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Real Estate Appraisers, Consultants & Market Analysts

GIBBONEY
& ASSOCIATES

Appraisal Report

Appraisal of:

**3.81 ACRES
OF VACANT LAND
Ocala, Florida**

Location of Subject Property:

Northwest Corner of NW 27th Avenue and NW 21st Street,
Ocala, Marion County, Florida

Prepared for:

Joe Switt, Real Estate Coordinator
City of Ocala Growth Management Department
201 SE 3rd Street, 2nd Floor
Ocala, Florida 34471

Prepared by:

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Real Estate Appraisers, Consultants & Market Analysts

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& ASSOCIATES

August 23, 2023

Joe Switt, Real Estate Coordinator
City of Ocala Growth Management Department
201 SE 3rd Street, 2nd Floor
Ocala, Florida 34471

Re: 3.81 Acres (166,031 SF) of Vacant Land; Northwest Corner of NW 27th Avenue and NW 21st Street, Ocala, Marion County, Florida

Dear Mr. Switt:

As requested, we have prepared an appraisal report for the subject property that is identified as approximately 3.81 acres, or 166,031 SF, of vacant land located at the northwest corner of the intersection of NW 27th Avenue and NW 21st Street in Ocala, Marion County, Florida. It is further identified as a portion of Parcel No. 21492-000-00, which includes the 14.57-acre Friends Recycling facility.

This appraisal report includes summarized studies of relevant factual data necessary to arrive at the market value estimate of the fee simple interest of the subject property, as of the effective date of valuation indicated herein. The following report provides the legal description and summarized descriptions of the subject's market area (region and neighborhood), site, and any improvements, as well as all market analyses required for the conclusion of market value.

The subject property was most recently inspected and photographed on August 15, 2023, which corresponds with the effective date of valuation. The purpose of the inspection was to study the physical characteristics of the subject property and its interrelationship with surrounding economic influences. As well, attention has been given to other factors that may impact the market value of the subject property within its region and neighborhood.

This appraisal report and its contents were prepared according to appraisal standards and reporting guidelines provided by the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation, and the Appraisal Institute. The client is the City of Ocala. The intended use of this appraisal is to determine market value for internal decision-making purposes. The intended user of the appraisal is the City of Ocala. We have not provided any services regarding the subject property within the prior three years, as appraisers or in any other capacity.

The conclusion of market value is not subject to any additional extraordinary assumptions or hypothetical conditions except as stated within the Assumptions and Limiting Conditions section of this appraisal report.

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Joe Switt, Real Estate Coordinator
City of Ocala Growth Management Department
August 23, 2023
Page Three

Based upon the market analyses presented within this appraisal report, as well as our investigations and studies, it is our opinion that the market value estimate of the fee simple interest of the subject property, as of August 15, 2023, was:

ESTIMATE OF MARKET VALUE
As Is, As of August 15, 2023

\$460,000

The following report presents all of the relevant factual data that resulted in the estimate of market value for the subject property.

Respectfully submitted,

Gibboney & Associates



Nathan R. Gibboney, MAI
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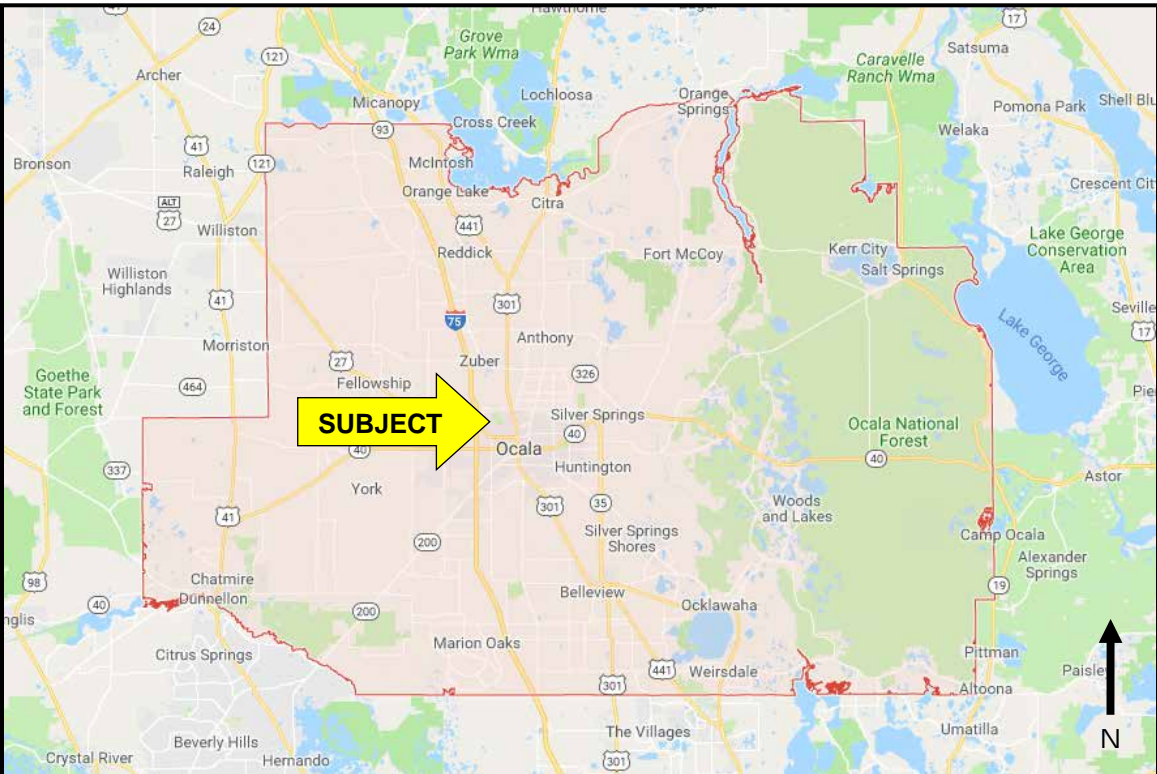
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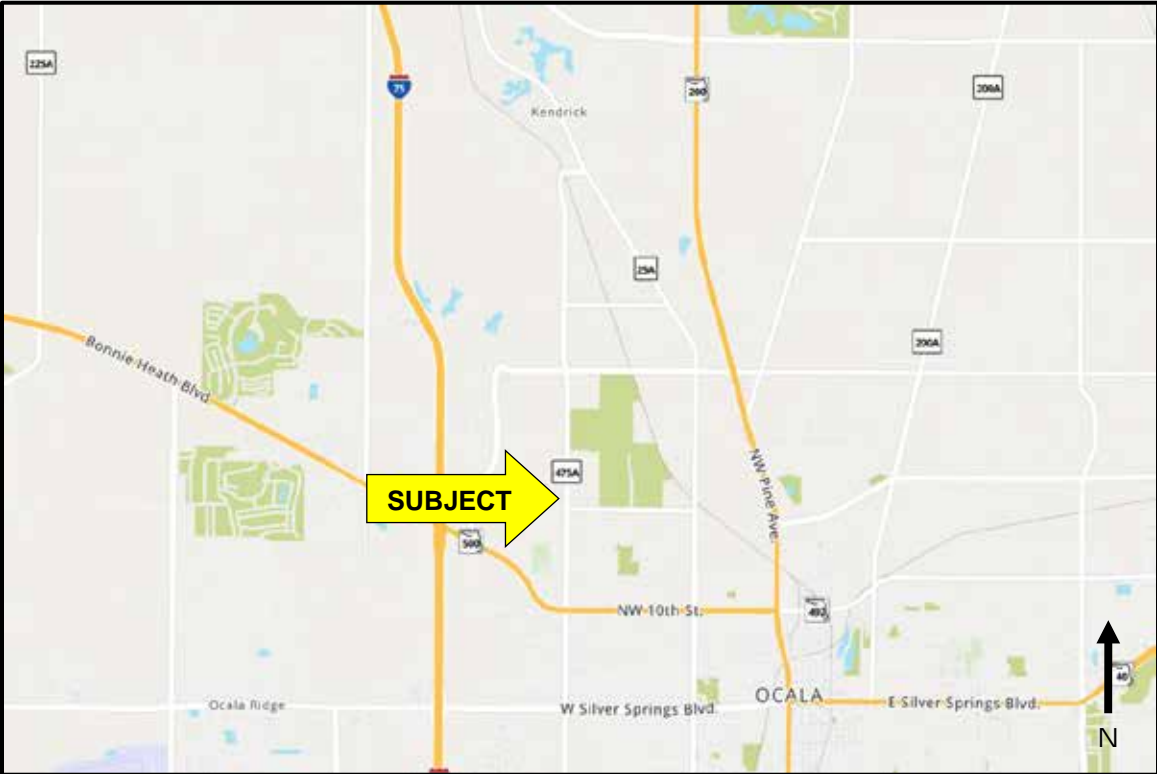
REGIONAL MAP



COUNTY MAP



NEIGHBORHOOD MAP



AERIAL MAP



PHOTOGRAPHS

Date Taken: August 15, 2023



View of the subject site from near the intersection of NW 27th Avenue and NW 21st Street facing northwest.



View of the subject property from near the southwest corner of the site facing northeast.

PHOTOGRAPHS



View of the subject property from near the northeast corner of the site facing southwest.



View of the subject site from near the northwest corner of the property facing southeast.
Note the 30'-wide easement for underground natural gas lines.

PHOTOGRAPHS



View of NW 27th Avenue facing north. The subject is to the left of the photo.



View of NW 27th Avenue facing south. The subject is to the right of the photo.

PHOTOGRAPHS



View of NW 21st Street facing east. The subject is to the left of the photo.



View of NW 21st Street facing west. The subject is to the right of the photo.

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Intended Use of Appraisal

Determine market value for internal decision-making purposes

Intended User

City of Ocala

Property Rights Appraised

Fee simple interest

Appraisal Dates

Date of Inspection: August 15, 2023

Effective Date of Value: August 15, 2023

Date of Report: August 23, 2023

Identification of the Property

3.81 acres (166,031 SF) of vacant land located at the northwest corner of the intersection of NW 27th Avenue and NW 21st Street in Ocala, Marion County, Florida

Site Data

Size: 166,031 SF; 3.81 AC

Zoning: M-2, Medium Industrial

Future Land Use: Medium Intensity/Special District

Characteristics: Rectangular site; grassy characteristics with moderate to heavy tree cover; fairly level elevations with a gradual downward slope to the east; corner lot configuration with paved road frontage along NW 27th Avenue and NW 21st Street; situated level with both road grades; 30'-wide easement for underground natural gas lines that extends in a northwest/southeast direction across the property

Flood Zone: Zone X (FEMA Panel No. 12083C 0508 E; dated April 19, 2017)

Improvements: None

Highest and Best Use

Industrial development

Approach to Value

<u>Sales Comparison Approach</u>	\$460,000
3.81 AC @ \$120,000/AC, rounded	

Market Value Estimate

<u>ESTIMATE OF MARKET VALUE</u>	<u>\$460,000</u>
As Is, As of August 15, 2023	

SCOPE OF WORK

All appraisals begin by identifying the appraisal problem. Data concerning the subject property is determined from various sources including, but not limited to, the property owner, various governmental agencies, surveys and building plans, and engineering studies/reports. When possible, more than one source is utilized to confirm data, and within the report the source is identified. Should plans or a building sketch be available, the measurements are confirmed for accuracy. Land size is based on surveys, public records, and/or recorded plats. Descriptions of improvements are based on visual inspection and/or plans. The age of the improvements is based on public records or discussions with knowledgeable parties.

For each assignment, all approaches to value are considered. These include the Cost Approach, Sales Comparison Approach, and Income Approach. However, depending on the property being appraised not all approaches are applicable. Comparable sales and rentals are inspected by the appraisers and the sale prices and lease information are confirmed with a party to the transaction (buyer, seller, real estate Broker, or closing attorney) or through public records. Research of comparable sales and rentals include, but are not limited to, data sources such as Multiple Listing Service, Marion County Property Appraiser, CoStar, Loopnet, local Brokers, Realtors, and property managers, as well as peers within the real estate appraisal profession.

The scope of work for this appraisal assignment includes physical inspection of the subject property and the surrounding influences of the region and neighborhood. The highest and best use of the subject property, as vacant, must then be determined acknowledging legal permissibility, physical possibility, financial feasibility, and maximum productivity. Next, the market must be researched for comparable land sales for comparison to the subject. As a result, the market identified for analysis purposes and ultimate conclusion of value herein included the current and competitive open market using vacant industrial land sales similarly influenced as the subject property. The data is then analyzed as it relates to the subject property and an estimate of market value of the fee simple interest is concluded, as of the effective date of valuation, from the range of value indicators. Finally, an appraisal report is prepared that summarizes the analyses and conclusions of the appraisers.

Because the subject property is comprised of vacant land, only the Sales Comparison Approach to value will be included in this report.

The value conclusion presented herein excludes the value of personal property including furnishings, fixtures, and equipment (F, F & E), as well as business inventory. As well, the valuation process excludes goodwill of the business, intangible, and/or going concern value. The conclusion of value is limited strictly to real estate; that is, land and any improvements that are identified within this report.

The scope of work for this assignment has been described above and is considered acceptable for this appraisal assignment. The analyses, opinions, and conclusions of this

appraisal report have been prepared in accordance with accepted appraisal practices and procedures provided by USPAP, FIRREA, and the Appraisal Institute.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the fee simple interest of the subject property identified herein, as of the effective date of valuation.

INTENDED USE OF APPRAISAL AND INTENDED USER

The intended use of this appraisal is to determine market value for internal decision-making purposes. The intended user of the appraisal is the City of Ocala. We have not provided any services regarding the subject property within the prior three years, as appraisers or in any other capacity.

PROPERTY RIGHTS APPRAISED

The value conclusion presented herein acknowledges the fee simple interest of the subject property.

Fee Simple Interest

Fee simple interest is defined as absolute ownership unencumbered by any other interest or estate. A person who owns all of the property rights is said to have fee simple title, subject only to the limitations of eminent domain, escheat, police power, and taxation.

APPRAISAL DATES

The effective dates of this appraisal are as follows.

Date of Inspection:	August 15, 2023
Effective Date of Value:	August 15, 2023
Date of Report:	August 23, 2023

DEFINITION OF VALUE

The following definition was compiled from the *Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]* and *The Dictionary of Real Estate Appraisal, Sixth Edition*, published by the Appraisal Institute.

Market Value

Market value is defined as the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and 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 United States dollars or in terms of financial arrangements comparable thereto; and,
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

IDENTIFICATION OF THE PROPERTY

The subject property is identified as approximately 3.81 acres, or 166,031 SF, of vacant land located at the northwest corner of the intersection of NW 27th Avenue and NW 21st Street in Ocala, Marion County, Florida. It is further identified as a portion of Parcel No. 21492-000-00, which includes the 14.57-acre Friends Recycling facility.

LEGAL DESCRIPTION

The complete legal description of the subject property is located in the Addenda of this report.

PROPERTY OWNERSHIP

As of the effective date of valuation, fee simple ownership of the subject property is identified as:

Friends Recycling, LLC
2350 NW 27th Avenue
Ocala, Florida 34475

HISTORY OF THE PROPERTY

Sales History

The subject property has been in its present ownership for at least the past three years. As well, the subject is not currently listed for sale.

Rental Data

No lease information was provided to the appraisers.

TAXES AND ASSESSMENTS

The subject property is included in the 2023 Marion County Property Assessment Roll within Parcel No. 21492-000-00, which represents the 14.57-acre Friends Recycling facility. The total just value in 2022 was \$1,178,212 divided between \$316,500 for the land and \$861,712 for the buildings and miscellaneous improvements. According to information provided by the Marion County Tax Collector's Office, real estate taxes have been paid for 2022 and there are no past due taxes from previous years

For purposes of this report, it is appropriate to conclude the real estate taxes and assessments for the subject parcel. The estimated combined tax liability and assessments for the subject will be about \$3,320 (166,031 SF x \$.02/SF, rounded). This is supported by the current combined tax liability and assessments for the comparable properties presented in the Sales Comparison Approach section of this report that were each \$.02/SF.

ZONING AND LAND USE PLANS

According to the City of Ocala Land Development Regulations and Comprehensive Plan, the subject property includes the following classifications.

Zoning

M-2, Medium Industrial

The Medium Industrial zoning classification is intended primarily for the wholesale distribution, warehouse storage, outdoor storage and sales, research and development and light manufacturing of finished or semi-finished products in multiple-use facilities or structures. Outdoor manufacturing activities associated with permitted uses may be allowed in the M-2 district as a special exception. Service establishments serving the industrial uses or district are also permitted.

Lot and building standards include a maximum building height of 60 feet, minimum lot width of 100 feet, and minimum lot size of 20,000 SF. There are no minimum building setbacks.

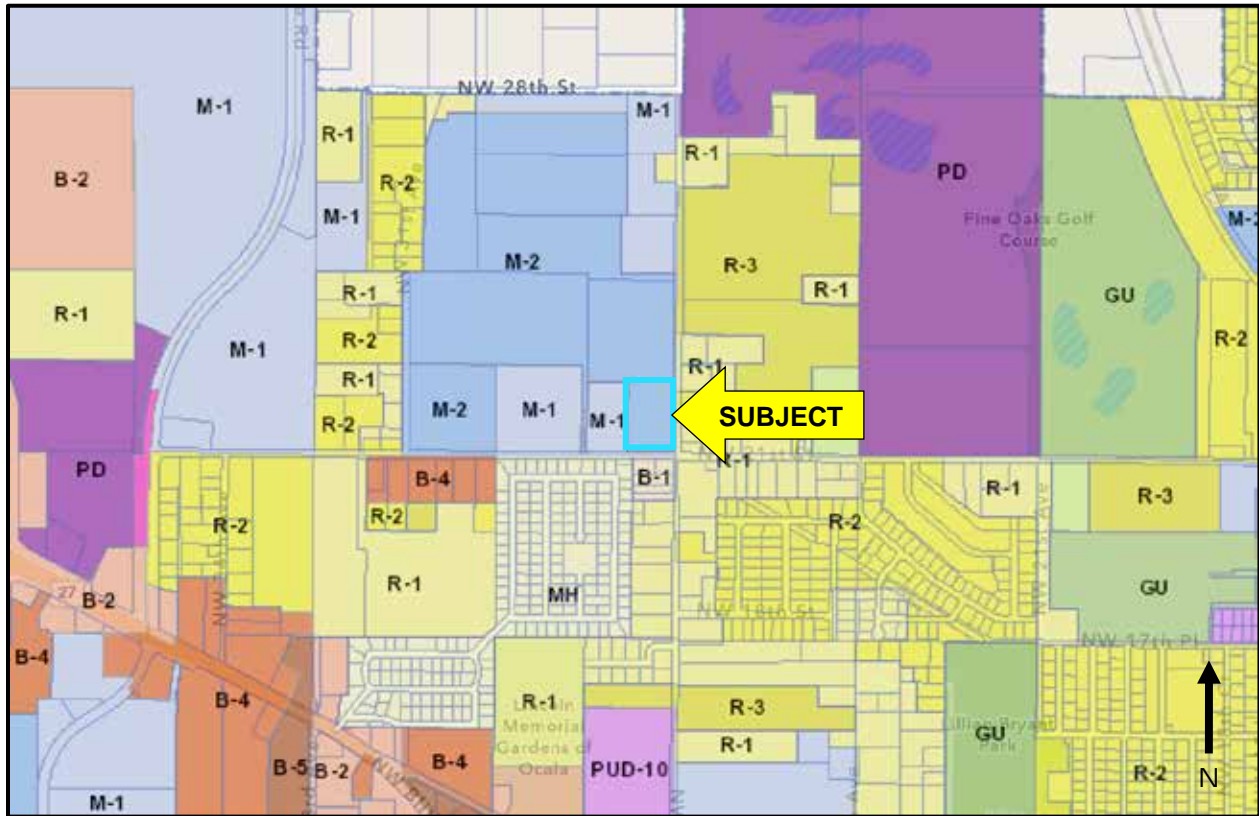
Future Land Use

According to the City of Ocala Comprehensive Plan, the subject property is located within the **Medium Intensity/Special District** future land use classification. The intent of this category is to identify neighborhood- and community-serving activity centers, generally represented as "Medium Low" or "Medium High" on the Ocala 2035 Vision. The Medium Intensity/Special District category encourages developments with two or more uses. Permitted uses include residential, office, commercial, public, recreation, institutional, light industrial, and educational facilities. This future land use category is characterized by buildings that are one to four stories in height. The use of Best Practices Design Guidelines is required in this land use category, with the form of buildings and development regulated by the Form-Based Code. Buildings are to have moderate build-to-lines from the street and public right-of-way. Parking may occur on-street or in the moderate build-to-line of buildings, though rear and side yard parking is encouraged. Shade for pedestrians should be provided through landscaping and/or building design. Open space should consist of large neighborhood and community parks. To promote a walkable urban form, the minimum density allowed is five units per gross acre. The maximum density (before incentives) is 30 units per gross acre. The Medium Intensity/Special District category encourages a typical floor area ratio (FAR) range of .15

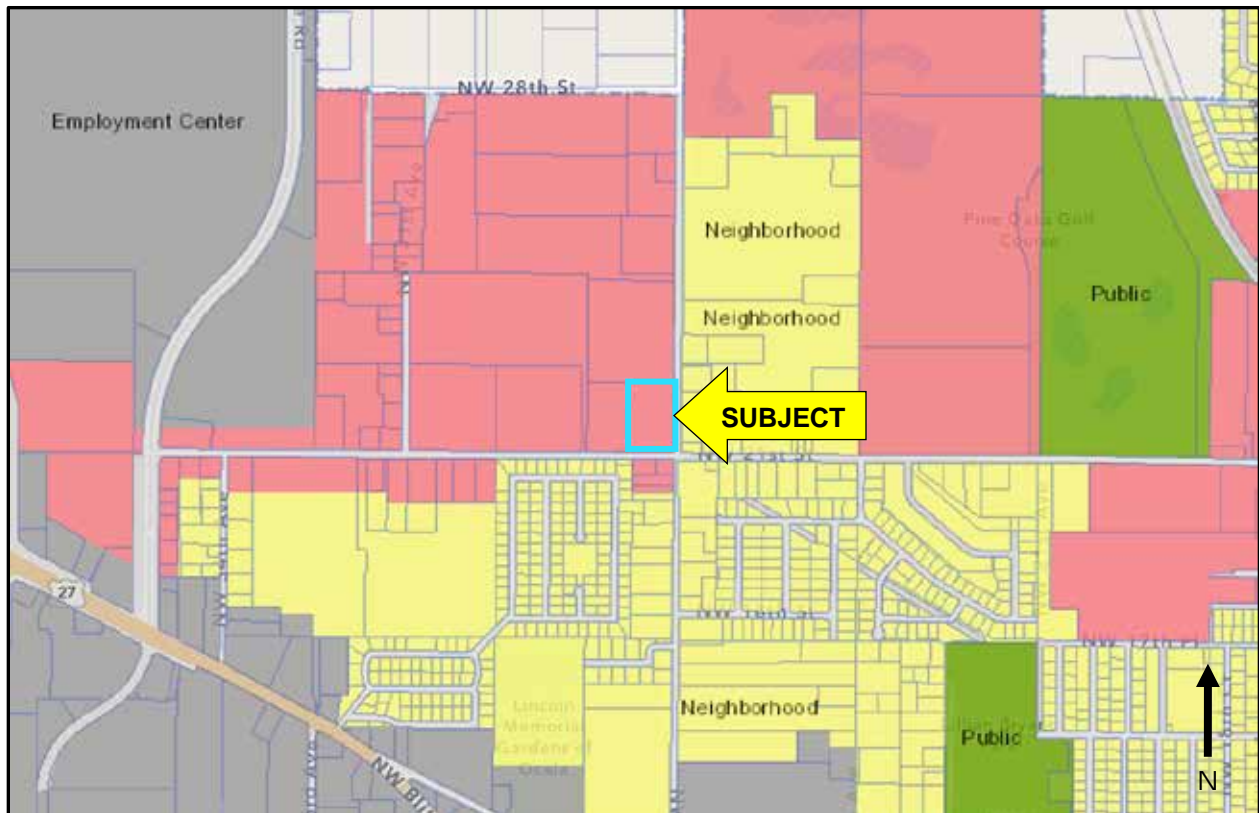
to 4.0. Increased density and intensity incentives may be approved for inclusion of workforce housing, green building and sustainable design standards, setting aside right-of-way for trails, employment-generating uses, exemplary urban design, or other benefits to the City as specified in the Land Development Code. The location and application of incentives are set forth in the Land Development Code.

Based on the current zoning and future land use classifications, the conclusion of highest and best use for some form of industrial development is permissible.

ZONING MAP



FUTURE LAND USE MAP



SITE DESCRIPTION AND ANALYSIS

According to a boundary survey prepared by Rogers Engineering, LLC (Job No. 23_Friends Recycling), the subject property includes approximately 166,031 SF, or 3.81 acres. It represents a portion of a 14.57-acre parcel (Parcel No. 21492-000-00) located at the northwest corner of the intersection of NW 27th Avenue and NW 21st Street. The subject is located in the southeast portion of this parcel. The rectangular site includes grassy characteristics with moderate to heavy tree cover, fairly level elevations, and a gradual downward slope to the east. It has a corner lot configuration with paved road frontage along NW 27th Avenue and NW 21st Street. The property is situated level with both road grades.

A 30'-wide easement for underground natural gas lines extends in a northwest/southeast direction through the subject site, which is visible on the aerial map on the following page. The boundary survey indicates it is recorded in Deed Book 369, Page 350 of the public records of Marion County, Florida. Although the location of the underground easement bisects the subject site in a northwest/southeast manner, there is ample space to the north and south of the aforementioned easement for buildings, site improvements, and greenspace. In addition, the easement area could include certain site improvements such as asphalt paving for on-site parking areas. Therefore, it does not significantly impact the utility of the subject property.

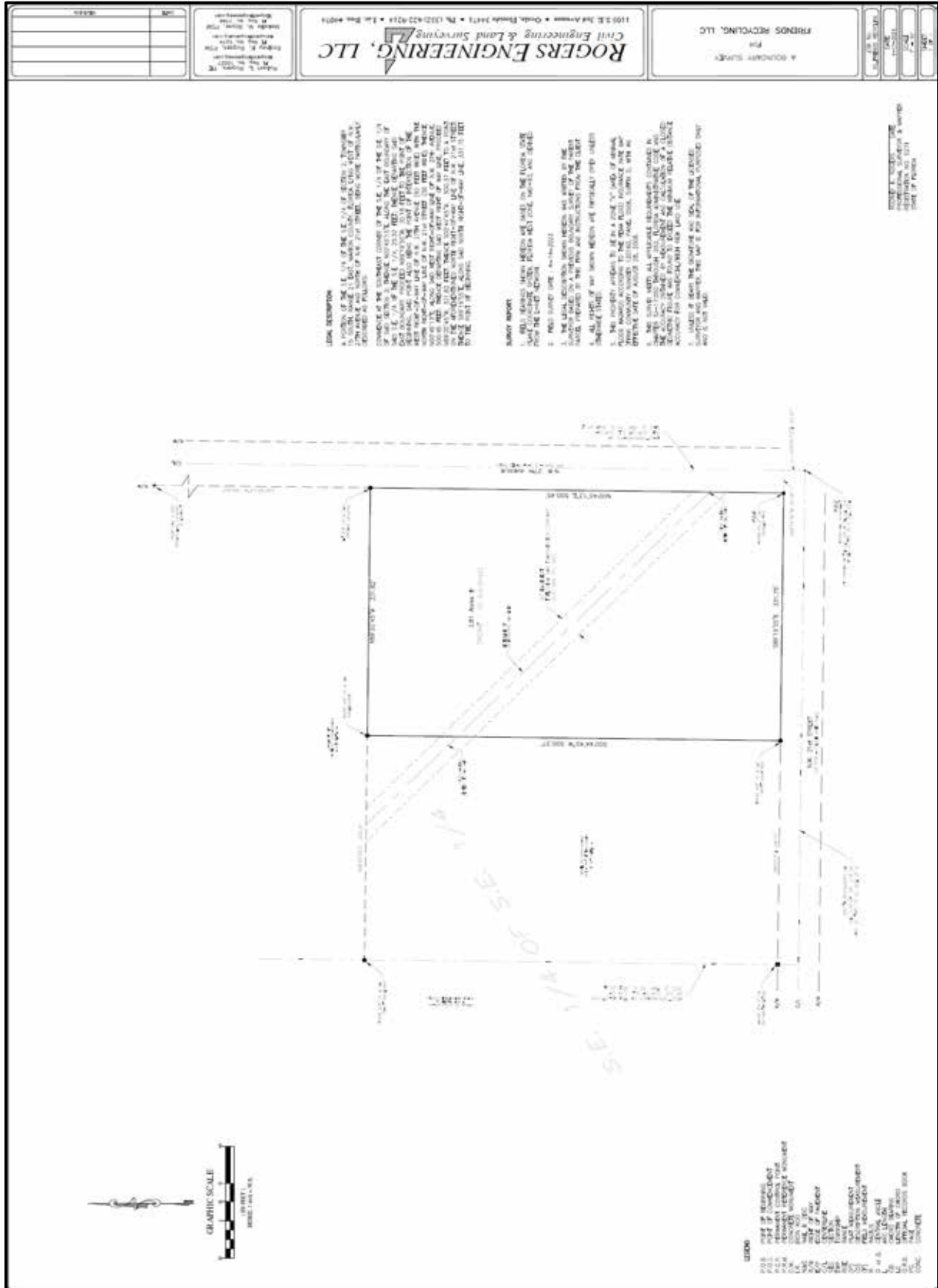
Adjacent uses include Friends Recycling to the north, Family Vision Unisex Beauty Salon and a single-family residence to the south, single-family residence to the east, and Access Storage to the west. NW 27th Avenue and NW 21st Street are two-lane paved connectors with overhead electric service, streetlights, and drainage swales. Based on information provided by the Florida Department of Transportation (FDOT), the annual average daily traffic (AADT) for NW 27th Avenue in 2022 ranged from a total of 5,500 trips (US Highway 27 to NW 21st Street) to 5,700 trips (NW 21st Street to NW 35th Street). There is no trip data for NW 21st Street.

Water, sewer, and electric services are provided to the subject site by the City of Ocala. According to FEMA Flood Insurance Rate Map Panel No. 12083C 0508 E, dated April 19, 2017, the property is situated in Zone X, an area determined to be outside the 0.2% annual chance flood plain.

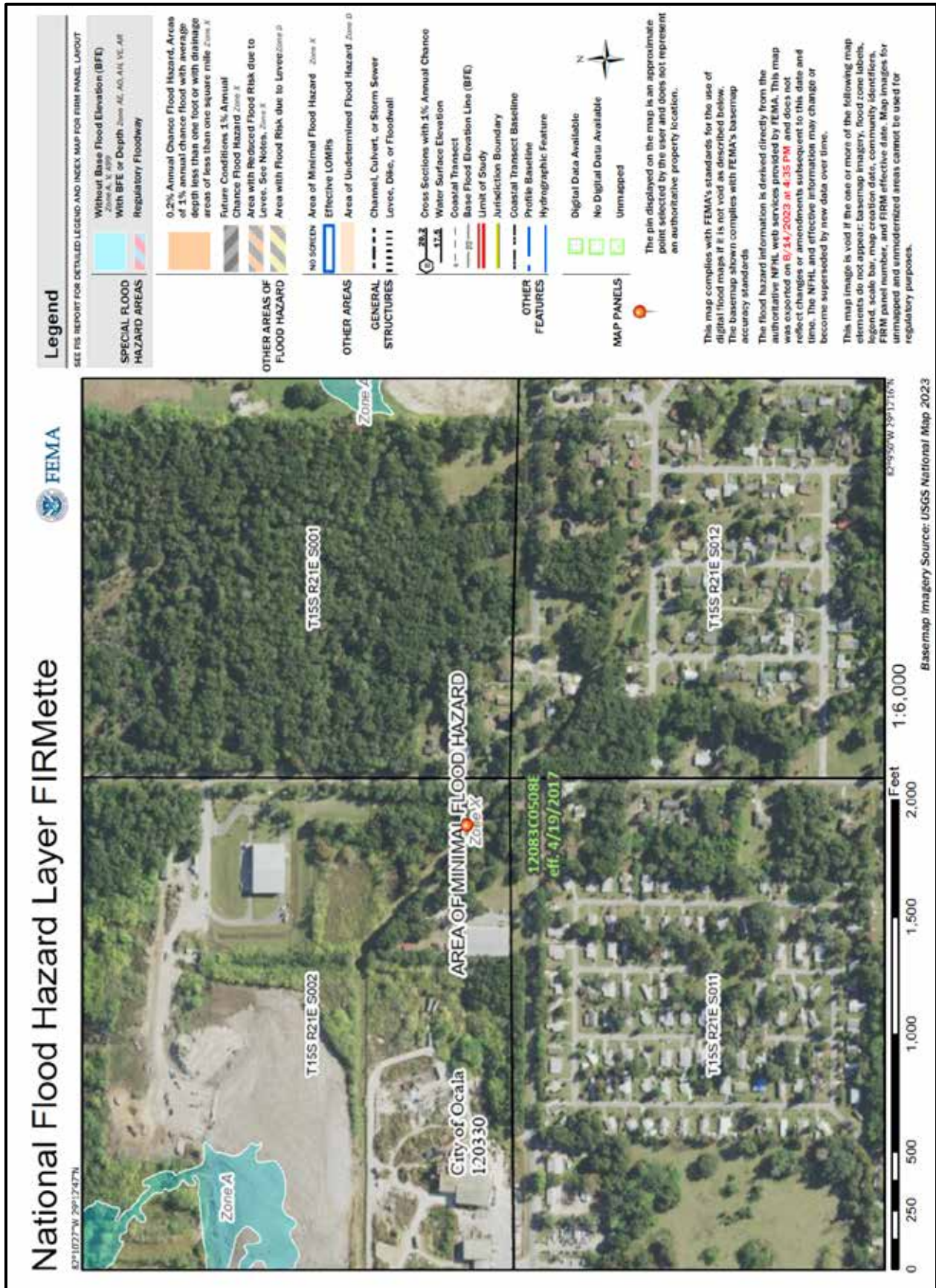
AERIAL MAP



BOUNDARY SURVEY



FLOOD INSURANCE RATE MAP



MARKET ANALYSIS

As was previously discussed, the subject property is identified as approximately 3.81 acres, or 166,031 SF, of vacant land located at the northwest corner of the intersection of NW 27th Avenue and NW 21st Street in Ocala, Marion County, Florida. It is further identified as a portion of Parcel No. 21492-000-00, which includes the 14.57-acre Friends Recycling facility. Please refer to the Site Description and Analysis section of this report for descriptions of the subject site and any existing improvements.

Based on our comparison of the subject with other vacant sites in the market area that include industrial development potential, the physical characteristics are typical of similar properties. As mentioned earlier, although the subject includes a 30'-wide easement for underground natural gas lines that extends in a northwest/southeast direction through the property, there is ample space to the north and south of the easement for buildings, site improvements, and greenspace. Additionally, the easement area could include asphalt paving for on-site parking areas. Therefore, it does not significantly impact the utility of the subject property.

The rectangular site includes grassy characteristics with moderate to heavy tree cover, fairly level elevations, and a gradual downward slope to the east. It has a corner lot configuration with paved road frontage along NW 27th Avenue and NW 21st Street and is situated level with both road grades. According to our analysis of other vacant industrial parcels, the physical characteristics of the subject property are typical of similar properties. As a result, this analysis indicates the subject is comparable to other vacant properties with industrial development potential.

As previously discussed in the Zoning and Land Use Plans section of this report, the subject is zoned M-2, Medium Industrial with a Medium Intensity/Special District future land use classification. A review of the City of Ocala Future Land Use Maps shows the subject's location in relationship with surrounding land uses. The zoning and future land use patterns are consistent with planning policies, and adjacent land uses in the area are complementary. Please refer to the Zoning and Land Use Plans section for more detailed discussion of the public regulations governing the subject property.

A review of the City of Ocala Future Land Use Map shows the subject's location in relationship with surrounding land uses. The zoning and future land use patterns are consistent with planning policies, and adjacent land uses in the area are complementary. As well, our physical inspection of the neighborhood indicated this area is largely comprised of light industrial and older residential properties along NW 27th Avenue and NW 21st Street with additional residential uses removed therefrom. No hazardous conditions were noted on the subject site and there are no probable zoning or future land use amendments. That being said, the subject property is located adjacent to the Friends Recycling facility.

The general neighborhood that has the greatest impact upon the highest and best use of the subject property is described as the land area lying east of I-75, south of SR 326, north of

SR 40, and west of US Highway 301/441 in northwest Ocala. Much of the neighborhood is zoned industrial and is utilized for a variety of industrial purposes. Although industrial utilization is the most predominant use found in the subject neighborhood, other land uses also exist. This is evidenced by residential uses that are scattered throughout the neighborhood, but away from the major thoroughfares. Other significant land uses include commercial properties situated along NW 27th Avenue, SR 40, US Highway 27, and SR 326. These uses are most prevalent at the SR 40, US Highway 27, and SR 326 interchanges with I-75.

According to information provided by CoStar, the 2023 population estimate within five miles of the subject property was 81,342 persons, which represents a 13.75% increase over 2010 levels. This is expected to increase to 86,185 persons in 2027. The average household size is 2.30 persons and 57.82% of the homes are owner-occupied. The median age within a five-mile radius of the subject is 40.70 years and the unemployment rate of 2.06% is below the Ocala/Marion County and State averages of 3.7% and 2.6%, respectively (United States Department of Labor, Bureau of Labor Statistics, June 2023). The average household income in the area is \$60,838 and the median household income is \$41,710. The median home value within five miles of the subject property is \$148,032 and the median year built is 1985. Lastly, a slight majority of the homes in the immediate area (34.36%) are valued below \$100,000, while 32.56% of the homes are valued between \$100,000 and \$200,000.

The industrial complexion of the subject neighborhood is due primarily to the proximity of the three I-75 interchanges of west Ocala. The north portion of the subject neighborhood accesses I-75 via US Highway 27, while the central portion utilizes the SR 40 interchange. Likewise, the south portion accesses I-75 via SR 200. In addition to favorable distribution routes available to the subject neighborhood, other amenities include rail access, a full complement of City utilities, and the Ocala International Airport.

The Florida Department of Transportation (FDOT) also plans to construct a new Diverging Diamond Interchange (DDI) in the area of I-75 and NW 49th Street. This interchange will improve interstate and regional mobility within Marion County, accommodate future traffic growth, and provide relief to existing surrounding interchanges. The DDI design was chosen because it has proven to enhance efficiency and increase safety by eliminating left turns across oncoming traffic. Construction of the interchange is funded for 2025 and the total costs including design, right-of-way-acquisition, and construction are \$100,500,000. This interchange will be located approximately two miles north of the subject and construction is expected to commence in 2024/2025.

Ocala's best known and most historically successful industrial park (Ocala Industrial Park) is located between US Highway 27/301/441 and SR 200. The Ocala Industrial Park was developed in the 1960's and was a re-plat of the Jim Taylor Airport, which was the only airport facility in Ocala at that time. When the Ocala Industrial Park was developed, the subject neighborhood was considered rural and removed from the commercial and residential districts of Ocala, and therefore, appeared to be a good location for industrial development. The interior of the Ocala Industrial Park is almost exclusively improved

with industrial facilities, which demonstrates the historical popularity of the park for industrial use.

The other industrial parks east of I-75 are generally situated along and just removed from the road frontage of NW 27th Avenue. These subdivisions include Shady Road Industrial Park, Going's Corner, Galloway and Sands Industrial Subdivision, Bryan's (Bison) Industrial Park, Central Park, and South Forty Industrial Park. This area includes the Hale Products-Class 1, Cheney Brothers, Outlaw Snax, and Raney's Truck Parts manufacturing and distribution facilities.

A site commonly known as the Magna property is located in the northeast quadrant of the I-75/US Highway 27 interchange. City and County officials believe the Magna property could add more than 9,000 new jobs to the community over the next two decades. It includes about 490 acres owned by Ocala 489, LLC that fronts northbound I-75 at US Highway 27 and another 244 surrounding acres that could be consolidated for a mixed-use commerce park. The project included the widening of NW 35th Street to four lanes from NW 27th Avenue to SR 40 and the extension of a road from the junction of NW 27th Avenue and NW 35th Street west and south to US Highway 27 just east of I-75. It will eventually connect to a proposed interchange near NW 49th Street that was previously discussed. This will include the extension of NW 49th Street from NW 44th Avenue to NW 35th Avenue. The development includes the 383,161 SF FedEx Ground package distribution hub, a 444,000 SF AutoZone distribution hub that serves 290 stores throughout Florida and Puerto Rico, a 600,000 SF distribution facility for Chewy.com, and the 617,046 SF Florida Crossroads Logistics Center (Amazon). A 27.85-acre parcel was acquired by Peak Development in 2021 and was subsequently developed with a 350,895 SF warehouse known as the Peak Ocala Logistics Center.

Another parcel situated along the east side of NW 44th Avenue with frontage along I-75 was purchased in early 2021 and was subsequently developed with a 1,085,330 SF distribution facility. The building is identified as the Florida Crossroads Logistics Center Building 2 and includes a clear height of 42 feet, 212 dock-height exterior doors, and four drive-in bays. The property comprises approximately 89.70 acres and is located north of US Highway 27 and west of the Ocala 489 Commerce Park.

Other industrial properties located proximate to the subject include Capris Furniture, Counts Construction, Friends Recycling, Carl Johnson Towing, Groeb Motors, Paintworx, Sallee Horse Vans, Hall-Mark Fire Apparatus, Kaishan Technologies, Southern Marble, Ray's Construction of Ocala, D & S Pallet Recycle, Steve Allen Construction-Tallen Builders, Marcum Construction, All American Cabinetry, Contemporary Interiors, A & A Trucking and Excavating, D & D Asphalt, and Ocala Recycling. The majority of these properties are situated along NW 27th Avenue and NW 35th Street. It should be noted these properties are predominately owner-occupied and limited comparable rental data was available for the immediate neighborhood.

Primary factors of influence within the neighborhood include commercial and light industrial uses that service the surrounding residential base, as well as its proximity to I-75

and downtown Ocala. The proximity to I-75 allows for easy transportation access for distribution purposes as evidenced by the numerous industrial parks located near the interchanges. As well, the eastern boundary is located along US Highway 301/441, a major north/south artery in Ocala that provides excellent visibility and exposure for retail commercial uses (used car dealerships, fast food restaurants, branch banks, service stations, and convenience stores).

Commercial uses in the subject neighborhood are generally situated along US Highway 27 and SR 40. The properties include restaurants, auto sales and service centers, office buildings, retail properties, and convenience stores with fuel sales. The neighborhood also includes several mobile home dealerships situated along US Highway 27 to the west of NW 27th Avenue. In addition, NW 30th Avenue, which is situated east of the Marion County Criminal Justice Complex, includes numerous office buildings that are primarily operated by bail bondsmen.

The area to the west of I-75 has historically been used for agricultural purposes. However, with the westward expansion of Ocala, industrial development has emerged primarily due to the proximity of the Ocala International Airport. The industrial subdivisions west of I-75 include Meadowbrook Commerce Park, Runway Industrial Plaza, E-1 Subdivision, Ocala International Commerce Park, Ocala Airport Commerce Center, Airport Industrial Park, Jo-Mar Airport Industrial Center, and several industrial properties along SR 40, SW 60th Avenue, SW 38th Avenue, and SW 38th Street. These subdivisions generally include lots ranging in size from one to 10 acres. In addition, the Ocala Business Park at Ocala International Airport is located approximately $2\frac{3}{4}$ miles west of I-75 and includes over 600 acres divided between 121 acres of mixed-use commercial land, 444 acres of distribution-industrial land, and 113 acres of flexible space that could be used for expansion of aviation operations or for aviation-dependent businesses.

The presence of the Ocala International Airport to the south of SR 40 is a strong center for commercial and industrial activity along SR 40 and SW 60th Avenue (CR 225-A/Airport Road), offering jobs and supporting growth throughout the neighborhood. The facility includes a crosswind runway that extends 3,000 feet, a main runway that measures 6,900 feet, an all-weather instrument landing approach, and FAA Part 139 Certification. Commercial uses are located primarily along the major thoroughfares that include SR 40 and SW 60th Avenue, which are situated adjacent to the Ocala International Airport. They include freestanding and multi-tenant retail centers, convenience stores, restaurants, professional and medical offices, automotive-related operations, and other businesses targeted to the rural concerns of the area.

Information provided by CoStar indicated the industrial market in Ocala/Marion County currently consists of 30,059,685 SF of space. As of the end of the second quarter of 2023, the past 12 months included -114,982 SF of absorbed space with 638,993 SF currently under construction. The overall vacancy rate is 14.03%, which is up from 3.72% a year ago, and the current average asking rental rate across the Ocala/Marion County market has increased to \$7.46/SF, gross, annual. This represents an 10% increase over the prior 12 months. Furthermore, asking rental rates are projected to increase gradually over the next

five years. Although investment activity in the Ocala/Marion County industrial market has generally increased since 2018, the sales volume has decreased over the past four quarters. In addition, the average sale price has increased to approximately \$75/SF and the average overall capitalization rate is 7.49%.

This is supported by discussions with Sandon Wiechens, CCIM, SIOR, Broker and President of Wiechens Realty, Van Akin, CCIM, SIOR, Broker with Foxfire Realty, and Nolan Galloway, MRE, SIOR, Broker with Gus Galloway Realty. All three market participants are very reputable and known for their expertise of commercial and light industrial property in the area. The market participants interviewed also indicated vacant properties generally spend no more than six months on the market if they are listed at market levels. In addition, the average rental rate in the market is increasing after an extended period of decline and lengthy absorption periods. Regarding the subject property, Mr. Akin and Mr. Galloway believed the 30'-wide easement for underground natural gas lines have minimal impact on value. Both have dealt with similar properties in the area and reiterated that site plans could incorporate the easement, which would allow site improvements to infringe on said easement with buildings on either side. However, the ability to build one large building would prove to be more difficult.

Although end-users represent the majority of buyers, there have also been a number of purchases for investment purposes and there are investors searching for attractive opportunities. The limited number of available properties has resulted in higher land prices and increased values and shorter marketing periods for existing properties. All three believed as the sale prices and rental rates for comparable commercial and light industrial space increases and vacancy levels remain low, the costs to acquire land and develop new facilities are likely to become feasible and construction in the near future is expected to increase.

The residential properties are scattered throughout and include a mixture of single- and multi-family uses. These properties are generally older and of fair to average quality. The most recent development in the residential sector of the subject neighborhood is West Oak, which is situated on the site of the former Pine Oaks golf course, approximately ¼ mile east of the subject. The property comprises more than 217 acres that is planned to be developed with more than 1,000 residential units including single-family residences and multi-family units. The project will be divided into four phases with development through 2027. The first phase will include renovation of the existing clubhouse into a fitness center and swimming pool. Currently, Aurora St. Leon Apartments is under construction at the northwest corner of NW 21st Street and NW 21st Avenue. It is a 272-unit complex that will include one-, two-, and three-bedroom units, as well as a bark park, pet spa, game lawn, fitness center, and pool. Although it is proposed for completion by April 2024, some of the units are finished and available for occupancy.

As well, the governmental facilities in the area include the Mary Sue Rich Community Center, Ocala Wetland Recharge Park, Howard Middle School, Madison Street Elementary School, and the Marion County Jail. Other governmental properties in the neighborhood include the State of Florida Department of Transportation facility, and the Marion Regional

Juvenile Detention Center. It should be noted the presence of the Marion County Criminal Justice Complex and the Marion Regional Juvenile Detention Center could be perceived as having a negative influence on the neighborhood with respect to marketing. That being said, NW 10th Street is currently improved with a mixture of commercial and industrial uses including Chariot Eagle, Waste Pro, Stone & Surface Designers, and Windstream Utilities.

That being said, the United States of America continues to recover from a national health pandemic caused by COVID-19 (coronavirus). In the short-term, financial markets and the global economy experienced significant volatility and turmoil. The Federal Reserve responded to the pandemic with significant reductions to interest rates in an effort to offset market uncertainty. In an effort to avoid face-to-face contact, banks initially reduced access to their lobbies. These policies were relaxed and increased transaction volumes were the result. However, interest rates have since increased significantly to levels not seen since the early 2000's and lending has decreased to some degree.

With respect to Florida, the number of new cases peaked in July 2020 and then decreased throughout August 2020 to the middle of October 2020. The number of cases peaked again in January 2021, then in mid-August 2021, and most recently in January 2022. With the emergence of new variants and subvariants, cases have occasionally trended upward, typically in the winter months and late summer while the number of deaths has remained low. Although intermittent spikes may occur in the future, there is optimism any market disruptions could be short-term. Vaccines have largely been delivered to healthcare personnel and long-term care facility residents and are widely available to the general public. In addition, recent studies indicate natural immunity generated from an infection was found to be at least as high, if not higher, than that provided by the vaccines. Our analysis relies on the best available market data and the assumption the market will continue to stabilize and revert to prior conditions as the public health risk remains contained.

In conclusion, this neighborhood includes a mixture of commercial, light industrial, and residential properties. As a result, the subject neighborhood reflects an accepted industrial area of Ocala. This area has proven to be successful with these types of properties and it is these uses that impact the highest and best use of the subject to the greatest extent. Marketing activity in this portion of Ocala has been fairly stable due to the mature age of the developments and properties located therein. Outside of the Ocala 489 project, the subject neighborhood has experienced limited industrial development over the years with the majority of newer construction proximate to the Ocala International Airport. That being said, the neighborhood is appropriately located near I-75 and continues to be an accepted area for industrial use. The area also includes ample infrastructure and a large residential base that provide the foundation for development in the future. In addition, the widening of NW 35th Street, as well as the proposed construction of a new I-75 interchange at NW 49th Street and the construction of the West Oak development, should further enhance the marketability of the neighborhood, the immediate area, and the subject property.

HIGHEST AND BEST USE ANALYSIS

The basis of an appropriate conclusion of final value is the identification of the most profitable and competitive use to which a property can be put. This is accomplished through an analysis of the property's highest and best use.

The Appraisal of Real Estate, Fourteenth Edition, published by the Appraisal Institute, defines highest and best use as:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Highest and best use analysis is a three-step process. The first step involves the highest and best use of a site as though vacant. The determination must be made to leave the site vacant or to improve it. If the conclusion is to improve the site, the second step is to determine the ideal improvement. The final step is a comparison between the ideal improvement and the existing improvement. At this point, the determination must be made to maintain the property in its present form or to modify the improvements to conform more closely with the ideal.

AS VACANT

Although there has been limited new construction in the immediate area, as sale prices and rental rates for comparable industrial space increase and vacancy levels remain low, the costs to acquire land and develop new facilities are likely to become feasible. As a result, construction in the near future is expected to increase. Furthermore, the financial feasibility for industrial development is well stated due to the location of the site just southeast of the Ocala 489 Commerce Park, the widening of NW 35th Street, and proximity to I-75. In addition, the proposed construction of a new I-75 interchange at NW 49th Street and the construction of the West Oak development should further enhance the marketability of the immediate neighborhood and the subject property. Such a use should also result in maximum productivity for the site with adequate size for buildings, site improvements, and greenspace.

As mentioned earlier, the subject includes a 30'-wide easement for underground natural gas lines that extends in a northwest/southeast direction through the subject site. However, there is ample space to the north and south of the aforementioned easement for buildings, site improvements, and greenspace and it does not significantly impact the utility of the subject property. Furthermore, the easement area could include site improvements such as asphalt paving for on-site parking areas. This is supported by our discussions with knowledgeable market participants that indicated similar properties in the area include easements for underground natural gas lines and they have minimally impacted values. However, the ability to build one large building would prove to be more difficult.

Therefore, use of the subject for **industrial development** purposes represents the highest and best use of the subject site, as vacant.

PROCESS OF ANALYSIS AND VALUATION

Traditionally, there are three approaches utilized in the valuation of real property. These include the Cost Approach, Sales Comparison Approach, and Income Capitalization Approach.

The Cost Approach is based on the principle of substitution, which states that no rational person would pay more for a property than the amount for which he can obtain, by purchase of a site and construction of improvements, without undue delay, a property of equal desirability and utility. The basic steps of the Cost Approach are to estimate site value, as vacant, estimate the reproduction cost new of the basic improvements and minor structures (excluding any that were included as part of the site value), and then estimate, in dollar amounts, the accrued depreciation caused by the physical deterioration, functional deficiencies or superadequacies, or any adverse external influences. The next step is to deduct the accrued depreciation from the improvement's estimated reproduction cost new to arrive at a present depreciated cost estimate. Then, by adding the site value estimate, the result is to arrive at an indicated value for the property via the Cost Approach.

The Sales Comparison Approach is based on the principal of substitution, which indicates that an informed purchaser would pay no more for a property than the cost of acquiring an equally desirable substitute property with the same or similar utility. This approach is applicable when an active market provides sufficient quantities of reliable data that can be verified from authoritative sources. The Sales Comparison Approach is reliable in an active market or if an estimate of value is related to properties for which there are comparable sales available. This approach to value is also pertinent when sales data can be verified with the principals to the transaction. Heavy emphasis is placed on this approach to value in an active market.

In the Income Capitalization Approach, we are concerned with the present value of any future benefits of property ownership. Future benefits are generally indicated by the amount of net income the property will produce during its remaining useful life. After comparison of interest yields and characteristics of risk for investments of similar type and class of properties, this net income is then capitalized into an estimate of value. The value indicated by the Income Capitalization Approach is generally the most indicative value indication for properties that are held for income production or for investment purposes.

After obtaining value estimates by the Cost, Sales Comparison, and Income Capitalization Approaches, the results are reconciled into a final value conclusion. This reconciliation process is a weighing of the strengths and weaknesses of each approach in order to reconcile the independent valuation estimates into a single, comprehensive estimate of market value.

For purposes of this appraisal report, only the Sales Comparison Approach to value will be included herein.

SALES COMPARISON APPROACH

The Sales Comparison Approach of this appraisal will compare sales of similarly influenced properties with the subject. The reliability of this approach rests in the validity of the sales presented in terms of sale price, location, date of sale, physical characteristics, and so forth. This is accomplished by the verification process in which parties to the transactions are interviewed to verify information concerning the sales.

This approach is based on the Principle of Substitution, which holds that buyers and sellers go through a process similar to the comparison process herein when selecting a property based upon personal preferences, tastes, opinions, and desires. Adjustments are made to the sales when differences are found after comparison to the subject.

The procedures of the Sales Comparison Approach include the investigation of the market for comparable sales based upon the best verification available. These sales are then compared to the subject and adjustments are applied (as needed) to account for differences noted. Examination and analysis of the sales and the resulting adjusted sale prices provide the best reflection of value for the subject property via the Sales Comparison Approach.

Due to the conclusion of highest and best use, as vacant, sales of vacant industrial properties located in the neighborhood and similar areas are compared to the subject resulting in an appropriate conclusion of value for the subject site. As a result of the current zoning and future land use classifications for the subject, the land sales studied herein represent properties with industrial development potential.

Because no two properties are identical, adjustments are applied as an equalizer to account for differences between the sales and the subject. In lieu of specific adjustments, the bracketing process will be employed. This process "brackets" the subject between the sales with superior (-) and inferior (+) characteristics with the indication of value for the subject emphasizing those sales with similar features. This will be demonstrated in the following analysis, which is presented in a table format.

The land sales presented in the following table are located in the subject's market area and other areas of similar economic influence. As a result, the sales studied are considered to be the most comparable to the subject and will be used to provide the estimate of market value for the subject property via the Sales Comparison Approach, as of the effective date of valuation.

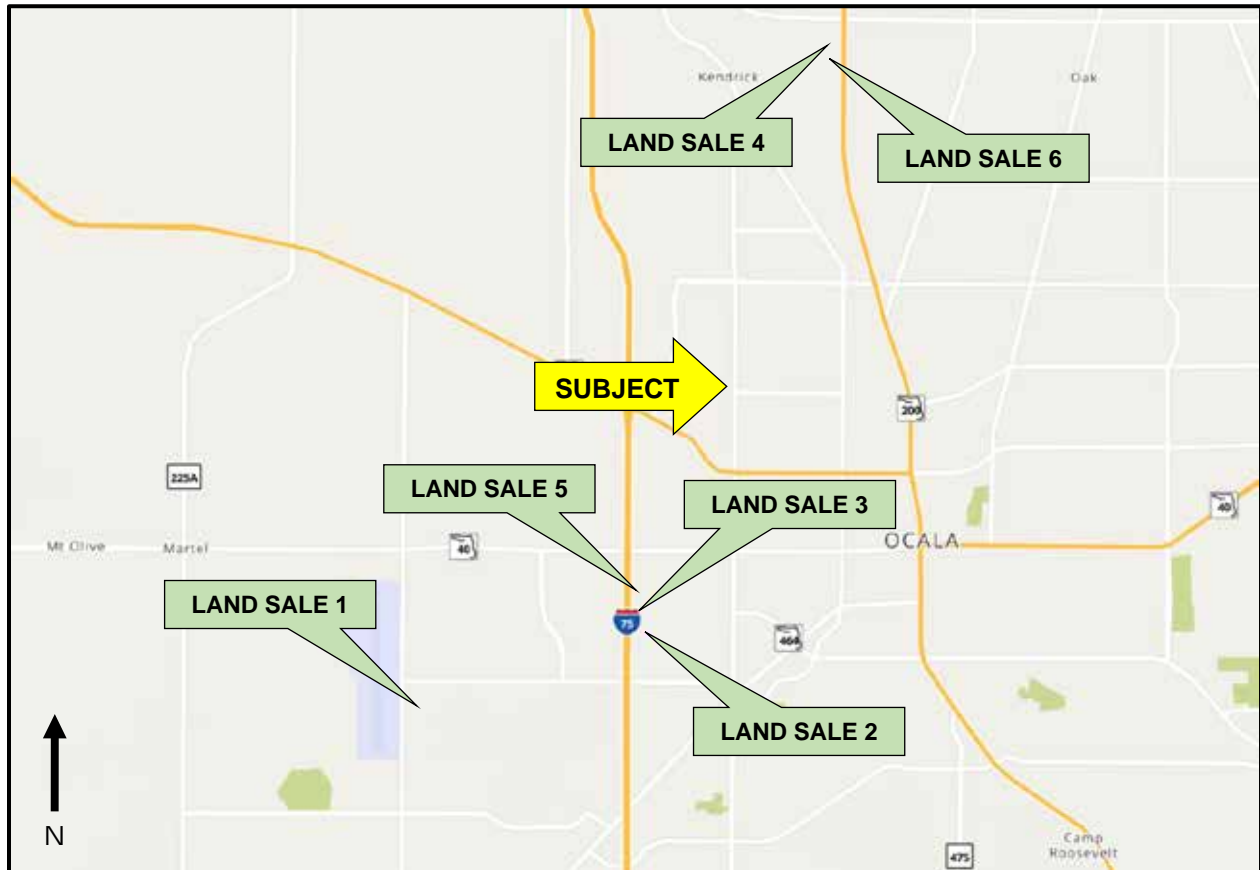
Based on market evidence, land sales with industrial development potential are most commonly valued on a price per acre basis. All of the comparable land sales have been inspected and analyzed on the basis of conditions of sale, market conditions (time), location, size, physical characteristics, and road frontage (access). These adjustments will

be applied to the land sales presented in the following table. The comparable land sales location map and presentation of the land sales will follow the table.

COMPARABLE LAND SALES									
Subject: 3.81 AC									
Land Sale	Sale Date	Size (AC)	C of S	Time	Loc.	Size	Phys. Char.	Access	Adj. Sale Price/AC
1	03/22	2.15	=	=	-	=	-	+	<\$130,233
2	04/22	3.81	=	=	-	=	=	+	<\$128,609
3	04/22	1.95	=	=	-	=	=	+	>\$102,564
4	07/22	3.24	=	=	+	=	-	+	>\$108,025
5	10/22	1.92	=	=	-	=	-	+	<\$155,729
6	05/23	1.38	=	=	+	-	-	=	<\$125,000

Range: \$102,564/AC to \$155,729/AC
Mean: \$125,027/AC
Median: \$126,805/AC

LAND SALES LOCATION MAP



LAND SALE 1



COUNTY: Marion

RECORDING: 7736/1237

LOCATION: North side of SW 25th Street between SW 60th Avenue and SW 57th Avenue, Ocala

SALE DATE: 03/25/2022

SALE PRICE: \$280,000 \$130,233/AC

FINANCING: Cash to seller

PROPERTY RIGHTS: Fee simple

CONDITIONS OF SALE: Arm's length

GRANTOR: Joseph S. Lettelier, Trustee

GRANTEE: Eon Consumer Welfare, Inc.

LEGAL DESCRIPTION: Lots 2 and 3, Block A, Runway Industrial Plaza; Section 28-15-21; Marion County, Florida

HIGHEST & BEST USE: Industrial development

SITE SIZE: 93,654 SF; 2.15 AC

LAND SALE 1

SITE DESCRIPTION: Rectangular site; grassy characteristics with minimal to moderate tree cover; highest elevations to the east with a gradual downward slope to the west towards off-site water retention; interior lot configuration with paved road frontage along SW 25th Street; situated level with road grade; according to the FDOT, there is no trip data for SW 25th Street

ZONING: I-C, Industrial Complex

FUTURE LAND USE: Employment Center

FLOOD ZONE: Zone X (FEMA Panel No. 12083C 0512 E; 04/19/2017)

IMPROVEMENTS: None

ANALYSIS: The property was originally listed at \$280,000 and sold after 47 days on the market; based on a study of other vacant industrial lot sales, the sale price was aligned with market occurrences

VERIFIED WITH: Maria Bernal, Realtor (RE/MAX Premier Realty) via MLS; 05/12/2022

VERIFIED BY: Nathan R. Gibboney, MAI

PARCEL NO: 23819-001-02; 23819-001-03

LAND SALE 2



COUNTY: Marion

RECORDING: 7758/0673

LOCATION: South side of SW 13th Street just east of SW 37th Avenue, Ocala

SALE DATE: 04/19/2022

SALE PRICE: \$490,000 \$128,609/AC

FINANCING: Cash to seller

PROPERTY RIGHTS: Fee simple

CONDITIONS OF SALE: Arm's length

GRANTOR: The Summur Limited Liability Company

GRANTEE: Ocala Factory, LLC

LEGAL DESCRIPTION: Lengthy legal lying in Section 23-15-21; Marion County, Florida

HIGHEST & BEST USE: Industrial development

SITE SIZE: 165,964 SF; 3.81 AC

LAND SALE 2

SITE DESCRIPTION: Rectangular site; heavy tree cover with underbrush; highest elevations to the south with a gradual downward slope to the north; interior lot configuration with paved road frontage along SW 13th Street; situated level with road grade; according to the FDOT, there is no trip data for SW 13th Street

ZONING: M-2, Medium Industrial

FUTURE LAND USE: Employment Center

FLOOD ZONE: Zone X (FEMA Panel No. 12083C 0516 E; 04/19/2017)

IMPROVEMENTS: None

ANALYSIS: Based on a study of other vacant industrial land sales in the market, the purchase price was somewhat aligned with market occurrences

VERIFIED WITH: Kevin Plunkett, representative of grantor; 05/12/2022

VERIFIED BY: Tucker S. Branson

PARCEL NO: 23459-000-04

LAND SALE 3



COUNTY: Marion

RECORDING: 7758/0075

LOCATION: East side of SW 37th Avenue between SW 7th Street and SW 13th Street, Ocala

SALE DATE: 04/19/2022

SALE PRICE: \$200,000 \$102,564/AC

FINANCING: Cash to seller

PROPERTY RIGHTS: Fee simple

CONDITIONS OF SALE: Arm's length

GRANTOR: Richard Leslie Williamson

GRANTEE: B & W Land Holdings, LLC

LEGAL DESCRIPTION: Lengthy legal lying in Section 23-15-21; Marion County, Florida

HIGHEST & BEST USE: Industrial development

SITE SIZE: 85,150 SF; 1.95 AC

LAND SALE 3

SITE DESCRIPTION: Rectangular site; grassy characteristics with heavy tree cover and underbrush; highest elevations to the north with a gradual downward slope to the south; interior lot configuration with paved road frontage along SW 37th Avenue and visibility from I-75, but no direct access therefrom; situated level with road grade; according to the FDOT, there is no trip data for SW 37th Avenue; however, the AADT along I-75 (SR 200 to SR 40) in 2021 was a total of 72,000 trips

ZONING: M-2, Medium Industrial

FUTURE LAND USE: Employment Center

FLOOD ZONE: Zone X (FEMA Panel No. 12083C 0516 E; 04/19/2017)

IMPROVEMENTS: None

ANALYSIS: The property was purchased for assemblage with the adjacent parcel to the south; based on a study of other vacant industrial lot sales, the sale price was aligned with market occurrences

VERIFIED WITH: Brad Dinkins, grantee; 11/23/2022

VERIFIED BY: Nathan R. Gibboney, MAI

PARCEL NO: 23455-000-00

LAND SALE 4



COUNTY: Marion

RECORDING: 7831/1900

LOCATION: East side of NW 18th Avenue just north of NW 63rd Street, Ocala

SALE DATE: 07/14/2022

SALE PRICE: \$350,000 \$108,025/AC

FINANCING: Cash to seller

PROPERTY RIGHTS: Fee simple

CONDITIONS OF SALE: Arm's length

GRANTOR: Bigwig, LLC

GRANTEE: Andrew R. Bellamah

LEGAL DESCRIPTION: Lots 6 and 7, Eureka Industrial Park; Section 24-14-21; Marion County, Florida

HIGHEST & BEST USE: Industrial development

SITE SIZE: 141,134 SF; 3.24 AC

LAND SALE 4

SITE DESCRIPTION: Rectangular site; grassy characteristics with few trees; fairly level elevations; interior lot configuration with paved road frontage along NW 18th Avenue; situated level with road grade; according to the FDOT, there is no traffic data for NW 18th Avenue

ZONING: M-2, Heavy Industrial

FUTURE LAND USE: Commerce District

FLOOD ZONE: Zone X (FEMA Panel No. 12083C 0319 D; 08/28/2008)

IMPROVEMENTS: None

ANALYSIS: Based on a study of other vacant industrial land sales in the market, the purchase price was somewhat aligned with market occurrences

VERIFIED WITH: Kirk Boone, grantor; 01/27/2023

VERIFIED BY: Tucker S. Branson

PARCEL NO: 13327-006-00

LAND SALE 5



COUNTY: Marion

RECORDING: 7901/0151

LOCATION: East side of SW 37th Avenue between SW 7th Street and SW 13th Street, Ocala

SALE DATE: 10/11/2022

SALE PRICE: \$299,000 \$155,729/AC

FINANCING: Cash to seller

PROPERTY RIGHTS: Fee simple

CONDITIONS OF SALE: Arm's length

GRANTOR: 4D Ocala Prop, LLC

GRANTEE: DD Warehouse Ocala, LLC

LEGAL DESCRIPTION: Lengthy legal lying in Section 23-15-21; Marion County, Florida

HIGHEST & BEST USE: Industrial development

SITE SIZE: 83,476 SF; 1.92 AC

LAND SALE 5

SITE DESCRIPTION: Rectangular site; grassy characteristics with minimal to moderate tree cover; fairly level elevations with a gradual downward slope to the west; interior lot configuration with paved road frontage along SW 37th Avenue and at the terminus of SW 7th Place; situated level with both road grades; additional visibility from I-75, but no direct access therefrom; according to the FDOT, there is no trip data for SW 37th Avenue; however, the AADT along I-75 (SR 200 to SR 40) in 2021 was a total of 72,000 trips

ZONING: M-2, Medium Industrial

FUTURE LAND USE: Employment Center

FLOOD ZONE: Zone X (FEMA Panel No. 12083C 0516 E; 04/19/2017)

IMPROVEMENTS: None

ANALYSIS: The property was originally listed for \$299,000 and sold after 21 days on the market; based on a study of other vacant industrial lot sales, the sale price was somewhat above market occurrences due to the significant amount of engineering work that had been completed prior to the sale

VERIFIED WITH: Appraisers' files; 04/24/2022

VERIFIED BY: Tucker S. Branson

PARCEL NO: 23453-000-00

LAND SALE 6



COUNTY: Marion

RECORDING: 8057/0492

LOCATION: Northeast corner of NW 18th Avenue and NW 63rd Street, Ocala

SALE DATE: 05/22/2023

SALE PRICE: \$172,500 \$125,000/AC

FINANCING: Cash to seller

PROPERTY RIGHTS: Fee simple

CONDITIONS OF SALE: Arm's length

GRANTOR: Bigwig, LLC

GRANTEE: Dvarez Enterprises, Corp.

LEGAL DESCRIPTION: Lot 11, Eureka Industrial Park; Section 24-14-21; Marion County, Florida

HIGHEST & BEST USE: Industrial development

SITE SIZE: 60,330 SF; 1.38 AC

LAND SALE 6

SITE DESCRIPTION: Rectangular site; grassy characteristics with few trees; fairly level elevations; corner lot configuration with paved road frontage along NW 18th Avenue and NW 63rd Street; situated level with both road grades; according to the FDOT, there is no traffic data for NW 18th Avenue or NW 63rd Street

ZONING: M-2, Heavy Industrial

FUTURE LAND USE: Commerce District

FLOOD ZONE: Zone X (FEMA Panel No. 12083C 0319 D; 08/28/2008)

IMPROVEMENTS: None

ANALYSIS: The property was originally listed for \$200,000 and sold after 38 days on the market; based on a study of other vacant industrial land sales in the market, the purchase price was somewhat aligned with market occurrences

VERIFIED WITH: Nolan Galloway, MRE, SIOR, Broker (Gus Galloway Realty); 08/16/2023

VERIFIED BY: Tucker S. Branson

PARCEL NO: 13327-011-00

Conclusion

The land sales presented herein include an appropriate sale price range for conclusion of value for the subject site. These six sales provided a range from \$102,564/AC to \$155,729/AC with a statistical mean of \$125,027/AC and a statistical median of \$126,805/AC. Based on the bracketing process as noted in the comparable land sales table, an indication of value above \$108,025/AC (highest indicator of Land Sales 3 and 4) and below \$125,000/AC (lowest indicator of Land Sales 1, 2, 5, and 6) is appropriate for the subject.

In addition, we have studied six listings of vacant industrial properties in the neighborhood that provided an asking price range from \$69,417/AC to \$390,173/AC with an average asking price of \$178,818/AC. It should be noted these properties ranged in size from 1.45 acres to 4.65 acres. Based on this analysis, a conclusion below the average asking price of the listings takes into consideration negotiations that are likely to occur prior to any sale and result in lower sale prices.

Therefore, due to the larger size of the subject site (economies of scale) and accounting for the underground natural gas line easement that may have a slight negative impact on value, a conclusion below the statistical indicators is made. As a result, we have concluded the market value estimate of the fee simple interest of the subject property, as of August 15, 2023, at **\$120,000**, or **\$460,000**.

ESTIMATE OF MARKET VALUE
As Is, As of August 15, 2023

\$460,000

MARKETING AND EXPOSURE TIME

According to discussions with area Brokers and real estate agents, properties similar to the subject typically spend between three months and 12 months on the market, depending on the location, physical condition, and asking price. Based on this information, as well as acknowledging the current economy and market in Ocala and Marion County, the projected exposure time for the subject property is estimated at **nine months**.

While exposure time represents the estimated length of time the property would have been offered on the market prior to the hypothetical consummation of a sale at market value, as of the effective date of valuation, marketing time is an opinion of the amount of time it might take to a sell a real property interest at the concluded market value level during the period immediately after the effective date of valuation. In other words, exposure time occurs prior to the effective date of valuation and marketing time occurs after the effective date. According to information provided by local Brokers familiar with the market area, the projected marketing time for the subject is estimated between **three and 12 months**.

CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We 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.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 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 Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- We have personally inspected the property that is the subject of this report and made a visual inspection of all comparable sales that were studied.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- As of the date of this report, Nathan R. Gibboney, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
- We have not provided any services regarding the subject property within the prior three years, as appraisers or in any other capacity.

Dated: August 23, 2023



Nathan R. Gibboney, MAI
State-Certified General Real Estate Appraiser
License No. RZ2580



Tucker S. Branson
State-Certified General Real Estate Appraiser
License No. RZ4328

ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal report has been made with the following general assumptions and limiting conditions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. The value finding of this appraisal is contingent upon the conclusions of a qualified survey of the subject property in terms of size, dimensions of the land and/or improvements, and the location of those on-site improvements. Significant differences between the survey and the representations made by the client and reported herein may result in the need for reevaluation of the appraisal process as it relates to the subject.
6. All engineering studies are assumed to be correct. Maps, plats, exhibits, and other illustrative material in this report are included only to help the reader visualize the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, sub-soil, or structures that would render it more or less valuable. No responsibility is assumed for such conditions nor for the engineering that may be required to discover such factors. Unless specifically cited, no value has been allocated to subsurface rights or deposits, including minerals, oil, gas, and geothermal.
8. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
9. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described, and considered in the appraisal report.
10. Although the flood hazard status for the subject property has been studied, it is recommended that more in-depth information be obtained prior to development upon the site.
11. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
12. It is assumed that the use of the land and improvements (if applicable) is confined within the boundaries or property liens of the property described and that there is no encroachment or trespass unless noted in the report.
13. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraisers have no knowledge of the existence of such materials on or in the property. The presence of substances such as radon gas, lead based paint, mold, fungi, asbestos, formaldehyde, ground water contamination, underground storage tanks, and other potentially hazardous materials may affect the value of the property. The appraisers, however, are not qualified to detect such substances and is not an expert in the identification of adverse environmental factors. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any

expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

14. The appraisers have been retained to arrive at an opinion of value and the inspection performed by the appraiser is more of an observation and is not intended to reveal defects in the mechanical systems, plumbing, electrical systems, structural integrity, roofing, or other components of the structures appraised. The appraisers do not claim to be experts in those areas. The appraisers can only observe areas that are visually accessible. If the client has any concerns about or questions about such conditions, an expert in this field should be called to do an inspection.

15. The conclusion presented within this report is warranted as an accurate representation of value, subject to the Certification of Value and Assumptions and Limiting Conditions specified herein, as of the effective date of valuation. We assume no responsibility for economic or physical factors occurring at some later date that may affect the opinion of value herein stated.

16. The conclusion of value presented within the report is an opinion and estimate of the appraisers. There is no guarantee, written or implied, that the subject property will sell for the precise estimate of value contained herein.

17. Forecasted projections presented within this report are utilized to assist in the valuation process and are based on current market conditions, as well as anticipated short-term supply and demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.

18. If this appraisal is to be used for mortgage loan purposes, the applicable lending procedures must be consistent with acceptable lending practices as promulgated by the Office of Thrift Supervision (OTS; formerly the Federal Home Loan Bank Board), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the Savings Association Insurance Fund (SAIF; formerly the Federal Savings and Loan Insurance Corporation). I assume no liability for a loss in value applicable to the subject, or its proposed development, which occurs as a result of lending practices that vary from generally accepted mortgage underwriting guidelines as established by institutions such as the OTS, OCC, FDIC, and the SAIF, or when the loan proceeds are diverted to other parties, uses or properties.

19. Expert witness testimony or attendance in court or at any other hearing by Nathan R. Gibboney, MAI and/or Tucker S. Branson are not required by reason of rendering this appraisal unless such arrangements are made a reasonable time in advance.

20. Disclosure of the contents of the appraisal report is governed by the bylaws and regulations of the Appraisal Institute.

21. This appraisal report, including the format style, spreadsheet data, and addenda, is the property of the appraisal firm of **Gibboney & Associates** and no portion of the report is to be reproduced without the expressed written permission of **Gibboney & Associates**.

22. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any appraisal and are invalid if so used.

23. Possession of this report, or a copy thereof, does not carry with it the right of publication.

24. The appraisers, by reason of this appraisal, are not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.

25. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.

26. The only intended user of this appraisal is the intended user stated in the appraisal report. There is no other intended user. No purchaser, seller, or borrower are intended users of this report. No party, other than the intended user, should rely upon this appraisal for any purpose whatsoever. The fact that some party, other than the client, paid for the appraisal, either directly, or indirectly, does not make them an intended user.

QUALIFICATIONS OF THE APPRAISERS

NATHAN R. GIBBONEY, MAI

Employment History:

Gibboney & Associates, 2008-Present

Rhodes & Rickolt, P.A., 1998-2008

Formal Education:

Bachelor of Arts in Business Administration, University of Florida, 1998

Professional Organizations:

MAI Member, Appraisal Institute, Certificate No. 12451

Appraisal Institute-East Florida Chapter, Board of Directors

State-Certified General Real Estate Appraiser, License No. RZ2580

Civic Organizations:

Ocala-Silver Springs Rotary Club, Past President (2007-2008)

Ocala-Marion County Chamber of Commerce

City of Ocala Planning and Zoning Commission (2008-2020)

City of Ocala Citizens Academy (2009)

Kappa Alpha Order, Beta Zeta Chapter

Real Estate Education:

AB-I, Licensed Residential Appraisal

AB-II, Certified Residential Appraisal

AB-III, Certified General Appraisal

510, Advanced Income Capitalization, Appraisal Institute

520, Highest & Best Use and Market Analysis, Appraisal Institute

530, Advanced Sales Comparison & Cost Approaches, Appraisal Institute

540, Report Writing & Valuation Analysis, Appraisal Institute

550, Advanced Applications, Appraisal Institute

410, National USPAP Course, Appraisal Institute

NATHAN R. GIBBONEY, MAI

Real Estate Education (cont.):

420, Business Practices and Ethics, Appraisal Institute

General Demonstration Reports Seminar, Appraisal Institute

What Clients Would Like Their Appraisers to Know Seminar, Appraisal Institute

Condemnation Appraising: Basic Principles and Applications, Appraisal Institute

Uniform Standards for Federal Land Acquisitions, Appraisal Institute

Analyzing Distressed Real Estate, Appraisal Institute

Separating Real Property, Personal Property, and Intangible Business Assets, Appraisal Institute

Analyzing Operating Expenses, Appraisal Institute

Insurance Replacement Valuation: An Emerging Appraisal Discipline, Appraisal Institute

Evaluating Commercial Construction, Appraisal Institute

Subdivision Valuation, Appraisal Institute


Cool Tools: New Technology for Real Estate Appraisers, Appraisal Institute

Data Verification Methods, Appraisal Institute

Forecasting Revenue, Appraisal Institute


NATHAN R. GIBBONEY, MAI

Copy of State Certification:



Ron DeSantis, Governor


Melanie S. Griffin, Secretary



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

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




GIBBONEY, NATHAN RHODES
1107 E SILVER SPRINGS BLVD UNIT 9
OCALA FL 34470

LICENSE NUMBER: RZ2580

EXPIRATION DATE: NOVEMBER 30, 2024

Always verify licenses online at MyFloridaLicense.com



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TUCKER S. BRANSON

Employment History:

Gibboney & Associates, 2017-Present

Ameris Bank, 2016-2017

Capital City Bank, 2014-2016

Merrill Lynch, 2013-2014

Formal Education:

Bachelor of Science in Real Estate and Finance, Florida State University, 2013

Professional Organizations:

State-Certified General Real Estate Appraiser, License No. RZ4328

Civic Organizations:

Metropolitan Ocala Rotary Club, President

Marion County Leadership Foundation, Board Member

Kappa Alpha Order, Gama Eta Chapter

Real Estate Education:

National USPAP Course

Supervisory Appraiser/Trainee Appraiser Course

Florida Appraisal Laws and Regulations

The Cost Approach

The Sales Comparison Approach

The Income Approach: An Overview


Appraisal of Owner-Occupied Commercial Properties

Appraising Small Apartment Properties

Appraisal of Self-Storage Facilities


TUCKER S. BRANSON

Copy of State Certification:



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

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PROVISIONS OF CHAPTER 475, FLORIDA STATUTES



BRANSON, TUCKER
2201 SE 30TH AVENUE UNIT 302 1
OCALA FL 34471

LICENSE NUMBER: RZ4328

EXPIRATION DATE: NOVEMBER 30, 2024

Always verify licenses online at MyFloridaLicense.com



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LISTING OF CLIENTS

Lending Institutions:

Addition Financial Credit Union	Florida Credit Union
Ameris Bank	Guardian Bank
Arkansas Valley Bank	Gulf Atlantic Bank
Bank 7	Hancock Whitney Bank
Bank of America	Key Bank
Bank OZK	Mainstreet Community Bank of Florida
BankTrust	MidFlorida Credit Union
Barwick Banking Company	Millennium Bank
BBVA Bank	Peoples South Bank
Campus USA Credit Union	PNC
Capital City Bank	Regions Bank
Centennial Bank	Renasant Bank
Chambers Bank	Sabadell United Bank
Citizens First Bank	Seacoast Bank
Citizens State Bank	South State Bank
Colony Bank	Superior Bank
Commercial Bank	Synovus Bank
Community Credit Union	TC Federal Bank
Drummond Community Bank	TD Bank
Farm Credit of North Florida	Truist Bank
Fidelity Bank	United Ag Lending
Fifth Third Bank	United Community Bank
First Federal Bank	United Southern Bank
First National Bank of Fort Smith	Wells Fargo

Government/Public Institutions:

City of Apalachicola	Marion County Public Schools
City of Belleview	Santa Fe College
City of Ocala	United States Department of Agriculture
City of Port St. Joe	
Florida Department of Environmental Protection	
Franklin County School Board	
Gulf County School Board	
Lake County Board of County Commissioners	
Marion County Board of County Commissioners	

LEGAL DESCRIPTION

A PORTION OF THE S.E. 1/4 OF THE S.E. 1/4 OF SECTION 2, TOWNSHIP 15 SOUTH, RANGE 21 EAST, MARION COUNTY, FLORIDA LYING WEST OF N.W. 27TH AVENUE AND NORTH OF N.W. 21st STREET, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF THE S.E. 1/4 OF THE S.E. 1/4 OF SAID SECTION 2; THENCE N00°45'13"E, ALONG THE EAST BOUNDARY OF SAID S.E. 1/4 OF THE S.E. 1/4, 25.32 FEET; THENCE DEPARTING SAID EAST BOUNDARY, PROCEED N89°19'55"W, 30.18 FEET TO THE POINT OF BEGINNING, SAID POINT ALSO BEING THE POINT OF INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF N.W. 27TH AVENUE (60 FEET WIDE) WITH THE NORTH RIGHT-OF-WAY LINE OF N.W. 21st STREET (50 FEET WIDE); THENCE N00°45'13"E, ALONG SAID WEST RIGHT-OF-WAY LINE OF N.W. 27th AVENUE, 500.45 FEET; THENCE DEPARTING SAID WEST RIGHT OF WAY LINE, PROCEED N89°20'45"W, 331.82 FEET; THENCE S00°44'45"W, 500.37 FEET TO A POINT ON THE AFOREMENTIONED NORTH RIGHT-OF-WAY LINE OF N.W. 21st STREET; THENCE S89°19'55"E, ALONG SAID NORTH RIGHT-OF-WAY LINE, 331.75 FEET TO THE POINT OF BEGINNING.

INVOICE



Nathan R. Gibboney, MAI
State-Certified General Real Estate Appraiser #RZ2580

Real Estate Appraisers, Consultants & Market Analysts

**GIBBONEY
& ASSOCIATES**

INVOICE FOR APPRAISAL SERVICES

August 23, 2023

Joe Switt, Real Estate Coordinator
City of Ocala Growth Management Department
201 SE 3rd Street, 2nd Floor
Ocala, Florida 34471

<u>TOTAL FEE</u>	<u>PAYMENT</u>	<u>BALANCE</u>
\$1,950.00	\$0.00	\$1,950.00

Federal Tax ID No: 59-3630414

File No: 23-216

Client: Joe Switt, Real Estate Coordinator
City of Ocala Growth Management Department
201 SE 3rd Street, 2nd Floor
Ocala, Florida 34471

Subject: 3.81 Acres of Vacant Land
Northwest Corner of NW 27th Avenue and NW 21st Street
Ocala, Marion County, Florida

INVOICE DUE AND PAYABLE UPON RECEIPT

Thank you for your business. It has been a pleasure to assist you, and if we can be of further service to you in the future, please let us know.

1107 E. Silver Springs Boulevard, Unit 9 Ocala, Florida 34470 Phone: (352) 433-2580 Fax: (352) 433-2581
Website: www.gibboneyappraisals.com