintwork repairs and interior steam cleaning. This segment is highly labor-intensive as the whole process is done manually and costs often exceed \$50.00.

Hand Washing

These services sometimes include a waxing service and a light cleaning of the vehicle's interior. However, this is not a full detailing service. Consumers will choose hand-washing services if they require extra care for their car. This segment is highly labor-intensive and, therefore, has a higher average price of \$20.00. Hand-washing's share of industry revenue has declined as a result of consumers opting for more conventional conveyor car washes or in-bay automatic car washes instead of hand-washing services.

Self-service Bays

These drive-in bays are equipped with wands and hoses for consumers to use on their vehicles to presoak, wash, double soap, pre-rinse, clean wheels, and double rinse their vehicles. These self-service bays typically have a coin-operated vending machine. Consumers commonly have access to a coin-operated vacuum for interior cleaning and are provided with towels, air fresheners, and soaps from vending machines. These self-service bays typically do not have high labor requirements and the average price of self-service bays is \$5.00-\$10.00.

LOCATIONAL FACTORS

There are a number of characteristics that are common to all types of carwash operations. This section describes the elements and criteria that investors should consider as they search for a suitable location and site. The following analyzes several of the key characteristics and is followed by a chart with a rating for each as well as an overall rating of the site.

Competition

The following chart and map illustrate the competition within a three-mile radius of the subject.

COMPETITION			
Number	Name	Type	Distance from Subject
1	Traffic Wash	Hand Wash	0.01 miles
2	Shine Time Car Wash	Full Service	1.79 miles
3	Rising Tide Car Wash (Proposed)	Express	1.80 miles
4	Mr. Squeaky Car Wash	Flex	2.19 miles
5	El Car Wash	Express	2.25 miles
6	Car Wash	Self-Service	2.54 miles
7	LUV Car Wash	Express	2.90 miles
8	Dirty Dogs Car Wash	Express	3.02 miles

Comparable No. 1 is a hand car wash that is not an actual car wash structure and is a canopy that is connected to a gas station and operated as a hand only car wash and detail facility. This is not considered a significant competitor.

Comparable No. 2 is a full service car wash that is attached to a gas station. The market typically does not look favorably upon car washes attached to gas stations as it is typically a secondary source of revenue in comparison to the gas station and convenience store and thus these facilities often do not provide the quality of equipment or service that a stand alone car wash would provide.

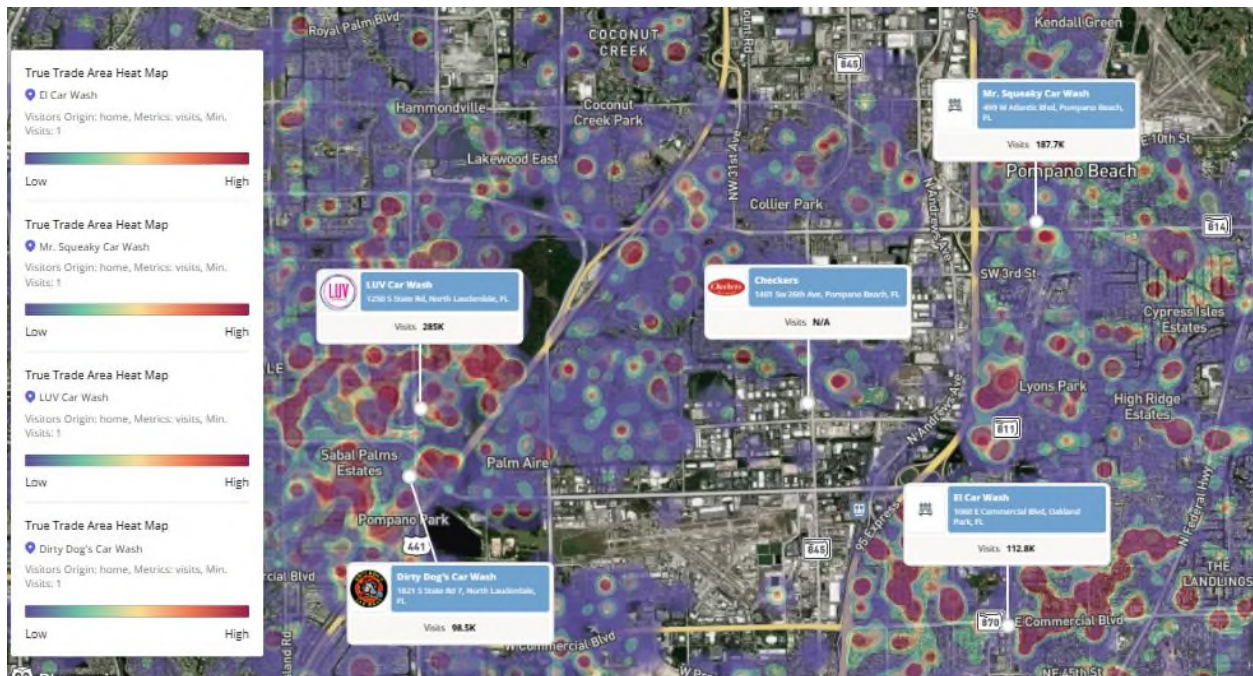
Comparable No. 3 is a proposed express service car wash that will be located to the northwest of the subject, along West Atlantic Avenue. According to public records, the development was recently approved for construction by city officials in June 2025 and if constructed will be the most significant competitor to the subject given its proximity. Comparable No. 4 is an existing flex service car wash that offers both express and full-service wash options. The express washes range from \$9.00 to \$18.00 and offer free vacuums. This wash concept tends to be more difficult to manage due to the labor component. Flex-service car wash have the challenge of accurately forecasting proper labor demands for full service, therefore, many flex facilities are often overstaffed or understaffed, which can result in inconsistent service.

Comparable No. 5 is an express car wash that is located to the southeast along East Commercial Boulevard and appears in good condition. Comparable No. 7 is an express car wash, located on the southwest edge of the proposed subject's market area, situated along South State Road 7. This facility was originally constructed in 2000 and most recently renovated and rebranded in 2022. Comparable No. 8 is another express car wash located along South State Road 7 that was constructed in 2023 and more directly competes with nearby Comparable No. 7, given they are located only 2,700 feet apart on the same roadway.

Comparable Nos. 6 is a self-service car wash that will be noticeably inferior to the proposed subject upon its completion. However, there is still a small segment of the marketplace that does not want automated equipment touching their vehicle, but for the most part the express exterior model has made these operations obsolete. A more quality product can be achieved by an express wash in a shorter amount of time for a similar or lower price.

Given the population totals, the number of competitors in the market is considered typical. As such, the proposed car wash would fulfill a demonstrated need for the public convenience and service of the population of the market area. Upon completion of the subject, there is still a risk of new competition entering the market in the future; however, it is difficult to get a car wash approved for development in the local market which could inhibit new competition.

The following map was obtained from Placer.AI which is a locations analytics platform that utilizes cell phone data to track visits to certain properties. This map illustrates the closest express or flex car wash competitors to the subject and identifies where their customers reside that are visiting these properties.



As shown, there are a significant number of customers from the immediate area surrounding the subject that drive to the two nearby competitors. This illustrates that there is significant demand and a need for a car wash facility in the subject market area.

Traffic Counts

Although traffic counts are often overrated in terms of their significance in rating a site, you will need to have adequate flow for exposure. The recommended minimum traffic count, measured as average annual daily traffic count or AADT, is at least 5,000 vehicles per day for self-service, 20,000 vehicles for in-bays automatic, and 30,000 vehicles for a conveyor operation. **The most recent traffic study indicated a traffic count of 45,500 vehicles per day along Southwest 26th Avenue. There is no available traffic count data along Gateway Drive, as it is a secondary roadway.**

Access

The highway lanes should not be divided by a culvert or median unless there is a traffic signal or dedicated turning lanes immediately in front of the site. The site should be able to accommodate at least two curb cuts. However, if regulations prohibit more than one curb cut, this should not be used as the sole reason for rejecting a site as long as the other physical characteristics are good. **The subject is located at a light-controlled intersection. Main access to the subject will be available via a curb-cut from Gateway Drive to both directions of traffic. Additionally, there will be an access easement with the south adjacent parcel that is accessible to vehicles traveling southbound along Southwest 26th Avenue.**

Visibility

The site needs to be visible so that it will have adequate exposure. The site should be at-grade with the roadway. Sites that slope upwards or downwards will have less visibility and may be perceived by some consumers as inconvenient to use. Buildings and signs should be visible in both directions for at least 400 to 500 feet. **The subject site is a corner lot at road grade and will have good visibility along Southwest 26th Avenue.**

Demographics

The population density within a three-mile radius for self-service carwash should be at least 15,000 persons for rural areas, 25,000 for semi-rural areas, and 50,000 for suburban business districts. If the project is an in-bay automatic carwash, the population density within a three-mile radius should be at least 20,000 for rural areas, 35,000 for semi-rural areas, and 45,000 for suburban business districts. If the project is a conveyor carwash, the population density for a three-mile radius should be at least 35,000 or above for business districts. The population trend should be positive, and the pattern of growth should be headed towards the site rather than away from it. **The site has approximately 127,857 people within a three-mile radius. Additionally, the median household income within a three-mile radius is \$63,562. Population totals are projected to increase over the next several years with a projected population of 131,573 people within a three-mile radius by 2030.**

Retail Influence

Proximity to essential amenities like shopping centers, educational institutions, and even recreational facilities tend to attract a wide range of customers looking for convenience and one-stop shopping. Current trends have indicated there is a positive correlation between car washes and nearby retailers. **Although there is a lack of major retailers in the immediate area surrounding the subject, the closest big box stores will include a Walmart Supercenter, located one mile north and BJ's Wholesale store, located a mile and a half to the south.**

The following chart summarizes the above analyses and provides the overall site rating.

SITE LOCATION ANALYSIS	
Criteria	Rating
Competition	Typical
Traffic Count	Excellent
Access	Average
Visibility	Good
Demographics	Good
Retail Influences	Average
Overall Site Rating	Above Average

INDUSTRY OUTLOOK

Car wash and auto detailing service providers clean, wash and wax vehicles, including passenger cars, trucks, vans and trailers. While the industry struggled amid the height of the pandemic, pent-up demand for travel and rebounding economic conditions encouraged driving activity and spending on discretionary services. Even as interest rates threaten economic stability and consumer markets, robust commercial markets, especially used car companies, have supported growth. Overall, revenue has soared at an expected CAGR of 5.1% to an estimated \$19.8 billion through the current period, including a 0.8% increase in 2024, where profit has reached 22.3%.

Companies have prioritized diverse offerings and technological improvements to build a stronger consumer base. Value-added services, like interior cleaning, waxing and rim shining at competitive prices or included in comprehensive packages, can help differentiate from competitors. Companies have also offered improved waiting areas, contactless payment options and other services to improve customer experiences and generate repeat customers. Similarly, various marketing tactics, including memberships, loyalty programs and social media markets, have generated more customers.

Economic stability, highlighted by strong consumer confidence and climbing disposable incomes, will support revenue and profit growth. These trends will encourage companies to expand, leading to strong employment and establishment growth. However, new regulations will challenge car wash and auto detailing companies. Companies must adhere to increasingly strict water usage policies, encouraging them to adopt new water recycling and reuse systems. These changes may lead to increased utility costs, especially in arid regions. Companies will also improve internal processes to attract new customers. Mobile services and increasingly advanced automated bays will create differentiation opportunities. Overall, revenue will expand at an expected CAGR of 2.8% to \$22.7 billion through the outlook period, where profit will reach 22.4%.

PROJECTED FINANCIAL PERFORMANCE

INCOME PROJECTION

A common way to project income for a car wash is to analyze the capture rate. The capture rate is calculated by dividing the annual number of car washes by the number of days per year (365), divided by the daily traffic count. The following table provides a summary of capture rates for several comparable car wash facilities where we were able to obtain adequate information to calculate a meaningful capture rate.

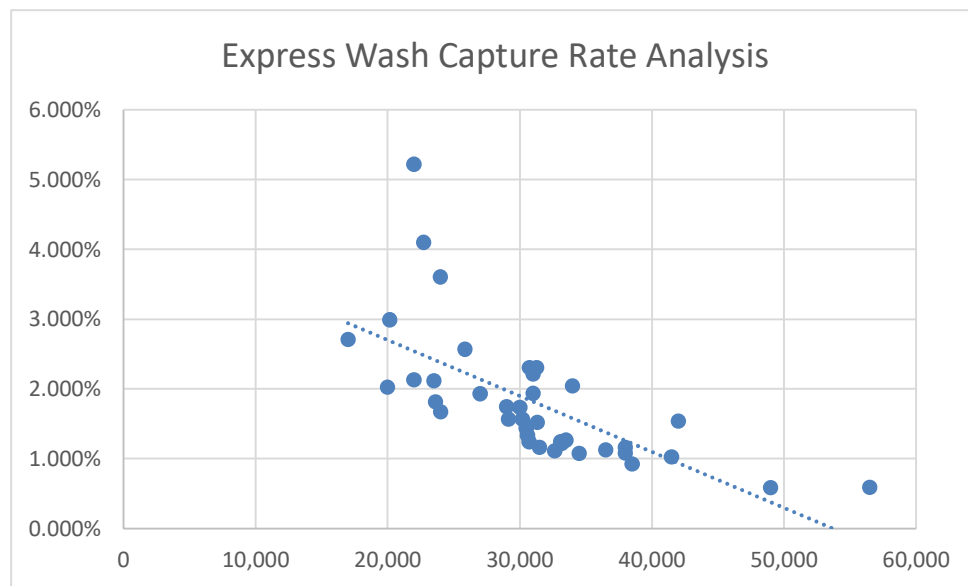
EXPRESS WASH CAPTURE RATE ANALYSIS							
Comp No	Wash Type	Wash Name	Traffic AADT	Annual Washes	Capture Rate	Wash Price Range	Avg. Ticket
1	Express	Confidential	71,000	97,959	0.378%	\$13 - \$28	\$10.76
2	Express	Confidential	69,000	108,666	0.431%	\$14 - \$30	N/A
3	Express	Confidential	75,800	121,185	0.438%	\$10 - \$25	\$12.08
4	Express	Confidential	49,000	104,795	0.586%	\$6 - \$21	\$9.02
5	Express	Confidential	56,500	121,858	0.591%	\$14 - \$30	N/A
6	Express	Confidential	43,000	105,928	0.675%	\$6 - \$21	\$10.92
7	Express	Confidential	40,000	114,975	0.788%	\$7 - \$20	\$11.03
8	Express	Confidential	36,500	114,000	0.856%	\$10 - \$25	\$12.84
9	Express	Confidential	38,500	129,400	0.921%	\$6 - \$21	\$9.84
10	Express	Confidential	30,000	103,150	0.942%	\$6 - \$18	\$11.00
11	Express	Confidential	33,300	124,192	1.022%	\$8 - \$24	\$13.08
12	Express	Confidential	31,000	121,000	1.069%	\$7 - \$23	\$10.11
13	Express	Confidential	41,500	155,000	1.023%	\$10 - \$25	\$9.33
14	Express	Confidential	34,500	135,500	1.076%	\$10 - \$25	\$10.40
15	Express	Confidential	38,000	149,530	1.078%	\$6 - \$21	\$9.64
16	Express	Confidential	32,653	132,582	1.112%	\$8 - \$24	\$12.97
17	Express	Confidential	30,492	123,923	1.113%	\$10 - \$24	\$11.69
18	Express	Confidential	36,500	150,327	1.128%	\$10 - \$25	\$14.32
19	Express	Confidential	38,000	161,268	1.163%	\$14 - \$30	N/A
20	Express	Confidential	31,500	133,995	1.165%	\$6 - \$21	\$9.68
21	Express	Confidential	33,189	147,488	1.218%	\$7 - \$18	\$10.17
22	Express	Confidential	30,714	139,044	1.240%	\$5 - \$20	\$9.25
23	Express	Confidential	33,100	150,501	1.246%	\$6 - \$21	\$10.31
24	Express	Confidential	33,500	154,867	1.267%	\$6 - \$20	\$10.25
25	Express	Confidential	38,000	184,237	1.328%	\$10 - \$25	\$11.88
26	Express	Confidential	30,600	148,968	1.334%	\$6 - \$20	\$11.38
27	Express	Confidential	30,500	159,996	1.437%	\$6 - \$21	\$10.14
28	Express	Confidential	31,339	173,820	1.520%	\$10 - \$24	\$12.48
29	Express	Confidential	42,000	235,765	1.538%	\$14 - \$30	N/A
30	Express	Confidential	30,200	172,641	1.566%	\$6 - \$21	\$10.45
31	Express	Confidential	24,014	146,362	1.670%	\$11 - \$29	\$14.49
32	Express	Confidential	30,000	190,335	1.738%	\$12 - \$25	\$12.84
33	Express	Confidential	29,000	184,872	1.747%	\$6 - \$21	\$9.78
34	Express	Confidential	23,630	156,453	1.814%	\$7 - \$23	\$11.35
35	Express	Confidential	20,000	147,808	2.025%	\$8 - \$25	\$10.96
36	Express	Confidential	34,000	253,469	2.042%	\$12 - \$30	\$9.71
37	Express	Confidential	22,000	170,936	2.129%	\$6 - \$21	\$9.71
38	Express	Confidential	31,000	250,181	2.211%	\$12 - \$30	\$11.12
39	Express	Confidential	20,162	220,000	2.989%	\$10 - \$20	\$10.45
			36,505	151,205	1.27%		\$11.01

The foregoing table of data indicates capture rates ranging from 0.378 percent to 2.989 percent. There are a multitude of factors besides traffic counts that are considered in the selection of a capture rate, to include: nearby competitors, visibility, location, and area demographics.

As previously mentioned, the most recent traffic study along Southwest 26th Avenue indicated a traffic count of 45,500 vehicles per day. The subject site is deemed to be an above average car wash location as explained in the car wash site analysis section. The primary factor that attributes to the above average location versus a good or excellent location is the number of competitors in the market area as well as the average retail influence. It should be noted that the subject will be of superior quality and condition to the Mr. Squeaky and LUV which are two of the primary competitors in the market area. The subject also benefits from an excellent traffic count as well as good visibility and demographics.

Retail influences are a significant factor for a car wash as many consumers prefer to wash their vehicle when going to other retailers as opposed to making a specific trip just to get their vehicle washed. The subject is located just south of a Walmart Supercenter, just east of a Publix and north of a BJ's Wholesale store. There is a proposed redevelopment project, located 2,500 feet north of the subject site that is slated to become an entertainment district named "The Pomp" and will feature a remodeled Harrah's Pompano Beach casino as well as 1.3 million square feet of retail and entertainment space, 4,000 residential units, two hotels, and 1.35 million square feet of office space.

Recognizing the subject's traffic count is above the average of the observed range of the most similar comparables set forth earlier, the following chart illustrates the diminishing return in capture rate as traffic count increases.



Considering these factors, we estimate that the subject will wash 157,771 vehicles per year which equates to a capture rate of 0.95%. The indicated annual wash volume is as follows.

CAPTURE RATE				
AADT	X	Capture Rate	=	Cars Per Day
45,500	X	0.95%	=	432
Projected Annual Vehicles Washed:				157,771

According to the developer, the subject property is projected to offer the following wash packages.

- Wash Package 1: \$10.00 (Monthly Unlimited Membership Package \$20.00)
- Wash Package 2: \$18.00 (Monthly Unlimited Membership Package \$30.00)
- Wash Package 3: \$25.00 (Monthly Unlimited Membership Package \$40.00)

The capture rate comparables above indicate average wash prices ranging from \$9.02 to \$14.49, with an average of \$11.01. The subject's wash packages range from \$10.00 to \$25.00 which is within the range of the comparables above. Many operators have been increasing base wash prices over the last several years for various reasons including inflation and the introduction of new chemical products to the market (ceramic and graphene). The subject will have membership packages three times or less the retail price. More aggressively priced membership packages drive significant volume but also leads to a lower average ticket price as members can wash as many times as they choose for a flat monthly fee.

EXPRESS COMPETITOR PRICING		
Car Wash Name	Individual Price Range	Monthly Price Range
Rising Tide Car Wash	\$12.00 - \$25.23	\$29.90 - \$42.95
Mr. Squeaky Car Wash	\$17.00 - \$32.00	\$26.00 - \$42.00
LUV Car Wash	\$10.00 - \$22.00	\$26.99 - \$44.99
El Car Wash	\$10.00 - \$30.00	\$25.00 - \$37.00
Subject	\$10.00 - \$25.00	\$29.00 - \$59.00

As shown, the subject has base wash packages that are within a similar range as the competitors and has membership packages that are slightly higher than those same competitors. The subject will benefit from being the only express facility along Powerline Road and will be of superior quality and condition to the Mr. Squeaky's flex-service facility and the Luv Car Wash. The proposed Rising Tide and El Car Wash will likely be of relatively similar quality and condition.

Given the wash prices, and also considering the median household income and the competition, we have projected an average ticket price of \$11.75. Given the previous data, the stabilized revenue projection for the subject is calculated as follows.

REVENUE PROJECTION - AS IF STABILIZED				
Annual Washes	X	Average Ticket Price	=	Annual Revenue
157,771	X	\$11.75	=	\$1,853,812
Rounded to:				\$1,850,000

SUBJECT'S PROJECTED INCOME AND EXPENSES

It typically takes approximately two years for a car wash property to stabilize and our estimate as illustrated is based on the third year of operations. The developer's pro forma as well as the BBG projected revenue and expenses are detailed as follows.

PRO FORMA OPERATING ANALYSIS												
	Owner Projection Year 1		Owner Projection Year 2		Owner Projection Year 3		Owner Projection Year 4		Owner Projection Year 5		BBG Stabilized Projection	
	Total	per SF	Total	% of Rev.	Total	% of Rev.	Total	% of Rev.	Total	% of Rev.	Total	% of Rev.
INCOME												
Gross Revenue	\$1,499,828	100%	\$1,979,586	100%	\$2,164,037	100%	\$2,243,209	100%	\$2,420,305	100%	\$1,850,000	100%
Fixed Expenses												
Real Estate Taxes	\$30,000	2.0%	\$30,000	1.5%	\$30,000	1.4%	\$30,000	1.3%	\$30,000	1.2%	\$48,265	2.6%
Insurance	\$38,400	2.6%	\$38,400	1.9%	\$38,400	1.8%	\$38,400	1.7%	\$38,400	1.6%	\$37,500	2.0%
Variable Expenses												
Utilities	73,327	4.9%	\$96,782	4.9%	\$105,800	4.9%	\$109,671	4.9%	\$118,329	4.9%	\$157,250	8.5%
Repairs & Maintenance	\$14,665	1.0%	\$19,356	1.0%	\$21,160	1.0%	\$21,934	1.0%	\$23,666	1.0%	\$55,500	3.0%
Payroll	\$261,768	17.5%	\$261,768	13.2%	\$261,768	12.1%	\$261,768	11.7%	\$261,768	10.8%	\$333,000	18.0%
Chemicals/Supplies	\$64,632	4.3%	\$85,307	4.3%	\$93,255	4.3%	\$96,667	4.3%	\$104,299	4.3%	\$129,500	7.0%
Administrative & General	\$157,951	10.5%	\$208,476	10.5%	\$227,901	10.5%	\$236,239	10.5%	\$254,890	10.5%	\$111,000	6.0%
Management	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$55,500	3.0%
Replacement Reserves	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$18,500	1.0%
TOTAL EXPENSES	\$640,744	42.7%	\$740,089	37.4%	\$778,284	36.0%	\$794,679	35.4%	\$831,350	34.3%	\$946,015	51.1%
NET OPERATING INCOME (NOI)	\$859,084	57.3%	\$1,239,497	62.6%	\$1,385,753	64.0%	\$1,448,531	64.6%	\$1,588,954	65.7%	\$903,985	48.9%

COMPARABLE OPERATING EXPENSE DATA

Typically, the best source of information to estimate pro forma operations for the property is the actual historical performance of the subject. However, since the subject property is proposed, the pro forma operations for the subject were estimated according to comparable operations. Each of the respective expense items is estimated in the following analysis with consideration given to comparable expense.

COMPARABLE EXPENSES								
Comparable No.	1		2		3		4	
Location	Confidential		Confidential		Confidential		Confidential	
Year Built	2015		2018		2015		2018	
Rentable Area	4,403		8,262		4,390		5,033	
Year Operations	Express		Express		Express		Express	
INCOME	Amount	% EGI	Amount	% EGI	Amount	% EGI	Amount	% EGI
Revenue	\$1,683,506	100%	\$2,447,638	100%	\$2,212,165	100%	\$1,681,783	100%
EXPENSES								
Real Estate Taxes	\$17,389	1.0%	\$55,790	2.3%	\$73,192	3.3%	\$39,635	2.4%
Insurance	\$34,549	2.1%	\$37,877	1.5%	\$38,597	1.7%	\$27,758	1.7%
Utilities	\$97,683	5.8%	\$190,264	7.8%	\$132,640	6.0%	\$173,500	10.3%
Repairs & Maintenance	\$67,845	4.0%	\$60,117	2.5%	\$64,676	2.9%	\$67,633	4.0%
Payroll	\$291,233	17.3%	\$396,683	16.2%	\$433,342	19.6%	\$286,450	17.0%
Chemicals/Supplies	\$131,436	7.8%	\$135,944	5.6%	\$139,442	6.3%	\$117,950	7.0%
Administrative & General	\$70,119	4.2%	\$154,601	6.3%	\$64,541	2.9%	\$77,793	4.6%
Management	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Replacement Reserves	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Expenses	\$710,254	42.2%	\$1,031,276	42.1%	\$1,011,106	45.7%	\$814,276	48.4%
NET OPERATING INCOME	\$973,252		\$1,416,362		\$1,201,059		\$867,507	

OPERATING EXPENSE ANALYSIS AND PROJECTIONS

Typically, the best source of information to estimate pro forma operations for the property is the actual historical performance of the subject. However, since the subject property is proposed, the pro forma operations for the subject were estimated according to comparable operations. Each of the respective expense items is estimated in the following analysis with consideration given to comparable expense.

OPERATING EXPENSE COMPARISON AND CONCLUSION				
Expense Item	Expense Comps		Owner Projection	BBG
	Range	Average	Year 3	Forecast
Real Estate Taxes	1.0% - 3.3%	2.2%	1.4%	2.6%
	\$17,389–\$73,192	\$46,502	\$30,000	\$48,265
Insurance	1.7% - 2.1%	1.7%	1.8%	2.0%
	\$27,758–\$38,597	\$34,695	\$38,400	\$37,500
Utilities	5.8% - 10.3%	7.5%	4.9%	8.5%
	\$97,683–\$190,264	\$148,522	\$105,800	\$157,250
Repairs & Maintenance	\$0.01–\$0.03	2.2%	1.0%	3.0%
	\$23,557–\$78,684	\$47,619	\$21,160	\$55,500
Payroll	16.2% - 19.6%	17.5%	12.1%	18.0%
	\$286,450–\$433,342	\$351,927	\$261,768	\$333,000
Chemicals/Supplies	5.6% - 7.8%	6.7%	4.3%	7.0%
	\$117,950–\$139,442	\$131,193	\$93,255	\$129,500
Administrative & General	2.9% - 6.3%	4.5%	10.5%	6.0%
	\$64,541–\$154,601	\$91,764	\$227,901	\$111,000
Management	0% - 0.00%	0.0%	0.0%	3.0%
	\$000	\$0	\$0	\$55,500
Replacement Reserves	0%	0.0%	0.0%	1.0%
	\$0	\$0	\$0	\$18,500
Total Operating Expense %	42.1% - 48.4%	44.6%	36.0%	51.1%
Total Operating Expenses	710,254–\$1,031,276	\$891,728	\$778,284	\$946,015

COMMENTS	
Real Estate Taxes	Taxes were previously concluded in the tax section of this report and include both the real estate and personal property taxes.
Insurance	This category includes property and casualty insurance that is required or typical at the subject and similar properties. The insurance estimate is within the range of the comparables. The insurance expense based on current comparables was projected at \$37,500.
Utilities	The utilities estimate is within the range of the comparables.
Repairs & Maintenance	This category accounts for the cost of ongoing systems and structural maintenance and repairs. Payroll and contract costs associated with these services are included. The repairs & maintenance estimate is within the range of the comparables.
Payroll	This category includes the hourly pay of employees as well as the salary for the site manager. The payroll estimate is within the range of the comparables.
Chemicals/Supplies	The chemicals/supplies expense is within the range of the comparables.
Administrative & General	This category includes office-related expenses, advertising, legal and professional fees, licensing fees, credit card fees, vehicle damage expenses as well as additional miscellaneous expenses. The administrative & general estimate is within the range of the comparables.
Management	This category accounts for management performed by the owner or third-party management company. Owner's of express car washes typically have a general manager with a salary that is included in the payroll. Most owners spend approximately 20 to 25 hours a week at a location to ensure efficient operations. The management expense is estimated at 3.0% of gross revenue and is consistent with broker and lender practices for express car washes.
Replacement Reserves	Based on typical broker and lender practices.

PRO FORMA

Following is a summary of the forecast income and operating expense for the subject representing the summation of the preceding analyses.

PRO FORMA		
Revenue	\$	% of Rev.
Gross Annual Revenue	\$1,850,000	100.0%
Expenses		
Real Estate Taxes	\$48,265	2.6%
Insurance	\$37,500	2.0%
Utilities	\$157,250	8.5%
Repairs & Maintenance	\$55,500	3.0%
Payroll	\$333,000	18.0%
Chemicals/Supplies	\$129,500	7.0%
Administrative & General	\$111,000	6.0%
Management	\$55,500	3.0%
Replacement Reserves	\$18,500	1.0%
Total Expenses	\$946,015	51.1%
NET OPERATING INCOME (NOI)	\$903,985	48.9%

FEASIBILITY ANALYSIS

To test the feasibility of this project we have applied a typical overall rate of return to the total project costs to determine an NOI that would be acceptable to the typical market participant.

OVERALL RATE OF RETURN

When adequate data is available, the overall rate is best derived from the comparable sales of existing car wash facilities. Dividing a property's net operating income by the sales price provides an indication of the overall rate of return (capitalization rate). The following table summarizes capitalization rates extracted from comparable sales transactions.

As this industry is based on going concerns and business operations, much of the transactional information is confidential given the transaction includes both real estate and business assets. The real estate is recorded, the business component of that and its allocation is confidential. Many of these operators are clients and our relationships with them has afforded the ability to get this information, with the understanding that it remains confidential.

Additionally, any information that was obtained through from a client during the course of an appraisal is considered confidential and would be a violation of USPAP to disclose and one would be hard-pressed to find listings of an express car wash with financial operating information that is disclosed without a non-disclosure agreement.

MARKET DERIVED CAPITALIZATION RATE SUMMARY					
No.	Wash Type	Location	Date of Sale	Sales Price	Capitalization Rate
1	Express	Confidential	Contract	\$15,000,000	10.33%
2	Express	Confidential	Mar-25	\$7,000,000	9.57%
3	Express	Confidential	Feb-25	\$19,000,000	10.72%
4	Express	Confidential	Oct-24	\$8,000,000	9.87%
5	Express	Confidential	Feb-24	\$4,750,000	10.10%
6	Express	Confidential	Dec-23	\$4,060,000	9.27%
7	Express	Confidential	Oct-23	\$16,200,000	9.88%
8	Express	Confidential	Oct-23	\$7,350,000	9.68%
9	Express	Confidential	Jun-23	\$17,000,000	10.24%
10	Express	Confidential	Jun-23	\$7,900,000	9.57%
11	Express	Confidential	May-23	\$8,650,000	10.10%
Low					9.27%
High					10.72%
Average					9.94%
Concluded Rate (Fee Simple)					10.00%

The sales above indicate a range of capitalization rates from 9.27% to 10.72% with an average of 9.94%. The subject is a proposed wash that does not have a proven operation history but is in an above average location and will be in excellent condition.

Market participants have indicated that the rise in interest rates have yet to have a material impact on most car wash transactions. The flow of capital into the car wash industry has placed continued downward pressure on capitalization rates that has outweighed the impact of the rise in interest rates. Private equity is still flooding the market with capital as the industry has been “discovered.” Numerous private equity firms and other investment companies have moved out of assets such as multifamily and self-storage and into the car wash space. The car wash market has also benefitted from the fact that capitalization rates are still significantly higher than interest rates. The recent interest rate cuts of 100 basis points, with potential future rate cuts ahead, could once again lead to an increase in gross revenue multipliers. As such, the rapid rise in interest rates in 2023 does not appear to be having a continued impact on express car wash sales.

Recent conversation with brokers and owners has indicated that deal volume could increase if interest rates decrease. While there has not been a significant impact on multipliers due to the increases, it has caused a disconnect between buyers and sellers on multipliers which has slowed transactions.

The primary risk associated with the subject is the potential for new competition. Upon completion of the subject, the number of competitors in the market is considered typical. As such, the proposed car wash would fulfill a demonstrated need for the public convenience and service of the population of the market area. Upon completion of the subject, there is still a risk of new competition entering the market in the future; however, it is difficult to get a car wash approved for development in the local market which could inhibit new competition.

Therefore, the subject should achieve a capitalization rate (overall rate of return) near the average of the sales. We have determined that an overall rate of 10.00% is appropriate for a fee simple interest.

TOTAL PROJECT COST

The following chart indicates the total development costs for the property which are inclusive of building construction and site work, equipment and soft costs.

BUDGETED CONSTRUCTION COSTS	
Portion	Amount
Building Construction and Site Work	\$2,500,000
Car Wash Equipment	\$1,400,000
Soft Costs	\$100,000
Total	\$4,000,000

The following chart illustrates the construction and equipment costs from several similar express car wash facilities.

EXPRESS WASH COST COMPARABLES									
Location	Year of Budget	Size (SF)	Building	Cost Per SF	Site Work	Building Construction and Site Work	Equipment	Soft	Total
Southeast	2023	3,467	\$2,140,000	\$617.25	\$710,000	\$2,850,000	\$1,548,000	\$1,308,760	\$5,706,760
Southeast	2023	5,446	\$2,220,215	\$407.68	\$800,625	\$3,020,840	\$1,410,778	\$446,882	\$4,878,500
Southeast	2025	3,846	\$1,503,623	\$390.96	\$1,282,654	\$2,786,277	\$1,373,323	\$797,644	\$4,957,244
Southeast	2025	4,420	\$1,747,657	\$395.40	\$638,481	\$2,386,138	\$1,627,482	\$407,382	\$4,421,002
Southeast	2024	4,330	\$1,840,250	\$425.00	\$1,007,800	\$2,848,050	\$1,355,658	\$420,371	\$4,624,079
Southeast	2025	4,188	\$1,559,533	\$372.38	\$997,500	\$2,557,033	\$1,300,000	\$588,680	\$4,445,713
Southeast	2024	3,827	\$1,899,284	\$496.29	\$1,050,935	\$2,950,219	\$1,900,000	\$468,000	\$5,318,219
Southeast	2023	4,485	\$1,881,075	\$419.41	\$663,190	\$2,544,265	\$1,425,000	\$407,900	\$4,377,165
Southeast	2024	5,366	\$3,317,323	\$618.21	\$1,097,296	\$4,414,619	\$2,340,385	\$366,815	\$7,121,819
Southeast	2024	3,833	\$2,717,185	\$708.89	\$766,400	\$3,483,585	\$1,400,000	\$1,400,000	\$6,283,585
Southeast	2024	4,332	\$1,907,459	\$440.32	\$587,393	\$2,494,852	\$1,958,682	\$430,000	\$4,883,534
Southeast	2024	5,780	\$2,544,342	\$440.20	\$1,146,070	\$3,690,412	\$2,115,750	\$692,024	\$6,498,186
Southeast	2023	3,815	\$1,658,805	\$434.81	\$760,000	\$2,418,805	\$1,448,500	\$460,120	\$4,327,425
Southeast	2023	5,072	\$2,309,760	\$455.39	\$1,376,740	\$3,686,500	\$2,077,000	\$927,900	\$6,691,400
Southeast	2023	4,960	\$1,995,542	\$402.33	\$992,450	\$2,987,992	\$1,767,987	\$625,000	\$5,380,979

As shown, the subject's building construction and site work budget is towards the lower end of the range of the comparables. Additionally, the provided soft cost budget is below that of the comparables. Given that we are basing this feasibility study on the provided budget we are utilizing the actual provided costs. The fact that the building construction and site work costs are at the low end of the range and the soft costs are below the range was considered in the profit selection. If the developer were to construct the facility at costs below that of the typical car wash facility a more significant profit would be expected.

The following chart indicates the total development costs for the property which are inclusive of land, building construction and site work, equipment and soft costs. Profit of 45.0% of the construction, equipment and soft costs has been included as this is typically expected from developers within the market given the budget at the low end of the range. Profit was not included on the land as it is not typically expected within the market. It should be noted that dependent on an individual investor or developer's development and investment criteria, the expected profit percentage could vary which would impact the feasibility analysis. For purposed of this analysis, we utilized a profit percentage that is consistent with the expectations of numerous developers in which we have recently surveyed.

TOTAL PROJECTED COST WITH PROFIT	
Portion	Amount
Total Development Costs	\$4,000,000
Plus Profit (45%)	\$1,800,000
Total Development Costs Including Profit	\$5,800,000
Land Purchase Price	\$2,300,000
Total Project Cost	\$8,100,000

MARKET DERIVED EXPECTED RETURN

Applying the overall rate of return to the total project cost indicates the NOI that would be required from the typical market participant. The following chart indicates the requires NOI.

MARKET DERIVED EXPECTED RETURN	
Total Project Cost	\$8,100,000
Sensitivity Analysis (0.25% OAR Spread)	NOI
Based on Low-Range of 9.75%	\$789,750
Based on Most Probable Rate of 10.00%	\$810,000
Based on High-Range of 10.25%	\$830,250
Required NOI	\$810,000

FEASIBILITY DETERMINATION

The following chart illustrates the difference between the required NOI that the typical investor or market participant would require and the projected NOI for the subject.

FEASIBILITY DETERMINATION	
Subject NOI Estimate	\$903,985
Required NOI	\$810,000
NOI Difference	\$93,985

As shown, the NOI estimate for the subject is more than the required NOI that the typical investor or market participant would require, and the project is considered **feasible**. In other words, the projected project costs are reasonable, and the projected net operating income will satisfy the investment criteria of a typical car wash market participant.

CONCLUSION

Given the information described on the preceding pages, we have determined the proposed car wash to be **feasible** as it relates to economic, market, technical, financial and management feasibility.

The feasibility analysis concludes that there is a noticeable demand for additional car wash services within the local market and the development of the subject car wash is justified. Given the population totals and the lack of a modern express car wash along Southwest 26th Avenue (Powerline Road) in the market area, it is determined that there is truly a need for the subject development.

While the Placer.AI data indicated that some consumers in the immediate area are utilizing the services of the closest competitors there are likely numerous consumers that are not using the services of the other washes given the travel time. Given the high volume of traffic along Southwest 26th Avenue (Powerline Road), many consumers are required to travel three to five miles (could take in excess of 20 to 30 minutes round trip) to wash their vehicle. A car wash between the existing car washes to the east and southwest would better serve the needs of residents in the local market without a significant material effect on the existing car washes.

Additionally, the presence of a convenient express car wash in the market area will likely reduce the number of residents that wash their vehicles at home. As previously noted, express car washes with water reclaim systems utilize significantly less water than the average individual does washing at home. In conclusion, there is a need for this car wash facility from both a consumer demand and environmental perspective.

CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. 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 with this assignment.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the state of Florida.
9. The reported analyses, opinions, and Value Indications were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics, the Standards of Professional Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Clayton Belger, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
12. Clayton Belger, MAI has not and Patrick Warfield has not made a personal inspection of the property that is the subject of this report.
13. Patrick Warfield, State-Registered Trainee Appraiser RI25644 provided real property appraisal assistance to the person(s) signing this certification. Assistance included neighborhood and regional market research, site improvements and building descriptions. As of the date of this report, I, Clayton Belger, MAI, the supervisory appraiser of the registered trainee appraiser (Patrick Warfield), who contributed to the development or communication of this appraisal, hereby accept complete responsibility for any work performed by the registered trainee appraiser named in this report as if it were my own work.
14. Clayton Belger, MAI has and Patrick Warfield has not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
15. The use of this report is subject to the requirements of the Florida Real Estate Appraisal Board relating to review by its duly authorized representatives. As of the date of this report, Clayton Belger, MAI is a State Certified Appraiser and have completed the continuing education requirements for the State of Florida.



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STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
 - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
 - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
 - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
 - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.

- f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would 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 impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
- h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
- i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
- j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
- k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
- l) BBG, Inc. is not an expert in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraiser is not qualified to detect such substances. The Client is urged to retain an expert in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
- m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.

- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
- 3) If provided, the estimated insurable replacement cost is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable replacement cost purposes. The Appraiser is not familiar with the definition of insurable replacement cost from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.
- 13) Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (a) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (b) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (c) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, the receipt of an Appraisal Report by such party shall not confer any right upon such party to use or rely upon such report, and Appraiser shall have no liability for such unauthorized use or reliance upon such report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.

The Insight you need. The Independence you trust.

About BBG

BBG is an independent, third-party provider of commercial real estate valuation, advisory, environmental, and engineering services.

With over **50 offices nationally**, our professional team offers local expertise across the country to help you meet your objectives throughout the real estate lifecycle; from acquisition to disposition.

Our **4,500 active clients** include real estate investors, lenders, attorneys, accountants, and corporations.

Our Expertise

National Reach

Our services are available nationally for all commercial property types. We deliver on both individual transactions and large portfolios.

Customer-Centric

BBG's commitment to best-in-class customer service includes one point of contact to streamline the process and expedite completion.

Unbiased Independence

We guarantee an independent perspective free from potential conflicts of interest.



"I could easily give this business to 2-3 firms, but BBG does such a phenomenal job. The service I get is beyond - way beyond - outstanding."

- Global Financial Services Provider

+ Specialty Practices

Several of our professionals support specialized industry expertise in the following areas:

- + Affordable Multifamily
- + Healthcare
- + Right of Way
- + Financial Reporting
- + Cannabis
- + Hospitality
- + Car Wash
- + Seniors Housing

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Local Expertise. Across The Country.

50 Offices Nationwide



Services

BBG's **valuation and assessment services** offer deep expertise in the following practice areas:

Valuation

- + Appraisal Services
 - + Single Asset & Portfolios
 - + Asset Management
- + Appraisal Review
- + Appraisal Management
- + Lease and Cost Analysis
- + Insurance Valuation
- + Arbitration & Consulting
- + Estate Planning
- + Feasibility Studies
- + Highest and Best Use Studies
- + Evaluation
- + Investment Analysis
- + Tax Appeals
- + Litigation Support

Advisory

- + ASC 805 Business Combinations
- + ASC 840 Leases
- + Purchase Price Allocations
- + Portfolio Valuations for Reporting Net Asset Values (NAV)
- + Public and Non-traded REIT Valuations
- + Valuations for Litigation & Litigation Support
- + Sale-Leaseback Valuation Analysis
- + Valuations for Bankruptcy/Fresh Start Accounting
- + Cost Segregation Analysis

Assessment

- + Environmental Due Diligence
 - + Phase I/II ESAs
 - + TSA, RSRA, & other streamlined services
- + Property Condition Reports
 - + Debt/Equity
- + Construction Risk Management
- + Survey Services
- + Zoning Services
- + Seismic & Structural Engineering
- + HUD Due Diligence Reporting
- + Energy Consulting
- + Indoor Air Quality Services
 - + IAQ/Radon
 - + ACM/LBP

ADDENDA

Appraiser Qualifications	A
Letter of Engagement	B
Legal Description	C

APPRAISER QUALIFICATIONS

Profile

Clayton Belger leads BBG's Automotive Specialty Practice and brings over a decade of experience in the car wash and broader automotive sectors. He specializes in appraisal and consulting services for car washes, gas stations, automotive dealerships and other automotive-related assets nationwide. Mr. Belger has appraised thousands of properties across the U.S., including existing operations, proposed developments, and adaptive reuse projects.

Before joining BBG, Clayton served as a Staff Appraiser at The Sage Group, where he gained broad experience across a variety of property types, including multifamily, single- and multi-tenant retail, industrial, office, special purpose properties and vacant land. His background also includes feasibility studies, market analysis, and real estate consulting services.

Professional Affiliations

Appraisal Institute
MAI Designation

General Certified Appraiser:

State of Florida (License No. RZ3658)
State of Georgia (License No. 359340)
State of North Carolina (License No. A7912)
State of Tennessee (License No. 5197)
State of South Carolina (License No. 8230)
State of Alabama (License No. G01540)
State of Virginia (License No. 4001018390)
State of Texas (License No. TX 1381306 G)
State of Colorado (License No. CG200003447)
State of Maryland (License No. 35226)
State of Louisiana (License No. APR.05083-CGA)
State of Kansas (License No. G-5174)
State of Oklahoma (License No. 13827CGA)
State of Washington (License No. 23002615)
State of Pennsylvania (License No. GA004776)
State of Missouri (License No. 2024013295)
State of Arkansas (License No. CG4087)
State of Minnesota (License No. 40945055)
State of Arizona (License No. CGA-2006490)
State of California (License No. 3013435)
State of Ohio (License No. 2025001675)

Education

Master of Business Administration, Concentration in Finance, Florida Gulf Coast University, Lutgert College of Business, Fort Myers, FL

Bachelor of Science in Finance and Real Estate Florida State University, College of Business, Tallahassee, FL



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

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

BELGER, CLAYTON

14333 BEACH BLVD, STE 33
JACKSONVILLE FL 32250

LICENSE NUMBER: RZ3658

EXPIRATION DATE: NOVEMBER 30, 2026

Always verify licenses online at MyFloridaLicense.com

ISSUED: 11/19/2024

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Profile

Patrick Warfield is a registered trainee appraiser in Florida, working out of the BBG Jacksonville office. Mr. Warfield has been engaged with commercial real estate experience throughout the continental United States since June 2022. His scope of competency expands across a broad range of asset types and assignment conditions. Mr. Warfield specializes in the valuation of specialty properties, primarily car wash and gas station facilities, with appraisal work provided on over 50+ reports since joining BBG.

Mr. Warfield is currently working towards his certified general appraiser license.

Professional Affiliations

State of Florida –Registered Trainee Appraiser RI25644

Education

Bachelor of Science, University of North Florida, December 2008

Coursework

- Basic Appraisal Principals
- Basic Appraisal Procedures
- Florida Trainee Appraiser Subject Matter
- National Uniform Standards of Professional Appraisal Practice USPAP



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

THE REGISTERED TRAINEE APPRAISER HEREIN HAS REGISTERED UNDER THE
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

WARFIELD, PATRICK

13000 SAWGRASS VILLAGE CIRCLE
BUILDING 2, SUITE 8
PONTE VEDRA BEACH FL 32082

LICENSE NUMBER: RI25644

EXPIRATION DATE: NOVEMBER 30, 2026

Always verify licenses online at [MyFloridaLicense.com](https://myfloridalicense.com)

ISSUED: 11/25/2024

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LETTER OF ENGAGEMENT

June 26, 2025

Mr. Scott Griggs
Griggs Express, LLC
3920 North Ocean Drive, Unit 2
Riviera Beach, FL 33404

Email: sgriggs422@gmail.com

RE: Feasibility Study of Griggs Express Car Wash (Car Wash), 1401 Southwest 26th Avenue , Pompano Beach, FL 33069

Dear Mr. Griggs:

We are pleased to submit this proposal and our Terms and Conditions for the Feasibility Study of the above referenced real estate.

PROPOSAL SPECIFICATIONS

Valuation Premise:

Determine the feasibility of the proposed express car wash facility

Property Rights Appraised:

Fee Simple Estate

Intended Use:

Financials decision making

Intended Users:

Griggs Express, LLC

Scope of Work:

The proposal will entail the application of primary and secondary market research to develop a feasibility conclusion of the proposed development.

Inspection:

No inspection

Site/Property Contact:

Scott Griggs

Name:

(407) 435-9735

Phone:

Email:

Sgriggs422@gmail.com

Appraisal Standards:

Uniform Standards of Professional Appraisal Practice (USPAP) and Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute

Report Type:
Report Format:
Fee:

Feasibility Study
Narrative
\$4,500
Fee includes up to two hours of consultation time after delivery of the final reports. Any time incurred thereafter will be billed at an hourly rate.

Please indicate below who is responsible for payment:


Name: Scott Griggs

Company: Griggs Express LLC

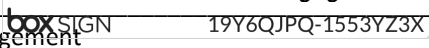
Address: 3920 North Ocean Dr Unit 2

Phone: (407) 435-9735

Email: Sgriggs422@gmail.com

Signature: 

Retainer:


50% at Engagement

Wire Payment/ACH Information Below:

Bank of America
Acct#: 488038497058
Wire Payment Routing#: 026009593
ACH Payment Routing#: 111000025

Payment Terms:

Balance is due and payable upon delivery of the final report or within 30 days of your receipt of our draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of our draft report.

Payment Options:

Fee quoted includes all expenses

- Credit card (a 3% fee is applied) which is the quickest payment method to verify.
- Wire or ACH payment which are the second quickest payment methods. See below information for sending the wire or ACH
- A check mailed to BBG, Inc., 8343 Douglas Avenue, Suite 700, Dallas, TX 75225 – This method is the slowest option as it takes time to receive, process and confirm the funds.

Payment Options (cont.):

If you would like to pay by credit card, please pay invoice online directly from our website at bbgres.com/pay-your-invoice/

1. A 3% convenience fee is automatically applied to all credit card payments.
2. Please add Accounting BBG email (eft@bbgres.com) as correspondent for remitting payment (BBG Email Contact), so that we can get this applied to our system in a timely manner.
3. Please include the BBG Invoice # in your credit card submission. If you have not yet received an invoice number, please use the drop-down tool to select 'Property Details' and include the address of the property.
4. A copy of the receipt will be sent directly to you once the payment has been made.

If you choose to pay by wire or ACH, please let us know once the wire or ACH has been initiated and forward the bank confirmation if able.

Be sure to include the address as a reference whenever sending any wire payment.

BBG Appraisal Wiring and ACH Instructions:

Bank of America Account # 488038497058
Payment via ACH Routing # 111000025
Payment via Wire Routing # 026009593
Bank Address: Bank of America
6019 Berkshire Lane
Dallas, TX 75225

Due to the limited capability to provide complete remittance details in ACH and Wire payments, please send all payment remittance details, including applicable invoice numbers, to eft@bbgres.com to ensure timely and accurate payment application.

Report Copies:

Delivery Date:

Report Delivery Recipients:

Acceptance Date:

1 Final PDF

3 weeks from acceptance and receipt of critical information

If any other person(s) are authorized to be included on delivery of the report, please include their information in the space below:

Name(s): Paula West
Email(s): pwest@planw3st.com
Date of Execution

The attached Terms and Conditions of the Engagement are deemed part of this Appraisal Services Agreement and are incorporated fully herein by reference and shall apply to any appraisal reports, contract or orders into which they are incorporated. In addition, with respect to any appraisal report, any use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by BBG, Inc. and its agents, servants, employees, principals, affiliated companies and all those in privity with them, constitutes acceptance of such Terms and Conditions of the Engagement, as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the appraisal report. Use of this appraisal report constitutes acknowledgement and acceptance of the Terms and Conditions of the Engagement, special assumptions (if any), extraordinary assumptions (if any), and hypothetical conditions (if any) on which this estimate of market value is based. This appraisal report has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any other party who is not the identified client within this report who uses or relies upon any information in this report does so at their own risk.

Client acknowledges and agrees that BBG may anonymize all property and operational information ("Client Data") provided and aggregate with other anonymized data from other Clients and/or other sources and use such aggregated, anonymized Client Data in existing or future BBG product offerings. BBG shall process the Client Data in a manner that renders the form and source of the Client Data unidentifiable to any other Client or third party.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.



As Agent for BBG, Inc.

AGREED AND ACCEPTED
Scott Griggs
box SIGN 19Y6QJPQ-1553YZ3X
Client Signature

Jun 26, 2025

Date

Terms and Limiting Conditions of the Engagement

The Terms and Conditions of the Engagement are deemed part of the attached Proposal Specifications and Appraisal and Consulting Services Agreement and are incorporated fully therein, and shall apply to any appraisal services, consulting services, oral testimony, reports, contracts, or orders into which they may be incorporated.

A) Definitions. In the Terms and Conditions of the Engagement:

1. "BBG, Inc." means BBG, Inc. and its agents, successors, assigns, servants, employees, principals, affiliated companies and all those in privity with them.
2. "Appraiser" means the appraiser(s) performing part or all of the appraisal services and/or signing an appraisal report. "Appraiser" may also mean "Consultant" in a consulting assignment.
3. "Appraisal and Consulting Services Agreement" means any written agreement with Client for performance of the appraisal services by Appraiser, including any agreement entered into electronically.
4. "Client" means any party identified expressly as a client in an Appraisal and Consulting Services Agreement and also any party identified expressly as a client by the Appraiser in an appraisal report.
5. "Appraisal" means any appraisal or consulting report(s) prepared by or oral report and/or testimony presented by BBG, Inc.
6. "Report" means a written or oral report prepared by and/or oral testimony presented by BBG, Inc.

B) Venue and Jurisdiction

THIS APPRAISAL AND CONSULTING SERVICES AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC SUBSTANTIVE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION. IF ANY ACTION RELATING TO THIS APPRAISAL AND CONSULTING SERVICES AGREEMENT OR THE CONTEMPLATED TRANSACTIONS IS BROUGHT BY A PARTY HERETO AGAINST ANY OTHER PARTY HERETO, THE PREVAILING PARTY IN SUCH ACTION WILL BE ENTITLED TO RECOVER ALL REASONABLE EXPENSES RELATING THERETO (INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES) FROM THE NON-PREVAILING PARTY.

Each party to this Appraisal and Consulting Services Agreement (a) hereby irrevocably submits to the exclusive jurisdiction and venue of the state courts located in Dallas County, Texas (or, if but only if such court lacks jurisdiction, the United States District Court for the Northern District of Texas) for the purpose of any Action between any of the parties hereto arising in whole or in part under or in connection with this Appraisal and Consulting Services Agreement, any Ancillary Agreement, or the Contemplated Transactions, (b) hereby waives and agrees not to assert any claim that he, she or it is not subject personally to the jurisdiction of the above-named courts or that any such Action brought in the above-named courts should be dismissed on grounds of forum non conveniens. Notwithstanding the foregoing, a party hereto may commence any Action in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by the above-named courts.

C) Limitations of Liability

It is expressly agreed that in any action which may be brought against BBG, Inc., arising out of, relating to, or in any way pertaining to this engagement, this Appraisal and Consulting Services Agreement, or any services, reports, information, or opinions contained therein or presented, BBG, Inc. shall not be responsible or liable for any incidental or consequential losses, unless the same was fraudulent or prepared with gross negligence. It is further agreed that the collective liability of BBG, Inc. in any such action shall not exceed the fees paid for the preparation of the respective report or services unless the same was fraudulent or prepared with gross negligence. Finally, it is agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

Client hereby agrees to indemnify, defend, protect, and hold BBG, Inc. harmless from and against all claims, damages, losses and expenses, including attorneys' fees, expenses and costs, incurred upon investigating and defending any claim, action or proceeding arising from, or in any way connected to, relating to, or in any way pertaining to this engagement, this Appraisal and Consulting Services Agreement, or any services, reports, information, or opinions contained therein or presented.

Further, you acknowledge that any opinions and conclusions expressed by professionals employed by BBG, Inc. related to this agreement are representations made by them as employees and not as individuals. BBG, Inc.'s responsibility is limited to you as a Client. The use of BBG, Inc.'s product by third parties is not intended unless

Terms and Limiting Conditions of the Engagement

expressly stated and shall be solely at the risk of you and/or third parties. BBG, Inc. acknowledges that Client will be the end-user of, and can rely upon, the opinion and conclusions of BBG, Inc.

D) Confidentiality

The parties agree that (i) this Appraisal and Consulting Services Agreement and the terms contained herein, (ii) opinions or valuation conclusions, (iii) the identity of the analyst or the firm and any reference to the professional organization of which the appraiser is affiliated or to the designations thereof, and (iv) all information regarding the property of whatever nature made available to either party by the other (including all versions of BBG, Inc.'s final report and all prior drafts of same) and methods of each party revealed during the performance of the Services (altogether, collectively, the "Confidential Information") shall be treated as strictly confidential. Accordingly, neither party nor any employee, agent or affiliate thereof shall disclose the same to any third party without the written consent of other party and approval of Appraiser; provided, however, that, a party shall not hereby be precluded from disclosure of Confidential Information that may be compelled by legal requirements, or from disclosing this Appraisal and Consulting Services Agreement (and the terms contained herein) to its attorneys, accountants, auditors, lenders, and other professionals who may be bound to that party by duties of confidence.

Do not provide Personally Identifiable Information (PII) to BBG, Inc. or any of its agents. PII is any piece of information meant to identify a specific individual. This includes data such as a Social Security number, driver's license number and financial account numbers.

E) General Assumptions and Limiting Conditions

Appraisal services have been provided with the following general assumptions:

1. Notwithstanding that the Appraiser may comment on, analyze or assume certain conditions in the appraisal or consulting assignment, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
 - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal or consulting assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
 - b) Unless otherwise stated in the written report or oral report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
 - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way, except as stated.

Terms and Limiting Conditions of the Engagement

- e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
- f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would 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 impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report or oral report.
- h) It is assumed the subject property is not adversely affected by the potential of floods unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any existing or proposed buildings.
- i) Unless otherwise stated within the appraisal report or oral report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's or Consultant's inspection.
- j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report or oral report. Further, unless so stated in the report or oral report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
- k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
- l) BBG, Inc., excepting employees of BBG Assessment, Inc., and the appraiser(s) are not experts in determining the presence or absence of hazardous substances toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. and the appraiser(s) assume no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. The Client is free to retain an expert on such matters in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
- m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the report.

Terms and Limiting Conditions of the Engagement

2. If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
3. If provided, the opinion of insurable replacement cost is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable replacement cost purposes. The Appraisers are not familiar with the definition of insurable replacement cost from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraisers are not cost experts in cost estimating for insurance purposes.
4. The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. Any appraisal report is based on market conditions existing as of the effective date.
5. Any value opinions reported or expressed apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated for any other application.
6. Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
7. The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
8. Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
9. If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
10. Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
11. The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser or Consultant. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
12. The submission of the appraisal report constitutes completion of the services authorized and agreed upon unless other services are provided for in this agreement. Such report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any

Terms and Limiting Conditions of the Engagement

subsequent required attendance at conferences, depositions, or judicial or administrative proceedings, unless otherwise defined herein. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work. A payment agreement must be reached in advance of the Appraiser providing such services.

13. Client shall not disseminate, distribute, make available or otherwise provide any appraisal report prepared hereunder to any third party (including without limitation, incorporating or referencing the report, in whole or in part, in any offering or other material intended for review by other parties) except to (a) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the report provided that either Appraiser has received an acceptable release from such third party with respect to such report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the report to such third party, (b) any third party service provider (including rating agencies and auditors) using the report in the course of providing services for the sole benefit of an Intended User, or (c) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, the receipt of a report by such party shall not confer any right upon such party to use or rely upon such report, and Appraiser shall have no liability for such unauthorized use or reliance upon such report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the report.

LEGAL DESCRIPTION

Legal Description

PARCEL 1 (FEE ESTATE):

Tract "A" of POWERGATE PLAZA, according to the Plat thereof, recorded in Plat Book 111, Page 34, of the Public Records of Broward County, Florida, also described as:

A parcel of land lying in the Southeast 1/4 of Section 4, Township 49 South, Range 42 East and being more particularly described as follows:

COMMENCE at the point of intersection of the Southerly Right-of-Way line of Gateway Drive, according to Official Records Book 3859, at Page 982, and the Westerly Right-of-Way line of Powerline Road, according to Official Records Book 2244, at Page 660, both of the Public Records of Broward County, Florida; thence run South 88° 06' 34" West along the Southerly Right-of-Way line of said Gateway Drive for 50.00 feet; thence run South 01° 53' 26" East for 30.00 feet to the POINT OF BEGINNING of the Parcel of land hereinafter described; thence continue South 01° 53' 26" East along a line parallel with and 50.00 feet West of the Westerly Right-of-Way line of said Powerline Road for 147.00 feet; thence run South 88° 06' 34" West along a line parallel with and 177.00 feet South of the Southerly Right-of-Way line of said Gateway Drive for 235.00 feet; thence run North 01° 53' 26" West along a line parallel with and 285.00 feet West of the Westerly line of said Powerline Road for 177.00 feet to a point on the Southerly Right-of-Way line of said Gateway Drive; thence run North 88° 06' 34" East along the Southerly Right-of-Way line of said Gateway Drive for 205.00 feet; thence run South 46° 53' 26" East for 42.43 feet to the POINT OF BEGINNING.

Said lands situate, lying and being in Broward County, Florida.

PARCEL 2 (EASEMENT ESTATE):

Together with a perpetual non-exclusive easement for the purpose of vehicular and pedestrian Ingress and Egress over all driveways and pedestrian walkways on a portion of Tract "B" of the above mention Plat as shown on a sketch attached to an made a part of the Reciprocal Easement Agreement itself attached to an affidavit recorded on November 13, 1987, in Official Records Book 14954, Page 180, public records of Broward County, Florida.

PARCEL 3 (EASEMENT ESTATE):

Together with a pedestrian and vehicular easement for Ingress and Egress across a one foot strip of land which is part of Tract "B" of the Plat of POWERGATE PLAZA above referenced and contiguous to and abutting both the Fee Parcel above described and that certain Reciprocal Easement area in Parcel 2 (Easement Estate) referred to above. The above Easement granted in an Off-Street Parking and Easement Agreement recorded in Official Records Book 19753, Page 804, and as affected by Scrivener' s Affidavit, recorded in Official Records Book 19874, Page 202, public records of Broward County, Florida.