

JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS



**INTENT AND GENERAL
INFORMATION**

INVITATION TO BID NO: 2023-15

**300 Industrial Park Drive
Monticello, Florida 32344**

BID ADVERTISE DATE: September 13, 2023

BID RELEASE DATE: September 13, 2023

RESPONSE DUE DATE AND TIME: October 18, 2023 @ 3:00 PM EST

MAIL OR DELIVER RESPONSE TO:
(hand-delivery or express mail services)

COUNTY MANAGER'S OFFICE

ATTN: Gustavo Rojas

ITB 2023-15

445 W. Palmer Mill Rd.

Monticello, FL 32344

Contact:

Gustavo Rojas

445 W. Palmer Mill Rd.

Monticello, FL 32344

850-342-0223

grojas@jeffersoncountyfl.gov

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3.00 Acres, more or less, located at 300 Industrial Park Drive

INTENT AND GENERAL INFORMATION

Jefferson County, Florida through Invitation to Bid No. **2023-15** is soliciting bids for the sale of property located at

It is the intent of this ITB to enter into a Purchase and Sale Agreement with the successful Bidder to be executed upon approval of the Board of County Commissioners.

Individuals or firms interested in preparing a bid for this ITB must complete the requirements set forth in this ITB, its attached documents and documents incorporated by reference (collectively referred to as the "ITB"). Under the bid process of Jefferson County, the conditions set forth herein are binding on the Bidder as confirmed by the signature of a person with legal authority to bind the Bidder on the cover letter transmitting its Bid to the County in response to this ITB.

If this ITB is amended, the County manager's Office will issue an appropriate addendum to the ITB. Any addendums will be posted on the County Website. If an addendum is issued, all terms and conditions of this ITB that are not specifically modified in the addendum shall remain unchanged. An addendum to this ITB will be issued if any of the date and/or time change, unless the date(s) fall after the date the ITB Bid(s) are due. Specific dates/time will be determined at each phase.

The Property is offered for sale "As Is." The Bidder understands and hereby agrees to be solely responsible for investigation of the Property advertised for sale in this ITB. No actual or implied warranties of habitability, condition, merchantability, or fitness for any general or specific use are made herein. Failure by the Bidder to acquaint themselves with the available information and conduct its own investigation will not relieve them from responsibility for entry of a Bid. Bidders are expected to examine the specifications and all instructions pertaining to the Property. Failure to do so will be at Bidder's risk.

The County reserves the right to reject any Bid found to be non-responsive, vague, or non-conforming. The County also reserves the right at any time to withdraw all or part of this ITB in order to protect its best interests. The County is not liable for any costs incurred by the Bidder in preparing its response, nor is a response an offer to contract with any Bidder. Pursuant to Chapter 119, Florida Statutes, all responses are subject to Florida's public records laws.

While every effort is made to ensure the accuracy and completeness of information in the ITB, it is recognized that the information may not be complete in every detail and that all work may not be expressly mentioned in the ITB. It is the responsibility of the Proposer to include in its Proposal all pertinent information in accordance with the objectives of the ITB.

The ITB and any addenda issued are available on the Jefferson County website at <http://www.jeffersoncountyfl.gov> or by contacting the County at 850-997-3083. All questions pertaining to this ITB should be submitted in writing in accordance with the ITB instructions set forth in Section 1.0 of the ITB.

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ADA –Special Accommodations: Any person requiring accommodations by the County due to a disability should call the County manager’s Office at 850-997-3083 at least five (5) working days prior to any pre-response Conference, response opening, or meeting. If you are hearing or speech impaired, please contact the County manager’s Office by the Florida Relay Service, which can be reached at 1-800-955-8771 (TTY).

SECTION 1.0 SCHEDULE OF EVENTS

Failure to comply with this or any other paragraph of this ITB shall be sufficient reason for rejection of the bid.

All times listed in the Schedule of Events are Eastern Standard Time (EST).

| <i>Event</i> | <i>Date/Time</i> |
|---|-------------------------------------|
| Bid Advertisement Date | September 13, 2023 |
| Release of Invitation to Bid | September 13, 2023 |
| Bid Questions Due from Prospective Bidder | September 27, 2023 |
| Responses to bid questions due | September 29, 2023 |
| BIDS DUE TO BOCC | October 18, 2023 @ 3:00 P.M. |
| Posting of Intended Award | October 19, 2023 @ 5:00 P.M. |
| Deposit Amount Due | October 24, 2023 |
| BOCC Consideration of Award and Purchase and Sale Agreement | November 2, 2023 |

SECTION 2.0 BID QUESTIONS

2.1 All inquiries and questions concerning this ITB, must be in writing (e-mail is acceptable), received in accordance with Section 1.0 Schedule of Events, and must be directed to: Gustavo Rojas, Budget Director, grojas@jeffersoncountyfl.gov or mailed to 450 W Walnut St., Monticello, FL 32344.

Questions and responses will be posted on the County’s Website and, if necessary, an Addendum or Addenda will be issued.

SECTION 3.0 PROPERTY INFORMATION

Parcel ID No.: 12-1N-4E-0000-006K-0000
Property Reference: 3.00 +/- acres located at
300 Industrial Park Drive
Monticello, Florida 32344
Bids Due: October 18, 2023, by 3:00 P.M.
Minimum Base Bid: \$282,000.00

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The Minimum Base Bid is \$282,000.00, which is based on an Appraisal dated June 21, 2023, which is attached hereto as Appendix C. Bidders should only submit Bid Prices greater than or equal to \$282,000.00. A boundary survey of the parcel is attached hereto as Appendix D.

The bidders may incur their own costs for additional surveys, title insurance, or appraisals.

SECTION 4.0 RECEIPT AND OPENING OF THE BID

- 4.1 All Bids received will be recorded and date stamped at the Jefferson County office located at 450 W Walnut St., Monticello FL. The responsibility for submitting the Bid to the County manager's Office no later than the specified time and date is solely that of the Bidder. The County will in no way be responsible for delays in mail delivery or delays caused for any other occurrence.
- 4.2 Submission of Bids by fax or other electronic means will not be accepted. Late Bids will not be accepted, i.e., any Bid submitted/received after **3:00 P.M. on October 18, 2023**, unless otherwise changed through the issuance of an addendum to this ITB.
- 4.3 Any bids received after the stated time and date will not be considered. Late bids shall not be opened at the public opening. Arrangements may be made for the unopened bid to be returned at the Bidder's request and expense.
- 4.4 A Bid may be withdrawn or modified only by written notification from the Bidder prior to the time fixed for the opening of Bids. Negligence on the part of the Bidder in preparing the Bid confers no right for withdrawal of the Bid after it has been opened
- 4.5 All timely bids will be opened on the date and time indicated in Section 1.0, Schedule of Events (i.e. date Bids are due) or as modified by addendum.

SECTION 5.0 CONE OF SILENCE

- 5.1 A Cone of Silence will be in effect for this ITB beginning with the advertisement date of **September 13, 2023**, and will terminate upon issuance of Notice of Award. A violation of the "Cone of Silence" renders any award voidable at the sole discretion of the County manager with approval from the Board of County Commissioners and may subject the potential Respondent/Consultant or representative to debarment.
- 5.2 A prospective Respondent shall not have any communication with any of the Board of County Commissioners nor candidates for County Commission, nor any employees from the Jefferson County Government, which includes the Jefferson County Sheriff's Office, nor any members of the Evaluation Committee, either individually or collectively,

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concerning this project. Contractor/Respondent or representative who intend to submit qualifications, or have submitted qualifications, for this project are hereby placed on formal notice that they are not to contact County personnel for such purposes as holding meetings of introduction, meals, or meetings relating to the selection process outside of those specifically scheduled by the County. Any such lobbying activities may cause immediate disqualification for this project.

- 5.3 All requests for interpretations or clarifications shall be in writing, addressed to the contact person as shown in Section 2.0, Bid Questions. All such request for interpretations or clarifications must be received in writing in accordance with Section 1.0, Schedule of Events. Any and all such interpretations and supplemental instructions shall be in the form of a written addendum which, if issued, shall be posted on the County's website on the date indicated in Section 1.0, Schedule of Events. Such written addenda shall be binding on the Bidder and shall become a part of the ITB Document(s).
- 5.4 The Cone of Silence shall not apply to:
- a) Communications at the pre-bid meeting.
 - b) Communications during contract negotiations between designated County employees and the intended Vendor.
 - c) Communication with a Vendor by a County employee following Competitive Procurement opening to clarify the Vendor's Response.
 - d) Communication following the filing of a challenge to a Competitive Procurement between the protesting Vendor or the selected Vendor and the County manager's Office, and County Attorney's Office concerning the challenge.

SECTION 6.0 BID RESPONSE REQUIREMENTS

- 6.1 The use of the terms "shall," "must," or "will" (except to indicate simple futurity) in this ITB indicates a mandatory requirement or condition. The words "should" or "may" in this ITB indicate desirable attributes or conditions, but are permissive in nature. Deviation from, or omission of, such a desirable feature will not by itself cause rejection of a Bid.
- 6.2 Bids not meeting all material requirements of this request or which fail to provide all required information, documents, or materials such as required forms, bonds, etc., will be rejected as non-responsive. Material requirements of the bid are those set forth as mandatory, or without which an adequate analysis and comparison of replies is impossible, or those which affect the competitiveness of replies or the cost to the County.
- 6.3 The County reserves the right to determine which Bids meet the material requirements of the ITB and which Bids are responsible and/or responsive. Further, the Board of County Commissioners may reject any and all Bids and seek new Bids when it is in the best interest of the County to do so.

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- 6.4 A Bid by a corporation shall be executed in the corporate name by the president or a vice-president or other corporate officer accompanied by evidence of authority to sign. The corporate seal shall be affixed and attested by the secretary or an assistant secretary. The corporate address and state of incorporation shall be provided on the Bid Form, for a Bid by a/an:
- a. Partnership shall be executed in the partnership name and signed by a partner (whose title must appear under the signature), accompanied by evidence of authority to sign. The official address of the partnership shall be provided on the Bid Form.
 - b. Limited liability company shall be executed in the name of the firm by a member and accompanied by evidence of authority to sign. The state of formation of the firm and the official address of the firm shall be shown.
 - c. Individual shall show the Bidder's name and business address.
 - d. Bid by a joint venture shall be executed by each joint venture member in the manner indicated on the Bid form. The official address of the joint venture must be provided on the Bid Form.
- 6.5 All names shall be printed in ink below the signatures.
- 6.6 The Bid shall contain an acknowledgment of receipt of all Addenda, the numbers and dates of which shall be filled in on the Bid form.
- 6.7 The postal and email addresses and telephone number for communication regarding the Bid shall be shown.
- 6.8 A Bidder seeking to do business with the County shall, at the time of submitting a Bid, be appropriately registered with the Department of State in accordance with the provisions of Chapters 605, 607, 617, or 620 Florida Statutes, as applicable. For further information on required filing and forms, please go to the following sites: <http://sunbiz.org/index.html> or <https://www.dos.myflorida.com/>.
- The Bid shall contain evidence of Bidder's authority and qualification to do business in the state or locality where the Project is located or Bidder shall covenant in writing to obtain such qualification prior to award of the Contract and attach such covenant to the Bid. Bidder's state contractor license number, if any, shall also be shown on the Proposal Transmittal Form (Bid Form 1).
- 6.9 The Bid should address the requirements in a clear and concise manner in the order stated herein.

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- 6.10 Bids must include the information/documents specified in the Bid Proposal Forms. Bids that do not adhere to the format or include the requested information/documents may be considered incomplete and therefore unresponsive by the County.
- 6.11 The County reserves the right to seek additional/supplemental representation on specific issues as needed.
- 6.12 Bids should be typed or clearly written. No changes in or corrections to Bids will be allowed after the Bids are opened.
- 6.13 The signer of the Bid must declare that the Bid in all respects fair and in good faith without collusion or fraud and that the signer of the Bid has the authority to bind the principal Bidder.
- 6.14 The County shall not be liable for any costs incurred by Bidder prior to entering into a contract. Therefore, all Bidders are encouraged to provide a simple, straightforward, and concise description of their ability to meet the ITB requirements.

SECTION 7.0 EVALUATION OF BIDS AND SELECTION PROCESS

- 7.1 Bidders who satisfy the required qualifications and are deemed responsible Bidders and who timely submit a responsive Bid will be considered by the County. Bids received from prospective Bidders who have been suspended or debarred will not be accepted or considered. A Bidder whose Bid, past performance, or current status that does not reflect the capability, integrity or reliability to perform fully and in good faith the requirements of the Contract may be rejected as non-responsible.
- 7.2 Following Bid Opening, on the date set forth in Section 1.0 above, the highest bidder must submit a deposit in the amount of \$150 or 10% of the Bid Price, whichever is greater, by October 9, 2023, the Deposit Date. In the event that payment is not received by the Deposit Date, the award will go to the next highest bidder who will be required to submit a Deposit within a reasonable time from its notification of award.
- 7.3 The County reserves the right to reject any or all Bids, including without limitation, nonconforming, nonresponsive, unbalanced, or conditional Bids. The County further reserves the right to reject the Bid of any Bidder whom it finds, after reasonable inquiry and evaluation, to be non-responsible. The County also reserves the right to waive all informalities not involving price, time, or changes in the Work and to negotiate contract terms with the Successful Bidder.
- 7.3.1 More than one Bid for the same Property from an individual or entity under the same or different names will not be considered. Reasonable grounds for believing that any Bidder has an interest in more than one Bid for the Property may be cause for disqualification of that Bidder and the rejection of all Bids in which that Bidder has an interest.

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- 7.3.2 In evaluating Bids, the County will consider whether or not the Bids comply with the prescribed requirements, and such alternates, unit prices and other data, as may be requested in the Bid Form or prior to the Notice of Award.
- 7.3.3 If the Contract is to be awarded, the County will award the Contract to the responsible Bidder whose Bid, conforming with all the material terms and conditions of the Instructions to Bidders, is the highest.
- 7.4 Responses to this ITB not meeting the requirements specified herein will be considered non-responsive or not responsible, as applicable. In the best interest of the County, the Jefferson Board of County Commissioners' reserve the right to reject any and all responses or waive any minor irregularity or technicality in responses received. Respondents are cautioned to make no assumptions unless their response has been deemed responsive.
- 7.5 Whenever two or more Bids, which are equal with respect to price and comments on the proposed Purchase and Sale Agreement are received from responsive and responsible Bidders, the following steps will be taken to establish the award to the highest Bidder. This method shall be used for all ties.

Coin Flip:

If all is equal, the award, or the first opportunity to negotiate, as applicable, shall be determined by the flip of a coin to determine final outcome.

- 7.5.1 When the tie has been broken pursuant to the above procedures, the Contract award, or the first opportunity to negotiate, as applicable, shall be made.
- 7.5.2 If an award or negotiation is unsuccessful with the highest Bidder, award or negotiations may commence with the next highest Bidder, utilizing the tiebreaker steps above to make the determination of next highest Bidder if necessary.
- 7.6 When the County gives a Notice of Award to the Successful Bidder, it shall be accompanied by the required number of unsigned counterparts of the Purchase and Sale Agreement with the other Contract Documents which are identified in the Contract as attached thereto. Within five (5) days thereafter, Successful Bidder shall sign and deliver the required number of counterparts of the Contract and attached documents to the County. The County shall deliver one fully signed counterpart to Successful Bidder.

SECTION 8.0 INTENT TO AWARD AND CONTRACT EXECUTION

- 8.1 The County reserves the right to incorporate the successful Bid into the Purchase and Sale Agreement. Failure of a Bidder to accept this obligation may result in the cancellation of

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the award. The Purchase and Sale Agreement and its exhibits are included as Appendix B, which is attached hereto and incorporated herein by reference.

- 8.2 The construction, interpretation, and performance of this ITB, and all transactions under it shall be governed by the laws of the State of Florida and Jefferson County. The Contract shall include all terms and conditions of this ITB, any addenda, response, and the County's contract issued as a result of this ITB.
- 8.3 The County reserves the right to make award(s) by individual item, group of items, all or none, or a combination thereof. The County reserves the right to reject any and all bids or to waive any minor irregularity or technicality in the bids received. Award will be made to the lowest responsible and responsive Bidder(s) within the category chosen for basis of award. The County reserves the right to award to one or multiple Bidders at its discretion.
- 8.4 The Successful Bidder will be required to assume responsibility for all services offered in the Bid. The County will consider the Successful Bidder to be the sole point of contact with regard to contractual matters, including payment on any or all charges.
- 8.5 After successful posting of the award for 72 hours, the Successful Bidder will be required to enter into the Purchase and Sale Agreement with the County.

The Jefferson County Board of County Commissioners declared the following Property as Surplus via Resolution No. [Surplus Resolution] dated [Resolution DATE] and directed its sale via Competitive Sealed Bidding.

Parcel ID No.: 12-1N-4E-0000-006K-0000
Property Reference: 3.00 +/- acres located at 300 Industrial Park Drive
Monticello, Florida 32344
Bids Due: October 2, 2023 by 3:00 P.M.
Minimum Bid: \$282,000

If you are interested in obtaining the Invitation to Bid (ITB), which includes more information about the Property, please contact:

COUNTY MANAGER'S OFFICE
ATTN: GUSTAVO ROJAS
ITB 2023-XX
445 W. PALMER MILL RD.
MONTICELLO, FL 32344

The Minimum Base Bid is \$282,000.00, which is based on an Appraisal dated June 21, 2023, which is attached to the ITB as Appendix C.

The bidders may incur their own costs for additional surveys, title insurance, or appraisals.

The County will award a Purchase and Sale Agreement to the highest bidder. The highest bidder will be notified on October 19, 2023 by 5:00 P.M. The highest bidder must submit its deposit by the Deposit Date identified in the Invitation to Bid. In the event that payment is not received by the Deposit Date, the award will go to the next highest bidder.

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (“Agreement”) is made and entered into as of the date on which the final signature of the parties is affixed hereto (“Effective Date”) by and between **Jefferson County, Florida**, a political subdivision of the State of Florida, whose mailing address 450 W. Walnut Street, Monticello, FL 32344 (“Seller”) and _____, whose mailing address is _____ (“Buyer”).

For and in consideration of the purchase price and the mutual covenants and conditions contained herein, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree that Seller shall sell and Buyer shall buy, pursuant to the following terms and conditions, all of Seller’s rights, title, and interest in and to the following described real property (“Property”) in fee simple:

I. Description of Property: See Exhibit “A” attached hereto as if fully set forth herein.

II. Purchase Price: The purchase price for the Property is \$_____ (“Purchase Price”) which will be paid by the Buyer to the Seller at closing. Buyer shall pay a deposit in the amount of \$_____ by October 9, 2023 (“Deposit”) which shall be held in escrow by Nabors, Giblin & Nickerson, P.A., who shall serve as Closing Agent pursuant to the terms of this Agreement. Seller authorizes Buyer to deliver the Purchase Price directly to the Closing Agent who is authorized by law to receive such payment and who is acceptable to the Buyer and Seller.

III. Conditions and Limitations

(a) Seller is responsible for all taxes due on the Property up to but not including the day of closing.

(b) Buyer is responsible for any transfer taxes that may be due and for the cost of recording the deed.

(c) Seller shall maintain the Property described in **Section I** of this Agreement until the day of closing. The Property shall be maintained in the same condition existing on the date of this Agreement, except for reasonable wear and tear.

(d) Buyer agrees that the Property shall be conveyed to Buyer by conveyance instruments acceptable to Seller.

(e) Seller and Buyer agree that this Agreement represents the full and final agreement for the herein described sale and purchase and no other agreements or representations, unless incorporated into this agreement, shall be binding on the parties.

IV. Closing Date

The closing will occur no later than 90 days after the Effective Date hereof (“Closing Date”), unless extended by agreement of the parties in writing. Seller agrees that the County

Manager is hereby delegated all necessary authority to act on its behalf for the purpose of negotiating and effecting an extension of the Closing Date.

V. Typewritten or Handwritten Provisions

Any typewritten or handwritten provisions inserted into or attached to this agreement as addenda must be initialed by both Seller and Buyer.

- There is an addendum to this Agreement. Page ____ is made a part of this agreement.
- There is not an addendum to this Agreement.

VI. Seller and Buyer hereby acknowledge and agree that their signatures as Seller and Buyer below constitute their acceptance of this Agreement as a binding real estate contract.

[Signatures on following pages]

APPENDIX B
DRAFT PURCHASE AND SALE AGREEMENT

JEFFERSON COUNTY, FLORIDA, a political
subdivision of the State of Florida

**BY ITS BOARD OF COUNTY
COMMISSIONERS**

Chris Tuten, Chairman

Date

ATTEST:

Kirk Reams, Ex Officio Clerk to the Board
1 Courthouse Circle
Monticello, FL 32344

APPROVED AS TO FORM:

Heather J. Encinosa, County Attorney
1500 Mahan Drive, Suite 200
Tallahassee, FL 32303

[BUYER]

WITNESSES

Witness 1 Signature

[BUYER]

Witness 1 Printed Name

DATE: _____

Witness 1 Address

Witness 2 Signature

Witness 2 Printed Name

Witness 2 Address

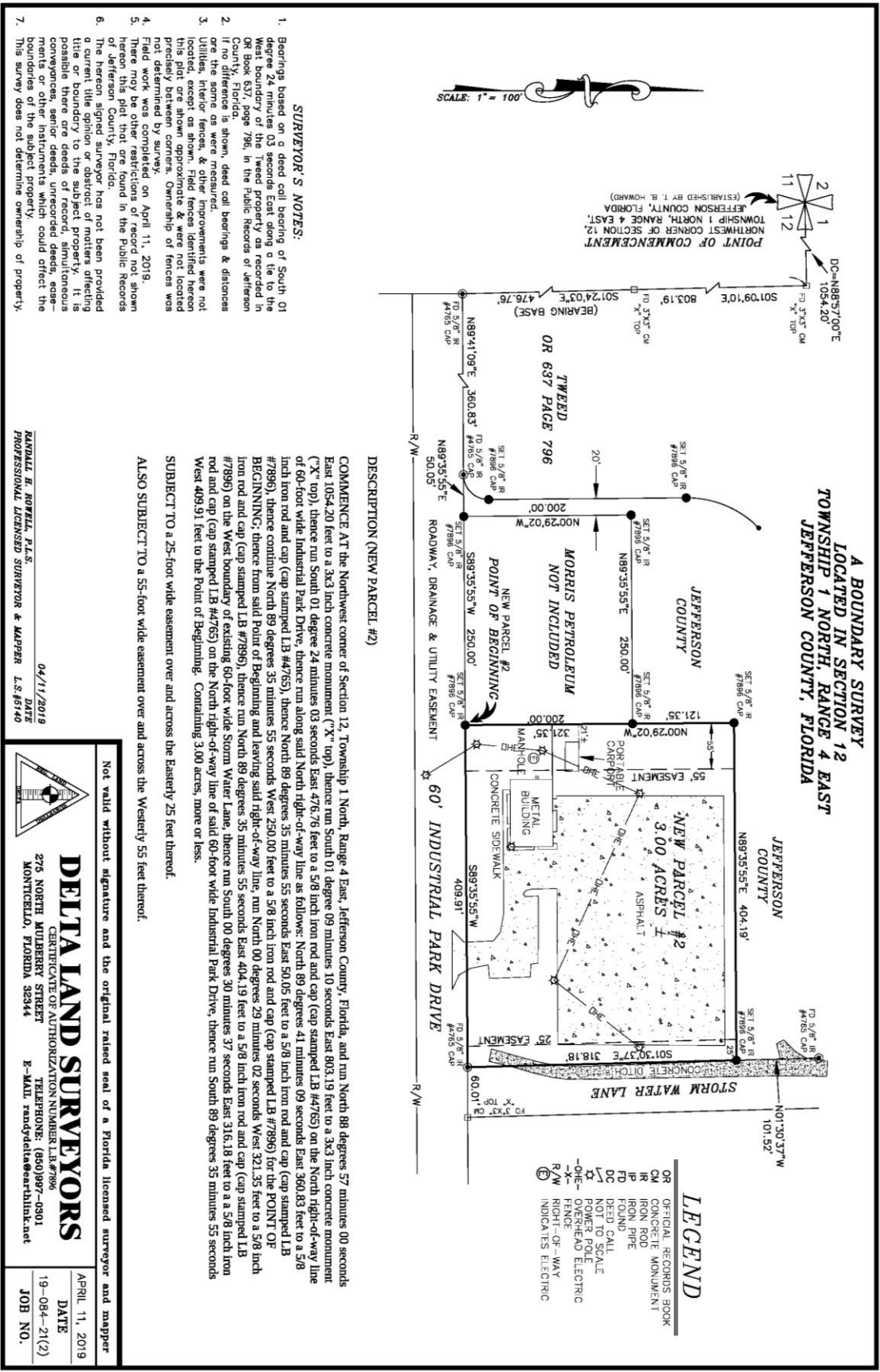
STATE OF FLORIDA
COUNTY OF _____

Sworn to (or affirmed) and subscribed before me by means of physical presence or online notarization, this _____ day of _____ 2023, by [BUYER],
 who is personally known to me or who has produced _____ as identification.

(Notary Stamp)

Signature of Notary Public
Printed Name of Notary: _____
Commission Number: _____
Commission Expiration: _____
Address: _____

EXHIBIT "A"



- SURVEYOR'S NOTES:**
- Bearings based on a deed call bearing of South 01 degree 24 minutes 03 seconds East along a tie to the West boundary of the Tweed Property as recorded in OR Book 637, page 796, in the Public Records of Jefferson County, Florida.
 - If no difference is shown, dead call bearings & distances are the same as were measured.
 - Location of monuments were not located, except as shown. Field fences identified hereon precisely between corners. Ownership of fences was not determined by survey.
 - Field work was completed on April 11, 2019.
 - There may be other restrictions of record not shown hereon this plot that are found in the Public Records of Jefferson County, Florida.
 - The herein signed surveyor has not been provided with any information as to whether there are any other title or boundary to the subject property. It is possible there are deeds of record, simultaneous conveyances, senior deeds, unrecorded deeds, easements or other instruments which could affect the boundaries of the subject property.
 - This survey does not determine ownership of property.

DESCRIPTION (NEW PARCEL #2)

COMMENCE AT the Northwest corner of Section 12, Township 1 North, Range 4 East, Jefferson County, Florida, and run North 88 degrees 57 minutes 00 seconds East 1054.20 feet to a 3x3 inch concrete monument (X top), thence run South 01 degree 09 minutes 10 seconds East 803.19 feet to a 3x3 inch concrete monument (X top), thence run South 01 degree 24 minutes 03 seconds East 476.76 feet to a 5/8 inch iron rod and cap (cap stamped LB #4765) on the North right-of-way line of 60-foot wide Industrial Park Drive, thence run along said North right-of-way line as follows: North 89 degrees 41 minutes 09 seconds East 360.83 feet to a 5/8 inch iron rod and cap (cap stamped LB #4765), thence North 89 degrees 35 minutes 55 seconds East 50.05 feet to a 5/8 inch iron rod and cap (cap stamped LB #7896), thence continue North 89 degrees 35 minutes 55 seconds West 250.00 feet to a 5/8 inch iron rod and cap (cap stamped LB #7896) for the POINT OF BEGINNING; thence from said Point of Beginning and leaving said right-of-way line, run North 00 degrees 29 minutes 02 seconds West 321.35 feet to a 5/8 inch iron rod and cap (cap stamped LB #7896), thence run North 89 degrees 35 minutes 55 seconds East 404.19 feet to a 5/8 inch iron rod and cap (cap stamped LB #7896) on the West boundary of existing 60-foot wide Storm Water Lane, thence run South 00 degrees 30 minutes 37 seconds East 316.18 feet to a 5/8 inch iron rod and cap (cap stamped LB #4765) on the North right-of-way line of said 60-foot wide Industrial Park Drive, thence run South 89 degrees 35 minutes 55 seconds West 409.91 feet to the Point of Beginning. Containing 3.00 acres, more or less.

SUBJECT TO a 25-foot wide easement over and across the Easterly 25 feet thereof.

ALSO SUBJECT TO a 55-foot wide easement over and across the Westerly 55 feet thereof.

LEGEND

- OR - OFFICIAL RECORDS BOOK
- CM - CONCRETE MONUMENT
- IR - IRON ROD
- IP - IRON PIPE
- FD - FOUND
- LP - LITTLE FALL
- NP - NOT TO SCALE
- PO - POWER POLE
- OE - OVERHEAD ELECTRIC
- X - FENCE
- R/W - RIGHT-OF-WAY
- E - INDICATES ELECTRIC

Not valid without signature and the original raised seal of a Florida Licensed surveyor and mapper

DELTA LAND SURVEYORS
CENTRICATE OF AUTHORIZATION NUMBER LB #7896
275 NORTH MULBERRY STREET
MONTICELLO, FLORIDA 32344
E-MAIL: randy@deltaeasethink.net

APRIL 11, 2019
DATE
19-084-21(2)
JOB NO.

AN APPRAISAL REPORT OF

A 4,000 SQUARE FOOT WAREHOUSE BUILDING

LOCATED AT

300 INDUSTRIAL PARK ROAD
MONTICELLO, JEFFERSON COUNTY, FLORIDA

PREPARED FOR

JEFFERSON COUNTY
SHANNON METTY, COUNTY MANAGER / PLANNING OFFICIAL
445 W. PALMER MILL ROAD
MONTICELLO, FLORIDA 32344

EFFECTIVE DATE OF VALUATION

JUNE 21, 2023

PREPARED BY

TRENT MARR, MAI, SRPA
STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER # RZ 514
MARR & ASSOCIATES APPRAISAL COMPANY, INC.

Marr & Associates Appraisal Company, Inc.

Trent Marr, MAI, SRPA
State-Certified General Real Estate Appraiser #RZ 514
trentmarr@embarqmail.com

Phone 352-794-6128
1268 N Circle Drive, Crystal River, FL 34429
81800 Overseas Highway, Islamorada, FL 33036

July 19, 2023

Jefferson County
Shannon Metty, County Manager / Planning Official
1484 S. Jefferson Street
Monticello, Florida 32344

Re: An appraisal of a 4,000 square foot warehouse on 3 acres located at 300 Industrial Park Road, Monticello, Jefferson County, Florida.

Dear Ms. Metty:

At your request, the investigations and analyses necessary to form an opinion of the market value of the fee simple estate in the above referenced property has been conducted. The property is located at 300 Industrial Park Road, Monticello, Florida. The improvements were built in 2004 and are in good condition. Based on the survey, the site totals 3 acres with approximately 59,500 square feet of paved area used for motorcycle training. The subject has a large land to building ratio of 32.67:1. The subject's leases expired and the property is being rented on a month to month basis.

To the best of my ability, the analysis, opinions, and conclusions were developed and this appraisal report was prepared in accordance with the standards and reporting requirements of the Appraisal Institute and Uniform Standards of Professional Appraisal Practice.

This report sets forth the identification of the subject property, the assumptions and limiting conditions, information regarding the subject and its surrounding area, comparable sales, rentals, the results of the investigations and analyses, and the reasoning which led to my conclusions. The market value estimate as of June 21, 2023, subject to the assumptions and limiting conditions, is:

TWO HUNDRED EIGHTY TWO THOUSAND DOLLARS

(\$282,000)

Respectfully Submitted,
Marr & Associates Appraisal Company, Inc.



Trent Marr, MAI, SRPA
State-Certified General Real Estate Appraiser # RZ 514

EXECUTIVE SUMMARY

| | | |
|--------------------------------|--|-----------|
| PROPERTY TYPE: | Industrial /Warehouse Building | |
| INTEREST APPRAISED: | Fee Simple | |
| LOCATION: | 300 Industrial Park Drive, Monticello, Florida | |
| DATE OF VALUE/INSPECTION: | June 21, 2023 | |
| DATE OF REPORT | July 19, 2023 | |
| CURRENT PROPERTY USE: | Sanitary Storage and Motorcycle Training Facilities | |
| CENSUS TRACT: | 2501.04 | |
| TAX PARCEL # | 12-1N-4E-0000-006K-0000 | |
| ASSESSED VALUE/TAXES: | \$245,200 / \$0 The subject is government owned and therefore not taxed. The assessment includes the improvements and 28 acres. Once severed, the site will total 3 acres. Based on the sales, a reasonable assessment for the building and 3 acres would be \$250,000 with taxes estimated at \$5,000. | |
| ZONING: | Industrial | |
| LAND SIZE: | 3.00 acres | |
| BUILDING SIZE: | 4,000 sf | |
| LAND/BUILDING RATIO: | 32.67:1 | |
| YEAR BUILT/CONDITION: | 2004 / Average to Good | |
| MARKET VALUE ESTIMATES: | | |
| SALES COMPARISON APPROACH | | \$280,000 |
| INCOME CAPITALIZATION APPROACH | | \$284,000 |
| RECONCILED VALUE: | | \$282,000 |

Subject Photographs



South side front view



Street view looking east



Street view looking west

Subject Photographs



Entrance from Industrial Drive



Paved area used for motorcycle training



Paved area used for motorcycle training

Subject Photographs



East building side



Front south side entrance



Rear north side view

Subject Photographs



West side view



Safe Ryder lease area



Pop's Sanitation office area

Subject Photographs



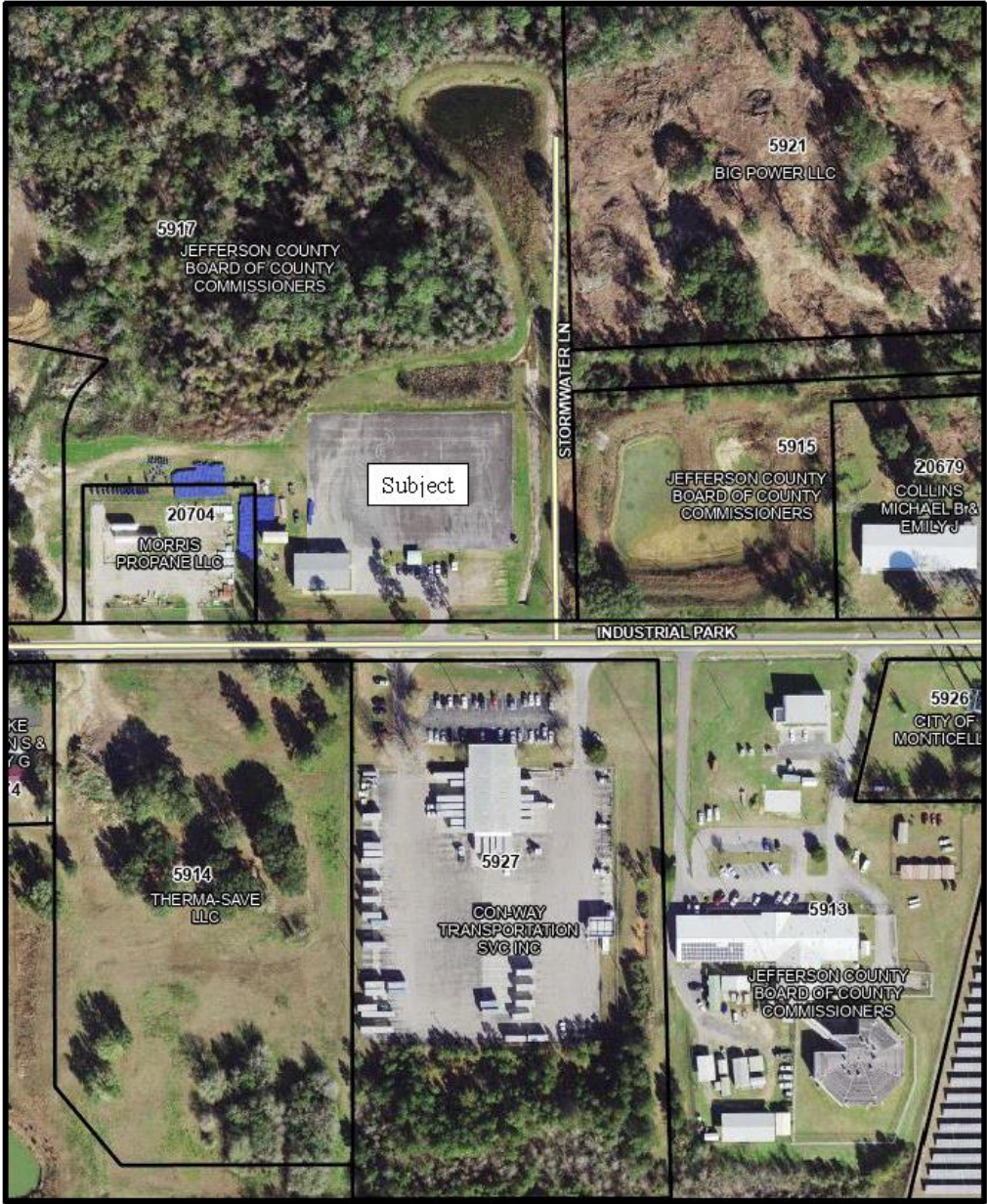
Restroom



Kitchen area (Pops)



Office area (Pops)



AERIAL PHOTOGRAPH

CERTIFICATE OF VALUE

The undersigned does hereby certify that, to the best of my knowledge and belief that:

The statements of fact contained in this appraisal report, upon which the analysis, opinions and conclusions expressed herein are based, are true and correct.

The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.

My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. This appraisal assignment was not based upon a requested minimum value, a specific value, or the approval of a loan.

The reports and 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
- the State of Florida requirements for state-certified appraisers
- Uniform Standards of Professional Appraisal Practice (USPAP)

I have complied with the USPAP competency provision.

This appraisal report sets forth all of the limiting conditions imposed by the terms of this assignment or by the undersigned affecting the analyses, opinions and conclusions contained in this report.

Mary Marr provided professional assistance in the verification of comparable data and reviewing the report for grammatical and typographical errors as well as consistency throughout the report.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. Additionally, it is subject to review by the State of Florida relating to review by the Real Estate Appraisal Subcommittee of the Florida Real Estate Commission.

As of the date of this report, Trent Marr has completed the requirements of the continuing education program of the Appraisal Institute.



Trent Marr, MAI, SRPA
State-Certified General Real Estate Appraiser # RZ 514

7-19-23

Date

ASSUMPTIONS AND LIMITING CONDITIONS

The legal description used in this report is assumed to be correct.

No survey of the properties has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the properties.

No responsibility is assumed for matters of legal nature affecting title to the properties nor is an opinion of title rendered. The title is assumed to be good and marketable.

Information and data furnished by others is usually assumed to be true, correct and reliable. When such information and data appears to be dubious and when it is critical to the appraisal, a reasonable effort has been made to verify all such information. No responsibility for the accuracy of any information furnished by others to the Appraiser is assumed by the Appraiser.

All mortgages, liens, encumbrances, leases, and servitude have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.

It is assumed that there are no hidden or unapparent conditions of the properties, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them. Unless noted, all mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical, and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.

It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.

It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state, or national governmental 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.

It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is not encroachment or trespass unless noted within the report.

The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the properties in question, unless arrangements have been previously made thereto.

SCOPE OF WORK

The scope of the appraisal included the inspection of the subject property, subject neighborhood and comparable properties. The subject was inspected on June 21, 2023. The lessee's employee was present during our inspection. Building dimensions and size were based on measurements made on a previous appraisal completed in 2019.

The site totals 3 acres and is being severed from a 28 acre parcel owned by the county. The site is improved with a 4,000 square foot warehouse building and site improvements. Site improvements included paved parking area, walkways and landscaping along with a 59,500 square foot paved asphalt motorcycle training area. The building and site is currently being used to store trash receptacles and motorcycle training. The improvements were built in 2004 and were in good condition. The previous leases have expired and the property is being rented month to month.

The local MLS, Jefferson County Property Appraisers web site and Loopnet were used to research for comparable sales and rentals. Because of the lack of sales with similar large land to building rations, the sales search was expanded to surrounding counties. All of the sales were verified by either the agent, broker, MLS, buyer or seller involved with the sale. The price per square foot and rental rate per square foot was considered the best indicator of value and was used to value the subject.

PURPOSE OF THE REPORT

The purpose of the report is to estimate the unencumbered market value of the subject property as of the date of the last inspection, June 21, 2023.

PROPERTY RIGHTS APPRAISED

The property rights being appraised are the fee simple estate defined as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitation imposed by the governmental powers of taxation, eminent domain, police power, and escheat."¹

CLIENT

Jefferson County
Shannon Metty, County Manager / Planning Official
1484 S. Jefferson Street
Monticello, Florida 32344

INTENDED USER (S) AND USE OF THE REPORT

The intended user of this report is Jefferson County. The intended use of the appraisal is for asset valuation.

OWNER OF RECORD

Jefferson County Board of County Commissioners
Courthouse Room 10
Monticello, FL 32344

¹ Appraisal Institute, The Dictionary of Real Estate Appraisal, (Chicago: Appraisal Institute, 1993) Page 140

DATE OF VALUE ESTIMATE

The date of the last inspection and date of value estimate is June 21, 2023. The date of this report is July 19, 2023.

DEFINITION OF MARKET VALUE

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 specified date and the passing of title from seller to buyer under the following conditions:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. 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 sale¹.

STATEMENT OF CONFORMATION

To the best of my knowledge, this appraisal conforms to: The Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Foundation. Additionally, this appraisal conforms to the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the competency provision of USPAP.

HISTORY

The property has been owned by the county since it was built in 2004. To my knowledge the subject is not currently listed for sale.

ASSESSMENT AND TAXES

The following chart summarizes the 2023 assessment and taxes for the subject.

| RE Number | Assessed Value | Taxes |
|-------------------------|----------------|-------|
| 12-1N-4E-0000-006K-0000 | \$245,200 | \$0 |

The subject is owned by the county and therefore, is not taxed. The assessment includes the improvements and 28 acres. Once severed, the site will total 3 acres. Based on the sales, a reasonable assessment for the building and 3 acres would be \$250,000 with taxes estimated at \$5,000.

¹ Supplemental Appraisal Standards for Board of Trustees Land, Division of State Lands, (2010), Page 7

CURRENT RENTAL RATES

The two leases have expired and the tenants are month to month. The Safe Rider rate is \$1,000 per month (\$6.79 per sf) for 1,766 square feet and the paved motorcycle training area. The Pops Sanitation rate is \$943 per month (\$5.00 per sf) for 2,264 square feet. The blended rate for the two tenants is \$5.82 per square foot.

The lessor (county) pays for building insurance and a portion of the electricity. The tenant is responsible for all other expenses, including building repairs and maintenance, utilities and yard service. Under the current ownership the property is tax exempt. However, if the property was sold to a non-government entity there would be real estate taxes due. Based on the comparable rentals, the subject has a below market rent. A more reasonable rental rate was estimated at \$8.00 per square foot and is discussed in the income section of this report.

LEGAL DESCRIPTION

I was not provided with a legal description. The property is located within an industrial park in Section 12, Township 1 North, Range 4 East, Jefferson County, Florida.

MARKETING/EXPOSURE TIME

Marketing time is defined as.

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediate after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal².

Exposure time is defined as.

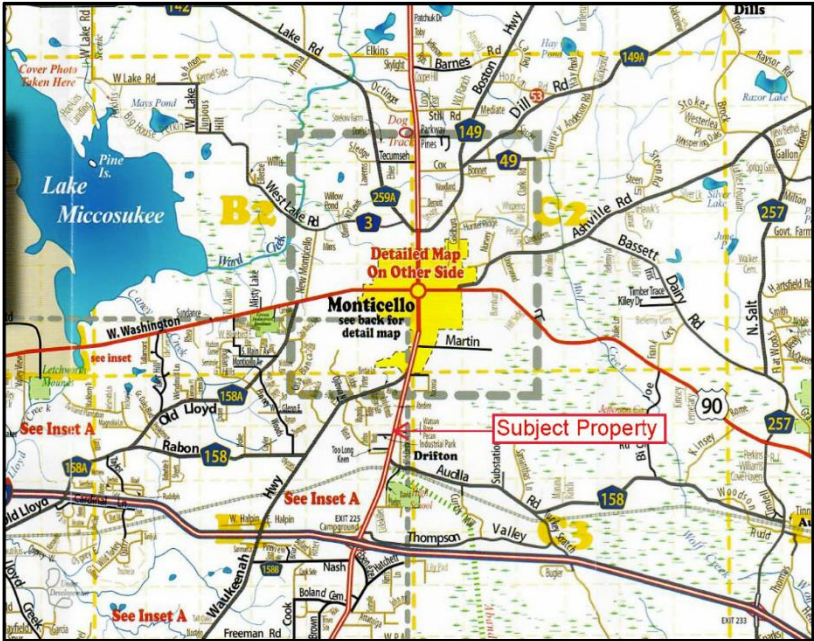
- The time a property remains on the market.
- The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market³.

The site is located 2.5 miles south of downtown Monticello and is within a few miles from Interstate 10. The market has been on the rise the last few years with demand and prices increasing for most types of properties. The subject is located in a rural area and has excess land; therefore, the exposure time would be longer than similar properties located in more developed areas. Based on the sales and listings in the area, if reasonably priced an exposure time of 18-24 months could have been anticipated.

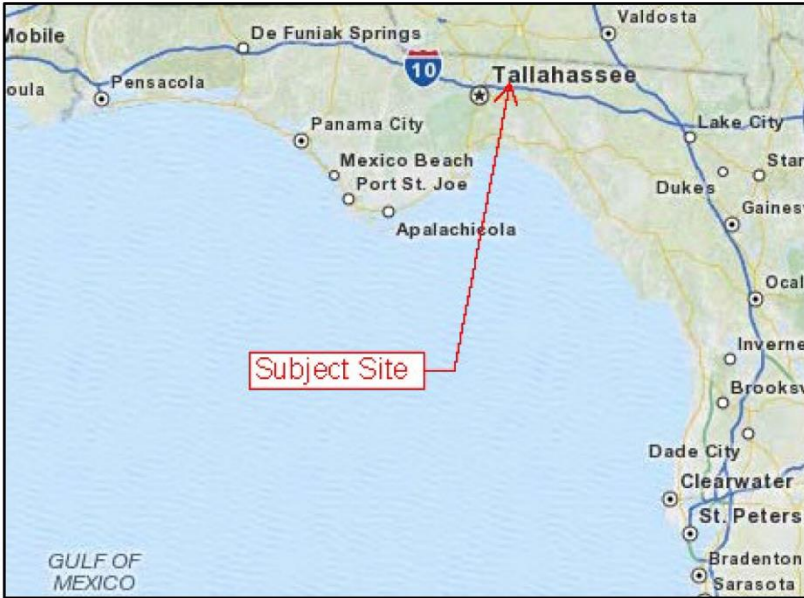
² The Dictionary of Real Estate Appraisal, published by the Appraisal Institute 2010, 5th edition, page121

³ The Dictionary of Real Estate Appraisal, published by the Appraisal Institute 2010, 5th edition, page73

LOCATION MAPS



Map of Monticello



Map of Florida

JEFFERSON COUNTY DATA

Jefferson County is located in the northern portion of the state of Florida. Jefferson County borders Leon County to the northwest, Wakulla County to the southwest, Madison County to the northeast, and Taylor County to southeast. The Gulf of Mexico borders to the south and the State of Georgia to the north. Jefferson County is considered part of the Tallahassee metropolitan area. The main towns in Jefferson County are Monticello and Wacissa. Monticello is the county seat and is located approximately 23 miles from the state capital, Tallahassee.

Jefferson County was founded in 1827 and encompasses 636.7 square miles, comprising of 597.7 square miles of land area and 38.9 square miles of water or lakes. Because Jefferson County is located in North Florida, it has the advantage of offering both tropical and cooler climates. The coldest month is January, with the temperature averaging 40 degrees. The warmest months are July and August, with temperatures averaging in the lower 90's, and often reaching the upper 90's.

Jefferson County has numerous properties on the National Historic Register. The Monticello Opera house was built in 1890 and Florida's oldest brick school building built in 1852 is located in Jefferson County.

POPULATION

The total population of Jefferson County in 2022 was approximately 15,042 (US Census Bureau). The percentage change from 2020 to 2022 is 3.7%. Based on the total population, Jefferson County ranks 60 out of 67 counties in the state for size. Approximately 47.4% of the population is women and the remaining 52.6% are men (US Census Bureau). The median age for Jefferson County is 47.8 and is higher than the state of Florida at 42.7 (Citi-Data).

There are approximately 5,394 households in the county, with an average household size of 2.39 (US Census Bureau). The median home price for Jefferson County as of June 2023 was \$345,000 (Realtor.com). There were 88 new housing permits in 2022 (US Census Bureau).

EDUCATION

Jefferson County public schools was the only school county in the state that went fully charter in 2016 due to D and F ratings in the schools. The Charter school contract expired in 2022 and the Jefferson County Public School District has been given one year to try to turn the system around to a C grade. If not, it will be bid back out to charter schools. In addition to the public schools, Aucilla Christian Academy is a private Kindergarten through 12th grade school located in Aucilla. In Jefferson County the four-year high school graduation rate for 2017-2021 was 83.8. The percent with a bachelor degree or higher is 21.5 (US Census Bureau).

ECONOMY

The median household income for Jefferson County from 2017-2021 was \$53,080. The median household income from 2011-2015 was \$43,335 and the per capita income for last 12 months is 2021 was \$27,995 (US Census Bureau).

Jefferson County has an unemployment rate of 2.9% as of May 2023 and is slightly higher than the State's at 2.6%. According to City-Data, the March 2019 cost of living index for Jefferson County was 82.3 and is low in comparison to the National average of 100.

The economy of Jefferson County is primarily agriculture and timber. Jefferson County totals 410,587 acres with 270,666 acres in timberland and 147,432 acres in farms in 2007 (Florida Statistical Abstract 2010).

RECREATION

Jefferson County has two rivers, the Aucilla and Wacissa, listed in the Florida Canoe Trails. Aucilla Wildlife Management area located in the southern portion of the county provides for hunting opportunities. Additionally, there are numerous plantations in the north portion of the county that offer quail, turkey and deer hunting. Saint Mark's National Wildlife Refuge borders the Gulf of Mexico at the southern end of the county and provides boating and fishing. The Watermelon Festival has taken place in Monticello in June since 1949 and celebrates the area's agriculture.

SUMMARY

Jefferson extends from the Florida coast to the Georgia state line and has maintained a stabilized economy. The area is known for its historical buildings, hunting, and numerous outdoor activities. The mild climate and numerous outdoor recreational activities should continue to enhance the appeal of Jefferson County to new visitors every year.

NEIGHBORHOOD DESCRIPTION

A neighborhood can be a portion of a city, a community or an entire town. It is usually considered to be an area which exhibits a fairly high degree of homogeneous, as to use, tenancy and certain other characteristics. Homogeneity is a state of uniform structure or composition throughout. Therefore, in real estate terminology, a homogeneous neighborhood is one in which the property types and uses are similar. A neighborhood is more or less a unified area with somewhat definite boundaries.

LOCATION

The subject is located on the south side of Monticello, 2.5 miles south of downtown along the west side of US Highway 19. The neighborhood would be defined as downtown to the north, Highway 27 five miles south, Highway 257 seven to eight miles east and Highway 259 to the west. US Highway 19 extends in a north to south direction from the subject extending through the center of the town and continuing into Georgia. Jefferson County is located in North Florida and is 30 miles east of the City of Tallahassee. Monticello is the county seat. Smaller towns in the county include Lamont, Lloyd, Wacissa and several others.

DEVELOPMENT TRENDS

The subject's is located within the Jefferson County Industrial Park, with the immediate area consisting of industrial properties. There are 6 sites on the subject's street that have been developed. One site has been developed with the county jail and sheriff's office. The first two buildings entering the subdivision from Highway 19 were built within the last few years. The buildings that are located on the subject's street have been developed within the past 15 years, are modern in design and relatively in average to good condition. Too Long Keen Road is located to the south and is also developed with industrial properties. The buildings along Too Long Keen Road are older and some in below average condition.

Extending outside of the neighborhood boundaries development is predominately rural with farms, ranging from row crops to cattle, horses, silviculture properties and scattered residential homes. Downtown Monticello is located 2.5 miles north. Monticello is a small rural town and is typical of rural town communities. The downtown area has a few banks, owner operated restaurants, independent owner operated 2nd hand retail stores, Winn Dixie, CVS, Tractor Supply, office buildings, courthouse and government buildings, attorney offices, and a wide range of other downtown and business uses. The downtown area focuses around the court house, with a roundabout encompassing the courthouse and is in a revitalization stage. Interstate 10 is located 2.5 miles south of the subject and is accessed from Highway 19.

RECREATION

The area offers numerous types of recreational facilities. The area is known for their fishing and hunting, as well as parks and rivers. Jefferson County is bordered on two sides by water and includes the Aucilla River to the east and the Gulf of Mexico to the south. Jefferson County is the only county in Florida that extends from the Georgia Line to the Gulf of Mexico. In addition to the thousands of acres of private land available for hunting and fishing, public lands are also available and include Aucilla Wildlife Management area and Saint Mark's National Wildlife Refuge.

SCHOOLS

Jefferson County public schools was the only school county in the state that went fully charter in 2016 due to D and F ratings in the schools. The Charter school contract expired in 2022 and the Jefferson County Public School District has been given one year to try to turn the system around to a C grade. If not, it will be bid back out to charter schools. In addition to the public schools, Aucilla Christian Academy is a private Kindergarten through 12th grade school located in Aucilla. In Jefferson County the four-year high school graduation rate for 2017-2021 was 83.8. The percent with a bachelor degree or higher is 21.5 (US Census Bureau). Higher education is also available in Tallahassee, with FSU, TCC & FAMU offering 4 year degrees.

CENSUS TRACT

The subject is located in census tract 2501.04. This tract extends from Highway 90 south to Interstate 10. To the east it extends to Madison County and to the west it extends several miles just past Highway 59. The estimated 2022 tract population is 3,151. The minority population is 31%. The 2022 estimated tracts median family income was \$84,119 and was up from the 2020 estimated at \$72,943. Eleven percent of the population is below the poverty line. The total housing units were 1,405, with 896 owner occupied units and the remaining homes renter occupied or vacant.

ACCESS

The site has frontage along Industrial Park Drive. Industrial Park Drive is a two lane paved street. Main access for the subject is via Highway 19. Highway 19 is a north to south street and begins in the Central Florida extending northwest and north through Jefferson County and into the state of Georgia. Interstate 10 is located 5 miles south of downtown Monticello.

SUMMARY

The subject is located in Jefferson County, 2.5 miles south of the Town of Monticello. As with most of Florida, Jefferson County has seen an increased in both price and demand for all types of real estate since the pandemic. Because of the proximity to Tallahassee, Jefferson County has seen more of an increase in the number of sales and higher prices than other rural counties. However values and prices in the county are significantly less than the Tallahassee market. Demand for farming and agricultural land has been on the rise and is expected to continue the next several years. No adverse neighborhood conditions were noted that would affect the subject property.

SITE DESCRIPTION

The site is located in central Jefferson County, 2.5 miles south of downtown Monticello.

DIMENSIONS, SIZE AND SHAPE

The tract being appraised is part of a larger tract. Based on the survey, prepared by Delta Land Surveyors, the tract being appraised is mostly rectangular. The north side extends 404.19 feet, the south side along Industrial Park Drive extends 409.91 feet, the east side extends 318.18 feet and the west side extends 321.35 feet. Based on the survey the site totals 3 acres.

TOPOGRAPHY AND VEGETATION

The site is several feet below street grade and is then generally level. The site has been and consists of a few native trees and grass.

ACCESS

The site has frontage along Industrial Park Drive. Industrial Park Drive is a two lane paved asphalt Street that serves the subject's industrial park.

EASEMENTS, RESTRICTIONS AND ENCROACHMENTS

No adverse easements or encroachments were noted at the time of inspection.

UTILITIES

Utilities are available to the site and include telephone service, trash services, sewage and water, and electricity.

DRAINAGE

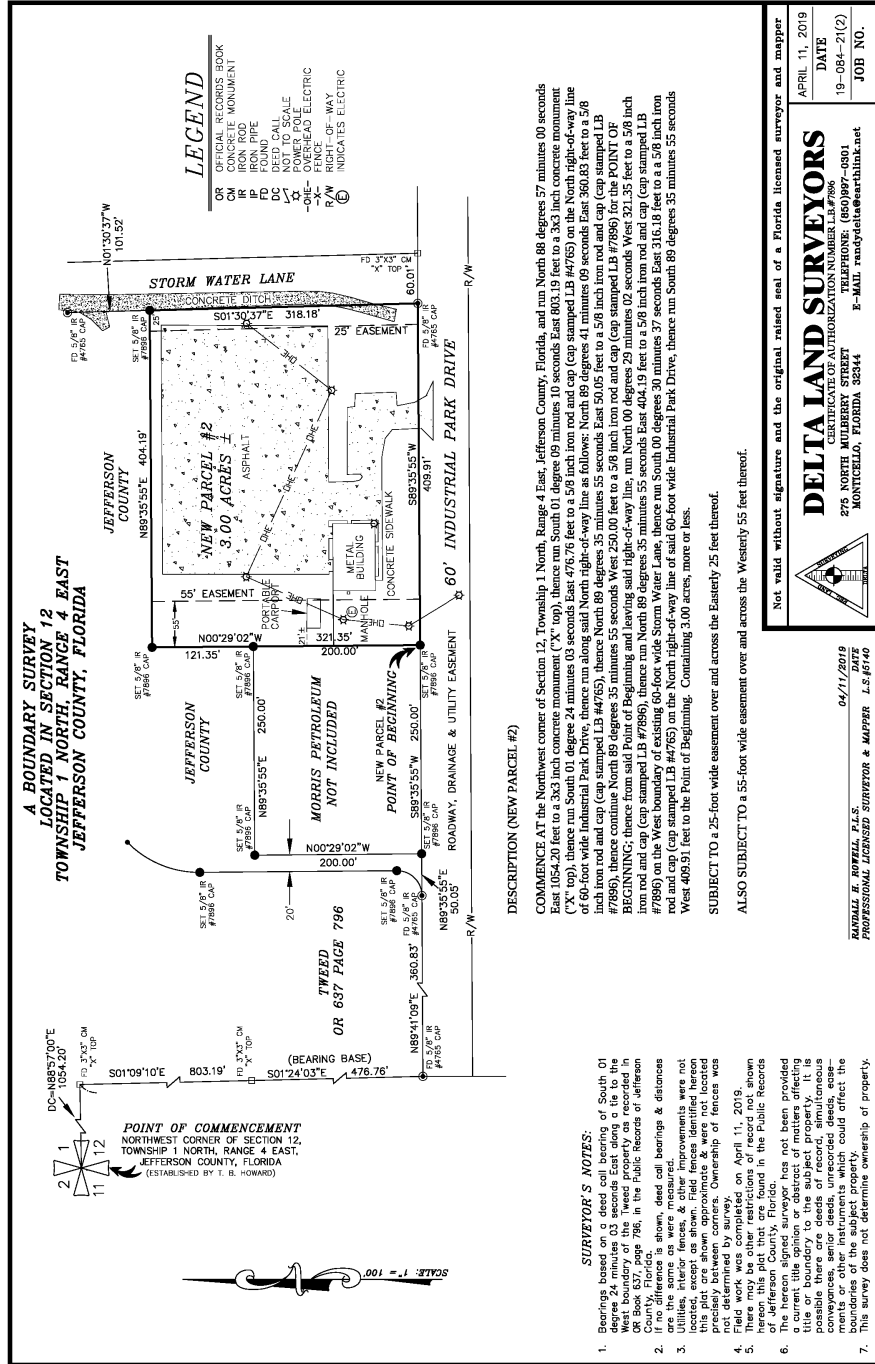
The site appeared to have adequate drainage. No adverse conditions were noted at the time of inspection. Based on flood map number 12065C0175C the site is not located in a flood zone.

ZONING

The site is zoned Industrial. Based on the covenants and restrictions the primary use shall be for industrial manufacturing, warehousing, distribution or commercial office purpose only. Retail sales of merchandise or services shall not be emitted except where incidental to the primary use. Uses prohibited include residential, commercial incineration, junk yards, trash sites, outside storage areas unless screened by walls, fences or landscaping as to prohibit view, further large trucks, mobile homes, campers, vans, trailers or boat shall not be stored on the property. Manufacture of explosives are prohibited as well as meat packing and process plants, stock and or slaughter yard, rendering plants and pulp and paper mills.

SITE CONCLUSION

The site totals 3 acres and is zoned for industrial use. The immediate area is industrial with scattered commercial and residential homes outside of the subject's subdivision. The improvements conform to the surrounding land uses. No adverse site conditions were noted which would negatively affect the future marketability of the property.



SURVEY

Not valid without signature and the original raised seal of a Florida licensed surveyor and mapper

| | |
|---|----------------|
| DELTA LAND SURVEYORS | APRIL 11, 2019 |
| CERTIFICATE OF AUTHORIZATION NUMBER LA 7896 | DATE |
| 275 NORTH MULBERRY STREET | 19-054-2(2) |
| MONTICELLO, FLORIDA 32344 | JOB NO. |
| E-MAIL readydelta@earthlink.net | |

RAWALZ J. RAWALZ, P.L.S.
PROFESSIONAL LICENSED SURVEYOR & MAPPER L.S. 6740

04/11/2019 DATE
L.S. 6740

DESCRIPTION OF IMPROVEMENTS

The improvements consist of an industrial/warehouse building built in 2004. The building measures 50 X 80 and totals 4,000 square feet. The roof and walls are metal construction supported by metal I beams. The building consists of 1,767 square feet of warehouse space and 2,233 square feet of finished space. The roof has a slight overhang, gutters and downspouts are used to divert water. The street side has 3 windows and 2 doors, allowing the building to be split into two tenants. The east side has one walk in door. The rear or north side has 2 overhead doors and one window. A central AC unit is used for heat and air conditioning in the finished area.

The Pop's lease area consists of a kitchen, two offices, reception area, full bathroom and shared ½ bath room with the Safe Rider Lease. The floor covering is vinyl, interior walls are drywall and the ceiling is suspended tile. The Safe Rider area includes 1,766 square feet of warehouse space and the paved riding area.

The shop/warehouse is constructed with I beams for support of the walls and roof. The roof and walls are insulated and the floor is a textured decorative concrete. There are several shop lights extending from the ceiling that offer good lighting.

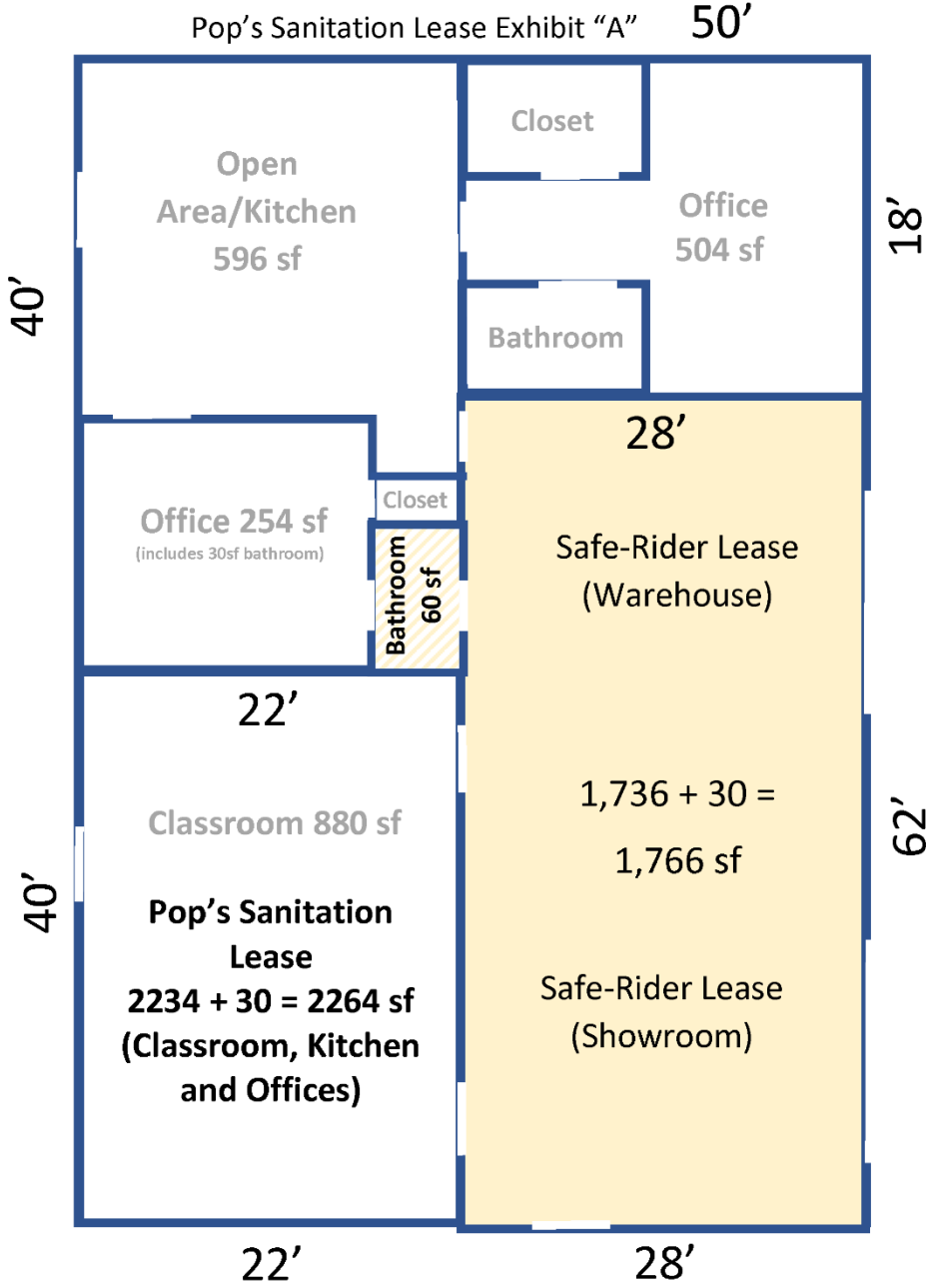
Site improvements include 59,500 square foot asphalt pavement used for motorcycle training and 9,000 square foot driveway and parking area. The motorcycle training area is lighted. The parking area has 11 regular parking spaces and 1 handicap space. The front and side of the building has a concrete walkway and landscaping consists of a few native trees and shrubs.

DEPRECIATION

The improvements were built in 2004 and overall are in good condition and minimal deferred maintenance. However, there is some functional obsolescence. The large asphalt training area is a super adequacy. Based on my research, I could find no comparable sales or rentals with similar size paved asphalt area. This asphalt area is user specific and only given minimal contributory value.

SUMMARY

The site is improved with a 4,000 square foot industrial warehouse/shop building and site improvements. Overall the improvements were in average to good condition. The improvements conform to the zoning, neighborhood and are a good use for site.



BUILDING SKETCH / FLOOR PLAN

HIGHEST AND BEST USE

The forces that affect the market value of a property also influence the property's highest and best use. In all valuation assignments, value estimates are based upon use. The highest and best use of a property to be appraised provides the foundation for a thorough investigation of the competitive positions of market participants. Consequently, highest and best use can be described as the foundation upon which market value rests.

Highest and best use is defined 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".⁴

There are essentially four stages in analyzing the highest and best use of a property. These are legally permissible uses, physically possible uses, financially feasible uses and maximally productive use or the most profitable use.

AS VACANT

PHYSICALLY POSSIBLE USES

Physically possible uses are those uses which are physically possible on the site. These uses change with the size, shape and terrain of the property in which development is to take place. The site totals 3 acres. Physically the site is large enough to accommodate a variety of uses, including industrial, residential, commercial, etc.

LEGALLY PERMISSIBLE USES

Legally permissible uses are those uses which are legally permissible on the site. The site is zoned Industrial. Based on the covenants and restrictions the primary use shall be for industrial manufacturing, warehousing, distribution or commercial office purpose only. Retail sales of merchandise or services shall not be emitted except where incidental to the primary use.

FINANCIALLY FEASIBLE/MAXIMALLY PRODUCTIVE USES

For any use to be the highest and best use of a site, it must be financially feasible. That is, it must produce a return (profit) as vacant or if being developed after construction which exceeds the total cost of the property or the developed site. Of the financially feasible uses, the use that produces the highest residual land value is the highest and best use.

The site totals 3 acres and is zoned for industrial use. The market has been on the rise with most types of properties increasing in demand. The subject is located within a rural town and has experienced less demand than more developed areas, including Tallahassee. The subject's subdivision is typically a built to suit area, with few properties built to lease or resale. There has been an increase in sales of vacant land along with new buildings under constructions.

⁴ Dictionary of Real Estate Appraiser, published by the Appraisal Institute, 1993, page 171

AS IMPROVED

PHYSICALLY POSSIBLE USES

Physically possible uses are those uses which are physically possible on the site. These uses change with the size, shape and terrain of the property in which development is to take place. The site totals 3 acres and is developed with a 4,000 square foot industrial building. Physically, it would be possible to expand the current building or raze the building and develop the site with an alternative use.

LEGALLY PERMISSIBLE USES

Legally permissible uses are those uses which are legally permissible on the site. The site is zoned Industrial. Based on the covenants and restrictions the primary use shall be for industrial manufacturing, warehousing, distribution or commercial office purpose only. Retail sales of merchandise or services shall not be emitted except where incidental to the primary use. The site is developed with a 4,000 square foot industrial building. The subject has a large land to building ratio and would allow the subject improvements to be expanded or additional buildings developed on the site. Based on the zoning regulations, I am assuming it would also be legally permissible to split the site into more than one parcel.

FINANCIALLY FEASIBLE/MAXIMALLY PRODUCTIVE USES

For any use to be the highest and best use of a site, it must be financially feasible. That is, it must produce a return (profit) as vacant or if being developed after construction which exceeds the total cost of the property or the developed site. Of the financially feasible uses, the use that produces the highest residual land value is the highest and best use.

The site totals 3 acres, is zoned for industrial use and is developed with a 4,000 square foot warehouse. The market has been on the rise with most types of properties increasing in demand. The subject is located within a rural town and has experienced less demand than more developed areas, including Tallahassee. The improvements are in good condition. It would not be feasible to raze the improvements and re-develop the site with an alternative use. Thus, the highest and best use is as improved.

SALES COMPARISON APPROACH

The sales comparison approach is based on the principle of substitution. The principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time.⁵

This approach is based on the principles of supply and demand, substitution, balance and externalities, all of which affect the sales price of a property. The relationship between the supply of a type of property to its level of demand is a determining factor in its selling price. The principle of balance relates to the tendency of the market to constantly strive for an equilibrium between supply and demand.

"To apply the sales comparison approach, an appraiser follows a systematic procedure:

1. Research the market to obtain information on sales transactions, listings, and offerings to purchase properties similar to the subject property.
2. Verify the information by confirming that the data obtained are factually accurate and that the transactions reflect arm's-length market considerations.
3. Select relevant units of comparison (e.g., dollars per acre or per square foot) and develop a comparative analysis for each unit.
4. Compare the subject property and comparable sale properties using the elements of comparison and adjust the sale price of each comparable appropriately or eliminate the property as a comparable.
5. Reconcile the various value indications produced from the analysis of comparables into a single value indication or a range of values. An imprecise market may indicate a range of values."

The site is improved with a 4,000 square foot warehouse building in good condition. The site totals 3 acres, indicating a land to building ratio of 32.67:1. Based on the land to building ratio the subject has a significant amount of excess land. Because of the large land to building ratio, similar comparable sales were limited. The sales used in this report were the most similar to the subject found in regards to quality and land to building ratio. Additionally, of the subject's 3 acres, 59,500 square feet or 1.365 acres is paved. There were no sales found within the subject's county or surrounding counties that had a similar amount of pavement. This pavement was considered super-adequacy and was given minimal contributory value. Numerous sales were researched and those most similar to the subject were used in this report.

The following pages supply the information of the comparables used in the analysis, followed by a summary chart, discussion of comparables and value conclusion.

⁵ The Appraisal of Real Estate 14th Edition, 2013, page 379

SALE ONE



| | |
|------------------------|---|
| PROPERTY TYPE: | Warehouse |
| SALES PRICE: | \$800,000 |
| DATE OF SALE: | August 2022 |
| GRANTOR: | MBB Partners, LLC |
| GRANTEE: | JRPJP, LLC |
| RECORDED: | OR Book 826, Page 55, Jefferson County, Florida |
| LOCATION: | 67 Industrial Avenue, Monticello, Florida |
| PARCEL #: | 12-1N-4E-0000-0062-0000 |
| SITE SIZE: | 1.31 acres |
| BUILDING SIZE: | 11,250 gross square feet |
| LAND/BUILDING RATIO: | 5.07:1 |
| YEAR BUILT: | 2016 |
| CONDITION: | Good |
| UNIT VALUE INDICATION: | \$71.11per square foot |
| TERMS OF SALE: | Cash to seller |
| CONDITIONS OF SALE: | Arms Length |
| COMMENTS: | This comparable is located on the same street as the subject with frontage along Highway 19. Several attempts were made to contact the broker with the sale, however our calls were not returned. The property was actively listed for sale and listed for lease. The asking lease rate prior to the sale was \$5.00 per square foot. The building was in good condition. |

SALE TWO



| | |
|------------------------|---|
| PROPERTY TYPE: | Warehouse |
| SALES PRICE: | \$399,000 |
| DATE OF SALE: | August 2021 |
| GRANTOR: | Byrd Family Properties, LLC |
| GRANTEE: | Tiffany Lufey |
| RECORDED: | OR Book 1235, Page 848, Wakulla County, Florida |
| LOCATION: | 56 Jer Be Lou Boulevard, Panacea, Florida |
| PARCEL #: | 24-5S-02W-000-02974-000 |
| SITE SIZE: | 4.63 acres |
| BUILDING SIZE: | 6,000 square feet |
| LAND/BUILDING RATIO: | 33.61:1 |
| YEAR BUILT: | 2014 |
| CONDITION: | Good |
| UNIT VALUE INDICATION: | \$66.50 square foot |
| TERMS OF SALE: | PMM/seller at market rates |
| CONDITIONS OF SALE: | Arms Length |
| COMMENTS: | This sale is located along the coast in the town of Panacea. The building was in good condition and has an attached 1,450 square foot awning. The location is sparsely developed as most of Panacea and this area of the Florida coastline. The building is being used for auto collision repair. |

SALE THREE



| | |
|------------------------|---|
| PROPERTY TYPE: | Warehouse converted to a restaurant |
| SALES PRICE: | \$205,000 |
| DATE OF SALE: | May 2021 |
| GRANTOR: | Madison County Community Bank |
| GRANTEE: | Champion Fitness, LLC |
| RECORDED: | OR Book 1402, Page 144, Madison County, Florida |
| LOCATION: | 140 NE Yellow Pine Avenue, Madison, Florida |
| PARCEL #: | 23-1N-09-4744-001-001 |
| SITE SIZE: | 2 acres |
| BUILDING SIZE: | 5,000 gross square feet |
| LAND/BUILDING RATIO: | 17.42:1 |
| YEAR BUILT: | 2008 |
| CONDITION: | Average |
| UNIT VALUE INDICATION: | \$41.00 per square foot |
| TERMS OF SALE: | Madison Bank conventional |
| CONDITIONS OF SALE: | Arms Length |
| COMMENTS: | This sale is located just over a mile from downtown Madison. The building was foreclosed on in 2016 by Madison Bank. It was listed several times from \$299,000 to \$535,000 until it finally closed at \$205,000. The contract date was 11-20 and because of the SBA financing took longer than anticipated to close. The building was purchased for a gym and although in average condition, it will need complete updating for its intended use. |

SALE FOUR



| | |
|------------------------|---|
| PROPERTY TYPE: | Warehouse |
| SALES PRICE: | \$425,000 |
| DATE OF SALE: | April 2023 |
| GRANTOR: | Barney and Kennis Harrell |
| GRANTEE: | Kevin Matwichuk |
| RECORDED: | OR Book 1309, Page 242, Wakulla County, Florida |
| LOCATION: | 2590 Coastal Hwy, Medart, Florida |
| PARCEL #: | 01-5S-02W-000-02438-000 |
| SITE SIZE: | 3.97 acres |
| BUILDING SIZE: | 6,704 square feet |
| LAND/BUILDING RATIO: | 25.80:1 |
| YEAR BUILT: | 1970 |
| CONDITION: | Average |
| UNIT VALUE INDICATION: | \$63.40 per square foot |
| TERMS OF SALE: | PMM/Seller |
| CONDITIONS OF SALE: | Arms Length |
| COMMENTS: | This sale is located along the coast in the town of Medart. The building was in average condition with frontage along both Coastal Highway and Highway 19. The location is sparsely developed as most of this area of the Florida coast line. |

SALES COMPARISON APPROACH

The following chart summarizes the sales used to value the subject property. Refer to the previous write ups for detailed information on the sale.

| Summary of Sales | | | | | |
|-----------------------|----------------------|---------------------|-------------------------|---------------------------|----------------------|
| | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 |
| Sale Price | | \$800,000 | \$399,000 | \$205,000 | \$425,000 |
| Market Conditions | 6-23 | 6-22 | 8-21 | 5-21 | 4-23 |
| Address | 300 Industrial Drive | 67 Industrial Drive | 56 Jer Be Lou Boulevard | 140 NE Yellow Pine Avenue | 2590 Coastal Highway |
| City/Town | Monticello | Monticello | Panacea | Madison | Medart |
| Location / Visibility | Average / Average | Average / Good | < Average / Average | < Average / Average | < Average / Average |
| Property Type | Warehouse /Finished | Similar | Similar | Similar | Similar |
| Building Size | 4,000 sf | 11,250 sf | 6,000 sf | 5,000 sf | 6,704 sf |
| Quality | Avg - Good | Similar | Similar | Similar | Similar |
| Condition | Good | Good | Good | Average | Average |
| Year Built | 2004 | 2016 | 2014 | 2008 | 1970 |
| Land Size | 3 acres | 1.31 acres | 4.63 acres | 2 acres | 3.97 acres |
| Land/Bld Ratio | 32.67:1 | 5.07:1 | 33.61:1 | 17.42:1 | 25.80:1 |
| Paved Area | Good | Average | Average | Average | Average |
| \$ Per SF | | \$71.11 | \$66.50 | \$41.00 | \$63.40 |

The following chart summarizes the major differences between the subject and the comparables. Due to the lack of sufficient sales, an exact dollar amount of an adjustment could not be supported and would be unreliable. Therefore, each comparable was given either a negative, positive or equal sign in order to compare it to the subject. If the comparable was inferior to the subject it required an upward adjustment, thus, a plus sign was used. If the comparable was superior to the subject it required a downward adjustment, thus a negative sign was used. An equal sign required no adjustment.

| Adjustment Chart | | | | |
|---------------------|--------|--------|--------|--------|
| | Sale 1 | Sale 2 | Sale 3 | Sale 4 |
| Market Conditions | = | = | + | = |
| Conditions of Sale | = | = | = | = |
| Location/Visibility | -- | = | = | = |
| Building Size | + | = | = | = |
| Quality | = | = | = | = |
| Age/Condition | = | = | + | ++ |
| Land/Building Ratio | ++ | = | + | = |
| Paved Area | = | + | + | + |
| Net Adjustments | + | + | ++++ | +++ |

SALES ANALYSIS
UNIT OF COMPARISON

The comparables range in sales price from \$205,000 to \$800,000 and from \$41.00 to \$71.11 per square foot. Typically warehouse/industrial buildings are purchased on a price per square foot of building area. Therefore, all sales were analyzed and compared to the subject on a price per square foot basis.

FINANCING

All sales sold for cash or had typical market financing. Therefore, no adjustments were required.

MARKET CONDITIONS

Market condition refers to the appreciation or depreciation in a property over a period of time. Sales 1, 2 and 4 occurred after the pandemic in 2021 and were considered to reflect current market prices; thus, no adjustments were made. Sale 3 occurred in 2021, however, it was contracted in November 2020, prior to the pandemic, thus an upward adjustment was made.

CONDITIONS OF SALE

Adjustments for conditions of sale usually reflect the motivation of the buyer and seller. A sale may be transacted at a below market price if the seller needs cash in a hurry. A financial business or family relationship between the parties may also affect the price of a property. Although conditions of sale are often perceived as applying only to sales that are not arm's-length transactions, some arms-length sales may reflect atypical motivation or sales conditions due to unusual tax considerations, sale at legal auction, lack of exposure to the open market or eminent domain proceedings. All of the sales were arms length transactions and no adjustments were required.

LOCATION/VISIBILITY

The subject is located in an industrial park south of Downtown Monticello and is within 20 miles of Metropolitan Tallahassee. Sale 1 is located on the subject street and although it is similar in location it also has frontage along US Highway 19. Highway 19 is a major north to south street through Monticello and this sale was adjusted down for superior visibility. The remaining sales were located in similar areas, with similar visibility and required no adjustments.

BUILDING SIZE

The law of diminishing returns states: that typically as the size of a building increases its unit price decreases indicating a lower unit value. Furthermore, smaller buildings are more affordable to a larger number of buyers than larger buildings, thereby increasing the demand and price for smaller buildings. The subject totals 4,000 square feet. Sales 2, 3 and 4 ranged in size from 5,000 square feet to 6,704 square feet and although they were larger, they were considered in the same general size category as the subject. Therefore, sales 2, 3 and 4 required no adjustments. Sale 1 is over twice the size as the subject and on a per square foot basis is inferior, thus, an upward adjustment was made.

QUALITY

The subject is an average to good quality warehouse/industrial building with over 50% finished space. Overall the sales were considered similar and no adjustment was made.

AGE/CONDITION

The subject was built in 2004 and was in good condition with no deferred maintenance noted. Sales 1 and 2 were built in 2016 and 2014 and were in similar condition as the subject; thus requiring no adjustments. Sale 3 was built in 2008 and although similar in age, it was being used as a restaurant. Sale 3 was foreclosed on by the bank in 2016 and resold in 2021 for use as a gym. Sale 3 needed renovations/conversion for the proposed use, thus it was considered inferior in condition and required an upward adjustment. Sale 4 was built in 1970 and was in inferior condition, thus, requiring an upward adjustment.

LAND TO BUILDING RATIO

The subject has a land to building ratio of 32.67:1. Sales 2 and 4 had land to building ratios of 33.61:1 and 25.80:1, respectively and were similar to the subject, thus, no adjustments were made. Sales 1 and 3 had land to building ratios of 5.07:1 and 17.42:1, respectively and were inferior, thus, requiring upward adjustments.

PAVED AREA

The subject has approximately 59,500 square feet of asphalt pavement that is currently being used for motorcycle training. Although this amount of asphalt is considered a super adequacy it does have some contributory value. Sale 1 had a significantly smaller land to building ratio, however, the paved area covered a large portion of the area, thus; overall this sale was considered similar and required no adjustments. The remaining sales were inferior and required upward adjustments.

CONCLUSION OF VALUE

| Summary of Adjustments | | | | |
|------------------------|-----------|-----------|-----------|-----------|
| | Sale 1 | Sale 2 | Sale 3 | Sale 4 |
| Sales Price | \$800,000 | \$399,000 | \$205,000 | \$425,000 |
| Price Per S.F. | \$71.11 | \$66.50 | \$41.00 | \$63.40 |
| Net Adjustments/SF | + | + | ++++ | +++ |

The comparables range in sales price from \$205,000 to \$800,000 and from \$41.00 to \$71.11 per square foot. Sales 2 and 4 are located along the coast in less developed areas, and although least similar in location, they were similar in size and land to building ratios. Thus, sales 2 and 3 were considered good indicators of value. Sale 3 is located in Madison, the adjacent town to the east. Sale 3 was inferior in land to building ratio, market conditions and building condition. Overall sale 3 was considered to reflect the lower range and given least weight. Sale 1 is located on the subject street and is the best indicator of value. Thus, with most weight placed on sale 1, the market value was estimated at \$70 per square foot and is summarized as follows.

$$4,000 \text{ square feet} \times \$70 / \text{square foot} = \$280,000$$

INCOME CAPITALIZATION APPROACH

In the income capitalization approach, the present value of the anticipated future benefits of property ownership is measured. A property's income and resale value upon reversion may be capitalized into a current, lump-sum value. There are two methods of income capitalization: direct capitalization and yield capitalization. In direct capitalization, the relationship between one year's income and value is reflected in either a capitalization rate or an income multiplier. In yield capitalization, designated period are converted to present value using a yield rate⁶.

This approach is based on the principles of anticipation and change because it concentrates on how future change affects present property value, especially the forecasted future net income. The relationship of supply and demand for a property affects its probable income stream as well as the rate of return that an investor would require. The rents and expenses that comprise the net income streams of equally desirable substitute properties as well as the capitalization and yield rates indicated by the sales of comparable properties can be used to derive an estimated net income and appropriate capitalization rate for the subject property. Finally, the external forces that affect the other two approaches to value also affect the incomes and capitalization rates, and thus the indicated present value, of the Income Capitalization Approach.

RENTAL RATE ESTIMATE

The subject consists of a 4,000 square foot warehouse building with excess land. Because of the large land to building ratio, there were very few rentals in the subject's county; therefore, the search was extended to nearby counties. The four rent comparables used to estimate the subject's rental rate are summarized on the pages.

⁶ The Appraisal of Real Estate, by the Appraisal Institute, 14th Edition, 2013, Page 46

RENT COMPARABLE ONE



ADDRESS: 108 Commerce Park Drive, Thomasville Georgia
PROPERTY TYPE: Warehouse
BUILDING SIZE: 3,200 square feet
YEAR BUILT: 1981
LAND SIZE: 1.14 acres (49,658 square feet)
LAND/BUILDING RATIO: 15.51:1
NUMBER OF TENANTS: One
RENTAL RATE: \$9.48 per square foot, Gross
COMMENTS: This comparable is located near downtown Thomasville, Georgia. The building has 2 offices, reception areas, 2 restrooms, climate controlled area and two garage bays with overhead doors.

RENT COMPARABLE TWO



ADDRESS: 4417 Entrepot Blvd, Tallahassee, Florida
PROPERTY TYPE: Warehouse
BUILDING SIZE: 5,000 square feet
YEAR BUILT: 2021
LAND SIZE: 1.10 acres (47,916 square feet)
LAND/BUILDING RATIO: 9.58:1
NUMBER OF TENANTS: One
RENTAL RATE: \$8.00 per square foot, NNN
COMMENTS: This comparable is located on the SW side of Tallahassee in an industrial development. The building has a small 20 X 20 office, three, 14 foot overhead doors and 20 foot eaves.

RENT COMPARABLE THREE



ADDRESS: 614 Fortune Blvd, Midway, Florida
PROPERTY TYPE: Warehouse
BUILDING SIZE: 5,640 square feet
YEAR BUILT: 2000
LAND SIZE: 1.38 acres (60,113 square feet)
LAND/BUILDING RATIO: 10.65:1
NUMBER OF TENANTS: One
RENTAL RATE: \$9.00 per square foot, Modified Gross
COMMENTS: This comparable is located in Gadsden County. The building has 2,040 sf of air conditioned space and 3,600 square feet of warehouse, with 2 dock high loading area and one grade level loading area.

RENT COMPARABLE FOUR



ADDRESS: 60 Ram Boulevard, Midway, Florida
PROPERTY TYPE: Warehouse
BUILDING SIZE: 6,700 square feet (subject building)
YEAR BUILT: 2005
LAND SIZE: 2.78 acres (121,096 square feet)
LAND/BUILDING RATIO: 7.17:1 (based on 16,892 sf of gross building area)
NUMBER OF TENANTS: One
RENTAL RATE: \$8.00 per square foot, Modified Gross
COMMENTS: This comparable is located in Gadsden County in an industrial park. The building has 5 overhead doors with 14 foot height and 17 foot eave. There is 17,000 sf of yard space. The interior has small office and one restroom.

| Summary of Rentals | | | | | |
|--------------------|------------|-------------|-------------|----------------|----------------|
| | Subject | Rental 1 | Rental 2 | Rental 3 | Rental 4 |
| Town | Monticello | Thomasville | Tallahassee | Midway | Midway |
| Condition | Good | Similar | New | Similar | Similar |
| Year Built | 2004 | 1981 | 2021 | 2000 | 2005 |
| Land/Bld Ratio | 32.67:1 | 15.51:1 | 9.58:1 | 10.65:1 | 7.17:1 |
| Terms | Gross | Gross | NNN | Modified Gross | Modified Gross |
| Rate/SF | \$5.82 | \$9.48 | \$8.00 | \$9.00 | \$8.00 |

CONCLUSION OF RENTAL RATES

The rentals range from \$8.00 to \$9.48 per square foot. No rentals could be found in the subject's county that had a similar land to building ratio. All of the comparables have larger than typical land to building ratios and were the most similar ones found. Rental 1 is located in Thomasville, Georgia, rental 2 is located in Tallahassee and rentals 3 and 4 are located in Midway along the east side of Tallahassee. The four comparables have a relatively narrow range. The rental rate for the subject was estimated at \$8.00 per square foot. The subject potential gross income is summarized as follows.

GROSS POTENTIAL INCOME

$$\$8.00 /sf \times 4,000 sf = \$32,000$$

OCCUPANCY RATE

The market has been on the rise with most comparables ranging from 90% to 100% occupancy. The subject is located in a rural area; therefore, an occupancy rate at the lower range of 90% is indicated. Thus, the vacancy rate is 10%.

EFFECTIVE GROSS INCOME

The effective gross income (EGI) is derived by subtracting the anticipated vacancy rate from the gross potential income. The EGI is estimated as follows.

| | |
|------------------------|-----------------|
| Gross Potential Income | \$ 32,000 |
| Less Vacancy (10%) | <u>\$ 3,200</u> |
| Effective Gross Income | \$ 28,800 |

EXPENSES

The subject was leased on a modified gross basis, with the lessor paying for building insurance and the lessee paying for building maintenance and repairs, utilities, yard service, etc. Assuming the subject is not government owned, there will also be real estate taxes. This expense is typically paid by the lessor. The taxes were estimated at \$5,000 and the building insurance expense is \$2,200 per year. Although the lessee pays for building repairs and maintenance, the lessor will be responsible for long lived items. This expense has been estimated at \$.35 per square foot or \$1,400, annually. Management fees in the area range from 4%-10% depending on the complexity of the property. Once rented, the subject would require minimal management; therefore, this expense has been estimated at the lower range of 6% of effective gross income. The expenses are summarized below.

| | |
|----------------------------|-----------------|
| Real Estate Taxes | \$ 5,000 |
| Building Insurance | \$ 2,200 |
| Long Lived Items | \$ 1,400 |
| Management Fee (6% of EGI) | <u>\$ 1,728</u> |
| Total Expenses | \$10,328 |

CAPITALIZATION RATE

The next step in the Income Capitalization Approach is to determine the overall capitalization rate applicable to the subject. Capitalization of income is conversion of an expected stream of income into an indication of value. Although there are several methodologies which can be applied, they all relate to the basic formula:

$$\frac{\text{Income}}{\text{Value}} = \text{Rate}$$

Comparable sales are typically used as one method to estimate a capitalization rate. The subject is located in a rural area and has excess land. There were no similar sales found that were being rented that a capitalization rate could be abstracted. Therefore, because of the lack of for the comparables I used the PWC investor's survey to estimate the capitalization rate. The PWC Real Estate Investor Survey for the 3 and 4 quarter of 2022 is summarized below.

PwC Real Estate Investor Survey, Q4 2022

| | Regional Mall | | CBD Office | | Warehouse | | Apartment | |
|---|---------------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|
| | Q4 2022 | Q3 2022 | Q4 2022 | Q3 2022 | Q4 2022 | Q3 2022 | Q4 2022 | Q3 2022 |
| Discount Rate (IRR)^a | | | | | | | | |
| Range (%) | 6.00 – 13.00 | 5.75 – 13.00 | 6.00 – 9.00 | 6.00 – 9.00 | 5.00 – 7.50 | 5.00 – 8.00 | 4.75 – 10.00 | 4.75 – 10.00 |
| Average (%) | 7.88 | 7.78 | 7.03 | 6.95 | 6.09 | 5.98 | 6.86 | 6.79 |
| Change (bps) | | +10 | | +8 | | +11 | | +7 |
| Overall Cap Rate (OAR)^a | | | | | | | | |
| Range (%) | 5.00 – 12.50 | 4.50 – 12.50 | 4.25 – 7.50 | 4.25 – 8.00 | 2.00 – 6.25 | 3.00 – 5.75 | 3.25 – 8.00 | 3.00 – 8.00 |
| Average (%) | 7.33 | 7.23 | 5.75 | 5.70 | 4.43 | 4.29 | 4.89 | 4.75 |
| Change (bps) | | +10 | | +5 | | +14 | | +14 |
| Residual Cap Rate | | | | | | | | |
| Range (%) | 5.00 – 12.50 | 4.50 – 13.00 | 5.00 – 8.50 | 5.00 – 8.50 | 3.75 – 6.50 | 3.75 – 6.50 | 4.00 – 8.00 | 3.50 – 8.00 |
| Average (%) | 7.40 | 7.33 | 6.20 | 6.18 | 4.97 | 4.89 | 5.28 | 5.14 |
| Change (bps) | | +7 | | +2 | | +8 | | +14 |

^aRate on unleveraged, all-cash transactions. Definitions: bps — basis points. Discount Rate (IRR) — internal rate of return in an all-cash transaction, based on annual year-end compounding. Overall Cap Rate (OAR) — initial rate of return in an all-cash transaction. Residual Cap Rate — overall capitalization rate used in calculation of residual price; typically applied to the NOI in the year following the forecast. Survey involves institutional-grade properties. Source: PwC's Investor Survey; personal survey conducted by PwC during December 2022. For subscription information, please email us_investor_survey@pwc.com.

CONCLUSION OF CAPITALIZATION RATE

The PWC Real Estate Investor Survey indicated a range of overall rates (4th qtr) for warehouses from 2.00% to 6.25% with an average of 4.43% and residual rates ranging from 3.75% to 6.50% with an average of 4.97%. Note the PWC rates are for properties in prime commercial areas and typically reflect the lower range of rates. Additionally, with interest rates on the rise, it is reasonable to assume that capitalization rates will also increase. Based on the data a rate of 6.5% was estimated for the subject. The market value via the income capitalization approach is summarized as follows.

INCOME APPROACH SUMMARY

| | | |
|---------------------------------|-----------------|--|
| Gross Potential Income | \$ 32,000 | |
| Less Vacancy (10%) | <u>\$ 3,200</u> | |
| Effective Gross Income | \$ 28,800 | |
| | | |
| Real Estate Taxes | \$ 5,000 | |
| Building Insurance | \$ 2,200 | |
| Long Lived Items | \$ 1,400 | |
| Management Fee (6% of EGI) | <u>\$ 1,728</u> | |
| Total Expenses | \$10,328 | |
| | | |
| Net Operating Income | \$18,472 | |
| | | |
| Indicated Value \$18,472 / 6.5% | \$284,185 | |
| Rounded to: | \$284,000 | |

RECONCILIATION AND FINAL VALUE ESTIMATE

Final reconciliation is the last phase in the development of a value opinion in which two or more value indications derived from the market data are resolved into a final value opinion, which may be either a final range of value or a single point estimate⁷.

The cost approach was not considered applicable and was omitted from this report. The market value was based on the sales comparison approach and income capitalization approach. The value estimates are summarized below.

| | |
|--------------------------------|-----------|
| SALES COMPARISON APPROACH | \$280,000 |
| INCOME CAPITALIZATION APPROACH | \$284,000 |

There were few sales in the subjects market area that were considered similar to the subject, therefore, the sales search was extended to surrounding counties. Four sales were found and ranged in sales price from \$205,000 to \$800,000 and per square foot prices from \$41.00 to \$71.11. Because of the subject's excess land and large area of pavement the value was estimated in the upper range at \$70 per square foot or \$280,000.

Four comparable rentals were used to estimate the rent for the subject property. The rentals ranged from \$8.00 to \$9.48 per square foot, with the subjects average rental rate at \$5.82. The subject's rate was considered below market and the market rent was estimated at \$8.00 per square foot on a gross lease. The capitalization rate was estimated at 6.5% indicating a market value via the income approach of \$284,000.

CONCLUSION OF VALUE

The sales comparison approach and income capitalization approach were considered good indicators of value and varied by less than 3%. Both approaches were given weight and the market value was estimated at \$282,000.

⁷ Dictionary of Real Estate Appraisal, published by the Appraisal Institute, 5th addition page 79

ADDENDA

QUALIFICATIONS OF THE APPRAISER - TRENT MARR, MAI, SRPA

LICENSE

Licensed Real Estate Broker, State of Florida
State-Certified General Appraiser RZ #000514 (Florida)

OFFICE LOCATIONS

1268 N. Circle Drive, Crystal River, Florida 34429
81800 Overseas Highway, Islamorada, Florida 33036

AFFILIATIONS

Member Appraisal Institute, MAI Designation #9353
Member Society of Real Estate Appraiser, SRPA Designation
Board of Directors, Appraisal Institute 1991 - 1994
Member of the Board of Realtors for Florida Keys, Marathon, Key West, Tallahassee

APPRAISAL EXPERIENCE

1991-Present Marr & Associates Appraisal Company, Inc., President
1988-Present Marr Properties, Key Largo, FL - Vice President, Broker
1991-Present American Caribbean Real Estate, Islamorada, Florida, Broker
1988- Matonis, DeAngelis, MacDermott, Inc.
1986-1987 - AmeriFirst Appraisal Company, Maitland, FL - Commercial Appraiser
1985-1986- Thomas H. Overstreet, Winter Park, FL - Residential Appraiser

GENERAL EDUCATION

Bachelor of Science in Business & Administration, Major in Real Estate, Florida State University, Tallahassee, Florida (1985)

PROFESSIONAL EDUCATION

All Courses and classes for both SRPA and MAI designations.

Partial List of Seminars and Continuing Education for the Appraisal Institute.

Sales Comparison Approach - 2020
Expert Witness Testimony - 2020
Desktop Appraisals - 2020
Supporting Adjustments - 2018
USFLA (Uniform Standards for Federal Land Acquisitions) - 2017
USPAP – 2020, 2018, 2016, 2014, 2012, 2010, 2008, 2006, 2004, 2002, 2000
Florida Law – 2020, 2018, 2016, 2014, 2012, 2010
Forest Valuation-2015
Business Ethics – 2019, 2015
Appraisal of Self Storage Facilities 2014
The Cost Approach 2014
Mortgage Fraud-2014
Fundamentals of Business Valuation 2012
Business Practices and Ethics - 2011
Curriculum Overview -2010
Analyzing Distressed Properties – 2010
Supervisory Appraisal - 2010
Core Law – 2008, 2006, 2004, 2002, 2000, 1997, 1994
Valuation of Conservation Easements - 2008

QUALIFICATIONS OF APPRAISER – CONTINUED

Valuation of Wetlands, etc. /SFWMMD – 2007, 2006, 2003, 2002, 2001
Residential Design and Functional Utility - 2006
Analyzing Distressed Real Estate - 2006
“PLAM” Public Land Acquisition & Management Partnership Conference - 2006
Litigation Skills - 1997
Appraising Rural Properties in SE FL - 1997
Internet & The Appraiser - 1996
Standards of Professional Practice / Part A - 1996
Professional Standards USPAP/Law - 1996
The Appraiser as Expert Witness - 1995
Standards of Professional Practice / Part B - 1995
Wetland, Mitigation & Severable Rights - 1995
Understanding Limited Appraisals - 1994
Blue Print Reading for Appraisers - 1994
Appraising Complex Residential Properties - 1993
Standards of Professional Practice / Part A - 1992
Appraisal Review - 1992
Rates, Ratios & Reasonableness - 1992
Appraising Troubled Properties - 1992
Legal Liabilities - 1992
Non-Residential Demonstration Report Writing - 1990

CLIENTS SERVED

Attorneys, Bank, Savings & Loans, Mortgage Companies, Florida Department of Transportation, Department of Natural Resources, Department of Environmental Protection, Nature Conservancy, Trust for Public Lands, Monroe County Land Authority, National Park Service, Fish and Game Commission, RTC, FDIC, Federal Home Loan Bank Board, Federal Savings & Loans, Insurance Companies, various national corporations, estates and individuals.

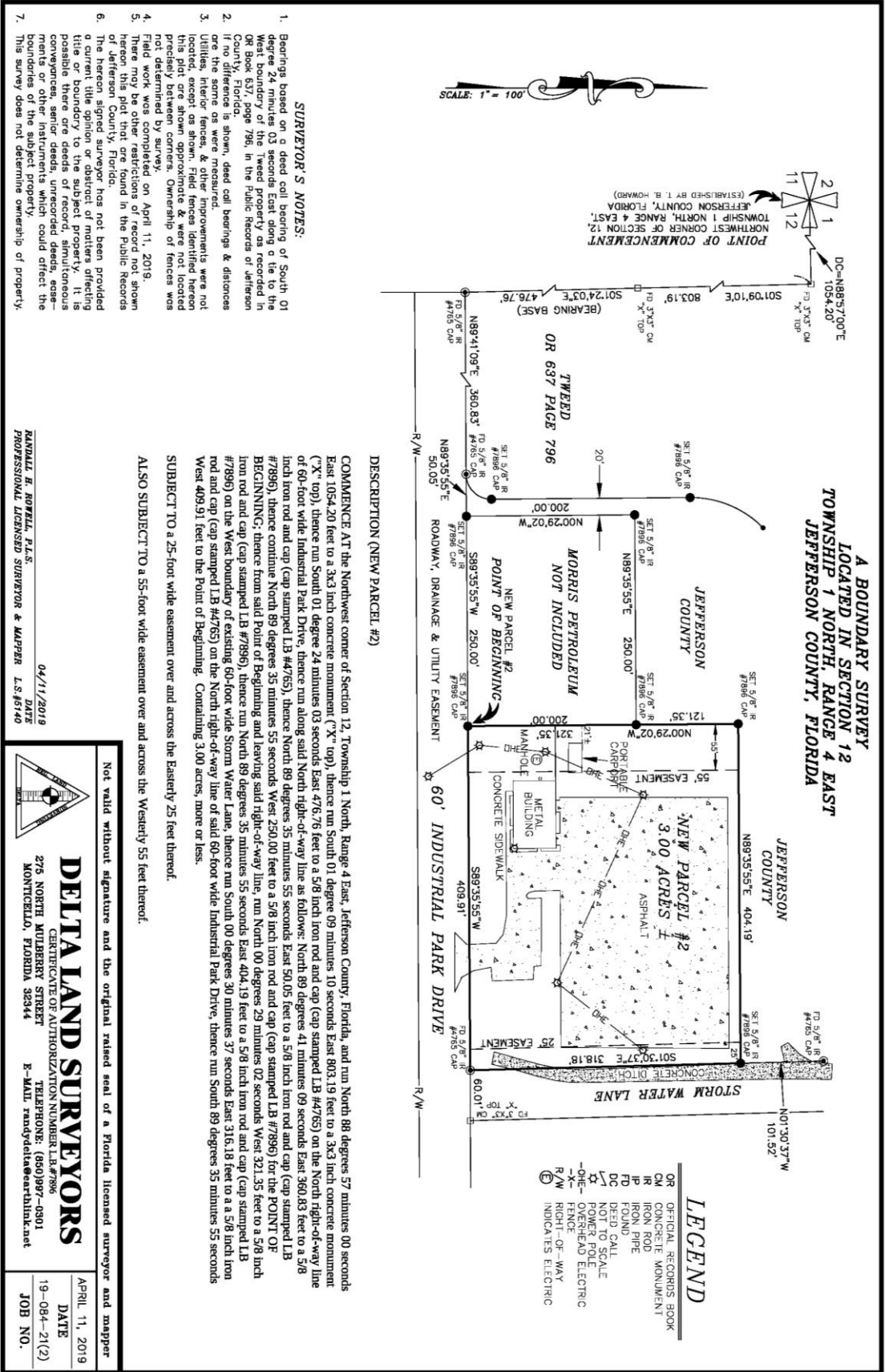
TYPES OF PROPERTIES

Single Family Homes, Condominiums, Two to Four Family Dwellings, Office Buildings, Nursing Homes, Industrial Warehouses, Shopping Centers, Apartment Complexes, Subdivision Developments, Marinas, Planned Unit Developments, Environmentally Sensitive Land, Hotels, Office Condominiums, Undeveloped Land, Mobile Home Parks, RV Parks, Fishhouses, Restaurants and Mixed Use Properties.

GENERAL EXPERIENCE

Mr. Marr has been appraising real estate property since 1985. He has been qualified as an expert witness in both Dade and Monroe County. His extensive appraisal experience includes wetlands and environmental land for both the Department of Environmental Protection, Nature Conservancy, The Conservation Fund, Freshwater Fish and Game, Big Cypress National Park Service and Monroe County Land Authority.

Mr. Marr received his SRPA designation in 1990 and his MAI designation in 1992. He served on the board of directors of the Appraisal Institute 1991-1994. The Appraisal Institute conducts a program of continuing education for designated members. Designated members who meet the minimum standards of this program are awarded periodic educational certification. Mr. Marr is currently certified under this program.



- SURVEYOR'S NOTES:**
1. Bearings based on a deed call bearing of South 01 degree 24 minutes 03 seconds East along a tie to the West boundary of the Tweed property as recorded in OR Book 637, page 796, in the Public Records of Jefferson County, Florida.
 2. If no difference is shown, deed call bearings & distances are shown as were restated.
 3. All monuments, monuments were not located, except as shown. Field fences identified hereon this plot are shown approximate & were not located precisely between corners. Ownership of fences was not determined by survey.
 4. Field work was completed on April 11, 2019.
 5. There may be other restrictions of record not shown hereon this plot that are found in the Public Records of Jefferson County, Florida.
 6. The herein signed surveyor has not been provided with any information as to whether or not there is a title or boundary to the subject property. It is possible there are deeds of record, simultaneous conveyances, senior deeds, unrecorded deeds, easements or other instruments which could affect the boundaries of the subject property.
 7. This survey does not determine ownership of property.

04/11/2019
DATE
NANDALE E. NOWELL, P.L.S.
PROFESSIONAL LICENSED SURVEYOR & MAPPER L.S.#5140

Not valid without signature and the original raised seal of a Florida licensed surveyor and mapper

DELTA LAND SURVEYORS
CERTIFICATE OF AUTHORIZATION NUMBER LB#7896
275 NORTH MULBERRY STREET
MONTICELLO, FLORIDA 32944
E-MAIL: randy@deltaearthlink.net
TELEPHONE: (860)997-0901

APRIL 11, 2019
DATE
19-084-21(2)
JOB NO.