

ALBRIGHT & ASSOCIATES of Ocala, Inc.

**Tract F, Executive Park
SW 40th Ave
Ocala, Florida
Appraisal Report
A&A File #2022.029.002.001**

Certified to:

Hillpoint, LLC
c/o Mr. Nick Everly
1031 W. Morse Blvd, Suite 240
Winter Park, Florida 32789

Certified by:

Stephen J. Albright, Jr., MAI
State-Certified General Real Estate Appraiser RZ2392

Copyright © 2022, Stephen J. Albright, Jr., MAI

All Rights Reserved

Albright & Associates of Ocala, Inc.
4361 SE 6th Ave, Ocala, FL 34480

This appraisal report is confidential and is protected by copyright; no part hereof may be reproduced, stored or introduced to a retrieval system or transmitted in any form or by any means (electronic, mechanical, photocopying, recording or otherwise) without the prior written permission of the copyright owner, identified author and client of the report.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

March 19, 2022

Hillpoint, LLC
c/o Mr. Nick Everly
1031 W. Morse Blvd, Suite 240
Winter Park, Florida 32789

Re: Tract F, Executive Park, @ SW 40th Ave, Ocala, Florida

Dear Mr. Everly:

Pursuant to your request, an appraisal has been prepared of the above captioned property documented by the enclosed text. The subject property includes Tract F of Executive Park which is located in southwest Ocala, Florida. More specifically, the .95 AC site represents one of several storm water retention ponds associated with the Executive Park subdivision. However, the subject site is being considered for acquisition from the City of Ocala by the owner of adjacent acreage for eventual multi-family residential.

As a professional discipline, the appraisal practice requires conformance with stringent ethics and standards which are noted, summarized or cited by reference herein. To that end, opinions and conclusions of this report were prepared in conformance with my interpretation of generally accepted appraisal practices and requirements of the *Code of Professional Ethics* and *Standards of Professional Practice* of the Appraisal Institute as well as the *Uniform Standards of Professional Appraisal Practice (USPAP)* of the Appraisal Standards Board of the Appraisal Foundation. This assignment includes an **Appraisal Report** format with the following criteria:

Intended User:	Hillpoint, LLC c/o Mr. Nick Everly
Intended Use:	real property evaluation pertaining to potential acquisition
Effective Valuation Date:	February 24, 2022
Objective/Purpose:	form an opinion of market value
Interest Appraised:	fee simple, subject to restrictions of record

Based on prevailing economic conditions in all aspects to the extent possible, I have formed an opinion of market value of the subject property, predicated on the *Certification, General Assumptions, Extraordinary Assumptions* well as the *Hypothetical Conditions* expressed in this appraisal report, of:

Opinion of Market Value **\$94,000**

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Respectfully submitted,

ALBRIGHT & ASSOCIATES of Ocala, Inc.



Stephen J. Albright, Jr., MAI
State-Certified General Real Estate Appraiser RZ2392

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Contents

Title Page	1
Letter of Transmittal	2
Contents	4
Executive Summary	5
Subject Location Map	6
Subject Photos.	7
Certification	8
Limiting Conditions & General Assumptions	10
Extraordinary Assumptions.	12
Hypothetical Conditions	12
Identification and Location	13
Apparent Owner of Record.	13
Relevant Dates of Appraisal Process	13
Type and Definition of Value	13
Intended User and Intended Use of Appraisal	13
Scope of Work	14
Interest Appraised	14
Legal Description	15
Property Assessment	15
History of Title	15
Public and Private Utilities and Services	15
Comprehensive Plan, Land Use and Zoning	15
Description and Analysis of Region	16
Description and Analysis of Neighborhood	28
Description and Analysis of Site.	31
Description and Analysis of Improvements	34
Highest and Best Use	34
Reasonable Exposure Time.	35
Valuation Methodology	35
Sales Comparison Approach.	37
Reconciliation	51

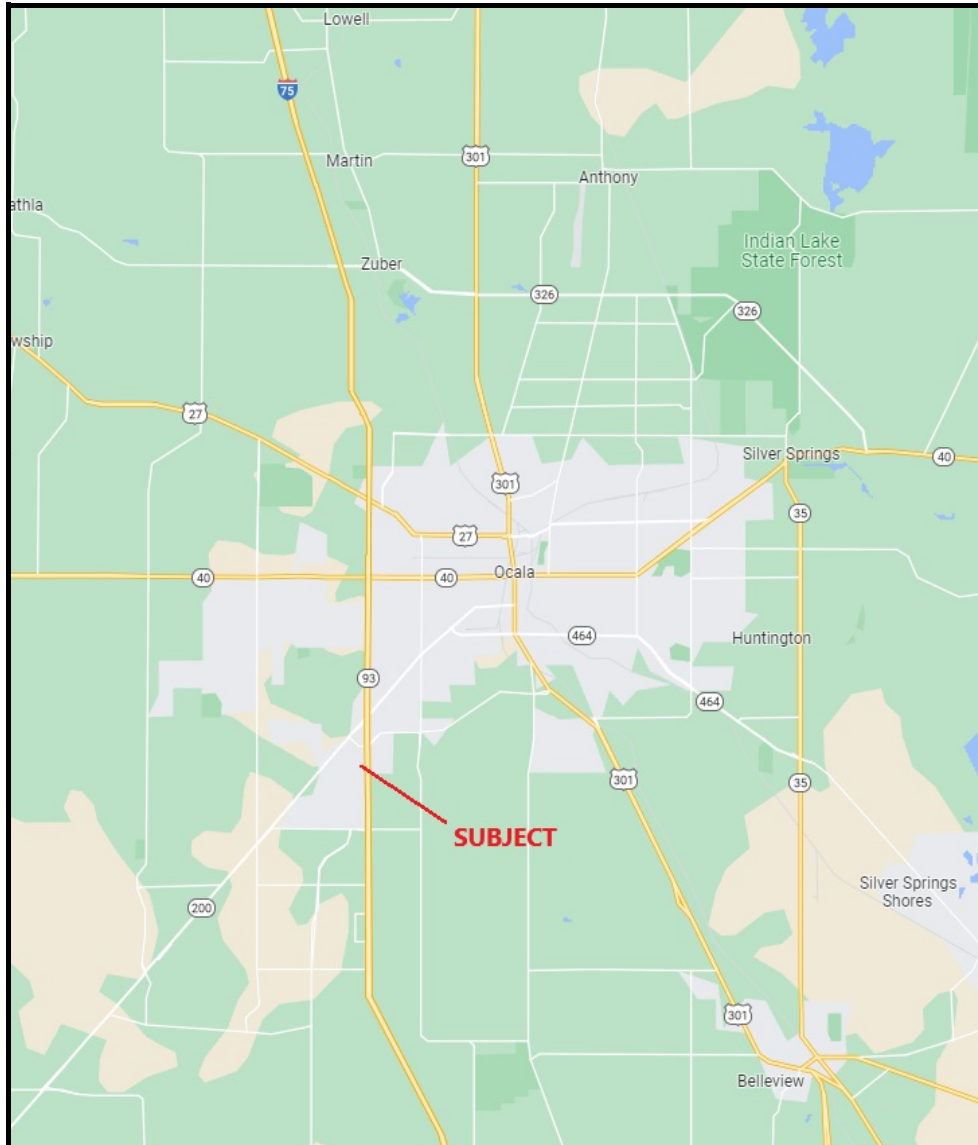
Addendum

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Executive Summary

<u>Subject Identification:</u>	Tract F, Executive Park @ SW 40 th Ave, Ocala, Florida
<u>Effective Valuation Date:</u>	February 24, 2022
<u>Intended User:</u>	Hillpoint, LLC c/o Mr. Nick Everly
<u>Intended Use:</u>	real property evaluation pertaining to potential acquisition of the subject property
<u>Objective:</u>	form an opinion of market value
<u>Interest Appraised:</u>	fee simple, subject to restrictions of record
<u>Site:</u>	.95 AC (per public records; subject to current survey)
<u>Improvements:</u>	none
<u>Future Land Use:</u>	low intensity
<u>Zoning:</u>	M1, light industrial
<u>Highest and Best Use:</u>	assemblage with adjacent acreage for multi-family residential development
<u>Opinion of Market Value</u>	<u>\$94,000</u>

Subject Location Map



ALBRIGHT & ASSOCIATES of Ocala, Inc.



View of SW 40th Ave as it extends S; subject in distance at right in photo.



View, facing W from SW 40th Ave, of representative interior view of the subject property.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Certification

The undersigned certifies 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 hypothetical 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.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
5. My engagement in this assignment was not contingent on 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. To the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics* and the *Standards of Professional Practice* of the Appraisal Institute as well as the *Uniform Standards of Professional Appraisal Practice*.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. An inspection of the subject, from the right of way, was made by the undersigned.
10. No person added significant real property appraisal assistance except as specified.
11. *USPAP* requires appraisers, prior to accepting assignments, to possess experience and skill necessary for completion, or:
 - A. Disclose lack of knowledge and/or experience before assignment acceptance.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

- B. Take necessary and appropriate steps to complete assignment competently.
- C. Describe lack of knowledge and/or experience in appraisal report.
- D. Describe steps taken to complete assignment competently in appraisal report.

Stephen J. Albright, Jr. has performed appraisals of properties similar to the subject property in the subject market area for more than 27 years.

12. This *Certification* was prepared in conformance with the *Uniform Standards of Professional Appraisal Practice* of the Appraisal Standards Board of the Appraisal Foundation as well as the *Supplemental Standards of Professional Practice* of the Appraisal Institute.

13. At the date of this report, I, Stephen J. Albright, Jr., have completed the continuing education program for Designated Members of the Appraisal Institute.

14. I have performed no professional services (appraisal or otherwise) associated with the property that is the subject of this report within the three-year period immediately preceding acceptance of the assignment.



Stephen J. Albright, Jr., MAI
State-Certified General Real Estate Appraiser RZ2392

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Limiting Conditions and General Assumptions

The following are general assumptions and/or conditions upon which this appraisal is predicated.

1. This report is the work product of Albright & Associates of Ocala, Inc. and is protected by copyright. Violators will be prosecuted to the fullest extent of the law. No change of any item in the appraisal report shall be made by anyone other than the appraisers who shall have no responsibility for unauthorized changes.
2. Disclosure of the report content is governed by the bylaws and regulations of the Appraisal Institute.
3. The appraiser assumes no responsibility for legal matters affecting the property appraised or its title. While title of the subject property is assumed good and marketable, the appraiser renders no such opinion thereof.
4. The appraiser is not required to give testimony, or to appear in court, as a result of having performed the appraisal of the identified subject property, unless prior arrangements have been made.
5. No party shall use or rely upon this appraisal, or any part of its content (i.e. value opinions, appraiser identity, professional designations, reference to professional appraisal organizations or appraiser's firm affiliation), for any purposes, except the client and/or intended users specifically identified herein. Other parties seeking to use or rely on this appraisal must first obtain the written consent of the appraiser before any of the warranties or representations contained in the appraisal report, expressed or implied, shall inure to the benefit of any other party. Violation of this condition renders these findings null and void. Moreover, this report is to be used only in total presented form and cannot be taken out of context or used in any other form including, but not limited to, excerpts or fractions or redistribution thereof, as such a format change may be misleading. The appraiser assumes no liability for any part of the work product taken in fraction from the total report. Any distribution of value in the report between land and improvements applies only under the existing program of utilization. Separate valuations for land and building, outside the scope of this assignment, must not be used for any purpose and are invalid if so used. Any redistribution of value (land and/or improvements) may render the findings of this appraisal null and void.
6. Information, data and opinions furnished to the appraiser, and contained herein, were obtained from sources considered reliable and are believed to be true and correct. However, no responsibility or liability is assumed by the appraiser for accuracy of confirmed or unconfirmed data. A diligent effort was made to verify all reported data. However, as some principals reside out of the area, or are entities that could not be contacted in the time allowed for report completion, some data may not have been confirmed. The appraiser has made no survey of the property. Any sketch of the land and/or of the improvements herein is intended to show approximate dimensions and to assist the reader in visualizing the subject property. The physical size of the subject property is not warranted

ALBRIGHT & ASSOCIATES of Ocala, Inc.

as fully accurate. This appraisal is contingent on the findings of a qualified survey in terms of not only actual dimensions of the land and/or improvements but also any easements, encroachments or other encumbrances. The findings of such a survey may result in the need for re-evaluation of the appraisal process and value opinions associated therewith.

7. In this appraisal assignment, the existence of potentially hazardous materials or waste on, in or beneath the site (including, but not limited to, such items as urea formaldehyde foam insulation, toxic waste, Radon gas level and/or toxic mold, all of which may pose a risk to the property or its inhabitants) has been disregarded from consideration with respect to valuation analysis. The appraiser is neither qualified to detect such substances nor capable of precisely determining its potential impact on the subject property. Moreover, the appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable or for engineering which might be required to discover such features. Depending on the level of concern as to the property's condition (i.e. potential on- and off-site soil contamination, ground water pollution and various environmentally-sensitive issues), it may be necessary to retain the services of an expert in this field and/or undergo a Phase I environmental audit, if either or both have not been conducted.

8. Value opinions concluded herein are warranted as accurate, subject to assumptions and hypothetical conditions stated or implicit herein as of the effective valuation date. A thorough property inspection has been conducted as of the specified date shown herein. However, the appraiser(s) are not experts in the field of construction, engineering, repair, renovation, remediation or building inspection services, as such, a professional building inspection is always recommended.

9. No responsibility is assumed by the appraiser for changes or influences, in or about the subject property and its neighborhood, which result in a change, positive or negative, to the subject and thereby to its value conclusion, subsequent to the effective inspection and/or valuation date. The value opinions are applicable only to the fixed point in time associated with the effective valuation date herein and are not applicable to any other point in time, specific or general, prior or subsequent to said date. Values expressed herein are opinions. There is no guarantee, written or implied, that the subject property will sell for this value opinion. For example, expressions of market value constitute "value in exchange" which should not be construed as liquidation value in the unforeseen eventuality that a business operation associated with the subject property proves economically unfeasible and/or the property is conveyed by conditions inconsistent with the market value definition. With respect to income-producing properties, value opinions are contingent on competency of ownership and management as the operational success of leasing real estate is inevitably linked with economic achievement of business. When values include prospective opinions, the appraiser is not responsible for unforeseen events that may alter interim market conditions.

10. Before any loans or commitments are made which may be predicated on the value conclusions reported in this appraisal, the mortgagee should verify facts, data and value conclusions contained

ALBRIGHT & ASSOCIATES of Ocala, Inc.

in this report.

11. Notwithstanding any specification herein of flood plain status of the subject property appraised, it is recommended additional confirmation of the same be obtained prior to any contemplated loan or development.

12. This appraisal and value findings are contingent on the impact, if any, to the subject property by the "Americans With Disabilities Act."

13. Natural landscaping is a habitat for many living species. A good faith effort should be made to preserve maximum natural landscaping, saving all specimen trees and otherwise complying with all tree ordinances. A reasonable effort should be made to allow natural displacement (trap and release) of all habitat. This valuation is based on the assumption that the property is free from any endangered species and does not require any mitigation associated with natural habitats.

14. It is assumed that the property is in compliance with all applicable federal, state and local laws, ordinances, regulations, building standards, use restrictions and zoning unless the lack of compliance is stated in the appraisal report. Determining and reporting on such compliance were not part of the scope of work for this assignment.

15. It is assumed that all water, sewer facilities and utilities (whether existing or proposed) are or will be in good working order, are safe for use, and are or will be sufficient to serve the current or proposed uses of the subject property or any structures or other improvements. Determining and reporting on such matters were not part of the scope of work for this assignment.

Extraordinary Assumptions

The following are assumptions upon which this appraisal is predicated. These assumptions are also taken to be true. Their use may have affected the appraisal results.

None.

Hypothetical Conditions

The following are conditions upon which this appraisal is predicated. That is, these are conditions which are contrary to those which presently exist at the effective valuation date. Their use may have affected the appraisal results.

None.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Identification and Location

The subject is generally identified as follows.

Property Identification: Tract F, Executive Park
Address: SW 40th Ave, Ocala, Florida

Apparent Owner of Record

The following information from another source is believed reliable though not warranted as such.

Name: City of Ocala
Address: 1805 NE 30th Ave, Bldg 700, Ocala, Florida

Relevant Dates of Appraisal Process

The following represent the most critical dates of analysis of the appraisal process.

Inspection: February 24, 2022
Photography: February 24, 2022
Effective Valuation: February 24, 2022

Type and Definition of Value

The purpose of the appraisal is to form an opinion of market value.¹

Intended User and Intended Use of Appraisal

The intended users of this appraisal are Hillpoint, LLC c/o Mr. Nick Everly (who also happens to represent the client) and the City of Ocala. The intended use of this appraisal is to aid in real property evaluation pertaining to the potential acquisition of the subject property. Use of this appraisal is prohibited as it relates to any function other than that identified herein.

¹ Market value (value-in-exchange) is defined by Office of the Comptroller of the Currency (12CFR, Part 34) and the Appraisal Institute (*The Dictionary Of Real Estate Appraisal, 6th Edition*) as:

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Scope of Work

USPAP specifically indicates that “for each appraisal and appraisal review assignment, an appraiser must:

1. Identify the problem to be solved;
2. Determine and perform the scope of work necessary to develop credible assignment results;
3. Disclose the scope of work in the report.”

To that end, Mr. Nick Everly, requested an appraisal of the property identified herein for the intended use described earlier. As such, the problem to be solved for this assignment is to form an opinion of market value of the subject property as of a current date of valuation. The necessary scope of work to develop a credible result includes the following.

- Establish a current date of valuation (synonymous with my most recent date of inspection).
- Physically inspect and photograph the subject property.
- Research the subject's environment (i.e. region and neighborhood).
- Analyze highest and best use of subject property.
- As discussed in the valuation methodology section of this report, this valuation is supported by the Sales Comparison Approach. To that end, the subject market was researched for current comparable data which were all inspected and verified to the extent possible.
- Form opinion of market value from market indicators.
- Prepare an appraisal report, as defined in USPAP, which will include photos of the subject property, descriptions and analysis of the region, neighborhood, site, zoning/land use, a highest and best use analysis, summary of most relevant comparable sales, reconciliation of opinion of market value, location map of the subject and comparable land sales and other data deemed by the appraiser to be relevant to the assignment. Pertinent data and analyses not included in the report may be retained in the appraiser’s files.

Interest Appraised

Fee simple interest,² subject to restrictions of record.

² Absolute ownership unencumbered by other interest and subject to limitations of eminent domain, escheat, police power and taxes.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Legal Description

The following legal description was obtained from the public records of Marion County, Florida. While believed accurate, it is not warranted as such.

Tract F, Executive Park per Plat Book T, page 011 of the public records of Marion County, Florida.

Property Assessment

The subject is represented in the 2021 Marion County Property Assessment Roll as PID #2390+006-000 with a 2021 just value of \$48, assessed value of \$1 and taxable value of \$0. The lack of tax burden and significant assessment reflects that the subject presently represents a common area drainage retention pond associated with the Executive Park subdivision within public ownership.

History of Title

The subject has been within the subject ownership for more than the past five years. As of the date of valuation, the subject was not formally offered for sale but is being considered for acquisition by the owner of the adjacent property (HP Ocala 40th Avenue LLC) although a specific price has reportedly not been established.

Public and Private Utilities and Services

The subject is positioned with the city limits of Ocala. In that regard, city services are available nearby to the north.

Comprehensive Plan, Land Use and Zoning

The subject is positioned in, and governed by the jurisdiction and comprehensive plan of, the City of Ocala. To that end, the subject includes a future land use designation of low intensity and zoning designation of M-1, light industrial.

Description and Analysis of Region

Marion County is located in north-central Florida, about 75 miles west of the Atlantic Ocean and 40 miles east of the Gulf of Mexico. Ocala is located in the geographic central portion of Marion County. The nearest significant metropolitan areas include The Villages (about 20 miles south), Gainesville (about 35 miles north), Daytona Beach (about 75 miles east), Orlando (about 75 miles south), Tampa ("Bay area" about 95 miles southwest) and Jacksonville (100 miles northeast). Ocala is positioned at a key focal point of rural north-central Florida as it represents a major retail trade and employment center for a five-county area.

The four basic forces which influence market value of real property include economic, environmental, governmental and sociological forces. Each of these forces as it applies to the Marion County market will be reviewed in consideration of their impact upon the value of the subject property as more fully discussed within the following subsections of this appraisal report.

Economic Forces

The Marion County real estate market is influenced by many aspects of local, state, and national economic forces. Several leading indicators include: general population, effective buying income, retail sales, manufacturing sales, building permits as well as employment and unemployment conditions.

Population Growth: Of Florida counties, Marion County has historically benefitted from a very high ranking in terms of population growth. Per the Bureau of Economic and Business Research (BEBR), the April of 2010 population of Marion County was 331,303 (up about 28.0% from 2000) while the 2017 population on April 1 was reported to be 349,267. This represents a 5.42% increase or about .77 % per year. This evidences the significant decrease in population growth rates since the beginning of the recent Great Recession. BEBR has projected a population of 364,200 (central tendency) by the year 2020 which indicates an anticipated increase in the population growth rate to about 1.5% per year. Further, BEBR projects central tendency increases of 386,100 by 2025, 404,900 by 2030 and 423,000 by 2035 (projection of about 1% per year growth).

Ocala is the largest incorporated area of Marion County with a 2017 urban area population estimated at 59,668 (up from 56,315 in 2010 or increase of about .85% per year which is similar to the overall county growth rate over the same time period). Notwithstanding the decrease in population growth rates, Marion County and Ocala should eventually continue to expand at a solid pace into the foreseeable future as a result of several factors: (1) Marion County is the "hub" of north central Florida; (2) surrounding counties are less capable of providing a full range of retail and wholesale products and services and, with it, greater demand is placed upon drawing employees from surrounding rural counties to service operations; (3) steady immigration of retirees; and (4) low cost of living. Property values are relatively affordable when compared to coastline communities and

ALBRIGHT & ASSOCIATES of Ocala, Inc.

major inland metropolitan cities. Ocala provides one of the most affordable lifestyles of Florida living for the entire state.

Housing: In 2014, the total number of households was estimated at 141,164 (up from 137,726 in 2010) of which 75.9% are owner-occupied. Meanwhile, in 2014, the number of housing units was 163,808 which evidences an occupancy rate of about 86%. According to the National Association of Realtors, the Ocala MSA had the most affordable housing of all MSAs in the nation during the second quarter of 2000. The average sales price in 2000 was \$94,052 and as of August 2005 was \$148,900 which evidences the substantial increase of real estate prices over the first half the decade. Although Marion County experienced such increases, the area remained substantially below the state average of \$246,500 in August of 2005. Subsequent to the substantial surges in the residential market in Ocala/Marion County (and state and nation for that matter), the market experienced a considerable downturn beginning in 2007. In fact, up until about 2012, the market was best characterized as a “buyer’s market” with a large inventory of lots and homes for sale (including a significant percentage represented by speculator properties) although down from the supply levels of 2009 and 2010. Not only were listing prices from 2005/2006 substantially reduced, but exposure and marketing times significantly increased. The rate of foreclosures and short sales also increased dramatically in the state and county beginning in about 2008/2009. More recently, per the Ocala/Marion County Association of Realtors 2019 market report, the median single family home price in Marion County has steadily climbed from only \$90,000 in 2012 to \$183,389 in 2019. The 2019 price represents an 11.1% increase from the 2018 median price. The report also indicates that there were 7,370 closed sales which is dramatically up from only 4,292 sales in 2012. The average days on market in 2019 was only 52 days which remains fairly constant from 2017 but much better than the 96 average days in 2012. Further, the median sales price in 2019 represents about 97% of the original listing price which evidences a strong market. In summary, the Ocala/Marion County market has turned in favor of the sellers. In fact, new construction is occurring in many areas of the Ocala market and Ocala/Marion County retains one of the lowest median home prices in Florida.

Effective Buying Income: The majority of population growth for upcoming years will emphasize a greater increase in the percentage of retirees. Local governmental officials have expressed concern regarding the inability of the Marion County market to attract high-tech industries which provide greater population expansion of professional employees (and accompanying higher income levels). However, the expanding elderly population will continue to support retail and wholesale operations. Historically, residents of Marion County have enjoyed a relatively low cost of living (only 87.9% versus the U.S. as a whole in 2018). However, increases in wages as a whole across Marion County have not kept pace with the substantial increases in real estate prices which could have a significantly negative impact the future prospects of “affordability” of the Marion County area.

Retail Sales: In 2000, annual retail sales for Marion County were reported at over \$3.2 billion. Retail sales per household in the Marion County market have typically matched effective buying

ALBRIGHT & ASSOCIATES of Ocala, Inc.

income. Obviously, a percentage of retail consumers who patronize Marion County establishments are commuting from outside areas thus contributing to the “hub” effect. The following summarizes total retail sales in Marion County from 2000 to 2017 (provided by the 2011 Florida Statistical Abstract, Bureau of Economic and Business Research and the State of Florida Department of Revenue).

[Retail Sales - Marion County, Florida]

Year	Gross Sales (Billions)	Taxable Sales (Billions)
2000	\$6.80	\$2.95
2001	\$7.04	\$3.04
2002	\$7.03	\$3.08
2003	\$7.50	\$3.37
2004	\$8.40	\$3.68
2005	\$9.55	\$4.32
2006	\$10.45	\$4.70
2007	\$9.85	\$4.30
2008	\$8.61	\$3.73
2009	\$7.54	\$3.31
2010	\$7.63	\$3.31
2011	\$7.98	\$3.39
2012	\$8.55	\$3.60
2013	\$9.12	\$4.02
2014	\$9.60	\$4.20
2015	\$10.27	\$4.37
2016	\$10.75	\$4.63
2017	\$11.13	\$4.83
2018	\$11.67	\$5.13
2019	\$12.95	\$5.43

The chart reflects the surge in economic conditions up to 2006 with a subsequent decline in retail sales from 2007 to 2010. Subsequently, economic conditions have stabilized and, in fact, improved significantly with gross retail sales surpassing pre-recession levels in 2016 and continuing to steadily increase through 2019.

Manufacturing & Distribution: The EDC has registered a significant amount of local industrial oriented businesses in Marion County. The EDC recently combined forces with the local Chamber of Commerce with stepped up efforts to retain and create more jobs in the Ocala/Marion County market. These companies do not include the numerous contractors and subcontractors of the building trade. Retention of manufacturing jobs became quite a challenge into 2008 as a result of declining economic conditions. Major manufacturing companies based in Ocala/Marion County include Lockheed Martin, Emergency One, Inc., Cheney Brothers, Signature Brands and ClosetMaid. Major distribution centers in the market include Fed Ex, Chewy’s and Autozone (all located in the relatively new Ocala/Marion County Commerce Center).

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Building Permit Activity: The rate of new residential permits in Marion County peaked in 2006 amidst the housing boom and glut of speculation through the county. More specifically, Marion County issued 6,355 single family residential permits in fiscal year 2005/2006 which was up from 5,645 permits in fiscal year 2004/2005. However, there was a dramatic decline in subsequent years: 2,139 permits in 2007, 933 permits in 2008, 316 permits in 2009, 399 permits issued in 2010 and 325 permits issued in 2011. In regard to commercial starts, Marion County issued 122 commercial starts in fiscal year 2005/2006. However, Marion County issued only 71 commercial permits in 2007, 44 in 2008, 42 in 2009, 23 in 2010 and 30 in 2011. Finally, multi-family residential permits have also declined from 52 in 2007, to 12 in 2008, 10 in 2009, none in 2010 and only 2 in 2011. More recently, however, activity is improving significantly as summarized in the following chart (in mid-2018, Marion County began combining multi-family and commercial starts):

[Marion County Building Permits]

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Single Family	359	497	608	921	1,285	1,667	2,459	2,350	1,179
Multi-Family	1	3	8	0	3	11	NA	NA	NA
Commercial	27	32	19	30	43	138	100	61	24
Total	387	532	635	951	1,331	1,816	2,559	2,411	1,203

This rather clearly evidences that the Marion County market was rebounding significantly in terms of permits with single family residential and commercial leading the way but also considerable growth in terms of multi-family starts through 2019. The decline in 2020 is directly related to the COVID-19 crisis and “shut down” of the construction industry through much of the year. Construction activity, however, as rebounded considerably into 2021.

Employment/Unemployment: As per information from the United States Bureau of Labor Statistics, the Marion County labor force increased from 126,821 in 2005 to 135,972 in 2009. In fact, the labor force appears to have significantly increased during the market surge of 2006/2007 with an actual decline in the work force in 2009 from 2008. This rather dramatic decrease is associated with the downturn in the economy and sharp rise in unemployment. To that end, the following chart summarizes unemployment rates in the State of Florida and Marion County from 2003 to 2019 as provided by the State of Florida Agency for Workforce Innovation (AWI) and the Florida Department for Economic Opportunity (DEO).

[Unemployment Rates 2003-2020]

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Florida	5.3%	4.7%	3.8%	3.4%	4.1%	6.3%	10.5%	11.9%	10.5%	8.7%	7.2%	6.1%	5.4%	4.9%	4.2%	3.6%	2.5%	7.7%
Marion Co	5.4%	4.6%	3.7%	3.4%	4.5%	7.8%	12.9%	14.4%	12.3%	10.0%	8.3%	7.2%	6.4%	5.8%	5.0%	4.3%	3.2%	7.0%

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Unemployment for Marion County has improved steadily from the peak in about 2010 down to the rate of 3.2% as of 2019. Although certainly improving steadily, Marion County has consistently remained above the state-wide unemployment rate. Of course, the onset of the COVID-19 crisis resulted in a surge in the unemployment rate due to government-mandated “shut down” of many businesses. In that regard, unemployment for Marion County peaked in April of 2020 at almost 13%. As indicated above, however, the unemployment rate rebounded significantly through the balance of 2020 with an annual average of 7%. Further, employment has continued to stabilize into 2021.

Information from the Ocala Marion CEP indicates the top 10 private employers in Marion County are Munroe Regional Medical Center (2,648), Wal-Mart (2,370), Ocala Health (2,166), Publix (1,488), AT&T (1,000), Lockheed Martin (1,200), E-One, Inc. (915), Sitel (700), Cheney Brothers (650) and Custom Window Systems (650). The top 7 public employers in the county include Marion County Public Schools (6,650), State of Florida (2,600), Marion County (1,368), City of Ocala (989), US Government (700), Marion County Sheriff’s Department (750) and the College of Central Florida (450).

Environmental Forces

As previously identified, Marion County is located at the center of the north half of the peninsula of the State of Florida. Marion County encompasses approximately 1,624 square miles, making it the fifth largest county in the State of Florida. Unlike many of the coastal regions and southern inland areas of the state, Marion County is aesthetically enhanced by undulating elevations consisting primarily of rolling hills which range from 50' to over 200' above mean sea level. The county's landscape includes numerous lakes, streams, rivers and springs which provide an atmosphere considered unique to much of the State of Florida. Marion County benefits as a major recharge area of the Florida aquifer. Its mild seasonal weather, as typical for the "Sunshine State," enhances the unique terrain of Marion County, commonly referred to as the "Kingdom of the Sun."

Climate: Perhaps the leading consideration for residents immigrating to this area is the favorable mild climate of its seasons (mild winter weather typical of spring and fall climates of other areas of the country). Ocala boasts an average maximum temperature of 82° and average minimum temperature of 61° while the mean humidity is 70.1°. The average rainfall for the year is about 55"± while only 108 days of the calendar year included rainfall of more than 1/100th of an inch. The favorable climate of Marion County generally offers savings in the construction industry due to year round availability of working days. In the agricultural industry, Marion County provides an average annual growing season of 255 days which well exceeds the national average. Its favorable climate also reduces absenteeism with all industries of the subject market. Also, outdoor recreation is available on a year-round basis as a result of Marion County's mild climate. The mild climactic weather of Marion County most importantly provides the market demand to draw a major influx of

ALBRIGHT & ASSOCIATES of Ocala, Inc.

seasonal residents a high percentage of which eventually become permanent residents. The steadily expanding population of the local market has a direct impact upon the increased labor force and the availability of low-priced labor to service industrial operations. As well, the seasonal and permanent residents impact the need for additional retail services in the area, forcing retail and wholesale sectors of Marion County into the lead in per capita employment and annual payroll.

Road Network: From a geographical standpoint, Marion County provides an ideal location for a distribution center of north Florida/south Georgia. More specifically, wholesale distributors demand proximity to major market areas which allow their drivers to complete a round trip within one working day. Because Marion County is located geographically at the center of the north Florida peninsula, this community benefits from a major network of state and federal highways. The road network system provides one day round trip to the major metropolitan markets identified earlier and even as far north as Atlanta (375 miles) and as far south as Miami (295 miles). All of these major metropolitan areas are accessed by either federal or interstate highways from the Ocala market. The major road systems of Marion County include I-75, US Hwys 27, 301, and 441 and state highways 40, 200, 464 and 484. I-75 extends north and south through Marion County along the western boundary of the city limits of Ocala. This major roadway extends through the eastern portion of the U. S., connecting Ocala with virtually every major city in the eastern United States via other intersecting interstate highways. I-75 extends south connecting with the Florida Turnpike (approximately 35 miles south of Ocala). The Florida Turnpike originates just south of the intersection of I-75 and SR 44 (near Wildwood), routing in a southeasterly direction connecting north Florida with the major metropolitan areas of Orlando, West Palm Beach, Ft. Lauderdale and Miami. US Hwys 27, 301 and 441 share access as they extend north and south through the center of Ocala as a six-lane highway. These major road systems provide direct access from Ocala to Jacksonville, Tallahassee, Orlando and Gainesville as well as many other central and north Florida destinations. Florida Turnpike officials are also proposing to extend the turnpike northwesterly, beyond I-75, through southwest Marion County and eventually connecting with US Hwy 19 at Lebanon Junction in Levy County just west of Marion County. State governmental officials recognize Ocala as a rapidly growing north-central Florida community. Efforts will be directed toward providing continued improvement of intrastate access for the north half of the peninsula of Florida. Ocala will continue to benefit from future FDOT road network projects as it geographically represents the central crossing point of many proposed major highways. Recognizing existing and future highway development plans, Marion County will continue to grow and establish a market for commercial and industrial distribution.

Air Service: Regarding air service, the Marion County market is relatively limited with only the Ocala Municipal Airport (located about two miles west of I-75 along the south side of SR 40) and the Dunnellon Airport (located in southwest Marion County). At present, these smaller airport facilities offer daily commuter flights to other central Florida cities. However, these airports are not presently utilized to service regional oriented carriers. It is noted that long term planning officials

ALBRIGHT & ASSOCIATES of Ocala, Inc.

of Ocala and Gainesville have attempted to negotiate for eventual development of an international airport to service the Marion and Alachua County markets. At the present time, the Gainesville authorities do not appear to be enthusiastic as that community has invested significant dollars in providing a major regional airport on the northeast fringe of its city.

Governmental Forces

Municipal Utilities: The City of Ocala owns and operates its utility distribution system which includes electrical, water, sewer, stormwater, fiber network and garbage collection services. The city purchases electricity wholesale from Duke Energy and distributes to an area of approximately 200 square miles. The City of Ocala also provides central water and sanitary sewer services to virtually all areas contained within its city limits. The most recent sewer facility was constructed adjacent west of the airport facility. Several private utility companies service small areas of the city which are not as densely developed. Central water and sewer services are also available in the City of Belleview. Additionally, Marion County provides central water and sewer service in several unincorporated areas of the county (i.e. S US Hwy 441, SR 200, US Hwy 27 and SR 484) while most rural areas typically require water and sewer service to be provided by on-site means.

Transportation: Within Marion County, only the City of Ocala offers mass transit for public use. This transit system is referred to SunTran and was established in 1998. SunTran consists of a public bus system which services the City of Ocala as well as Silver Springs Shores. SunTran follows several brief attempts with a trolley system which were unsuccessful. In addition, all major passenger bus lines service the Ocala market. In regard to trucking services, Marion County includes a proportionate share of common carriers and terminal facilities. The Ocala Airport Commerce Center, the Ocala International Commerce Park, Meadowbrook Commerce Park (all located west of I-75 near SR 40) and Ocala/Marion County Commerce Center include numerous national oriented trucking terminals. The major railway freight system for Ocala is CSX Transportation (formerly Seaboard System Lines).

Taxes: The City of Ocala and Marion County enjoy favorable tax structures. Additionally, the State of Florida does not have a personal income tax. As local governmental services are financed in part by taxes paid by tourists, the local millage rates have sustained a relatively low level, and below the state average for many years. The favorable tax structure represents a significant lure to numerous businesses to the Marion County area. Industrial operators are particularly attracted by the low tax structure and affordable employment force of Marion County. While the current tax structure has appeared relatively favorable, the increasing population has placed demands upon the services provided by the city and county government. There have been increasing problems associated with road maintenance, garbage collection, police and fire protection and other vital public services to the area due to increasing population expansion with a disproportionate increase in property tax revenue. More specifically, many retirement housing communities provide residential units assessed for little

ALBRIGHT & ASSOCIATES of Ocala, Inc.

more than the \$25,000 homestead exemption resulting in thousands of these retirees paying little taxes. As such, the fast-growing retiree population of Marion County is not supporting their proportionate share of property taxes in accordance with their demand for public services. As an alternative, Marion County approved a four-year, \$.01 sales tax to support police, fire and transportation systems.

Education: As of 2016, Marion County included 49 public school facilities (elementary, middle and high schools). In addition, there are three charter schools, virtual education and a variety of additional facilities associated with the public school system. Several additional facilities are planned for construction in the future to serve the increased population which has placed a stress on existing facilities with temporary solutions provided by modular classroom units. There is also a significant level of private school facilities located within Marion County providing education for grades K-12. In regard to higher education, Ocala is the location for The College of Central Florida. The college is continuing to grow in enrollment population. Most of the students of The College of Central Florida are from the immediate five-county area, of which Ocala is the major retail and employment trade center. The college was just ranked 5th by Schools.com in the State of Florida among all community colleges in the state. Marion County also benefits from multiple public libraries throughout the county.

Medical Community: Marion County includes three primary hospitals: Munroe Regional Medical Center (MRMC) which is publicly owned but was leased to a private entity in 2014; Ocala Regional Medical Center (ORMC) and West Marion Community Hospital (which are privately owned). MRMC includes various satellite facilities across the county. As of early 2018, all three of these facilities are undergoing expansions with costs totaling more than \$100 million dollars. Other health facilities in Marion County include numerous family practices, assisted living facilities (ALFs), skilled nursing facilities, adult family care providers, adult day care facilities, independent residential communities and Hospice. In general, Ocala and Marion County includes an adequate supply of general and specialized medical care providers (physicians) which essentially meets the demand of the ever-expanding population centered on an intense retirement base.

Sociological Forces

Perhaps the most significant sociological force which has historically impacted Ocala/Marion County has been the increase in population. Notwithstanding the adverse impact of the recent recession over the past several years, Ocala has historically ranked high in the state in population growth.

Recreation: Another leading sociological factor influencing the subject market is the recreational benefits available to the residents. The Ocala National Forest consumes much of east Marion County, encompassing 900 square miles. Marion County includes over twenty golf courses, both private and public. The City of Ocala and Marion County maintains numerous public parks or other

ALBRIGHT & ASSOCIATES of Ocala, Inc.

forms of recreational facilities. The Cross Florida Greenway and related Santos Trail Head represent major recreational attractions for the county. Cultural attractions include the Ocala Civic Theatre, the Reilly Arts Center and the Appleton Cultural Museum. Natural water attractions include Silver Springs, Juniper Springs, Orange Springs and Rainbow Springs. Silver Springs and Rainbow Springs are two of the largest natural springs of the world, both in physical size and daily flow of water production capacity. Other area attractions include Don Garlits Museum of Drag Racing, Marjorie Kinnan Rawlings house and Silver Springs. Marion County also provides numerous lakes and rivers for outdoor recreation, including boating, fishing, skiing, swimming, and sailing. Orange Lake is one of the most popular bass fishing lakes in the state. Lake Weir, Little Lake Weir and Lake Kerr provide regional recreational interest for boating, skiing, swimming and sailing. As well, the location of Marion County, about midpoint between the Atlantic Ocean and the Gulf of Mexico, provides proximity to additional recreational benefits for the area residents. The Ocala National Forest is an extremely popular natural recreation facility which offers approximately 366,000 acres of woodlands, lakes, streams and natural springs. Silver Springs attraction represented a major tourist attraction for Marion County. Historically, this natural phenomenon attracted a considerable amount of tourists and was once considered the leading attraction in the tourism industry for all of north-central Florida. However, due to competition from newer theme parks in the Central Florida region, the park experienced economic struggles. As such, the State of Florida took back control of the property from a private management company and now operates the park. Available activities include kayaking, canoeing, glass bottom boat tours, concerts, special events and concessions. Also, Walt Disney World and surrounding tourist attractions of the Orlando market are located just 75 miles southeast of Ocala.

Horse Farm Industry/Terrain: A major drawing card for the Marion County market is its aesthetically pleasing rolling terrain which is attractively landscaped with numerous small lakes and ponds with hammocks of mature oaks and assorted hardwoods. This pleasing landscape, often with pockets of extremely fertile soil which is high in calcium (particularly soil type number #8), provides all of the physical characteristics which support Marion County as the premier horse farm market for the entire State of Florida. Marion County is the nation's largest horse farm market and, as a leading indicator of the successfulness of the local horse farm industry, Marion County is the home of triple crown winner Affirmed in 1978 as well as Carry Back who won both the Kentucky Derby and Preakness in 1961 along with other notables such as Needles and Silver Charm, both Kentucky Derby winners. The last Florida-bred horse to win the Kentucky Derby was Silver Charm in 1997. In addition, many contenders and champions in the triple crown races have trained, and continue to train, at Marion County farms.

The horse farm industry (in terms of its breeding, training and racing) holds at least a twofold purpose: an economic value for the agricultural utility of the land, as well as a recreational opportunity for area residents. A stable force and influence in the economic development of this area's horse industry is the Ocala Breeders Sales which includes ownership by co-op memberships.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

The facility is open to the public which provides the life-blood support for the business. The total property covers an estimated 221 AC and is extensively developed including storage stables and auditorium for periodic sales, a first class race track with viewing tower and stands along with a new entertainment center which houses the parimutuel wagering facility.

The thoroughbred horse farm industry has enjoyed a long-standing and successful presence in the Ocala/Marion County market for many decades. The tax reforms of 1986 had a substantial negative impact upon horse farm development which were felt for a significant time thereafter. There was resurgence of horse farm success into the late 1990s with the Ocala/Marion County area claiming a stake as the “horse capital of the world” with the Kentucky market as the most relevant rival. However, discussions with many active participants in the local horse industry has revealed that the balance has tipped in favor of Kentucky and other markets in terms of demand for horse farms (breeding operations in particular). More specifically, several sources verified that stud fees in the Kentucky market are easily three times that of the Ocala (Florida) market. Further, stallions enjoy booking rates substantially higher than in the local market. Another reported factor in the demand shift from the Ocala market to other locations is the existence of slot machines at racing facilities. Markets such as New York and Pennsylvania reportedly include higher purses as result of the additional gaming income and entry into the races is often reserved for horses bred in-state. In fact, many breeders have chosen to relocate their operations. Despite this shift in demand for larger breeding operations, smaller thoroughbred farms (winter training facilities in particular) retain some level of demand in the Marion/Levy County market as a result of the favorable climate.

The impact of the horse farm industry in Marion County was quantified through a study performed in 2014 through a partnership of the Ocala/Marion County Chamber & Economic Partnership and the Horse Shows in the Sun organization. This study, based on 2014 data, revealed \$2.62 billion in revenues, \$1.68 billion in value-added contribution to the community’s GDP and 19,209 full- and part-time employees associated with the industry. Clearly, the impact of this industry to the Ocala/Marion County area is major.

The impact of the national recession along with the changing economics of the horse racing industry have had a significant impact upon the horse farm market of Marion County. The resulting over-supply of available developed thoroughbred horse farm facilities during the economic downturn resulted in drastic reductions in land and improved farm values from 2008 through 2012. While the market has certainly stabilized, and in fact improved significantly into 2020, there remains somewhat limited demand for additional thoroughbred farm development, particularly large breeding and/or training facilities. Per information from the 2020 Florida Fact Book published by the Ocala Jockey Club, the North American foal crop dropped dramatically from about 38,365 in 2005 to 22,175 in 2017 and estimated crop for 2019 of only 20,800. Further, the Florida foal crop was down from 4,499 in 2005, 2,105 in 2016 and only 1,401 in 2019. In that regard, Florida has consistently produced just under 10% of the national crop over the past decade but that figure has dropped to less

ALBRIGHT & ASSOCIATES of Ocala, Inc.

than 7% for 2019. The source also indicates that gross sales associated with auction sales in the state have decreased for weanlings, yearlings and 2-year olds over that past two decades. For example, gross sales for 2-year olds has declined from \$58,314,500 in 2006 to \$19,494,300 in 2017, \$25,512,400 in 2018 and back down to \$19,666,500 in 2019. That being said, the average price has remained fairly steady over the past decade. In summary, the market for thoroughbred farms (particularly training/breeding facilities) has experienced significant decline over the past 10-15 years.

While the market for thoroughbred farms has declined to some degree, Marion County benefits from significant demand and impact from additional equine disciplines. Probably the most significant discipline other than thoroughbred racing includes the hunter/jumper community. Horses In The Sun Showground (HITS) is located in northwest Marion County along US Hwy 27 (well to the southwest of the subject's immediate area). While Ocala Breeders Sales (OBS) provides a facility for sales of local horses to potentially buyers from literally all over the world (located to the southeast of the subject's immediate area adjacent to the Ocala International Airport), HITS hosts an annual winter hunter/jumper horse show which also attracts international competitors.

Also related to this discipline, the owner of Golden Ocala Golf & Equestrian Club has developed the World Equestrian Center along SW NW 80th Ave between SR 40 and US Hwy 27 (also well to the southwest of the subject neighborhood). Per information from the owner's website, "The World Equestrian Center currently inhabits 378 acres, with 300 more acres in reserve for more building. The World Equestrian Center is a world-class multi indoor and outdoor arena facility with state of the art amenities that can accommodate numerous different disciplines within the Equine Industry. This state-of-the-art Ocala, Florida Equestrian Center is designed to offer the ultimate competition experience for both horse and rider. As a professionally operated, family-owned enterprise, the World Equestrian Center illustrates the passion and commitment to equestrian sports in the United States. World Equestrian Center is a true destination. The event grounds will feature a luxurious six-story, 5-star hotel, located at the heart of the equestrian resort. The brand-new hotel will feature 254 extra large suites, some equipped with balconies where guests can take in world-class equestrian events in luxury and comfort. The hotel will also feature retail space, where guests and visitors will find a high-end boutique experience just minutes from the competition rings and barns. With a selection of carefully curated vendors, you'll be able to browse everything from clothing to tack to jewelry to fine art. You'll be able to find anything you might need or want to make your stay at the World Equestrian Center memorable. On-site dining options will include several sit-down restaurants, including a fine dining restaurant with seating for 500 guests. World Equestrian Center and World Equestrian Estates will feature approximately 1.5 million square feet of riding space. The grounds will be manicured with mature trees and hundreds of thousands of flowers. On-site greenhouses will keep the flowers blooming year round. Visitors and competitors alike will find a park-like atmosphere around the grand prix area and throughout the grounds. Paver sidewalks and a tree-lined entrance enhance the park-like feel at World Equestrian Center." This equestrian center

ALBRIGHT & ASSOCIATES of Ocala, Inc.

is already having a major positive economic impact upon all of Marion County. Further, there has been a significant level of speculation in the real estate near and surrounding this facility.

Because of these influences, Marion County will likely continue to establish itself as a leader in the horse farm industry. The sociological influences of the Marion County market establish this area as a unique inland community of the State of Florida. Major industrial employers have recognized the aesthetic value that the Marion County area has to offer for their employees. The annual economic impact to Marion County from the equine industry is significant.

Comprehensive Plan and Concurrency: In 1985, the legislature of the State of Florida enacted the "Local Government Planning and Land Development Regulation Act" with its major scope expressed as: "public facilities and services needed to support development will be available concurrent with the impacts of such development." The legislation, which became known as "concurrency," has forced local government to implement major planning tasks pertaining to growth and development of necessary infrastructures required for future population increases. The comprehensive plan of local government is intended to meet the needs of the local population as well as satisfy State-mandated guidelines for control of growth. The comprehensive plan presents guidelines which impact real estate use and value. In order to change the land use or zoning of a property, there are certain criteria which must be met. Land use and zoning are not interchangeable terms. To change zoning, the proposal must be compatible with the land use classification of the property. A physically compatible property that is proposed for change to a zoning in which it is otherwise disallowed requires an amendment to the land use plan within the comprehensive plan (both the City of Ocala and Marion County each have independent plans). In that regard, as a result of new legislation in 2011, state government was reorganized and the Department of Economic Opportunity (DEO) was created. Within this arm of the state government, the Division of Community Planning specifically considers applications for land use amendments. Further, the state and regional agencies interest only comment if the proposed change affects state or regional interests (essentially transferring more authority to local government in terms of the land use amendment process).

Summary of Regional Data

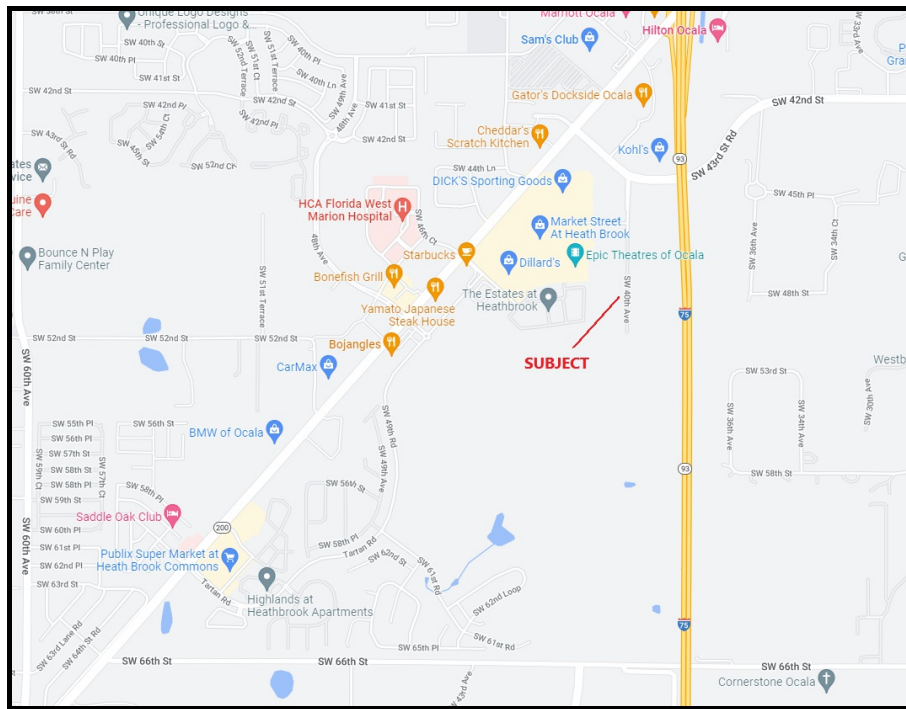
The impact of the expanding population of Marion County has represented a leading force in the prosperity of this community. The increase in population has generally led to increased demand for services in all segments of the economy. Market conditions and the economy in the subject region have been quite strong over the past several years, despite the impact of the COVID-19 pandemic beginning in early 2020. In the final analysis, the local real estate market should benefit from long-term growth.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Description and Analysis of Neighborhood

Neighborhood is defined as "...a group of complementary land uses."³ The physical neighborhood may be the same as, or different from, the economic neighborhood. The physical boundaries of a defined neighborhood essentially perimeter that land area which confines homogeneous land use. The economic neighborhood is the area which identifies the marketing district of comparable uses and is considered the more general area of influence with which the subject must compete in terms of sale prices, rental rates and employment opportunities. The economic neighborhood boundaries may not be represented by tangible limits to the same extent as the physical neighborhood. It is most ideal when the physical and economic neighborhoods overlap one another and are essentially the same. Comparables are extracted from both neighborhoods for direct comparison with the subject.

[Subject Neighborhood Map]



Geographic Boundaries:
Subject's Positioning:

SR 200 to the N and W, I-75 to the E and SW 66th Ave to the S
at NELY portion of described geographic neighborhood

³ Appraisal Institute (*The Dictionary Of Real Estate Appraisal, 6th Edition*).

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Proximity Conveniences: ⁴	excellent
Major Thoroughfares:	SR 200 extends SWLY from Ocala thru SW Marion County and represents primary retail and retirement community corridor for Marion County; I-75 extends N/S and forms E boundary of defined neighborhood; SW 43 rd St Rd (a/k/a “Flyover Project”) represents significant E/W connector route for local traffic; this relatively new r/w will be incorporated into the planned extension of SW 49 th Ave (aligned with SW 40 th Ave) through the area
Demographics:	subject immediate area includes a substantial, and growing, supporting population base
Employment:	good acknowledging stabilization and improvement of unemployment rate since spike in 2020 due to the COVID-19 crisis
Proximity to Necessities:	excellent ⁵

The subject neighborhood includes the SR 200 corridor west of the interchange with I-75. This represents Ocala’s primary retail corridor with a high concentration of a variety of commercial uses expanding east and west from its interchange at I-75. The Market Street at Heath Brook open air mall and adjacent Berkshire Oaks retail center are located on the south side of SR 200 and represent the newest retail shopping area of Ocala. The Market Street mall includes a total of about 450,000 SF of retail space and 70,000 SF of office space with tenants including Dillards, Dick’s Sporting Goods, Old Navy, Barnes & Noble, DSW Shoes, Solstice, Mattress Barn, Bits & Pieces, Jos A Bank, Flint Creek Outfitters, Ulta, and Panera Bread. There has been a considerable amount of new and proposed development within the larger Heath Brook development including a new VA clinic, additional phase of single family residential and a proposed (third) apartment complex. The Berkshire Oaks development includes a total of about 260,000 SF with tenant including Kohls, Petco, HHGregg, Gator’s Dockside, Tijuana Flats, McAllister’s Deli, Mattress Firm, Anytime Fitness and Batteries Plus. Other forms of development along SR 200 in this vicinity include sit down and fast food restaurants, convenience stores with fuel sales, bank, car dealerships and offices. In regard to offices, the location of West Marion Community Hospital on SR 200 has created demand for medical uses along the corridor as well.

The subject property is part of the Executive Park commercial subdivision which fronts SR 200 and extends south, just west of the I-75 corridor. This development originally included a blend of commercial (to the north along SR 200) and industrial uses. The industrial lots are located in the rear (to the south) of the retail uses associated with Executive Park (retail uses include Sullivan Cadillac, SunTrust Bank and a portion of Berkshire Oaks). However, only a small percentage of lots have

⁴ Recreational opportunities; public venues; religious establishments; civic and community activities; cultural centers.

⁵ Schools; grocery, clothing and retail shopping; medical community; financial district; government; employment centers.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

been vertically improved with industrial buildings (i.e. SPX manufacturing facility and two smaller buildings including TRANE and an automotive repair facility). Other rear lots, or portions of lots, within Executive Park have been acquired and assembled with adjacent retail uses (i.e. Sullivan GMC, Berkshire Oaks and Market Street). It is also noted that there are two cellular transmission towers located within the rear lots of Executive Park.

The complexion of Executive Park has changed significantly as a result of two road projects. As noted earlier, the SW 43rd St Rd (a/k/a Flyover) right of way was extended over I-75 and through Executive Park to connect with SR 200 (and eventually beyond to the north). Also, SW 40th Ave is planned for expansion (widening to four lanes) and extension to the south as part of the broader SW 49th Ave corridor. As a result of these projects, demand for alternative use within Executive Park has shifted away from industrial and more towards multi-family and/or commercial uses. In fact, Lots 15-17 were recently purchased for development with an apartment complex (see Sale 2 within the Sales Comparison Approach). Per the developer associated with this recent sale, construction of this complex is anticipated to begin concurrently with the construction of the SW 40th Ave road project (reportedly as soon as early 2023). This tract essentially surrounds the subject property. Further, another almost 20 AC of vacant land in the park is pending sale for additional multi-family residential (see Sale 4 within the Sales Comparison Approach).

In summary, the existing and future population base in or near the subject's immediate area provides a significant demand generator for a variety of residential and commercial development.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

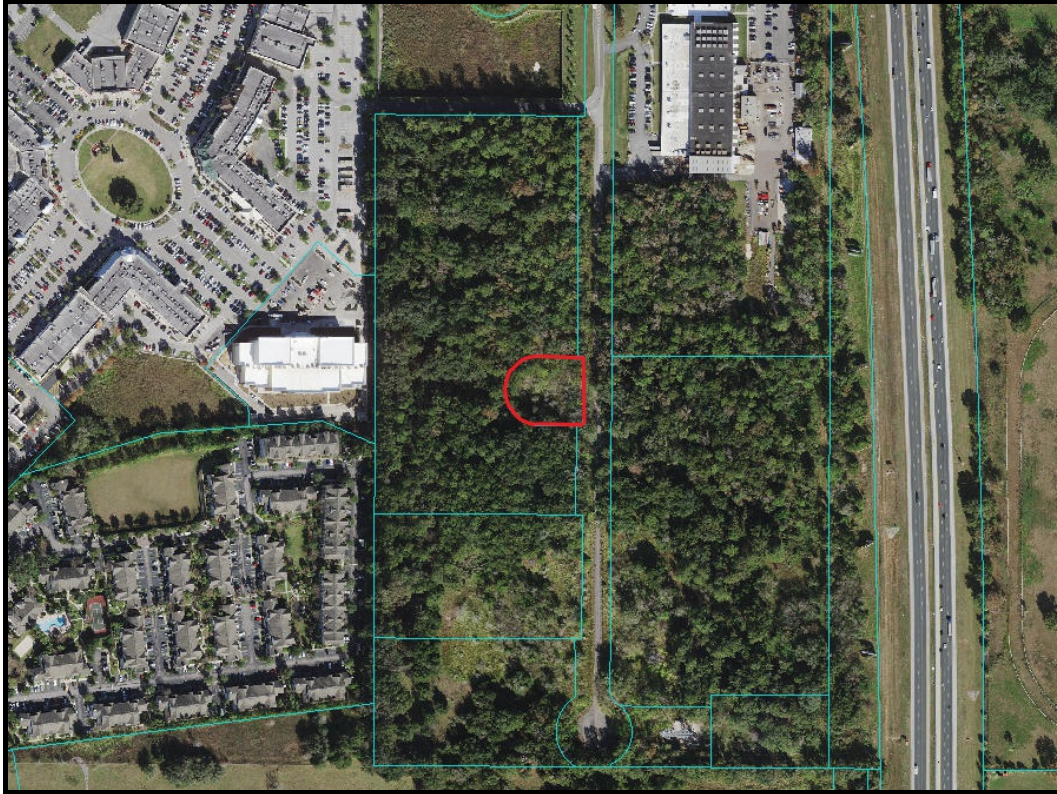
Description and Analysis of Site

The following description is based on information available from the public records of Marion County, Florida and my personal inspection of the subject site.

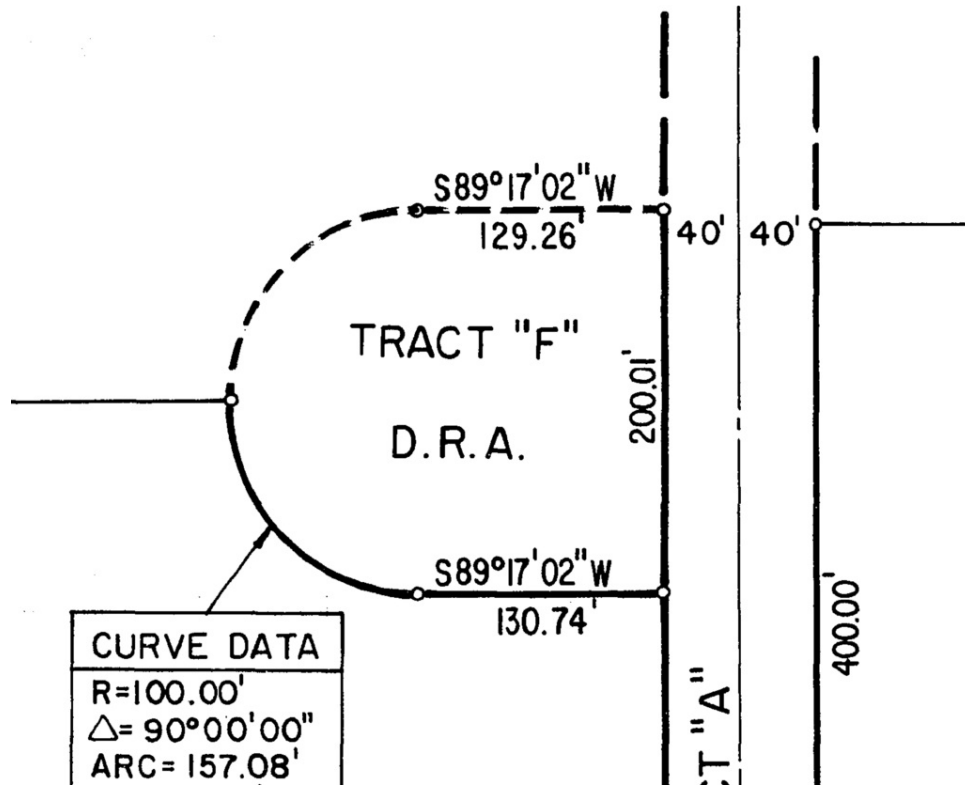
Parcel Size-	.95 AC (per public records; subject to current survey)
Position-	inside
Shape-	irregular
Exposure-	somewhat secluded
Aesthetic Appeal-	average (densely wooded)
Topo/Drainage-	sloping terrain with majority of elevations well below road grade (appears to represent a naturally occurring lower elevation); acknowledging sloping terrain below road grade, drainage appears adequate
Flood Zone-	zone "X" (minimal flooding); FEMA Map #12083C0514E, effective 4/19/2017
Environmental Analysis-	no observed or none contamination (refer to Limiting Conditions and General Assumptions)
Road Frontage-	about 200 FF on W r/w of SW 40 th Ave
Site Access-	presumably available via SW 40 th Ave frontage
Road Improvements-	SW 40 th Ave improved with two lanes of asphalt pavement (only fair to poor condition and gated just N of subject property)
Easements-	none known (subject to current survey)
Adjacent Land Uses-	N= vacant acreage E= vacant acreage across SW 40 th Ave S= vacant acreage W= vacant acreage
Adverse Influences-	irregular shape, relatively small size and topographical irregularities (all directly related to the site's original intended use for a drainage retention pond) are limiting factors in potential development

In summary, the subject site represents a rather limited site in terms of development potential.

Aerial Photo



Plat Map Reduction



ALBRIGHT & ASSOCIATES of Ocala, Inc.

Description and Analysis of Improvements

The subject is unimproved.

Highest and Best Use

As defined in the Appraisal of Real Estate, 14th Edition (published by the Appraisal Institute in 2013), highest and best use is:

"The reasonably probable use of property that results in the highest value."

The following four tests are implicit within the consideration of highest and best use:

1. Physically Possible.
2. Legally Permissible.
3. Financially Feasible.
4. Maximally Productive.

Application of these four categories to the subject supports my conclusions of highest and best use.

As Vacant

The subject site includes .95 AC located along the west right of way of SW 40th Ave within the city limits of Ocala. This portion of SW 40th Ave includes older paving as it was formerly a private interior road system of Executive Park. The subject actually represents one of several platted storm water retention ponds in support of the subdivision. As a result, the site includes a relatively small size, irregular configuration and significant topographical irregularity (low point along SW 40th Ave) which are all directly related to this original intended use.

The subject presently includes industrial zoning which was the predominant zoning for rear acreage of Executive Park upon its development and for many years thereafter. However, as noted earlier, the area is transitioning to a predominance of commercial and multi-family residential uses due to the convergence of existing and planned road projects. As a matter of fact, the subject property is proposed for acquisition by the owners of the adjacent acreage in order to assemble the parcels for near-term development with an apartment complex to include a total of 240 units (overall density, upon assemblage, of about 15.36 units per AC). In that regard, a representative of the City of Ocala verified that the subject is eligible for removal from the plat as SW 40th Ave is proposed for widening and the subject will not be needed for right of way storm water retention.

With respect to multi-family residential, market conditions are extremely strong in the Ocala/Marion County market, in general, and in the subject's immediate neighborhood, in particular. This is

ALBRIGHT & ASSOCIATES of Ocala, Inc.

evidenced by extremely high occupancy, very high level of sales activity of land for multi-family development and new construction of apartments. While the COVID-19 crisis certainly impacted the market in the early stages (early 2020) due to the high level of uncertainty, the local market has not only stabilized but actually surged into early 2022. Review of proposed multi-family projects in the area reveal planned densities from about 8 units to about 16 units per AC and there is a considerable amount of planned multi-family residential in the subject's immediate area due to the proximity to, and convenience of, Ocala's primary retail area along SR 200.

Of course, the subject as a stand alone parcel is insufficient for such development and would seem to have little demand for alternative development due to its physical characteristics. That being said, the subject could effectively be incorporated with the adjacent acreage as it would "square off" the adjacent acreage and provide an even more efficient larger parcel in support of multi-family residential. This assembled parcel would include about 15.62 AC with a corner location and essentially rectangular configuration. As a stand alone parcel, however, it seems likely that the subject would require a significant level of discounting to reflect not only its rather limiting physical characteristics but also lack of sufficient entitlements for such use (presumably requiring a zoning change which is considered reasonably probable based upon similar approvals in the immediate area).

In the final analysis, highest and best use of the subject is for assemblage with adjacent acreage for eventual multi-family residential.

Reasonable Exposure Time

Reasonable exposure time is historically-oriented (**time lapsed prior to sale's closing or lease**).⁶ Based upon research with respect to reasonable exposure time of the subject property type, I have formed an opinion of reasonable exposure time of 6 to 12 months.

Valuation Methodology

Three approaches to value include: Cost, Sales Comparison and Income Approaches.

The Cost Approach combines an opinion of land value with value of horizontal and vertical improvements. This approach is based upon the Principle of Substitution which holds that a buyer would likely not pay more for a property than the costs of obtaining an equally desirable substitute site plus the costs new of replacing equally desirable and useful improvements thereon, assuming no costly delay in making the substitution.

⁶ "Reasonable Marketing Time" differs from "Reasonable Exposure Time" as it is:

Future-oriented, subsequent to or post-effective valuation date; thus, if introduced, "Reasonable Marketing Time" follows **Reconciliation**.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

The Sales Comparison Approach includes the comparison of the subject with similarly located and useful properties that have recently sold to establish a discernible pattern for comparative analysis. Adjustments are necessary to the sales in many instances since no two properties are identical.

The Income Approach is based on the Principle of Anticipation which holds that a purchaser is buying in anticipation of acquiring future net benefits to the property. Value is measured in this approach through capitalization of net income.

In regard to the subject property type (vacant land), only the Sales Comparison Approach is applicable.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Sales Comparison Approach

This process represents a “whole-to-whole” valuation methodology which embraces all facets of the subject as a single economic entity. The general steps of this process are summarized as follows.

1. **Research market for sales which are comparable to the subject property.**
2. **Verify factual data of sales which are concluded comparable to subject.**
3. **Develop appropriate unit of comparison which reflects the basis of sales.**
4. **Compare pertinent criteria of sales with characteristics of the subject.**
5. **Where appropriate, adjust sales for differences of unit value indicators.**
6. **Apply most appropriate unit indicator to derive an indicator of value.**

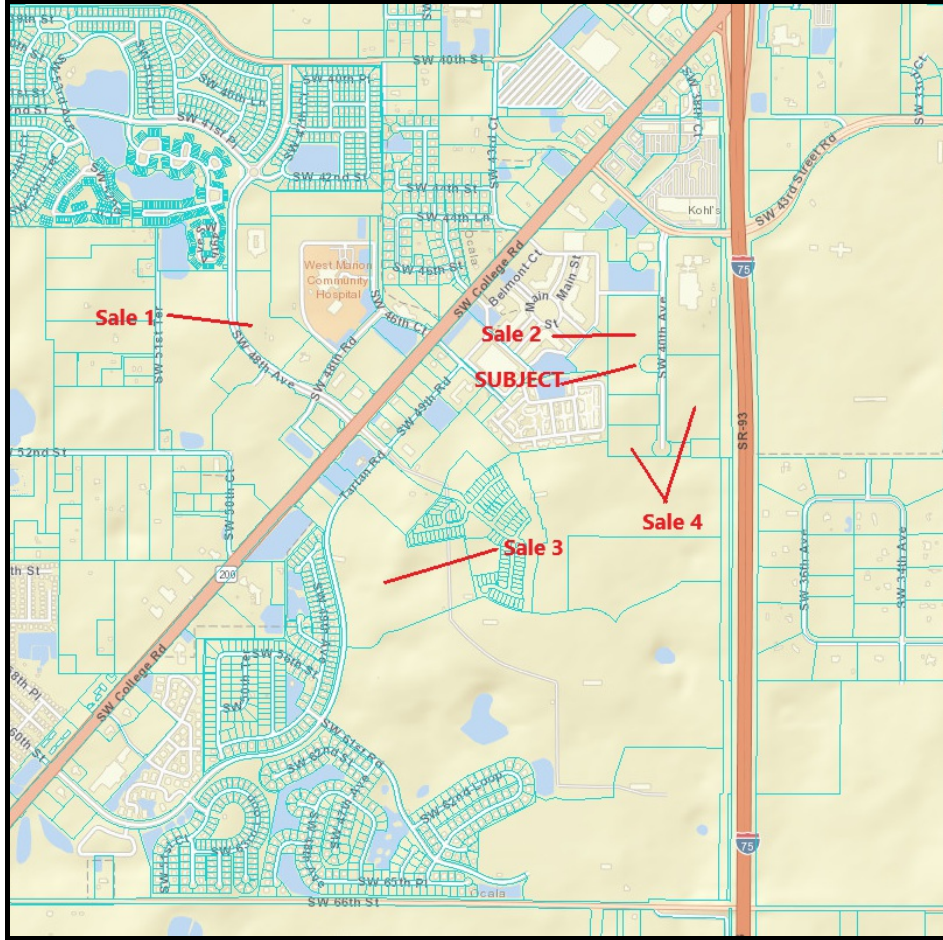
[Comparable Land Sales]

As discussed in the highest and best use analysis, the subject represents a unique parcel in that it exists as intended infrastructure for Executive Park (retention pond). In that regard, it is not surprising that there is an absence of current sales of truly comparable properties for direct comparison. Alternatively, this valuation considers sales of parcels which are most consistent with the highest and best use of the subject for assemblage (multi-family) with subsequent consideration, through the adjustment process, to the subject’s current limitations in terms of independent use. The following land sales are regarded as the best data for comparison. The appropriate unit of comparison includes the price per AC of gross land area and price per anticipated residential unit.

[COMPARABLE LAND SALES]

Sale	Date	Location	Zoning/Future Land Use	Size (AC)	\$/Unit	\$/AC
1	12/21	SW 48 th Ave/ Proposed DevLab @ Fore Ranch	R-3 (Proposed)/ Low Intensity	12.60	\$18,650	\$152,460
2	12/21	4400 SW 40 th Ave/ Proposed Pointe Grand	R-3/ Low Intensity	14.67	\$13,333	\$218,132
3	2/22	5697 SW 49 th Rd/ Proposed Apartments	PD/ Low Intensity	35.67	\$21,336	\$195,000
4	Pending 6/22	SW 40 th Ave/ Proposed Apartments	R-3 (Proposed)/ Low Intensity	19.34	\$12,711	\$228,800
		Mean:		20.57	\$16,508	\$198,598

Comparable Land Sales Location Map



ALBRIGHT & ASSOCIATES of Ocala, Inc.

Land Sale 1

Data Sheet



OR Book & Page: 7648/0193; Marion County
Grantor: Circle Fore Corporation
Grantee: Ocala Townhomes FL LLC
Date of Sale: December 13, 2021
Sale Price: \$1,921,000
Unit Price: \$152,460/AC or \$18,650/unit
Cash Equivalency: cash to seller
Assessment No. 23832-000-11
Property Jurisdiction: City of Ocala
Land Use/Zoning: low intensity/pending change to R-3
Interest Conveyed: fee simple, subject to restrictions of record
Site Area: 12.60 AC
Frontage: W r/w SW 48th Ave
Topography/Drainage: gently rolling terrain/appears adequate (no flood plain)
Natural Landscaping: mostly cleared

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Land Sale 1

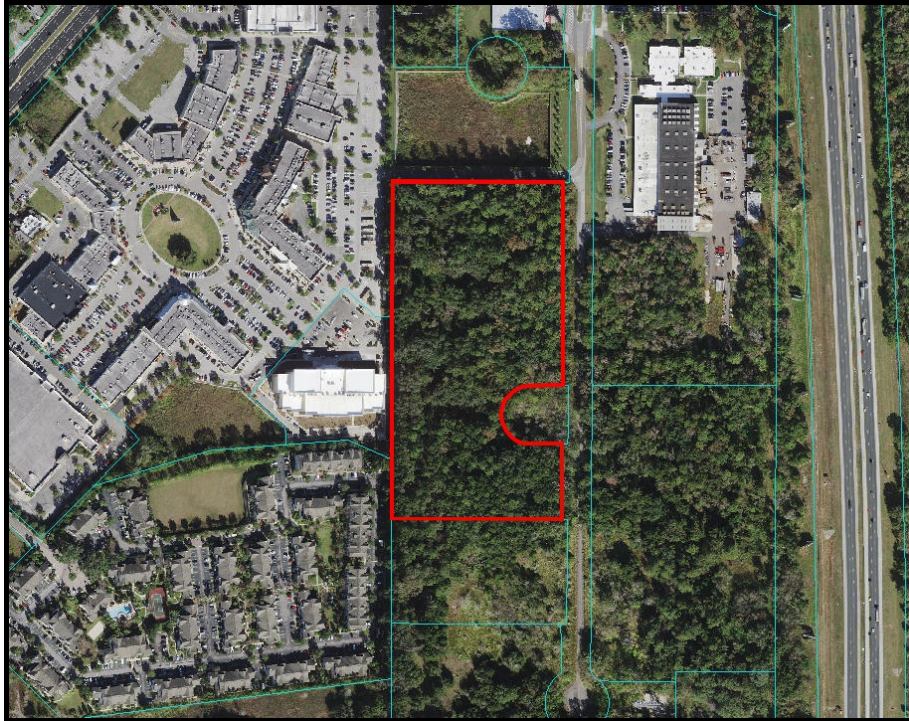
Data Sheet (Cont'd)

Highest & Best Use:	eventual multi-family residential
Encumbrances:	none adverse
Improvements:	older farm related building (no contributory value)
Utilities:	central water and sewer available
Verified With:	public records; inspection; representative of owner (seller)
Exposure Time:	>2 years
3-Yr± Sales History:	NA last three years
Comments:	site purchased for development with a multi-family community identified as Devlab at Fore Ranch; the submitted site plan indicates a total of 103 “townhome” units along with clubhouse and pool (overall density of only 8.17 units per AC)

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Land Sale 2

Data Sheet



OR Book & Page: 7662/1083; Marion County
Grantor: KG Land Properties, LLC
Grantee: HP Ocala 40th Avenue LLC
Date of Sale: December 30, 2021
Sale Price: \$3,200,000
Unit Price: \$218,132/AC or \$13,333/unit
Cash Equivalency: cash to seller
Assessment No. 2390-000-00
Property Jurisdiction: City of Ocala
Land Use/Zoning: low intensity/R-3
Interest Conveyed: fee simple, subject to restrictions of record
Site Area: 14.67 AC
Frontage: SW corner of SW 40th Ave & entrance road to Heath Brook
Topography/Drainage: gently rolling terrain/appears adequate (no flood plain)
Natural Landscaping: densely wooded

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Land Sale 2

Data Sheet (Cont'd)

Highest & Best Use: eventual multi-family residential
Encumbrances: none adverse
Improvements: none
Utilities: central water and sewer available via City of Ocala
Verified With: public records; inspection; representative of buyer and seller; MLS #OM624169
Exposure Time: 182 days
3-Yr± Sales History: NA last three years
Comments: site purchased for eventual development with a multi-family community identified as Pointe Grand; this development is anticipated to incorporate an adjacent parcel which was originally intended as a retention pond (Tract F of Executive Park) that will be acquired from the City of Ocala; the development is anticipated to include 240 units (density of about 16 units per AC) and will benefit from the expansion and extension of the SW 40th Ave r/w along its E boundary

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Land Sale 3

Data Sheet



OR Book & Page: 7707/0133; Marion County
Grantor: Ocala Trophy, LTD
Grantee: Parkside Ocala, LLC
Date of Sale: February 16, 2022
Sale Price: \$6,955,660
Unit Price: \$195,000/AC or \$21,336/unit
Cash Equivalency: cash to seller
Assessment No. 2389-600-000
Property Jurisdiction: City of Ocala
Land Use/Zoning: low intensity/PD
Interest Conveyed: fee simple, subject to restrictions of record
Site Area: 35.67 AC
Frontage: E r/w of Tartan Rd
Topography/Drainage: gently rolling terrain/appears adequate (partial flood plain)
Natural Landscaping: mostly wooded

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Land Sale 3

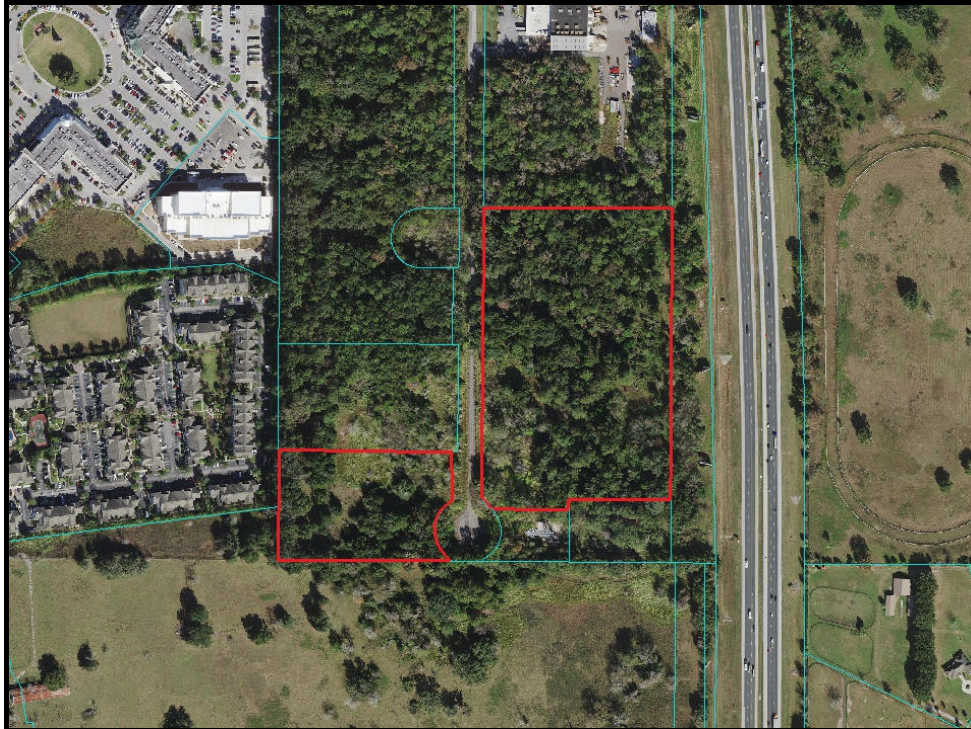
Data Sheet (Cont'd)

Highest & Best Use:	eventual multi-family residential
Encumbrances:	none adverse
Improvements:	none
Utilities:	central water and sewer available via City of Ocala
Verified With:	public records; inspection; representative of seller (attorney at sale)
Exposure Time:	not available
3-Yr± Sales History:	NA last three years
Comments:	site purchased for eventual development with a multi-family community; development is reportedly anticipated to include 326 units (density of about 9 units per AC)

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Land Sale 4

Data Sheet



OR Book & Page: Pending; Marion County
Grantor: KG Land Properties LLC
Grantee: not available
Date of Sale: anticipated to close in June of 2022
Sale Price: \$4,425,000
Unit Price: \$228,800/AC or \$12,711/unit
Cash Equivalency: cash to seller
Assessment No. 2390-013-000 & 2390-010-000
Property Jurisdiction: City of Ocala
Land Use/Zoning: low intensity/proposed for change to R-3
Interest Conveyed: fee simple, subject to restrictions of record
Site Area: 19.34 AC (two non-contiguous parcels)
Frontage: E & W r/w of SW 40th Ave
Topography/Drainage: gently rolling terrain/appears adequate (partial flood plain)
Natural Landscaping: wooded

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Land Sale 4

Data Sheet (Cont'd)

Highest & Best Use:	eventual multi-family residential
Encumbrances:	none adverse
Improvements:	none
Utilities:	central water and sewer available via City of Ocala
Verified With:	public records; inspection; representative of seller (Kirk Boone)
Exposure Time:	not available
3-Yr± Sales History:	NA last three years
Comments:	site pending sale with anticipated closing date in June of 2023; sale requires approval of zoning change to R-3 which is reasonably anticipated to occur; development is reportedly anticipated to include about 18 units per AC

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Adjustment Process

The comparable land sales represent the most current and meaningful data for direct comparison with the subject property as part of the larger assembled parcel (consistent with the findings of highest and best use herein). For the purposes of this analysis, I have relied upon the sale price per gross AC as the primary unit of comparison.

In terms of the adjustment process, initial considerations are made to interest conveyed, cash equivalency, conditions of sale and market conditions. In addition, the data are analyzed as to location, physical characteristics (i.e. size, configuration/ topography, improvements) and entitlement.

My review of the available data revealed a lack of discernible support for some of these elements of comparison. That is, there is simply not sufficient data to isolate one variable within a single pairing in order to extract value impact attributable thereto. While specific quantified adjustments are not available, I have correlated value of the subject site through the qualitative analysis of the overall range of indicated unit sales prices.

Interest (Rights) Conveyed:

It is appropriate to first compare rights conveyed in the comparable sale with that being considered for valuation in the subject assignment (i.e. fee simple, leased fee, leasehold). Any measurable difference is first acknowledged by adjustment. None of the sales require adjustment for interest conveyed.

Cash Equivalency:

Research of rates and terms of market financing at sale date forms the basis of our conclusions with regard to cash equivalency. Those sales which might include sub-market financing (that is, rates or terms below those typically offered at the sale date) and therefore provide an advantage to the buyer, or sales which indicate the reverse (an advantage to the seller), include a cash equivalency (CE) adjustment. The unadjusted price shown for the sales represents the cash or CE sale price. None of the sales require adjustment for cash equivalency.

Conditions of Sale:

Conditions of sale is a key ingredient in comparability of the sale to the subject. Examination is made of the motivation surrounding the transaction to insure the sale is arm's length in nature, an assumption which is explicit in the market value definition. All sales are arm's length and do not require adjustment.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Market Conditions (Time):

The time adjustment acknowledges changes in value due to the passage of time as a result of such factors as supply and demand as well as current, competitive local economic conditions. Each of the sales occurred in 2021 or 2022 (Sale 4 is pending and anticipated to close in mid-June of 2022). That being said, while no specific adjustments have been applied, market conditions have continued to improve into early 2022.

Location:

The larger parcel of which the subject is considered a part is located in the vicinity of the primary retail market of southwest Ocala with the availability of all city services. By comparison, each of the sales are similarly located along the SR 200 corridor. In fact, Sales 2 and 4 are part of the same subdivision as the subject property. In the final analysis, none of the sales require adjustment for location.

Physical Characteristics:

In terms of size, the sales produce a range from just under 15 AC to just under 36 AC which brackets the size of the assembled larger subject property of just under 16 AC. In that regard, only Sale 3 includes a size with a significant variance and some extent of upward consideration is warranted.

The subject includes a useful configuration and topography with paved road frontage. By comparison, each of the sales include similarly useful configurations, access and topography with no need for adjustment.

With respect to improvements, only Sale 1 includes older residential improvements which require razing and slight upward consideration is appropriate.

Entitlement:

The assembled larger parcel would most appropriately include R-3 zoning which is already in place for the adjacent acreage portion of the larger parcel (larger parcel would include a density of just under 16 units per AC. In that regard, each of the sales include sufficient entitlements (prior to closing) for multi-family residential development. That being said, Sales 1 and 3 include significantly lower levels of planned density and require some extent of upward consideration.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Conclusions:

The following chart is a summary of the elements of comparison and qualitative analysis thereof.

[Comparable Land Sales Adjustment Grid]

Element of Comparison	Sale 1	Sale 2	Sale 3	Sale 4
Sale Price (\$/AC)	\$152,460	\$218,132	\$195,001	\$228,800
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Time/Market Conditions	Similar	Similar	Similar	Similar
Adjusted Price (\$/AC)	\$152,460	\$218,132	\$195,001	\$228,800
Location	Similar	Similar	Similar	Similar
Size	Similar	Similar	Larger (+)	Similar
Configuration/Topo/Access	Similar	Similar	Similar	Similar
Improvements	Razing (+)	Similar	Similar	Similar
Entitlement	Inferior (+)	Similar	Inferior (+)	Similar
Overall Adjustment	Inferior (+)	Similar	Slight Inferior (+)	Similar
Adjusted Price (\$/AC)	\$152,460	\$218,132	\$195,001	\$228,800

The four sales produce a range from \$152,460/AC to \$228,800/AC with a mean of \$198,598/AC. Sale 1 represents the lower extreme but is inferior overall (razing costs and inferior density). Sale 3 represent the second lowest indicator but is significantly larger with inferior density. Sales 3 and 4 are most similar and produce a narrow range of indicated value. From this range, a conclusion toward the upper tendency or \$220,000/AC is considered most appropriate for the theoretical assembled larger parcel.

Again, the subject, as compared to the theoretical overall larger parcel, includes significant physical limitations associated with size, configuration and topography. Further, the subject component lacks sufficient zoning for highest and best use. In that regard, similar to a lack of current sales of truly comparable property for direct comparison with the subject, my research of the market produced very little in the way of current paired sales analysis in terms of the subject's physical limitations. That being said, my research did produce the fairly recent sale of a common area tract from the Silver Acres, 1st Addition subdivision of Marion County, Florida. More specifically, what is described as Tracts A and B of Silver Acres, 1st Addition sold in March and August of 2021 from the owners of an adjacent residence to Marion County. These tracts were originally designed and platted for drainage retention in support of the broader Silver Springs Shores development. However, after the replat, these tracts were preserved for open areas with a "no construction" limitation. The highly restrictive tracts totaled 3 AC and sold for \$25,000 or \$8,333/AC. Based upon a comparison with land sales from the immediate area at the time that were not subject to the same level of restriction, the indicated diminution in value ranged from about 75% to 83%. Of course, the limitations of this

ALBRIGHT & ASSOCIATES of Ocala, Inc.

property are considered even more restrictive than those associated with the subject acreage (no form of any vertical construction allowed).

In addition, my analysis included consideration to alternative forms of use restriction. More specifically, I have considered historical studies associated with various types of easements encumbering both residential and commercial tracts in Marion County. These studies (retained in my files) are indicative of a range of diminution in value from about 50% to 85%. Generally speaking, the more obtrusive/restrictive easements include the higher levels of indicated diminution.

From this range of indicators, I have concluded a level of diminution (discount) associated with the subject's aforementioned limitations at 55%. As applied to the earlier concluded unit value for the theoretical larger parcel, the resulting unit value applicable to the subject acreage is \$99,000/AC (45% of \$220,000/AC). Based upon the analysis presented herein, my opinion of market value for the subject property is:

Indicator of Market Value

\$94,000

[.95 AC @ \$99,000/AC, Rd; via Sales Comparison Approach]

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Reconciliation

The opinion of market value is supported by the Sales Comparison Approach. While there is insufficient data from the market for sales with direct comparison with the subject as a stand alone parcel, the approach benefits from extremely current and similar data from the subject's immediate area which are highly consistent with the highest and best use of the subject as part of the theoretical larger assembled parcel.

Based on prevailing economic conditions, taking all relevant (area) influences and (property) characteristics into consideration, weighing the best market evidence available as has been set forth in this report, I have formed an opinion of market value of the subject property, with a reasonable degree of appraisal certainty, with respect to the interest identified, according to the program of property utilization which is consistent with the threshold of highest and best use, subject to the *certification, assumptions and hypothetical conditions*, expressed in this appraisal report, as of the effective valuation date identified herein, of:

Opinion of Market Value

\$94,000

Addendum

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Stephen J. Albright, Jr. Curriculum Vitae

Employment

Professional Golf, Tommy Armour and T.C. Jordan Tour (1992-1993)
Marion and St. Johns County School Boards, School Teacher (1993)
Albright & Associates, Ocala, Inc. (1994 to 2002)
Stephen Albright & Associates, Inc. (2002 to present)

Formal Education

University of North Carolina, Chapel Hill, NC; BA, Psychology, 1992

Professional Designations

State-Certified General Real Estate Appraiser, RZ2392
Member, Appraisal Institute, MAI

Professional Organizations/Service

Appraisal Institute, East Florida Chapter (Former Board Member)
Ocala/Marion County Multiple Listing Service

Community Organizations/Service

Ocala/Marion County Chamber of Commerce
First Presbyterian Church of Ocala (Former Elder)
Community College of Central Florida Foundation (Former Board Member)
Silver Springs Rotary Club (Former Board Member)
Ocala Vision 2035 Leadership Group
Mastering the Possibilities (Board of Directors)
First Tee of Greater Ocala (Board of Directors)
Florida State Golf Association (Board of Directors)

Real Estate Appraisal Education (Courses)

Appraisal Principles, Appraisal Institute
Appraisal Procedures, Appraisal Institute
Basic Income Capitalization, Appraisal Institute
Standards of Professional Practice, Part A (USPAP), Appraisal Institute
Standards of Professional Practice, Part B (USPAP), Appraisal Institute
Standards of Professional Practice, Part C (USPAP), Appraisal Institute
General Applications, Appraisal Institute
Florida License, Core Law

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Advanced Income Capitalization, Appraisal Institute
Highest and Best Use & Market Analysis, Appraisal Institute
Advanced Sales Comparison and Cost Approaches
Report Writing and Valuation Analysis
Advanced Applications
Uniform Appraisal Standards for Federal Land Acquisitions
Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets
Condemnation Appraising: Principles & Applications

Real Estate Appraisal Education (Seminars)

Using Your HP12C Financial Calculator (Appraisal Institute)
The Internet and Appraising (Appraisal Institute)
Uniform Standards of Professional Appraisal Practice (Appraisal Institute)
Small Hotel/Motel Valuation (Appraisal Institute)
Analyzing Operating Expenses (Appraisal Institute)
Appraising From Blueprints and Specifications (Appraisal Institute)
Residential Design & Functional Utility (Appraisal Institute)
Appraisal of Nursing Facilities (Appraisal Institute)
Analyzing Distressed Real Estate (Appraisal Institute)
Feasibility, Market Value, Investment Timing: Option Value (Appraisal Institute)

Specialized Services

[Expert Witness]

5th Circuit- Marion County- Judge Swigert (City of Ocala; “Yard Relief Program”; 1997)
5th Circuit- Marion County- Judge Singbush (City of Ocala; “SW 44th Ave Project”; 2000)
5th Circuit- Marion County- Judge Singbush (William Post; 2002)
5th Circuit- Marion County- Judge Singbush (SE/SW 31st St Project; 2005)
5th Circuit- Marion County- Judge Singbush (SW 20th St Project; 2006)
5th Circuit- Marion County- Judge Singbush (Marion County vs Bahia Honda; 2006)
5th Circuit- Marion County- Judge Singbush (NW 44th Ave Project; 2007)
5th Circuit- Marion County- Judge Musleh (Marco Polo vs Peterson, et al; 2007)
5th Circuit- Marion County- Judge Singbush (NW 44th Ave Project Order of Taking; 2007)
5th Circuit- Marion County- Judge Harris (SE 31st St Project Order of Taking; 2009)
5th Circuit- Marion County- Judge Edwards-Stephens (SE 31st St Project Order of Taking; 2009)
5th Circuit- Marion County- Judge Lambert (CR 200A Project Order of Taking; 2009)
5th Circuit- Marion County- Judge King (SW 95th St Project Order of Taking; 2010)
5th Circuit- Marion County- Judge Lambert (SW 42nd St Flyover Project Order of Taking; 2010)
5th Circuit- Marion County- Judge Eddy (Marion Co vs Morgran Center; Fee Hearing; 2012)

ALBRIGHT & ASSOCIATES of Ocala, Inc.

5th Circuit- Marion County- Judge Singbush (NW 35th/49th St Project Order of Taking; 2012)

5th Circuit- Citrus County- Judge Falvey (Community Bank; Deficiency Hearing; 2014)

5th Circuit- Marion County- Judge Tatti (Community Bank; Deficiency Hearing; 2014)

5th Circuit- Marion County- Judge Rogers (Murvin & Altogrey, LLC vs Brown; 2014)

5th Circuit- Lake County- Judge Singeltary (M & S Bank; Deficiency Hearing; 2016)

[Arbitration/Mediation Hearings]

Marion County, Florida Ignatius Ciesla v. Bonded Builders Home Warranty (2006)

[Special Magistrate]

Marion County Value Adjustment Board Hearings (2008-2021)

Citrus County Value Adjustment Board Hearings (2010-2014)

[Speaking Engagements]

International Association of Assessing Officers - Florida Chapter

2015 TPP Seminar - VAB Special Master Panel - Lake Mary, Florida