

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Ocala SE 8th Street LLC Site

SE 1st Ter

Ocala, Florida

Appraisal Report

A&A File #2023.067.010.001

Certified to:

Mr. Joe Switt, Real Estate Coordinator
City of Ocala
201 SE 3rd Ave, 2nd Floor
Ocala, Florida 34471

Certified by:

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

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Albright & Associates of Ocala, Inc.

Published by:

Albright & Associates of Ocala, Inc.

4361 SE 6th Ave, Ocala, FL 34480

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ALBRIGHT & ASSOCIATES of Ocala, Inc.

August 4, 2023

Mr. Joe Switt, Real Estate Coordinator
City of Ocala
201 SE 3rd Ave, 2nd Floor
Ocala, Florida 34471

Re: Ocala SE 8th Street LLC Site @ SE 11th Ter, Ocala, Florida

Dear Mr. Switt:

Pursuant to your request, I have prepared an appraisal of the above captioned property which is located in the downtown area of Ocala, Florida. The subject property includes an approximate 2.63 AC site located along SE 1st Ter just south of SE 8th St, in the downtown area of Ocala, Florida. The site is presently vacant and positioned adjacent north of a City of Ocala electrical sub-station facility. The City of Ocala is interested in potentially exchanging a nearby property also positioned adjacent to the sub-station for this property.

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** with the following conditions:

Intended User:	City of Ocala
Intended Use:	evaluation pertaining to potential property exchange
Effective Valuation Date:	July 31, 2023
Objective/Purpose:	form opinion of market value
Interest Appraised:	fee simple, subject to restrictions of record

Based on prevailing economic conditions and 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, predicated on the *Certification* and *General Assumptions* as well as *Extraordinary Assumptions* and *Hypothetical Conditions*, if any, as of the effective valuation date reported for this assignment, of:

Opinion of Market Value **\$408,000**

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Respectfully submitted,

ALBRIGHT & ASSOCIATES of Ocala, Inc.



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

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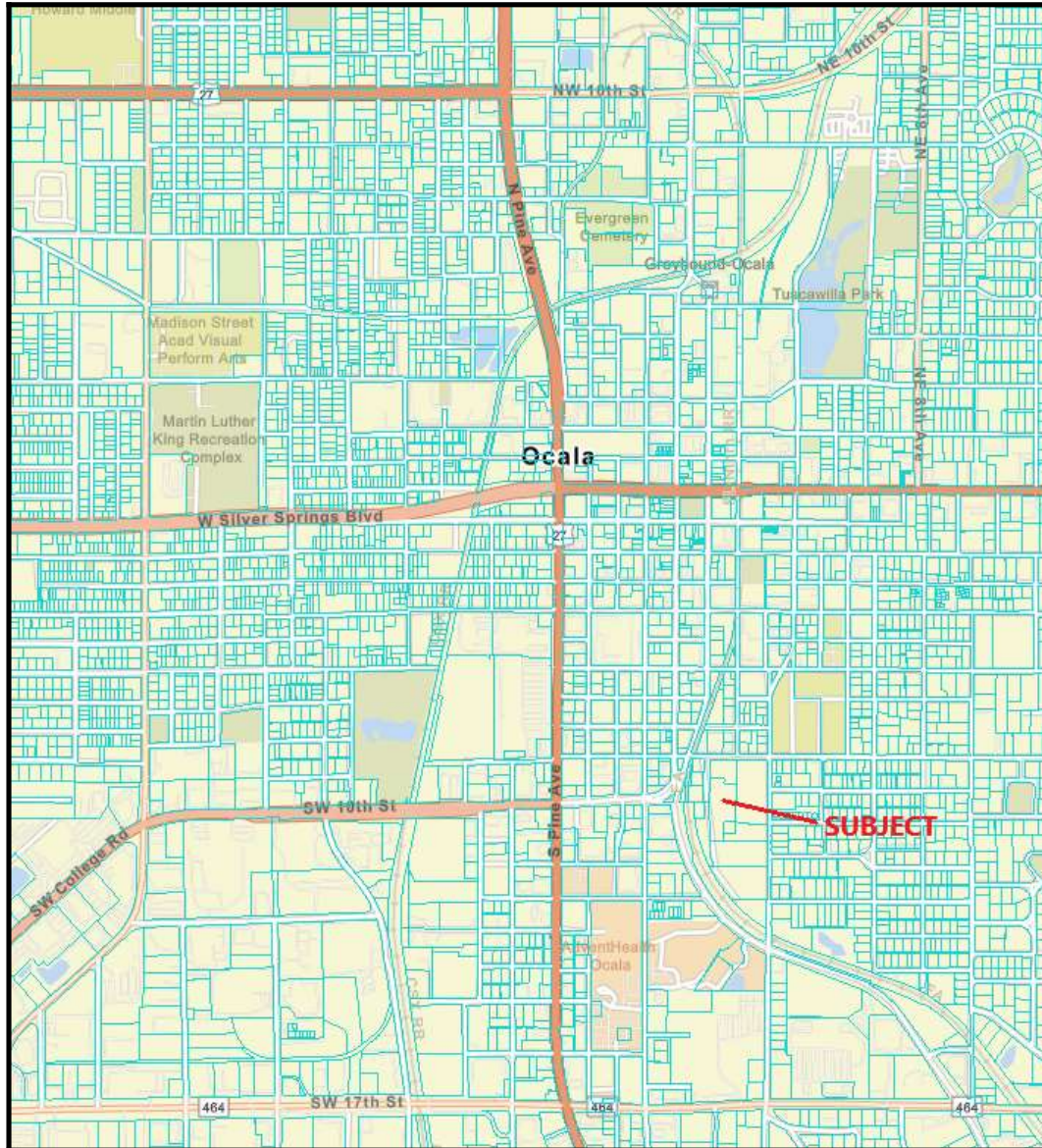
Addendum

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Executive Summary

<u>Subject Identification:</u>	Ocala SE 8 th Street LLC Site @ SE 11 th Ter, Ocala, Florida
<u>Relevant Dates:</u>	Date of Valuation : July 31, 2023 Date of Inspection: July 31, 2023
<u>Appraisal Objective:</u>	provide opinion of market value
<u>Intended User/Use:</u>	City of Ocala/evaluation pertaining to potential property exchange
<u>Interest Appraised:</u>	fee simple, subject to restrictions of record
<u>Site:</u>	2.63 AC (per referenced survey)
<u>Improvements:</u>	none of significance
<u>Land Use:</u>	high intensity/central core
<u>Zoning:</u>	B-2, community business
<u>Highest and Best Use:</u>	some form of low intensity commercial use acknowledging limitations due to soil/drainage issues
<u>Opinion of Market Value</u>	<u>\$408,000</u>

Subject Location Map



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View of SE 1st Ter as it extends S from SE 8th St; subject at left in distance in photo.



Alternative view of SE 1st Ter as it extends N; subject at right in photo.

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View, facing SELY from SE 1st Ter, of SLY portion of subject site.



View, facing NELY from SE 1st Ter, of NLY portion of subject site.

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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 public 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.
 - B. Take necessary and appropriate steps to complete assignment competently.

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- 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 for various private- and public-sector clients, for more than 28 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) regarding 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

Limiting Conditions & General Assumptions

The following are general conditions and assumptions 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 as fully accurate. This appraisal is contingent on the findings of a qualified survey in terms of not

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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

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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 extraordinary assumptions upon which this appraisal is predicated. Their use may have affected the appraisal results.

1. The subject property is adjacent to a petroleum business and monitoring wells were indicated on the referenced site plan document near the subject property. In that regard, it is an assumption of this analysis that the subject is free from any significant level of contamination.

2. While the current City of Ocala zoning map indicates a small portion of the subject retains the FBC zoning designation, it is an assumption that the subject includes B-2, community business zoning designation (per the project engineer's cited intent of the recent zoning change).

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Hypothetical Conditions

The following are conditions which are contrary to those which exist at the effective valuation date. Their use may have affected the appraisal results.

None.

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Identification and Location

The subject property is identified as follows.

Property Identification: Ocala SE 8th Street LLC Site
Address: SE 11th Ter just S of SE 8th St, Ocala, Florida

Apparent Owner of Record

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

Name: Ocala SE 8th Street LLC
Address: 1720 SE 16th Ave, Ocala, FL 34471

Relevant Dates of Appraisal Process

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

Inspection/Photography: July 31, 2023
Effective Valuation: July 31, 2023
Date of Report: August 4, 2023

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 specifically designed and intended use of this appraisal is for evaluation pertaining to the potential exchange of the subject property. Use of this appraisal is prohibited as it relates to any function other than that identified herein. The intended user of this appraisal is the City of Ocala (who also happens to represent the client).

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.

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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. Joe Switt of the City of Ocala, 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 fee simple interest of the subject property. The necessary scope of work to develop a credible result includes the following.

- Identify an appropriate effective date of valuation (synonymous with my most recent inspection).
- Physically inspect and photograph the subject property.
- Review available information regarding the subject site.
- 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, only the Sales Comparison Approach is meaningful for the valuation of the subject property. In that regard, the subject neighborhood was researched for current comparable data which were all inspected and verified to the extent possible.
- Form an 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, presentation of most relevant market data, reconciliations of an opinion of market value, location maps of the subject and comparable sales data and other data deemed by the appraiser to be relevant to the assignment.

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.

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Legal Description

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

SEC 17 TWP 15 RGE 22

PLAT BOOK E PAGE 002

NEW SURVEY SOUTH OCALA

THAT PT OF 9TH ST DESC AS FOLLOWS: COM AT THE SW COR OF BLK 30 TH E 102.5 FT TH S 20 FT TH W 102.5 FT TH N 20 FT TO THE POB (ABROGATED ACCORDING TO CITY ORDINANCE #142) & BEGIN AT THE PT OF INTERSECTION OF THE E LINE OF MAIN ST & THE S LINE OF S 8TH ST TH ELY WITH THE S LINE OF S 8TH ST 102.5 FT TH SWLY PARALLEL WITH THE E LINE OF MAIN ST 225 FT TH WLY PARALLEL WITH THE FIRST DESC COURSE 102.5 FT TO THE E LINE OF MAIN ST TH NLY WITH THE E LINE OF MAIN ST 225 FT TO THE POB & BEGIN AT THE PT OF INTERSECTION OF THE E LINE OF MAIN ST WITH THE CENTERLINE OF S 9TH ST TH ELY ALONG THE CENTERLINE 102.5 FT TH SLY PARALLEL WITH THE E LINE OF MAIN ST 355 FT TH WLY PARALLEL WITH THE CENTERLINE OF 9TH ST 102.5 FT TO THE E LINE OF MAIN ST TH NLY ALONG THE E LINE 355 FT TO THE POB BEING ALL OF LOTS 35.36.37.38 & THE S 55 FT OF LOT 39 OF THE ATLANTIC COAST LINE RR CO INDUSTRIAL SUB EXC N 20 FT OF THE S 55 FT OF LOT 39 & E 5 FT OF OLD MAIN ST FROM 8TH ST S TO THE SLY BNDY OF NEW SURVEY SOUTH (E-2) RESOLUTION #66-25 RECORDED IN (OR BK 264-31) & BEGIN AT THE PT OF INTERSECTION OF THE W LINE OF S OSCEOLA ST & THE S LINE OF 8TH ST TH SLY ALONG THE W LINE OF S OSCEOLA ST 225 FT TH WLY PARALLEL WITH THE S LINE OF 8TH ST 98.5 FT TH NLY PARALLEL WITH THE FIRST DESC COURSE 225 FT TO THE S LINE OF 8TH ST TH ELY ALONG THE S LINE OF 8TH ST 98.5 FT TO THE POB BEING PT OF BLK 30 & LOTS 13.14.15 OF THE ATLANTIC COAST LINE RR CO INDUSTRIAL SUB & BEGIN AT THE PT OF INTERSECTION OF THE E LINE OF MAIN ST WITH THE CENTERLINE OF S 9TH ST RH ELY ALONG THE CENTERLINE 102.5 FT TH SLY PARALLEL WITH THE E LINE OF MAIN ST 20 FT TH WLY PARALLEL WITH THE CENTERLINE OF S 9TH ST 102.5 FT TO THE E LINE OF MAIN ST TH NLY ALONG THE E LINE 20 FT TO THE POB BEING THE N 20 FT OF THE S 55 FT OF LOT 39 ATLANTIC COAST LINE RR CO INDUSTRIAL SUB & LOTS 16.17.18.19.20.21.33.34 & TOGETHER WITH THE PROPOSED RD LYING W OF LOTS 13 THRU 21 AND E OF LOT 33 ATLANTIC COAST LINE RR INDUSTRIAL SUB BEING DESC AS: COM AT THE NE COR OF BLK 30 NEW SURVEY S TH N 00-03-37 E 13 FT TH N 89-11-28 E 13 FT TH S 00-03-37 W 225 FT TO THE POB TH S 00-03-37 W 447.45 FT TH N 89-41-44 W 98.60 FT TH S 00-01-48 E 74.82 FT TH N 89-43-16 W 132.56 FT TH N 00-07-28 E 145.65 FT TH S 89-50-04 E 102.50 FT TH N 00-10-10 E 598.95 FT TH N 89-11-28 E 28.76 FT TH S 00-03-37 W 225 FT TH N 89-11-28 E 98.50 FT TO THE POB (ATLANTIC COAST LINE RR INDUSTRIAL SUB UNRECORDED AS SHOWN ON DRAWING NO. 26101-11 ACL MAP V8FLA/S36B) & EXC LOTS 21.20 ATLANTIC COAST LINE RR CO INDUSTRIAL SUB UNRE BEING MORE PARTICULARLY DESC AS: COM AT THE NE COR OF BLK 30 NEW SURVEY SOUTH (A-139) TH N 00-03-37 E 13 FT TH N 89-11-28 E 13 FT TH S 00-03-37 W 576.17 FT TO THE POB TH CONT S 00-03-37 W 96.28 FT TH N 88-41-44 W 98.60 FT TH N 00-01-48 W 96.41 FT TH S 89-37-16 E 98.75 FT TO THE POB & THAT W ½ PT OF SE OSCEOLA AVE LYING S OF S ROW SE 8TH ST RES 2017-37 EXC A PORT OF BLK 30 LYING S OF THE ROW OF SE 8TH ST & LYING ADJ TO THE EAST BNDY OF THE FOREGOING LANDS ABROGATED & CLOSED BY RES 2017-37 IN BK 6592/23 & THE E FT OF OLD MAIN ST FROM 8TH ST SOUTH 175.13 FT AND ALL BEING DESC AS FOLLOWS: COM AT THE POINT OF INTERSECTION OF THE CENTERLINE OF SE OSCEOLA AVE WITH THE S ROW LINE OF SE 8TH ST TH N 89-39-07 W 254.36 FT TH S 00-28-53 W 175.13 FT TH S 89-31-07 E 136.05 FT TH 00-23-24 E 42.30 FT TH S 89-37-50 W 118.59 FT N 00-23-24 E 217.78 FT TO THE POB

Property Assessment

The subject property is included in the 2022 Marion County Property Assessment Roll as the

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following parcel of record (2022 data summarized in below chart).

PID#	Land	Building	Misc Impr	Just	Assessed	Exemption	Taxable	Tax Burden
2822-030-002	\$22,050	\$55,351	\$195	\$77,596	\$77,596	\$0	\$77,596	NA

The subject appears to represent a newly created parcel after division from the adjacent north property (day care facility which was recently sold to another party). As such, the above assessment information does not appear to be accurate for the subject and no tax burden was provided for this property independent of the larger parcel of which it was a part.

History of Title

The subject was acquired by the current owner of record (along with the adjacent north improved parcel) in June of 2020 for \$825,000. Subsequently, the adjacent north parcel was sold to another party in March of 2023 (with building and site improvements). As of the date of valuation, the subject was not offered for sale or lease and was planned for potential development with a storage facility.

Public and Private Utilities and Services

The subject is positioned within the city limits of Ocala with water, sewer and electrical services provided thereby. Additional services include telephone, cable and internet.

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 high intensity/central core and a specific zoning designation of B-2, community business (as a result of a zoning change per Ordinance #2021-74 and associated with the proposed development of the subject property with a storage facility as described later herein). While the City of Ocala zoning map indicates a small northerly portion is FBC (form based code), the engineer associated with the zoning change indicated that the intent was to change the entire subject property to B-2.

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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.

Marion County has historically benefitted from a very high ranking in terms of population growth. In that regard, the following chart summarizes the population of Marion County from 2010 to 2022 (U.S. Census Bureau).

[Marion County, Population 2010-2022]

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Marion County	331,331	332,286	333,873	335,083	338,005	342,182	347,469	353,339	359,062	365,579	373,513	385,915	396,415
% Change		0.29%	0.48%	0.36%	0.87%	1.24%	1.55%	1.69%	1.62%	1.82%	2.17%	3.32%	2.72%

This chart reveals the considerable growth since 2010 with population growth steadily increasing to over 2% in 2020 and about 3% in 2021 and 2022. The Bureau of Economic and Business Research (BEBR) has projected a population of 403,621 by 2025, 426,585 by 2030 and 444,625 by 2035.

Marion County benefits from a considerable public school system, extensive recreational (park) system as well as sheriff and fire departments. The central location of the county benefits from excellent transportation linkages (i.e. I-75, SR 40, US Hwy 441/301/27) which has resulted in a high level of demand for industrial/distribution centers.

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

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The warm climate of Marion County creates demand for not only tourism and retirees but also benefits the equine community in the area. In addition to hundreds of horse farms across the county, the World Equestrian Center represents a new world-class facility located just west of Ocala along SR 40. This facility is having a major impact upon the community.

The rate of new residential permits in Marion County surged 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 following the “bubble bursting” and subsequent Great Recession with as few as only 23 in 2010 and 30 in 2011. More recently, however, activity has steadily improved as summarized in the following chart (in mid-2018, Marion County began combining multi-family and commercial starts). In fact, new construction surged after the lull in 2020 due to the COVID-19 pandemic.

[Marion County Building Permits]

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Single Family	359	497	608	921	1,285	1,667	2,459	2,350	1,179	5,484	5,845
Multi-Family	1	3	8	0	3	11	NA	NA	NA	NA	NA
Commercial	27	32	19	30	43	138	100	61	24	88	113
Total	387	532	635	951	1,331	1,816	2,559	2,411	1,203	5,572	5,958

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 was directly related to the COVID-19 crisis and “shut down” of the construction industry through much of the year. Construction activity, however, rebounded with a surge in 2021 to almost 5,500 permits and almost 5,900 permits in 2022 which is similar to the historic levels of the 2004 to 2006 housing boom in Marion County.

In 2020, the total number of housing units in Marion was estimated at 177,380 (up from only 137,726 in 2010) of which 88% were occupied. The Ocala MSA has historically been a leader in affordable housing of all MSAs in the nation and state. Per information from the Ocala/Marion County Board of Realtors, the median sales price in April of 2023 was \$274,500 which represents a drastic increase from a median sale price of only \$95,000 in April of 2013. Much of this surge occurred during the COVID-19 pandemic and after. This surge in price created a considerable shortage in affordable housing which is quite common throughout the state and nation. In response, new construction of single family homes surged over the past several years along with a considerable increase in new multi-family residential as well. Of course, the price increases which have occurred over the past couple of years is not sustainable over the long term and some level of eventual correction, or at least stabilization, is reasonably anticipated. In fact, the increases in interest rates

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through 2022 and into 2023 has had a softening impact upon prices.

The labor force in Marion County increased during the market surge of 2006/2007 with a subsequent decline in 2009 following the market crash and housing bubble decline. This rather dramatic decrease was 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 2022 as provided by the State of Florida Agency for Workforce Innovation (AWI) and the Florida Department for Economic Opportunity (DEO).

[Unemployment Rates 2003-2022]

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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%	4.6%	2.9%
Marion	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%	4.9%	3.4%

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 2021 and 2022. This improvement has continued into 2023.

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 many triple crown race winners (i.e. Affirmed, Carry Back, Needles and Silver Charm). In addition, many contenders and champions in the triple crown races have trained, and continue to train, at Marion County farms. The development of the World Equestrian Center along SW/NW 80th Ave between SR 40 and US Hwy 27 has had a major positive economic impact upon all of Marion County.

Another positive feature of Marion County which influences 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 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,

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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.

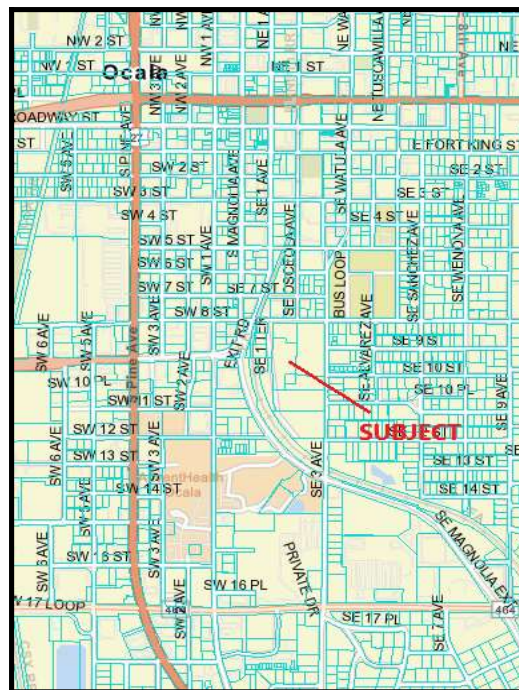
The impact of the expanding population of Marion County has represented a leading force in the prosperity of this community. The increase in population has generally led to increased demand for services in all segments of the economy. Market conditions and the economy in the subject region have been quite strong over the past several years, despite the impact of the COVID-19 pandemic beginning in early 2020. In the final analysis, acknowledging extreme inflationary conditions and corresponding measures by the federal government (interest rate hikes) through 2022 and into 2023, the local real estate market is reasonably anticipated to benefit from long-term growth.

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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:

N= E. Silver Springs Blvd (a/k/a SR 40; E= NE 8th Ave; S= SE/SW 17th St; W= SE/NE Pine Ave

Economic Boundaries:

synonymous with the defined geographic neighborhood

Subject's Positioning:

central portion of defined geographic neighborhood

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

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Proximity to Conveniences:	very good ⁴
Major Thoroughfares:	SR 40 East (E/W Silver Springs Blvd), at N boundary of defined neighborhood and downtown square; SE 1 st Ave and SE Magnolia Ave extends N/S thru downtown Ocala; US Hwy 441/301/27 (S. Pine Ave) extends N/S at W boundary of defined neighborhood; SE 8 th St represents significant E/W corridor through SLY portion of downtown market; SE 17 th St represents major E/W corridor for local traffic at S boundary of neighborhood
Availability of Utilities:	all city services are available
Adverse Influences:	none observed
Demographics:	subject neighborhood in close proximity to large residential economic base of mostly single family residential subdivisions but also multi-family complexes of inner-Ocala
Employment:	good acknowledging steady improvement in unemployment rate since surge in overall unemployment due to COVID-19
Proximity to Necessities:	very good ⁵

The subject neighborhood represents the southerly portion of the downtown (central business district) of the City of Ocala. The broader community redevelopment area of the City of Ocala was established in the late 1980s and includes 108 blocks. The City of Ocala has actively pursued revitalization of this area over the past several years which is evidenced by several substantial projects including complete renovation to the downtown square, widening and improvement of the N. Magnolia Ave right of way from NE 5th St to NE 20th St, improvement of the SR 40 right of way through downtown Ocala, streetscape improvements to Broadway, Ft. King St and S Magnolia Ave, renovation of the downtown train/bus station, increased police presence, re-permitting of the Tusawilla Pond (with St. John's Water Management District) into which the current level of storm drainage from the subject's immediate area empties, creation of the farmer's market, construction of public parking garage and the recent acquisition of a site for a second public parking garage.

The private sector has responded to governmental efforts toward improving the economic conditions of downtown Ocala through redevelopment of many of the buildings in the subject neighborhood. More specifically, a blend of professional office and retail uses are now the predominant use with respect to properties fronting the downtown square. In regard to office use, the vast majority of those properties fronting the north side of the square include professional offices with additional law offices (conversion of former retail uses) on the south side of the square, all of which benefit from proximity to the Marion County and federal courthouses to the northwest. Office uses are also quite common throughout the southerly portion of the downtown market and include a blend of converted

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.

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residences and more modern structures. The market also includes a blend of owner- and tenant-occupancy, the latter most common with respect to multi-tenant buildings. Retail uses on the square include a blend of stores, restaurants and nightclubs/bars. Examples of downtown (off-square) restaurants include recently completed District Bar & Kitchen, La Cuisine, Molly Maguire's and The Ivy House (a multi-tenant building just south of the square is being developed to accommodate Mello Mushroom and other restaurants). Retail uses are also common to the west, south and east of the square. Starbucks and Jimmy Johns occupy relatively new buildings along the S. Pine Ave corridor. Overall, the efforts of the private and public sectors have resulted in a significant decrease in vacancy over the past several years throughout the subject neighborhood.

Government and quasi-government uses are also prevalent in the downtown area including various City of Ocala offices, Marion County School Board complex (just southeast of downtown area), Osceola Middle School and 8th Street Elementary School, Marion County Judicial Center and federal courthouse building, US Post Office, and Social Security Administration (on SR 40 just east of downtown). In addition to the numerous government related uses, the subject neighborhood also includes a significant presence of older church facilities including First Presbyterian Church, Grace Episcopal Church and several other small churches.

The subject is specifically located toward the center of the defined overall subject neighborhood. This specific area represents somewhat of a transitional area between the primary downtown market to the north and the medical district anchored by the two local hospitals to the south (the medical district essentially begins at S. Magnolia Ext just to the south of the subject). This portion of the market (between SE 8th St and S. Magnolia Ext along SE 3rd Ave) has not experienced as much growth (i.e. mixed use development) as the primary northerly portion of the downtown market. That being said, a new apartment complex is under construction on a site adjacent to the subject property. Also, the former Performing Arts Conservatory building on SE 8th St (adjacent north of the subject property) was recently acquired and renovated for day care use. Otherwise, uses in the immediate area include a blend of older residences and offices (most are converted from residential) along SE 3rd Ave and SE 8th St. Other uses include the older Southeastern Stone and Tile facility which is adjacent south of the subject, Stone Petroleum just to the northwest, City of Ocala electrical substation (the easterly 1.55 AC vacant surplus land portion of this site is being considered for exchange with the subject property) and the Geo-Tech office is adjacent east of the subject (former restaurant converted to office use). A low intensity railroad line also extends through the area (parallel to the Magnolia Ext right of way). As will be described later, the subject property is being considered for development with an enclosed storage facility to provide off-site storage opportunities (i.e. boats, recreational vehicles) for the considerable local population of the downtown market. The facility would include 22,290 SF of garage space in support of 13 rentable units.

In the final analysis, the broader Ocala downtown market is experiencing a meaningful level of redevelopment which has gained significant momentum over the past several years.

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Description and Analysis of Site

The following provides a descriptive analysis of the subject property and is based on my personal inspection as well as the public records of Marion County.

Parcel Size-	2.63 AC (per survey by Rogers Engineering; copy retained in my files)
Position-	inside
Shape-	irregular, but useful, configuration
Exposure-	fair to average visual prominence
Aesthetic Appeal-	average (blend of cleared and wooded acreage)
Topography and Drainage-	gently sloping terrain (range from about 122' to 140' above sea level); per the subject's project engineer, the subject accepts storm water from adjacent N property (shared drainage easements with an existing retention pond at the N extreme of the subject site) and includes poor soil conditions; these characteristics adversely impact the efficiency of development of the subject site
Flood Zone-	zone "X" (minimal flooding) as per FEMA Map #12083C0517E, effective April 19, 2017
Environmental Analysis-	no adverse environmental conditions observed acknowledging reported contamination associated with adjacent S parcel; refer to <i>General Assumptions</i>
Road Frontage-	about 207 FF on E r/w of SE 1 st Ter
Site Access-	site accessible via direct frontage on SE 1 st Ter frontage as well as easement on adjacent N parcel (site plan for proposed project shows additional access from adjacent W parcel although survey does not depict a formal easement)
Site Improvements-	none other than partial existing drainage retention associated with adjacent N parcel
Road Improvements-	SE 1 st Ter improved with two lanes of paving (poor condition)
Easements-	subject benefits from, and encumbered by, easements shared drainage; subject benefits from access easement from adjacent N parcel; site also includes a fairly typical utility easement in favor of City of Ocala day care facility to the N, new apartment complex and Geo-Tech office to the E, City of Ocala electrical sub-station to the S and petroleum business
Adjacent Land Uses-	
Adverse Influences-	influence from the adjacent electrical sub-station and petroleum business as well as poorly maintained road frontage and soil/drainage characteristics

In summary, acknowledging soil/drainage issues impacting development of the subject, the site represents a generally effective entity contributing towards ultimate highest and best use.

Aerial Photo



FEMA Map

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

- SPECIAL FLOOD HAZARD AREAS**
 - Without Base Flood Elevation (BFE) Zone A, X, APF
 - With BFE or Depth Zone AE, AO, AH, VE, AR
 - Regulatory Floodway
- OTHER AREAS OF FLOOD HAZARD**
 - 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
 - Future Conditions 1% Annual Chance Flood Hazard Zone X
 - Area with Reduced Flood Risk due to Levee. See Notes. Zone F
 - Area with Flood Risk due to Levee Zone D
- OTHER AREAS**
 - NO SCREEN Area of Minimal Flood Hazard Zone X
 - Effective LOMRs
 - Area of Undetermined Flood Hazard Zone D
- GENERAL STRUCTURES**
 - Channel, Culvert, or Storm Sewer
 - Levee, Dike, or Floodwall
- OTHER FEATURES**
 - Cross Sections with 1% Annual Chance
 - Water Surface Elevation
 - Coastal Transect
 - Base Flood Elevation Line (BFE)
 - Limit of Study
 - Jurisdiction Boundary
 - Coastal Transect Baseline
 - Profile Baseline
 - Hydrographic Feature
- MAP PANELS**
 - Digital Data Available
 - No Digital Data Available
 - Unmapped



The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 5/2/2023 at 12:10 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

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 2.63 AC positioned along SE 1st Ter just south of SE 8th St in the downtown area of Ocala, Florida. The site benefits from useful accessibility (although poorly maintained right of way) and the availability of all city services. As noted earlier, the subject accepts some off-site drainage and includes poorly drained soils, both of which impact development efficiency of the subject (as an example, a small northerly extreme portion of the subject is improved with a retention pond accepting water from the north; also, the proposed site plan for the earlier referenced potential storage use includes 36% open space versus the city requirement of only 20% and the southerly .51 AC is proposed to remain vacant).

The site includes the high intensity/central core future land use designation along with B-2, community business designation (as a result of a recent zoning change in 2021). The change from FBC (form based code) to B-2 was associated with the current owner's plan to develop the subject with a storage facility.

As indicated earlier, the subject is positioned at the southerly extreme of the downtown Ocala district and immediately north of the primary medical district. This immediate area represents somewhat of a transition area between these two districts. Intense mixed use development is presently focused toward the northerly portion of the downtown district (particularly in proximity to the downtown square). While the general location is conducive towards high density residential (i.e. apartments) or office use, the subject's specific locational attributes (somewhat isolated, adjacent to sub-station and petroleum business as well as poorly maintained SE 1st Ter) and drainage/soil issues are not ideal for such use. In fact, as described earlier, the subject is being considered for development with an enclosed storage facility with plot coverage of only about 20% and more than required open space.

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Further, this proposed extent of development will require not only additional on-site retention ponds but also the purchase of off-site storage capacity from the City of Ocala. This proposed use evidences the site's limitations due to drainage/soil characteristics.

Market conditions have been very strong in the subject market (both Ocala, in general, and the downtown market, in particular) for the past several years and even through the COVID-19 crisis. While the COVID-19 pandemic certainly had an adverse impact to the market at the early stages in 2020 due to local, state and national government-mandated "shut downs," the market rebounded considerably in 2021 and into 2023.

In terms of maximal productivity, acknowledging the aforementioned locational and physical limitations of the subject, development is likely limited to some form of low intensity commercial use (i.e. storage facility) as proposed by the current owner. In fact, the owner's prior "down grade" in zoning from the least restrictive FBC designation to B-2 evidences the limitations of development of the subject property (particularly in terms of extremely dense, mixed use which is most ideal for the FBC designation).

In the final analysis, highest and best use of the subject, as vacant, is for some form of low intensity commercial use (i.e. storage facility).

Reasonable Exposure Time

Reasonable exposure time is historically-oriented (**time which lapsed before closing sale/lease**).⁶ Based upon my research with respect to reasonable exposure time of the subject property type, I have formed an opinion of reasonable exposure time applicable to my opinion of market value of the subject property of approximately 6 to 12 months.

Valuation Methodology

The three traditional approaches to value of real estate appraisal process are: Cost Approach, Sales Comparison Approach and Income Capitalization Approach.

The Cost Approach combines an opinion of land value with value of horizontal and vertical improvements. An opinion of land value is based upon an analysis of comparable sales. Valuation of improvements begins with an opinion of current reproduction or replacement costs from which is deducted the total measure of accrued depreciation for the improvement. This approach is most reliable when improvements are new or newer and suffer little or no measure of depreciation. This approach is based upon the Principle of Substitution which holds that a buyer would likely not pay

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**.

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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.

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. From the range of (adjusted) sales prices, the indicator of value for the subject property is extracted.

The Income Capitalization 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. The rate of capitalization is derived from sources sensitive to market occurrences.

As the subject consists of essentially vacant land, only the Sales Comparison Approach is considered applicable.

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Sales Comparison Approach

This process represents a “whole-to-whole” valuation methodology which embraces all facets of the subject property as a single economic entity.

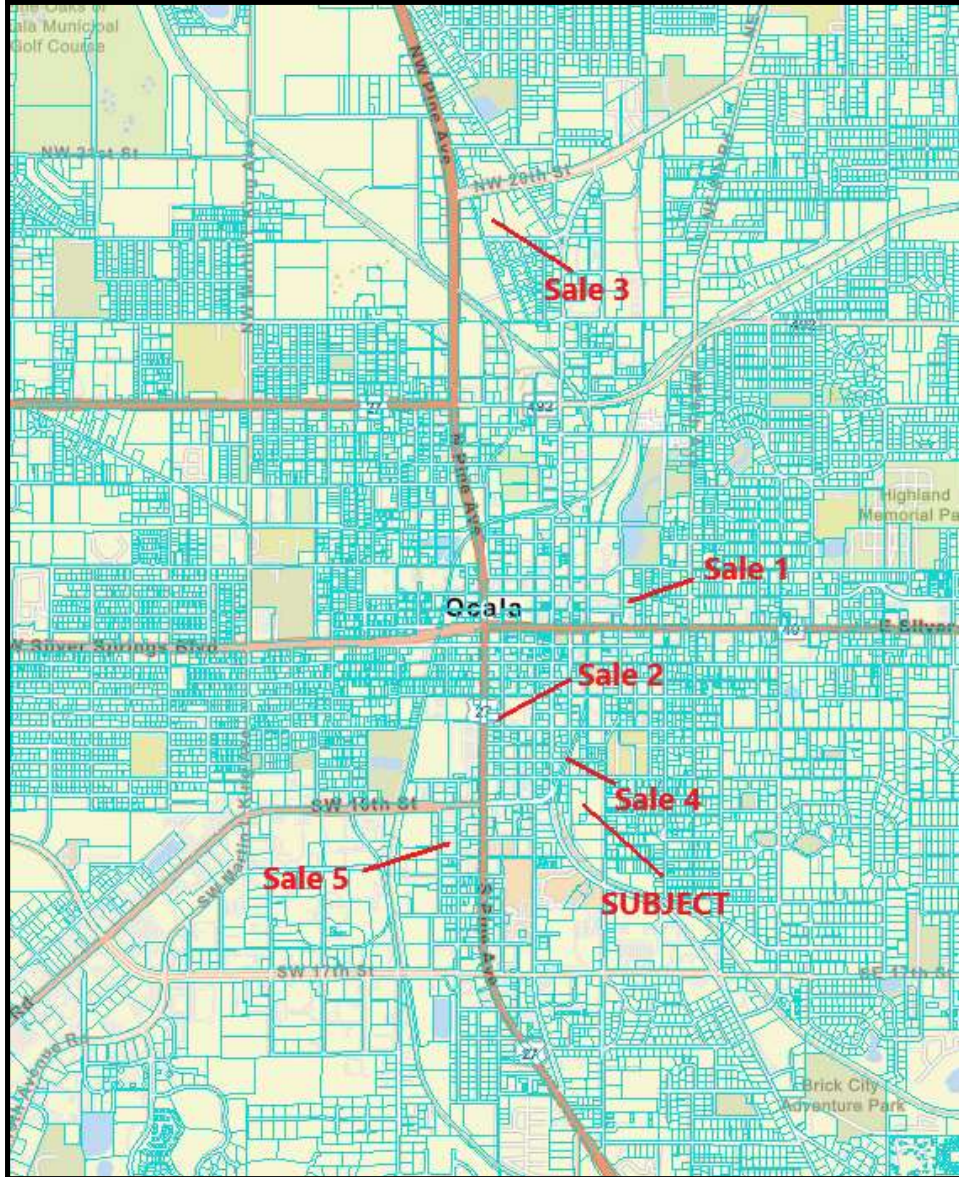
- 1. Research market for sales which are comparable to the subject property.**
- 2. Verify factual data of sales which are concluded comparable to subject.**
- 3. Develop appropriate unit of comparison which reflects the basis of sales.**
- 4. Compare pertinent criteria of sales with characteristics 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.**

The following chart summarizes the most meaningful data available for direct comparison with the subject property. The appropriate unit of comparison includes the price per AC of gross land area.

[COMPARABLE SALES]

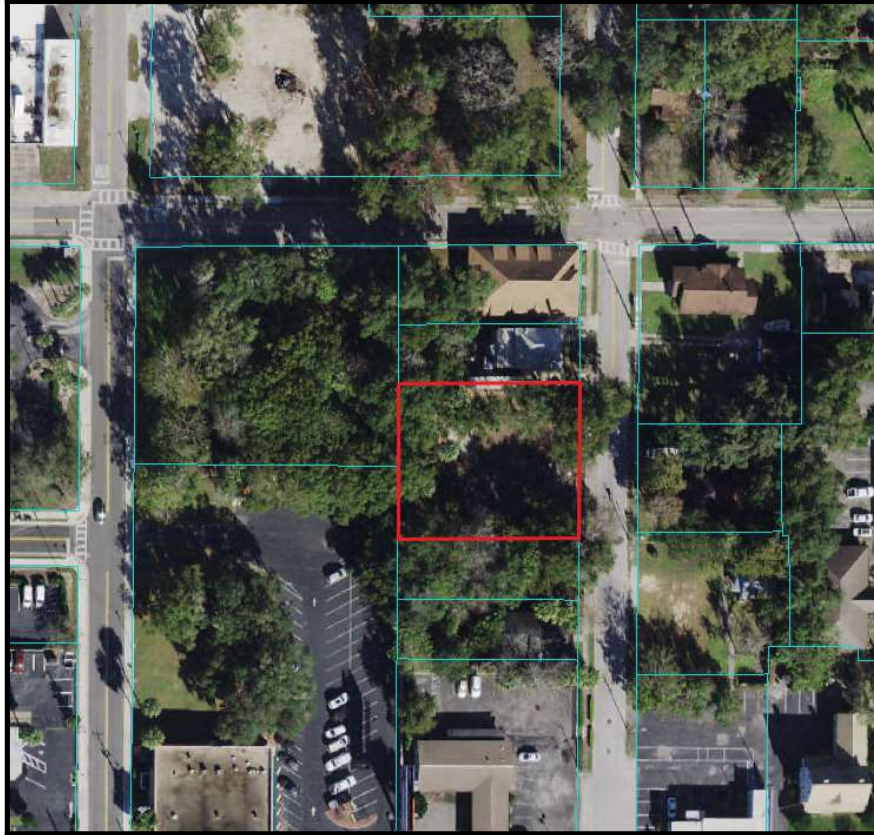
Sale	Date	Location/ Identification	Future Land Use/ Zoning	Size	\$/AC
1	3/22	NE Tuscawilla Ave Lorito Parcel	HI/Central Core/ FBC	.35 AC	\$242,857
2	6/22	319 SW 5 th St/ McLean Site	HI/Central Core/ FBC	.29 AC	\$258,276
3	12/22	SW 20 th St/ Baker Construction Site	Low Intensity/ B-5	3.86 AC	\$181,347
4	3/23	620 SE 1 st Ave/ Debolt Site	HI/Central Core/ FBC	.24 AC	\$208,333
5	6/23	SW 5 th Ave/ PAC 3 Properties Site	HI/Central Core/ B-2	2.17 AC	\$140,553
		Mean of Indicators:		1.38 AC	\$206,273

Comparable Sales Map



Land Sale 1

Data Sheet



Land Sale 1: This property consists of .35 AC site (PID #2824-000-003) located along the west side of NE Tusawilla Ave, between E. Silver Springs Blvd and NE 2nd St in the midtown market of Ocala, Florida. The parcel includes an inside location and benefits of central utilities. The parcel includes generally level and mostly cleared terrain. The property sold in March of 2022 for \$85,000 or \$242,857/AC of gross land area (O.R. Book 7721, Page 0082). The parcel includes a future land use designation of high intensity/central core and zoning designation of FBC, form based code. The seller indicated that the buyer reportedly intends to eventually develop the property with some form of mixed use. The transaction included cash to seller and there have been no other sales over the preceding three years. The sale was verified through public records and the seller (Amy Geller).



Land Sale 2: This property consists of a .29 AC site (PID #2853-011-004) located at the corner of SW 5th St and SW 3rd Ave in the downtown district of Ocala, Florida and just east of the S. Pine Ave corridor. The parcel includes a corner location and benefits of central utilities. The parcel includes generally level and selectively cleared terrain with no flood plain elevations. The property sold in June of 2022 for \$74,900 or \$258,276/AC of gross land area (O.R. Book 7819, Page 1982). The parcel includes a future land use designation of high intensity/central core and zoning designation of FBC, form based code. The seller indicated that the buyer reportedly intends to eventually develop the property with an owner-occupied law office. The transaction included cash to seller and there have been no other sales over the preceding three years. The sale was verified through public records and MLS #O6031337 (Emad Tamimi).



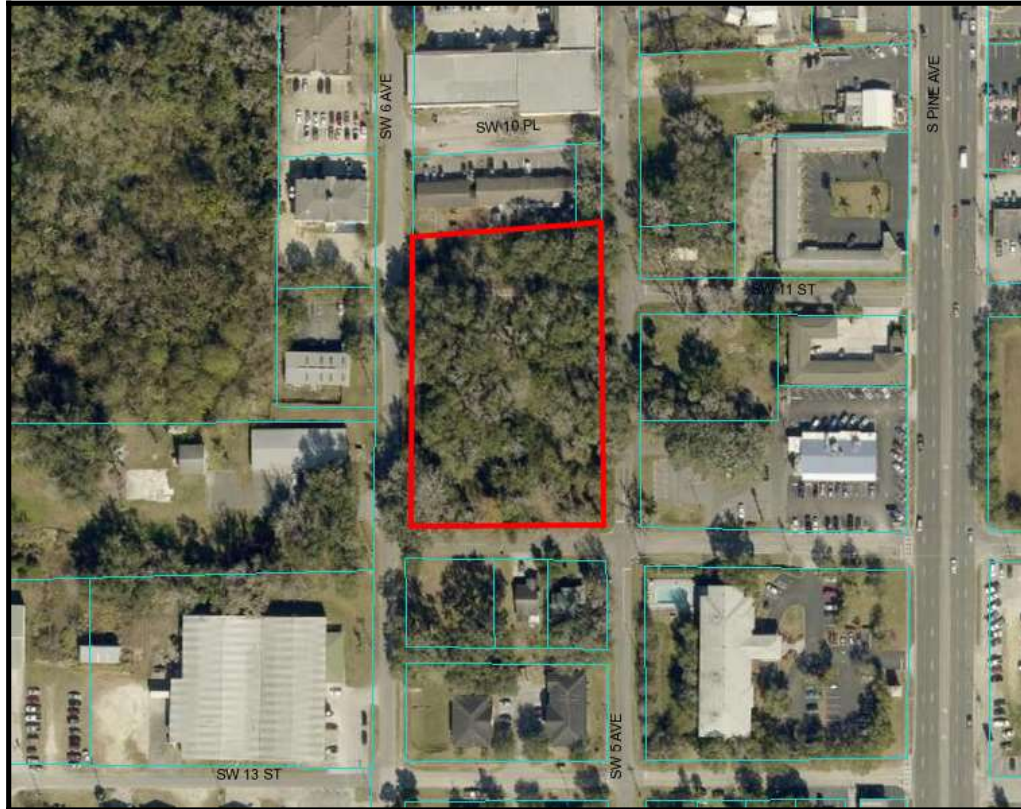
Land Sale 3: This property consists of a 3.86 AC site (PID #25405-000-00) located at the corner of NW 17th Pl and NW 4th Ave with additional frontage on NW 20th St. This located is just north of the midtown market of Ocala, Florida and just east of the S. Pine Ave corridor. The parcel includes a corner location and benefits of central utilities. The parcel includes generally level and selectively cleared terrain with about 30% of the site within flood plain elevations. The property sold in December of 2022 for \$700,000 or \$181,347/AC of gross land area (O.R. Book 7957, Page 0080). The parcel includes a future land use designation of low intensity and zoning designation of B-5, wholesale business. The buyer indicated that he plans to build a multi-unit office/warehouse complex and will occupy the primary unit (local general contractor). The transaction included cash to seller and the property previously sold in March of 2020 (height of the COVID-19 crisis) for \$125,000. The sale was verified through public records and the buyer (Mike Baker).

Land Sale 4

Data Sheet



Land Sale 4: This property consists of a .24 AC site (PID #2822-025-005) located at the corner of SE 1st Ave and SE 7th St in the downtown district of Ocala, Florida. The parcel includes a corner location and benefits of central utilities. The parcel includes generally level and selectively cleared terrain with no flood plain elevations. The property sold in March of 2023 for \$50,000 or \$208,333/AC of gross land area (O.R. Book 8016, Page 0402). The parcel includes a future land use designation of high intensity/central core and zoning designation of FBC, form based code. The buyer owns the adjacent north small office property and purchased this property as an investment with no immediate plans for development. The transaction included cash to seller and there have been no other sales over the preceding three years. The sale was verified through public records and the buyer (Mark Debolt).



Land Sale 5: This property consists of a 2.17 AC site (PID #28529-000-00) located at the corner of SW 12th St with SW 5th Ave and SW 6th Ave (three road frontages) just west of the primary downtown district of Ocala, Florida (just west of the S. Pine Ave corridor). The parcel includes a corner location and benefits of central utilities. The parcel includes generally level and selectively cleared terrain with no flood plain elevations. The property sold in June of 2023 for \$305,000 or \$140,553/AC of gross land area (O.R. Book 8068, Page 1648). The parcel includes a future land use designation of high intensity/central core and zoning designation of B-2 (commercial). The listing agent verified that the buyer intends to develop the property multi-family residential. The transaction included cash to seller and there have been no other sales over the preceding three years. The sale was verified through public records and MLS #OM621644 (Lance Schenker).

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Adjustment Process

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/terrain/drainage, improvements) and entitlement.

My review of the available data revealed a lack of discernible support for most 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. Where specific quantified adjustments are not available, I have relied upon qualitative analysis.

Interest Conveyed:

Each of the sales included the acquisition of the fee simple interest with no need for adjustment.

Cash Equivalency:

None of the sales require adjustment for cash equivalency.

Conditions of Sale:

All sales included arm's length transactions with no need for adjustment. That being said, it is noted that the buyer of Sale 4 is an experienced local real estate broker that felt that he "got a good deal" on the property. In fact, comparison of this sale with similar Sales 1 and 2 is indicative that this may be somewhat accurate.

Market Conditions:

The sales occurred from early 2022 to mid-2023 and do not require adjustment for market conditions.

Location:

The subject is located along SE 1st Ter in the southerly extreme portion of the downtown district with fair accessibility (poorly maintained road frontage) and availability of central services. By comparison, Sales 1, 2 and 4 include somewhat superior locations as compared with the subject as all include good accessibility and central services (all located in peripheral areas of the downtown district). Sale 3 is located north of the downtown district which is considered slightly inferior to that of the subject but with superior access. As such, it is considered only slightly inferior. Sale 5 is located west of the S. Pine Ave corridor which is considered inferior to the subject's location but also includes better access. As such, it is also considered only slightly inferior.

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Physical Characteristics:

In terms of size, the five sales produce a broad range which brackets that of the subject. That being said, Sales 1, 2 and 4 are all significantly smaller while Sale 3 is larger and Sale 5 is similar. Consistent with economies of scale which are typically relevant for the subject property type in the subject market, downward consideration to the smaller sales and upward consideration to the larger sale is appropriate.

The subject includes an irregular, but useful, shape with generally level terrain. That being said, the subject includes significant (atypical) drainage/soil issues which impact development potential. By comparison, all sales include useful configurations and terrain with superior drainage/soil (acknowledging that Sale 3 is only slightly superior as it includes partial flood plain encumbrance).

The subject and all sales are vacant with no need for adjustment.

Use (Entitlement):

Sales 1, 2, 4 and 5 all include the same future land use as the subject. Only Sale 5, like the subject, lacks the corresponding FBC zoning designation. However, as discussed earlier, a zoning change to FBC within the high intensity/central core area is considered reasonably likely. Sale 3 includes only low intensity future land use but B-5 zoning which is the least intensive commercial zoning and ideal for the intended use of this property. In that regard, no adjustment is considered necessary.

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Conclusions:

The following is a summary of the elements of comparison and adjustments associated therewith.

[Comparable Sales Adjustment Grid]

Element of Comparison	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Sale Price (\$/AC)	\$242,857	\$258,276	\$181,276	\$208,333	\$140,553
Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing/CE	Cash to Seller	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	Arm's Length
Adj Price (\$/AC)	\$242,857	\$258,276	\$181,276	\$208,333	\$140,553
Market Conditions	Similar	Similar	Similar	Similar	Similar
Adj Price (\$/AC)	\$242,857	\$258,276	\$181,276	\$208,333	\$140,553
Location	Superior (-)	Superior (-)	Slight Inf (+)	Superior (-)	Slight Inf (+)
Size	Smaller (-)	Smaller (-)	Larger (+)	Smaller (-)	Similar
Shape/Topo/Drainage	Superior (-)	Superior (-)	Slight Superior (-)	Superior (-)	Superior (-)
Improvements	Similar	Similar	Similar	Similar	Similar
Entitlement	Similar	Similar	Similar	Similar	Similar
Overall Net Adjustment	Superior (-)	Superior (-)	Slight Superior (-)	Superior (-)	Slight Inf (+)
Adj Price (\$/AC)	\$242,857	\$258,276	\$181,276	\$208,333	\$140,553

The five sales produce a somewhat broad range with a mean indication of \$206,273/AC. Sales 1, 2 and 4 are all superior to the subject in terms of location and smaller size. Sale 3 is considered only slightly superior overall and includes a proposed use most consistent with the subject's characteristics and proposed use. Sale 5 is most current but is considered inferior overall. In the final analysis, it is my opinion that a conclusion toward the lower tendency is appropriate. Based upon the market data researched and presented herein, I have concluded an opinion of market value of:

Opinion of Market Value
[2.63 AC @ \$155,000/AC, Rd]

\$408,000

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Reconciliation

The Sales Comparison Approach forms the basis of the valuation and includes current sales from the subject's immediate neighborhood (four of the five sales are in the high intensity/central core area).

Based on prevailing economic conditions, I have formed an opinion of market value of the subject property, as of the effective valuation date identified herein, of:

Opinion of Market Value

\$408,000

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 Metro Chamber & Economic Partnership (Member)
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; Past President)
Florida State Golf Association (Board of Directors; Executive Committee)

Specialized Services

[Expert Witness]

5th Circuit- Marion County, Citrus and Lake Counties

[Arbitration/Mediation Hearings]

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

[Special Magistrate]

Marion County Value Adjustment Board Hearings (2008-2022)
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