

APPRAISAL REPORT

OF

AN EXISTING SINGLE-TENANT DISTRIBUTION WAREHOUSE BUILDING  
TOTALING 76,397± SQUARE FEET OF GROSS LEASABLE AREA ON 10.12± ACRES

LOCATED AT

6125 NW 18TH DRIVE  
GAINESVILLE, ALACHUA COUNTY, FLORIDA 32653

PREPARED FOR

MR. C. PERRY PEEBLES  
REAL PROPERTY COORDINATOR  
PUBLIC WORKS – TRANSPORTATION IMPROVEMENT  
ALACHUA COUNTY  
5620 NW 120<sup>TH</sup> LANE  
GAINESVILLE, FLORIDA 32653

“AS IS” DATE OF VALUE: MAY 22, 2024

DATE OF REPORT: JUNE 26, 2024

CRM FILE NO.: 24-013

PREPARED BY:

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STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER  
LICENSE NUMBER: RZ 118

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STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER  
LICENSE NUMBER: RZ 882

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**CLAYTON, ROPER & MARSHALL**

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Clayton, Roper & Marshall, Inc., a Florida Corporation  
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State-Certified General Appraiser RZ 118

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State-Certified General Appraiser RZ 155

June 26, 2024

Mr. C. Perry Peebles, Real Property Coordinator  
Public Works – Transportation Improvements  
Alachua County  
5620 NW 120<sup>th</sup> Lane  
Gainesville, Florida 32653

Re: Appraisal of Distribution Warehouse Building Totaling 76,397 SF on 10.12 Acres  
6125 NW 18th Drive, Gainesville, Alachua County, Florida 32653

Dear Mr. Peebles:

As requested, we have made the inspections, investigations, and analyses necessary to appraise the subject property referenced above. The subject property is located at 6125 NW 18th Drive, Gainesville, Alachua County, Florida 32653, within the Northwest Industrial Park Unit 3. The subject property consists of one single-tenant industrial warehouse building totaling 76,397± square feet of gross leasable area with about 12,613 SF or 16.5% finished office area, situated on 10.12± acres. The building is tilt-wall concrete construction built in 2000 and expanded in 2011 and is in good condition. The subject has been owner-occupied and is currently vacant and under contract for purchase. The subject property is more particularly described by both legal and narrative descriptions within the text of the following appraisal report.

The purpose of this appraisal was to estimate the "As Is" market value of the fee simple interest in the subject property. The "As Is" market value is effective May 22, 2024, the date of our property inspection. Market value, fee simple interest and other appraisal terms are defined within the text of the following appraisal report.

Based upon our investigation into those matters which affect market value, and by virtue of our experience and training, we have estimated the following market value of the subject property:

MARKET VALUE INDICATION	
Value Description	Value Indication
"As Is" Market Value - Fee Simple Interest - May 22, 2024	\$11,100,000

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June 26, 2024

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Mr. C. Perry Peebles  
Public Works – Transportation Improvement  
Alachua County

Furthermore, we have considered an appropriate marketing period for the subject property at the market value estimates reported above. Our estimates are based upon interviews with active market participants within the subject's marketing area. Assuming the utilization of an organized and coordinated marketing effort, we have estimated a reasonable marketing period for the subject property of approximately one year or less, and a reasonable exposure time of one year or less.

We have performed no real estate 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.

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers' file.

This letter of transmittal precedes and is hereby made a part of the Appraisal Report which follows, setting forth the most pertinent data and reasoning which was used in order to reach the final value estimate. The appraisal is subject to the *General Assumptions* and *General Limiting Conditions* which have been included within the text of the report. The assumptions and conditions are considered usual for this type of assignment.

To the best of the appraisers' ability, the analysis, opinions, and conclusions were developed and the report was prepared in accordance with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP).

In keeping with our agreement with Alachua County, only Alachua County shall have the right or use of this appraisal report. This appraisal report may not be used for any purpose by any person other than an officer of Alachua County without the prior written consent of Clayton, Roper & Marshall. Possession of the report, or a copy thereof, does not carry with it the right of publication. No other party is entitled to rely on the information, conclusions, or opinions contained herein. The intended use of this report is for loan underwriting and-or credit decisions by Alachua County.

We hereby certify that to the best of our knowledge and belief the statements of fact contained in this report are true and correct; the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions; we have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved; we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment; our engagement in this assignment was not contingent upon developing or

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Mr. C. Perry Peebles  
Public Works – Transportation Improvement  
Alachua County

reporting predetermined results; our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal; this appraisal assignment was not made, nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or an amount which would result in approval of a loan; our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP); we have made a personal inspection of the property that is the subject of this report; and no one provided significant professional assistance to the persons signing this report.

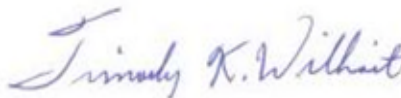
The Appraisal Institute maintains a voluntary continuing education program for its members. As of the date of this report, the undersigned MAI has completed the requirements of the continuing education program of the Appraisal Institute. We do not authorize the out of context quoting from or partial reprinting of this appraisal report. Further, neither all nor any part of this appraisal shall be disseminated to the general public by the use of media for public communication without the prior written consent of the appraisers signing this appraisal report. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives and to the requirements of the State of Florida relating to review by its Real Estate Appraisal Board.

Respectfully submitted,

CLAYTON, ROPER & MARSHALL



Craig H. Clayton, MAI  
State-Certified General Real Estate Appraiser  
License Number: RZ 118



Timothy K. Wilhoit, MAI  
State-Certified General Real Estate Appraiser  
License No.: RZ 882

CHC/TKW/tkw

## CERTIFICATION

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

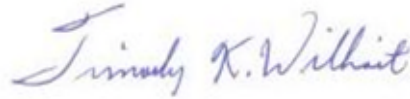
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have performed no real estate services as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- This appraisal was not made, nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or an amount which would result in approval of a loan.
- Craig H. Clayton, MAI and Timothy K. Wilhoit, MAI have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the persons signing this report.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Craig H. Clayton, MAI and Timothy K. Wilhoit, MAI have completed the requirements of the continuing education program of the Appraisal Institute.




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Craig H. Clayton, MAI  
State-Certified General Real Estate Appraiser  
License Number: RZ 118




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Timothy K. Wilhoit, MAI  
State-Certified General Real Estate Appraiser  
License Number: RZ 882

## DEFINITIONS

### **MARKET VALUE<sup>1</sup>**

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 passing of title from the seller to buyer under conditions whereby:

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

### **EXPOSURE TIME<sup>1</sup>**

As defined in USPAP, 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. Exposure time is always presumed to precede the effective date of the appraisal. Exposure time is a function of price, time, and use – not an isolated opinion of time alone.

### **MARKETING TIME<sup>1</sup>**

According to USPAP Advisory Opinion 7, the time it might take to sell the property interest at the appraised market value during the period immediately after the effective date of the appraisal. An institution may request an appraiser to separately provide an estimate of marketing time in an appraisal. However, this is not a requirement of the Agencies' appraisal regulations.

**FEE SIMPLE ESTATE<sup>1</sup>**

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

**LEASED FEE INTEREST<sup>2</sup>**

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

**LEASEHOLD INTEREST<sup>2</sup>**

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

**CONDOMINIUM OWNERSHIP<sup>2</sup>**

A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real estate.

**HIGHEST AND BEST USE<sup>2</sup>**

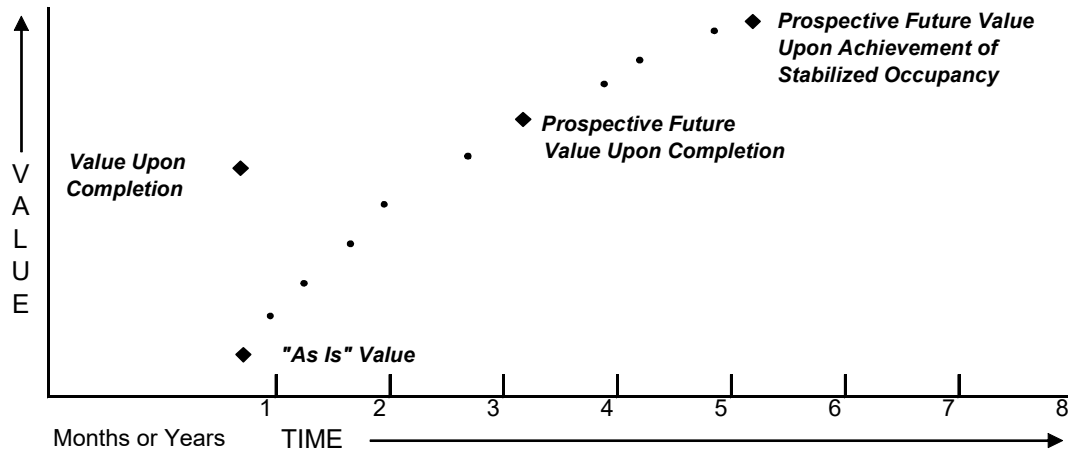
The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity.

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<sup>1</sup> The Dictionary of Real Estate Appraisal, 6th Edition (Chicago: Appraisal Institute, 2015).



## VALUE CREATION CONTINUUM



The preceding exhibit graphically displays the creation of value in a real estate development projection over time, assuming a zero-inflation environment for clarity of presentation.

The four-time differential values on the graph that may be considered in the appraisal of proposed developments are defined as follows:

1. **As Is** means an estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of appraisal is prepared.
2. **Value Upon Completion** means the market value of a property with all proposed construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value shall reflect the market value of the property as if complete and prepared for occupancy by tenants.
3. **Prospective Future Value Upon Completion** means the prospective future value of a property on the date that construction is completed, based upon market conditions forecast to exist as of that completion date.
4. **Prospective Future Value Upon Achievement of Stabilized Occupancy** means the prospective future value of a property at a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy.

## GENERAL ASSUMPTIONS

1. The legal description used in this report is assumed to be correct.
2. No survey of the property 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 property.
3. No responsibility is assumed for matters of legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. 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; however, no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, encumbrances, leases and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, 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.
7. 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.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.
9. 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.
10. 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 no encroachment or trespass unless noted within the report.

## GENERAL LIMITING CONDITIONS

1. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made thereof.
2. Possession of the report, or copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualifications and only in its entirety.
3. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.
5. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without written consent of the appraiser.
6. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing General Assumptions and General Limiting Conditions.
7. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
8. The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

## EXECUTIVE SUMMARY REGARDING THE CORONAVIRUS

The COVID-19 outbreak and resulting actions to combat its effects both from a health standpoint and economic standpoint are causing great turbulence in the global economy. Stock markets around the world are volatile as is the price of oil. Global travel remains spotty as each new variant of the virus prompts a wave of travel restrictions, quarantines, and lockdowns. Supply chains have been disrupted and inflation has become the issue in the forefront for economists and consumers to deal with.

Thus far, based on our interviews with real estate brokers, market participants and appraisers, and review of Costar and MLS sales data as well as many publications, impact on real estate values has not been an issue with prices remaining stable and even slightly increasing in the commercial real estate realm. Residential values have continued to rise in the metro area and statewide. Homes and lots have continued to sell at strong prices and a good pace, above pre-virus levels. Low interest rates, desire for second homes, homes further away from larger metro areas and larger homes that can provide a good home working environment are all reasons given the continued resiliency of the residential real estate market.

We will continue to monitor the markets for signs of impact in general or in specific property types likely to most impacted by the crisis such as hotels, retail centers, and other assets where performance is immediately hurt by decreased travel, decreased shopping dining out and working from home. Supply chain disruptions also have the potential to hamper timing and costs for planned developments and assets currently under construction. Properties with bond-like income qualities, like stabilized apartments or industrial warehouses leased to credit tenants on a long-term basis, are the best poised to weather this period of uncertainty though they will be impacted by increased risk due to that uncertainty.

The potential economic outcomes of the COVID-19 situation range from just a temporary interruption and mild recession to a deeper, more sustained crisis. We will continue to look to traditional, proven, market-oriented metrics such as sale price, marketing times, vacancy, rental rates and cost of financing to measure the market. These metrics will be supplemented by market sentiment as provided by market participants such as buyers and sellers, brokers and appraisers.

Real estate is a long-term investment historically offering significantly less volatility than most other investment options. The short-term measurable impact on the subject property is discussed within the body of the report. Generally speaking, as the full length and depth of the virus impact is not known, the lasting impact on the real estate market long term will not be known for some time. At this time, we do not feel it necessary to make any negative adjustments or allowances for the impact of COVID-19 on the real estate market in general or the subject specifically.

## SUMMARY OF SALIENT FACTS

<u>PROPERTY OWNER</u>	Burkhardt Distributing of Gainesville
<u>PARCEL ID #</u>	07878-030-008
<u>LOCATION</u>	The subject property is located at 6125 NW 18th Drive, in the City of Gainesville, Alachua County, Florida 32653. This location is within the Northwest Industrial Park Unit 3 at the southern terminus of NW 18 <sup>th</sup> Drive, just northeast of US Highway 441. This area is approximately four miles north of the downtown Gainesville central business district.
<u>SITE SUMMARY</u>	The subject site consists of one rectangular shaped parcel totaling 10.12± acres, all upland & usable. The site has 760 feet along the east side of NW 18 <sup>th</sup> Drive with two paved entrances/exits. The site is effectively level and at road grade. All utilities are available.
<u>IMPROVEMENTS</u>	The subject site is improved with a single distribution warehouse building totaling 76,397± square feet of gross leasable area with about 12,613 SF or 16.5% finished office area, situated on the 10.12± acres. The building is tilt-wall concrete construction built in 2000 and expanded in 2011 and is in good condition. The subject has been owner-occupied and is currently vacant and under contract for purchase.
<u>ZONING</u>	I-1, Limited Industrial, City of Gainesville
<u>FUTURE LAND USE</u>	Industrial, City of Gainesville
<u>FLOOD ZONE</u>	Zone X – Map # 12001C0303E – November 2, 2018
<u>HIGHEST &amp; BEST USE</u>	As Vacant: Industrial As Improved: Continued use as distribution warehouse facility
<u>DATES OF VALUATION</u>	“As Is” – May 22, 2024
<u>DATE OF INSPECTION</u>	May 22, 2024
<u>DATE OF REPORT</u>	June 26, 2024
<u>INTEREST APPRAISED</u>	Fee Simple

## SUMMARY OF SALIENT FACTS

(Cont'd)

### MARKET VALUES

<b>MARKET VALUE INDICATIONS</b>	
<b>Value Description</b>	<b>Value Indication</b>
<b>"As Is" Market Value - Fee Simple Interest - May 22, 2024</b>	
Cost Approach	N/A
Sales Comparison Approach	\$11,100,000
Income Approach	\$11,100,000
<b>Reconciled "As Is" Market Value - Fee Simple Interest</b>	<b>\$11,100,000</b>

MARKETING PERIOD            One Year

EXPOSURE PERIOD            One Year

CONDITIONS                    The appraisal is subject to the *General Assumptions* and *General Limiting Conditions* which have been included within the text of this report. The assumptions and conditions are considered usual for this type of assignment.

SUBJECT AERIAL PHOTOGRAPH (FROM LISTING BROKER)

6125 NW 18TH DR, GAINESVILLE, FL 32207



**CLAYTON, ROPER & MARSHALL**

SUBJECT PHOTOGRAPHS



FRONT VIEW OF OFFICE BUILDING



FRONT ENTRANCE TO OFFICE BUILDING



NORTHEAST VIEW OF OFFICE BUILDING



PARKING AREA IN FRONT OF SUBJECT OFFICE BUILDING



VIEW OF WAREHOUSE - SOUTHWEST ELEVATION



VIEW OF WAREHOUSE - EAST ELEVATION

**CLAYTON, ROPER & MARSHALL**





VIEW OF WAREHOUSE - NORTH ELEVATION



VIEW OF WAREHOUSE - NORTHEAST ELEVATION



VIEW OF WAREHOUSE - WEST ELEVATION



VIEW OF WAREHOUSE - EAST ELEVATION



VIEW OF WAREHOUSE - SOUTH ELEVATION  
LOADING DOCK AREA



ENTRANCE TO DRIVE-THRU AT SOUTH  
BUILDING ELEVATION



INTERIOR VIEW OF DRIVE-THRU AREA



OFFICE RECEPTION AREA



PRIVATE OFFICE



PRIVATE OFFICE



PRIVATE OFFICE



CONFERENCE ROOM



WORK ROOM



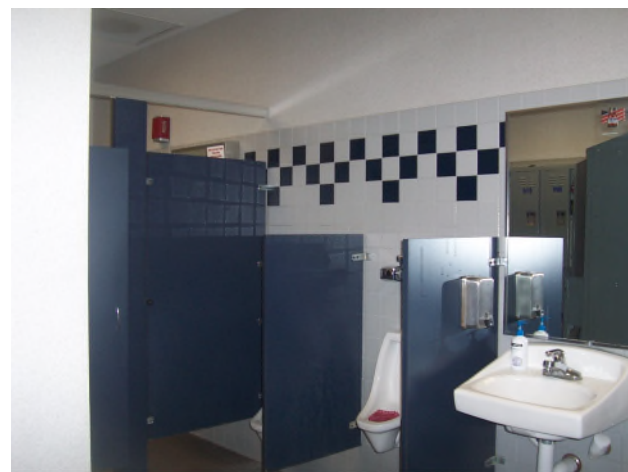
BULLPEN OFFICE AREA



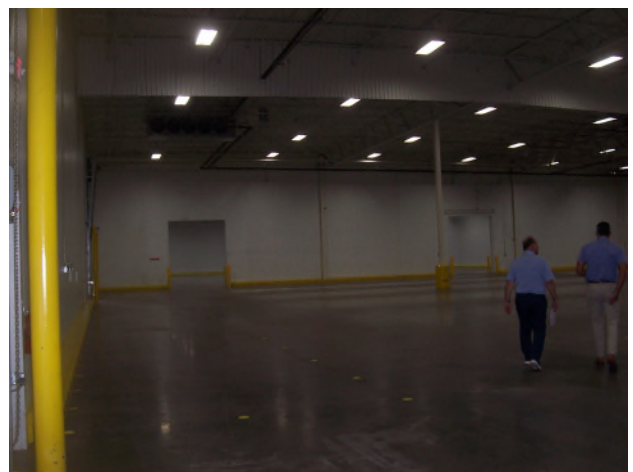
CUBICLE OFFICE AREA



BREAK ROOM / KITCHEN



MEN'S RESTROOM



COLD STORAGE AREA



COLD STORAGE AREA



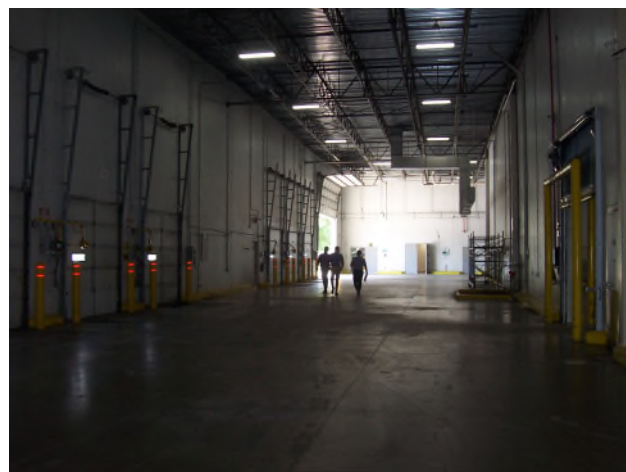
COLD STORAGE AREA



COLD STORAGE AREA



COLD STORAGE AREA



RECEIVING / LOADING AREA



RECEIVING / LOADING AREA



MAINTENANCE BUILDING



MAINTENANCE BUILDING



MAINTENANCE BUILDING



MAINTENANCE BUILDING



MAINTENANCE BUILDING



PARKING AND TURN AROUND AREA AT SOUTH END OF SITE



NORTH VIEW ON NW 18<sup>TH</sup> DRIVE, SUBJECT TO THE RIGHT



SOUTH VIEW ON NW 18<sup>TH</sup> DRIVE, SUBJECT TO THE LEFT



NORTH DRIVEWAY ENTRANCE/EXIT TO SUBJECT PROPERTY



SOUTH DRIVEWAY ENTRANCE/EXIT TO SUBJECT PROPERTY



SOUTH VIEW ALONG CITY ACCESS STREET, SUBJECT EAST ELEVATION TO THE RIGHT



SUBJECT ON-SITE RETENTION AREA ALONG NW 18<sup>TH</sup> DRIVE

## OVERVIEW OF ASSIGNMENT

### **PURPOSE OF THE APPRAISAL**

The purpose of this appraisal is to provide the appraisers' best estimate of the market value of the subject real property as of the effective dates described herein. *Market Value* is defined by the federal financial institution's regulatory agencies as follows:

*Market Value* means 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 conditions whereby:

- (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 U.S. 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 sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions (f).)

### **INTENDED USE AND USER OF REPORT**

The intended user of this appraisal report is Alachua County. The intended use is to assist the client in decision making regarding acquisition of the property by Alachua County, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of the client, and Definition of Market Value. No additional intended users are identified by the appraisers.

### **INTEREST APPRAISED**

The interest in the subject property being appraised is the fee simple interest.

**EFFECTIVE DATE OF APPRAISAL**

The “As Is” market value is effective May 22, 2024, the date of our property inspection.

**DATE OF INSPECTION** – May 22, 2024

**DATE OF REPORT** – June 26, 2024

**COMPETENCY OF APPRAISERS**

The appraisers’ specific qualifications are included within the *Addendum* of this report. These qualifications serve as evidence of their competence for the completion of this appraisal assignment in compliance with the Competency Provision contained within the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The appraisers’ knowledge and experience, combined with their professional qualifications, are commensurate with the complexity of this assignment. The appraisers have previously provided consultation and value estimates for similar properties throughout the State of Florida.

**SCOPE OF WORK AND DEVELOPMENT OF THE ASSIGNMENT**

The scope of the appraisal is to discuss the results of the investigations and analyses for the subject property. This valuation process includes the definition of the appraisal problem, collection and analysis of the data, highest and best use analysis, application of the three approaches to value, reconciliation of the value indications and final value estimate, and report of the defined value.

USPAP defines the *scope of work* as

the type and extent of research and analyses in an assignment. The scope of work includes but is not limited to

- (1) the extent to which the property is identified;
- (2) the extent to which the tangible property is inspected;
- (3) the type and extent of the data researched; and
- (4) the type and extent of analysis applied to arrive at opinions or conclusions.



1. **Property Identification:** The appraisers identified the property and appraisal problem by receiving information and data from the client and the property Contact (owner). The appraisers then completed their own independent analysis of the data. Information was gathered for the subject property to use in the valuation via the Alachua County Property Appraiser, Alachua County Tax Collector, City of Gainesville government website, and FEMA (flood source).
2. **Property Inspection:** Craig H. Clayton, MAI and Timothy K. Wilhoit, MAI inspected the subject property on May 22, 2024. Also attending the inspection was Appraiser Mark Carpenter MAI and the owner/broker representative, Mr. Daniel Burkhardt.
3. **Data Research:** Information was gathered on comparable industrial improved sales and rents in the subject neighborhood and throughout the regional area, and the pertinent sale and lease data was confirmed. This information was analyzed and utilized in the application of the Sales Comparison Approach and Income Approach.
4. **Analyses Applied:** The four factors that determine the property's highest and best use were analyzed. These factors include the physically possible, legally permissible, financially feasible, and maximally productive uses. Traditionally, there are three approaches utilized in the valuation of real property: the Cost Approach, the Sales Comparison Approach, and the Income Approach. Typically, after obtaining value estimates by the Cost, Sales Comparison, and Income Approaches, the results are reconciled into a final value conclusion.

The purpose of this appraisal was to estimate the "As Is" market value of the fee simple interest in the subject property.

In the case of the subject property, regarding the "As Is" market value, the Sales Comparison Approach and Income Approach were pertinent to the assignment and resulted in credible results. The Sales Comparison Approach was applicable is relevant since it reflects the actions of buyers and sellers in the current market, and there were ample sale data sources available. The Income Approach was applicable because the subject property is a viable property that could be leased as a single-tenant leased income producing property and ample comparable rental data was available. The Cost Approach was not applied due to the advanced and different ages of the building and resulting difficulty in estimating depreciation. Also, market participants confirm cost analysis is not a primary factor in buy/sell decisions for older properties such as the subject. Primary consideration is given to the Sales Comparison Approach with secondary consideration applied to the Income Approach.

No limitations or restrictions prevented application of traditional appraisal methodology, and the data supplied by the client was sufficient. All data relating to sales and rentals was confirmed with buyers, sellers, or agents who were involved with or had knowledge of transactional or leasing information.

## IDENTIFICATION OF THE SUBJECT PROPERTY

### **LOCATION**

The subject property is located at 6125 NW 18th Drive, in the City of Gainesville, Alachua County, Florida 32653. This location is within the Northwest Industrial Park Unit 3 at the southern terminus of NW 18<sup>th</sup> Drive, just northeast of US Highway 441. This area is approximately four miles north of the downtown Gainesville central business district.

### **LEGAL DESCRIPTION**

The following legal description of the subject property was obtained from the Option Contract to Purchase as provided and the Public Records of Alachua County, Florida.

*Lots Eight (8), Nine (9), Ten (10) and Eleven (11) of NORTHWEST INDUSTRIAL PARK, UNIT NO. THREE (3), according to the map or plat thereof recorded in Plat Book "L", Page 31 of the Public Records of Alachua County, Florida.*

The appraisers express no warranty as to the accuracy of the legal descriptions as this is beyond our level of expertise. Prior to the sale, mortgage or conveyance of the subject property, we recommend the client obtain an abstract of title, title policy, and survey/legal description for the benefit of all involved parties.

### **REAL ESTATE TAX INFORMATION**

The assessment for real estate tax purposes is made as of January 1 of each year. The County Commission sets the millage rate to be used in calculating the tax bill in September or October of each year. The County Tax Collector issues the tax bills providing for a 4% discount for payment in November, a 3% discount for payment in December, a 2% discount for payment in January, and a 1% discount for payment in February. All tax bills are delinquent after March 31 of each year.

The subject property is currently assessed as one parcel for ad valorem and non-ad valorem taxes by Alachua County. There are no delinquent taxes. The subject's 2023 certified assessment & tax information tax information is presented below.

2023 CERTIFIED ASSESSMENT AND TAX INFORMATION						
Parcel ID #	Market Value	Assessed /		Ad Valorem Taxes	Non-Ad Valorem Taxes	Total Taxes
		Taxable Value	Millage Rate			
07878-030-008	\$2,512,928	\$2,512,928	22.1775	\$55,730.46	\$4,787.79	\$60,518.25
Per SF (36,200 SF)	\$69.42	\$69.42		\$1.54	\$0.13	\$1.67

The current assessment does not appear to include the 2011 addition to the building. Based upon our research and analysis, the subject assessments appear to be below actual market value. The definition of market value assumes a sale at the indicated value, which would trigger the property for tax reassessment in the following year.

Regarding the "As Is" valuation, the property is currently under contract for \$10,835,000. Properties are typically reassessed at 70% to 90% of a recent sale price. Assuming an 80% assessment ratio indicates an assessed value of \$8,668,000. Utilizing the 2023 millage rate of 22.1775 indicates an ad valorem tax amount of \$192,235. Adding the non-ad valorem taxes of \$4,788 indicates a total tax of \$197,022. Considering a 4% early payment discount indicates an "As Is" estimated tax expense of \$189,141 or \$2.48/SF.

"AS IS" PROJECTED ASSESSMENT & TAXES	
SF GLA	76,397
"As Is" Market Value Opinion	\$10,835,000
Assessment Ratio	80%
Estimated Assessment	\$8,668,000
2023 Millage Rate	22.1775
Ad Valorem Taxes	\$192,235
Non-Ad Valorem Taxes	\$4,788
<b>Total Taxes</b>	<b>\$197,022</b>
Taxes With 4% Discount	\$189,141
Per SF	\$2.48

## FIVE-YEAR OWNERSHIP HISTORY

According to the Alachua County Property Appraiser's records, the subject property is currently owned by Burkhardt Distributing of Gainesville, who acquired the property as vacant on February 22, 2000 from Northwest Industrial Park for \$227,500 (recorded in O.R. Book 2277 Page 1247). There have been no arm's length transactions involving the subject property in the previous five years.

The subject property is currently under contract for purchase to Alachua County, Florida. The property

was listed with NAI Hallmark Commercial Real Estate Services, Jacksonville in October 2023 for \$11,250,000. The current contract for sale to Alachua County for \$10,835,000 was signed on May 8, 2024.

The information contained within this *Five-Year Ownership History* section is assumed to be accurate and correct. This information is not to be construed as a title search or a report of title. Our office renders no opinion to title, which is assumed to be good and marketable.

## **FLOOD ZONE**

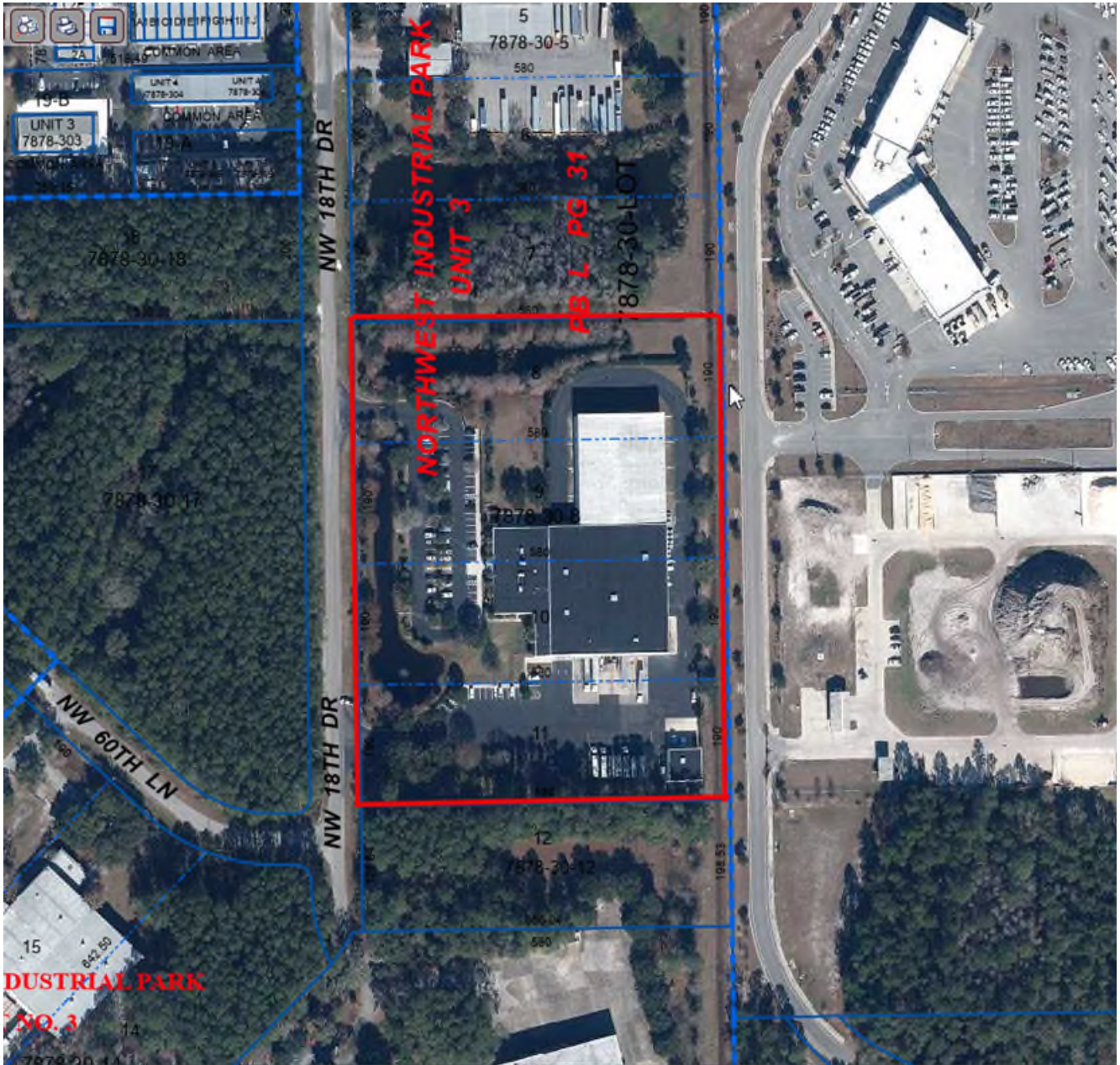
According to the InterFlood FEMA National Flood Insurance Map Number 12001C0303E, having an effective date of November 2, 2018, the subject property appears to be located within Flood Zone X, an area of minimal flooding.

## **ZONING AND FUTURE LAND USE**

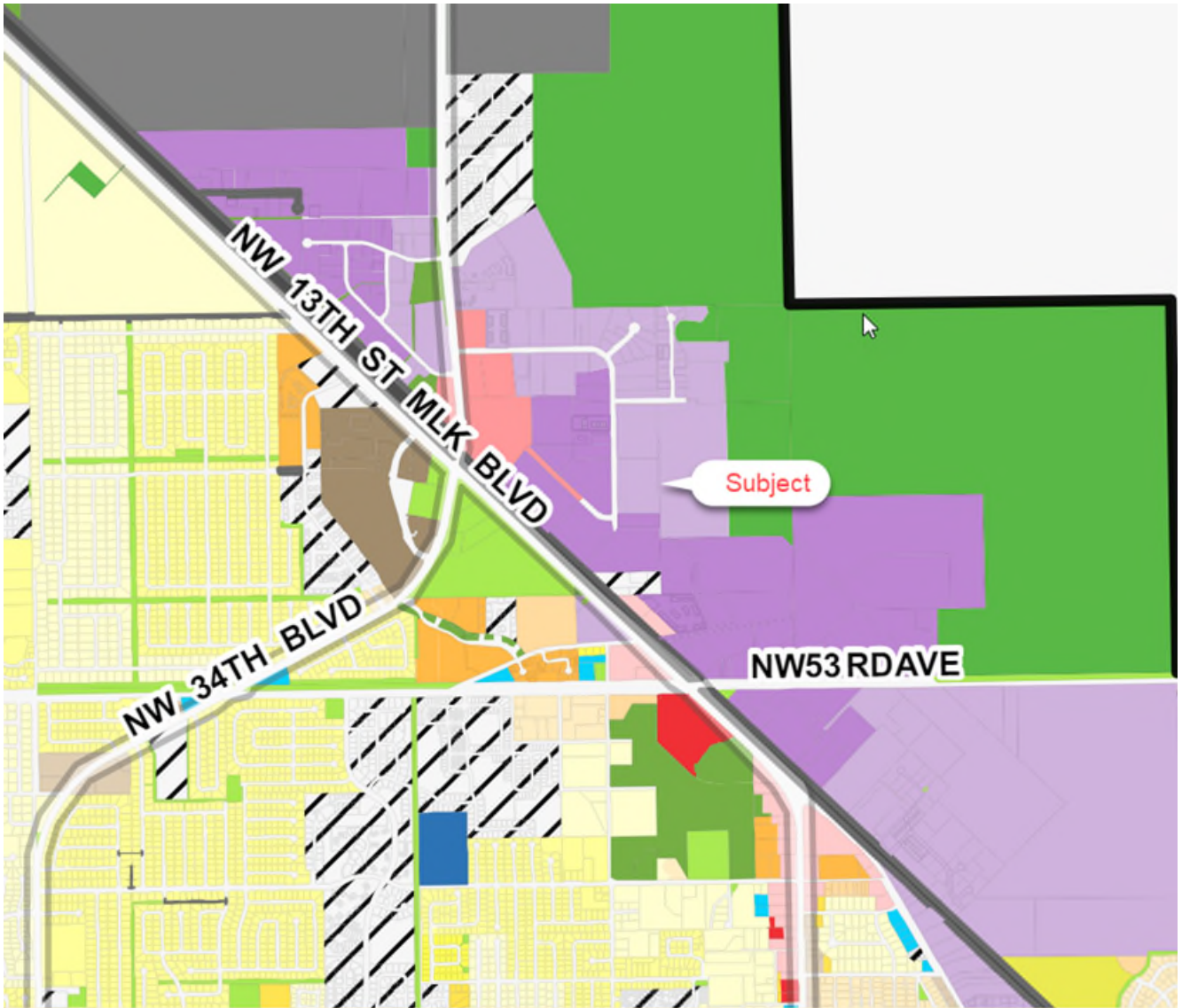
The subject property is under the jurisdiction of the City of Gainesville with a zoning of I-1, Limited Industrial, and a future land use of Industrial. The zoning is consistent with the future land use. Allowable uses in this district include alcoholic beverage establishment, warehouse distribution facility, business services, industrial office, public administration, vehicle repair, carwash, equipment sales and rental, drive-thru facility, microbrewery, mini-warehouse, self storage facility. Based on our inspection of the subject property and a review of the zoning restrictions, it appears the improvements conform to the surrounding land uses and comply with the land use requirements.



TAX MAP AERIAL



ZONING MAP

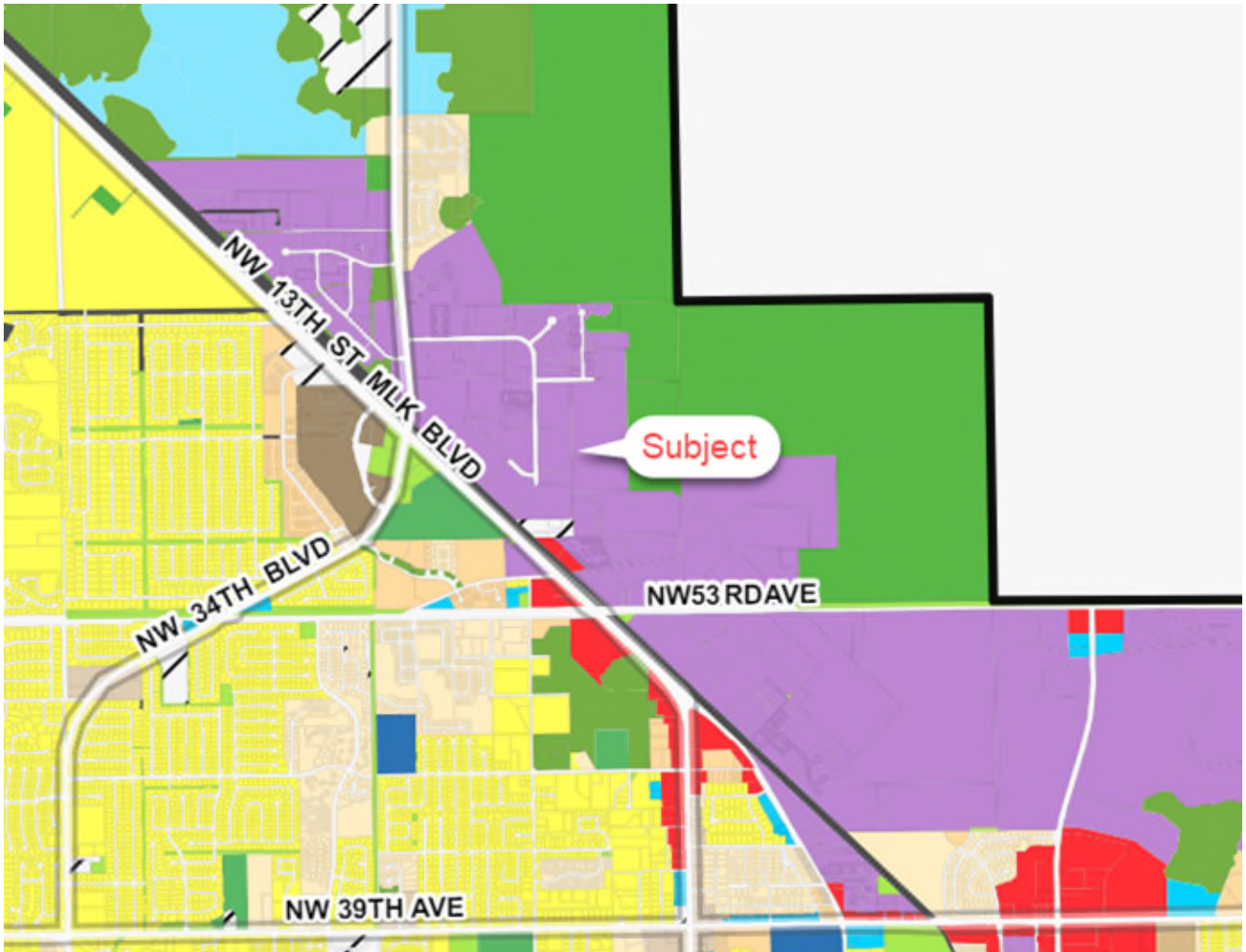


## ZONING MAP LEGEND

























 City Limits	 RC: Residential Conservation
 AF: Airport Facility	 RMF-5: Single-Family/Multiple-Family Residential
 AGR: Agriculture	 RMF-6: Multiple-Family Residential
 BA: Automotive-Oriented Business	 RMF-7: Multiple-Family Residential
 BI: Business Industrial	 RMF-8: Multiple-Family Residential
 BT: Tourist-Oriented Business	 ROW
 BUS: General Business District	 RSF-1: Single-Family Residential
 CON: Conservation	 RSF-2: Single-Family Residential
 CP: Corporate Park	 RSF-3: Single-Family Residential
 DT: Downtown	 RSF-4: Single-Family Residential
 ED: Educational Services	 U2: Urban 2
 I-1: Limited Industrial	 U3: Urban 3
 I-2: General Industrial	 U4: Urban 4
 MD: Medical Services	 U5: Urban 5
 MH: Mobile Home Residential	 U6: Urban 6
 MU-1: Mixed Use Low Intensity	 U7: Urban 7
 MU-2: Mixed Use Medium Intensity	 U8: Urban 8
 OF: General Office	 U9: Urban 9
 OR: Office Residential	 W: Warehousing and Wholesaling
 PD: Planned Development	 Pending City Zoning
 PS: Public Services and Operations	



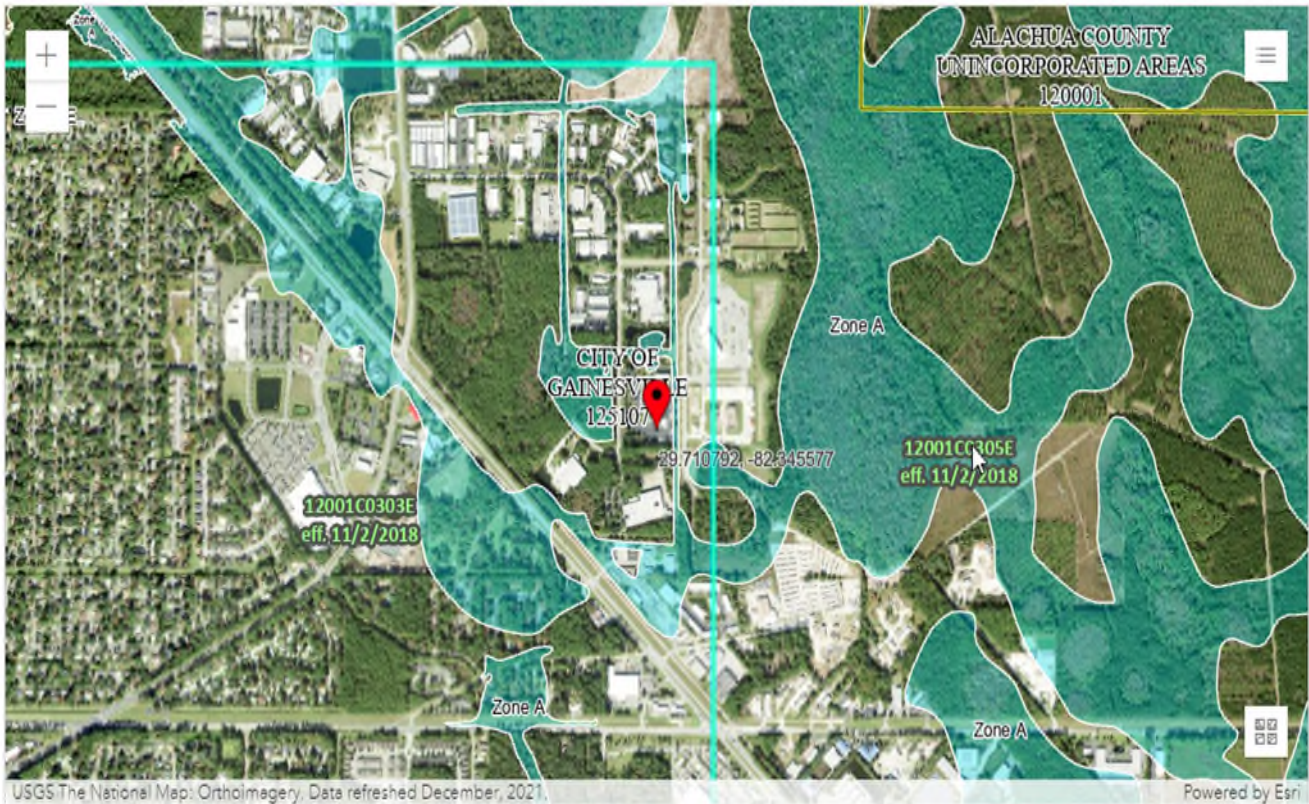
FUTURE LAND USE MAP



## FUTURE LAND USE MAP LEGEND

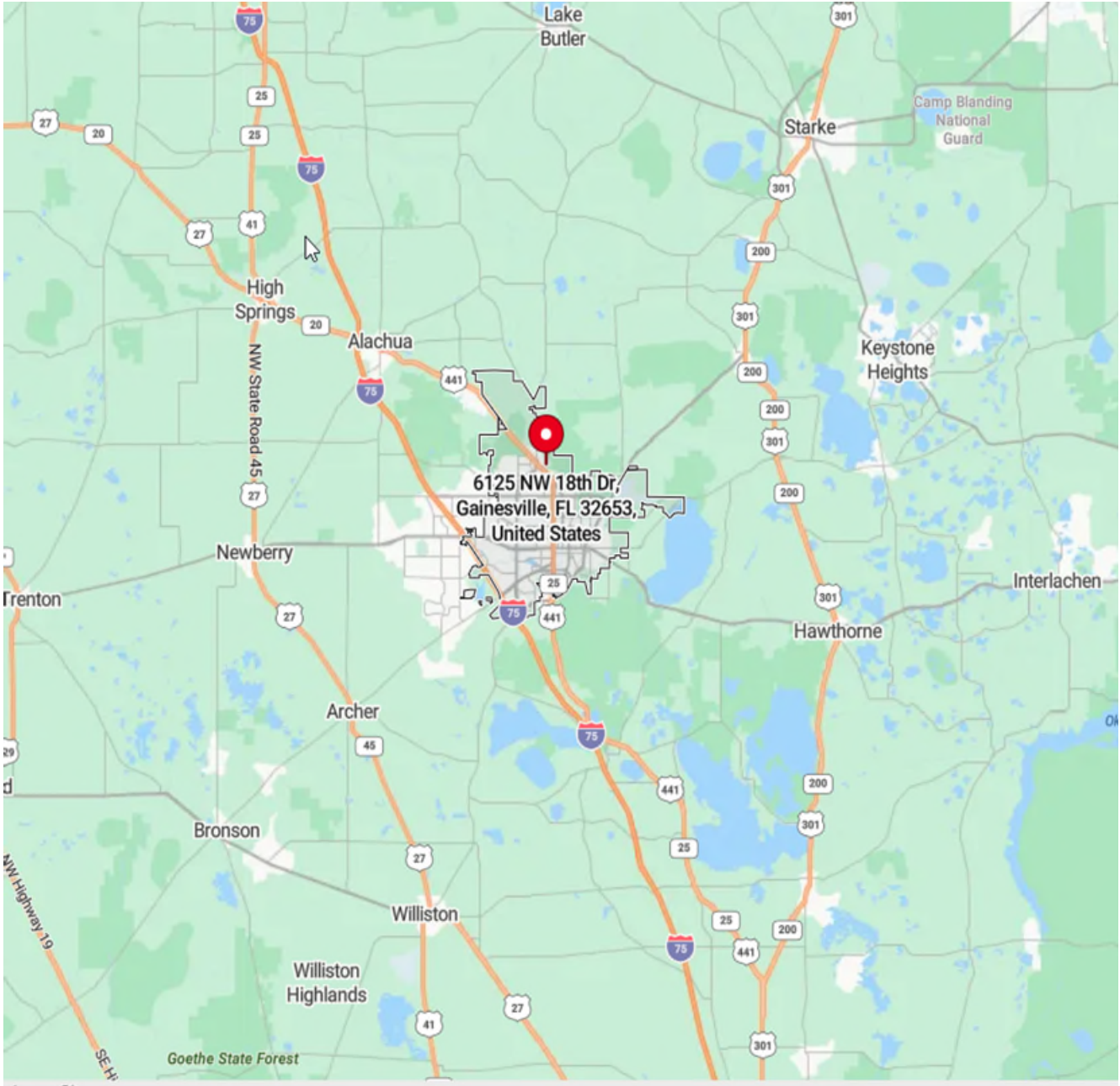
 City Limits	 O: Office
 AGR: Agriculture	 PF: Public and Institutional Facilities
 BI: Business Industrial	 PUD: Planned Use District
 C: Commercial	 REC: Recreation
 CON: Conservation	 RH: Residential High
 E: Education	 RL: Residential Low
 IND: Industrial	 RM: Residential Medium
 MOR: Mixed-Use Office/Residential	 ROW
 MUH: Mixed-Use High	 SF: Single Family
 MUL: Mixed-Use Low	 UC: Urban Core
 MUM: Mixed-Use Medium	 UMU: Urban Mixed-Use
 MUR: Mixed-Use Residential	 UMUH: Urban Mixed-Use High-Intensity

# FLOOD MAP



<p><b>PIII</b></p> <ul style="list-style-type: none"> <li> Approximate location based on user input and does not represent an authoritative property location</li> </ul> <p><b>MAP PANELS</b></p> <ul style="list-style-type: none"> <li> Selected FloodMap Boundary</li> <li> Digital Data Available</li> <li> No Digital Data Available</li> <li> Unmapped</li> </ul> <p><b>OTHER AREAS</b></p> <ul style="list-style-type: none"> <li> Area of Minimal Flood Hazard <i>Zone X</i></li> <li> Effective LOMRs</li> <li> Area of Undetermined Flood Hazard <i>Zone D</i></li> <li> Otherwise Protected Area</li> <li> Coastal Barrier Resource System Area</li> </ul>	<p><b>SPECIAL FLOOD HAZARD AREAS</b></p> <ul style="list-style-type: none"> <li> Without Base Flood Elevation (BFE) <i>Zone A, X, AH</i></li> <li> With BFE or Depth</li> <li> Regulatory Floodway <i>Zone AE, AO, AH, VE, AF</i></li> </ul> <p><b>OTHER AREAS OF FLOOD HAZARD</b></p> <ul style="list-style-type: none"> <li> 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile <i>Zone X</i></li> <li> Future Conditions 1% Annual Chance Flood Hazard <i>Zone X</i></li> <li> Area with Reduced Flood Risk due to Levee. See Notes. <i>Zone X</i></li> <li> Area with Flood Risk due to Levee <i>Zone D</i></li> </ul>	<p><b>OTHER FEATURES</b></p> <ul style="list-style-type: none"> <li> Cross Sections with 1% Annual Chance Water Surface Elevation</li> <li> Coastal Transect</li> <li> Base Flood Elevation Line (BFE)</li> <li> Limit of Study</li> <li> Jurisdiction Boundary</li> <li> Coastal Transect Baseline</li> <li> Profile Baseline</li> <li> Hydrographic Feature</li> </ul> <p><b>GENERAL STRUCTURES</b></p> <ul style="list-style-type: none"> <li> Channel, Culvert, or Storm Sewer</li> <li> Levee, Dike, or Floodwall</li> </ul>
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# ALACHUA COUNTY AREA MAP



## ALACHUA COUNTY/GAINESVILLE AREA DATA

Gainesville, the largest of the nine incorporated cities in Alachua County, is the home of the University of Florida, its largest employer. The University of Florida (UF), with its 16 colleges and 150+ research centers and institutes, dominates the entire area. Alachua County is located in north-central Florida, midway between the Atlantic and Gulf coasts. It is approximately 70 miles southwest of Jacksonville, 130 miles northeast of Tampa, 110 miles north of Orlando, and 140 miles southeast of Tallahassee. Major highways through the county include Interstate 75 (I-75), US Highway 441, US Highway 301 and US Highway 41/27.

According to *Site To Do Business*, Alachua County had an estimated population of 283,842 in 2022, an increase from the 2010 census of 247,336 and the 2020 census of 278,468. The projected 2027 population is 289,148.

	Alachua Count...
<b>Population Summary</b>	
2010 Total Population	247,336
2020 Total Population	278,468
2020 Group Quarters	17,629
2022 Total Population	283,842
2022 Group Quarters	17,629
2027 Total Population	289,148
2022-2027 Annual Rate	0.37%
2022 Total Daytime Population	300,872
Workers	154,071
Residents	146,801

The following *Site To Do Business* chart shows the 2022 income distribution in Alachua County.

	Alachua Count...
<b>2022 Households by Income</b>	
Household Income Base	115,079
<\$15,000	13.2%
\$15,000 - \$24,999	9.6%
\$25,000 - \$34,999	8.5%
\$35,000 - \$49,999	13.5%
\$50,000 - \$74,999	15.7%
\$75,000 - \$99,999	11.4%
\$100,000 - \$149,999	15.7%
\$150,000 - \$199,999	5.1%
\$200,000+	7.4%
Average Household Income	\$87,432

Source: Esri forecasts for 2022 and 2027. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.

Population growth in Alachua County corresponds to growth at UF, which capped enrollment growth in 1975 at 2% per year. According to the University, fall 2021 enrollment was approximately 61,112 students. The University’s slow-growth policy slows economic growth in Alachua County.

Santa Fe College on I-75 in northwest Gainesville had 12,607 undergraduate students in 2021. The college has satellite campuses in Alachua, Clay and Bradford Counties.

Thanks to UF and Santa Fe State College, Alachua County has one of the youngest populations in the state. According to the following *Site To Do Business* chart, the 2022 median age was 32.0. The proportion of population by age groups is not expected to vary significantly during the next decade.

2022 Population by Age	
Total	283,842
0 - 4	4.6%
5 - 9	4.5%
10 - 14	4.5%
15 - 24	24.8%
25 - 34	15.5%
35 - 44	10.5%
45 - 54	9.3%
55 - 64	10.9%
65 - 74	9.0%
75 - 84	4.4%
85 +	1.9%
18 +	83.6%

The local economy is highly reliant on the government sector, including UF, as a primary source of income. A high percentage of the total work force of Alachua County is government employed, which gives the area economic stability. The United States is recovering from a national health pandemic caused by COVID-19 (coronavirus). In the short-term, financial markets and the global economy experienced significant volatility and turmoil. The unemployment rate for April 2023 was 2.4% for Alachua County and 2.6% for the state of Florida according to FRED Economic Data Federal Reserve Bank of St. Louis. In March, the unemployment rate for Alachua County was 2.6%, down from 2.6% in February.

The county has the most physicians per capita and one of Florida’s highest hospital bed-to-population ratios. The area’s four major hospitals, UF Health, the UF Health Cancer Hospital, North Florida Regional Medical Center and the Veteran’s Administration Medical Center, draw people from all over Florida and the southeastern United States for medical treatment.

Although government continues to be the dominant industry in Alachua County, it is increasing at a slower rate than the services and trade sectors.

According to the most recent Gainesville Council for Economic Outreach, the top 15 major employers in the Gainesville/Alachua County area are:

	<b>Corporation</b>	<b>Industry</b>	<b>Number of Employees</b>
1	University of Florida	Education	27567
2	UF Health Shands System	Healthcare	12705
3	Veterans Affairs Medical Center	Healthcare	6127
4	Alachua County School Board	Public Education	3904
5	City of Gainesville	City Government	2072
6	North Florida Regional Medical Center	Healthcare	2000
7	Gator Dining Services	Food Service	1200
8	Nationwide Insurance Company	Insurance	960
9	Alachua County	Government	809
10	Publix Supermarkets	Grocery	780
11	Wal-Mart Stores	Grocery	312
12	Santa Fe Community College	Education	750
13	Wal-Mart Distribution Center	Grocery	738
14	Dollar General Distribution Center	Retail	600
15	RTI Surgical	Orthopedic/Cardio Implants	518
		<b>Total</b>	<b>60524</b>



## Strategic Ecosystems (Chapter 406, Article 5)

Strategic ecosystems are communities that have the potential to promote connectivity and minimize fragmentation of natural systems, and to protect wetlands, floodplains, and associated uplands in a broad systems context through resource-based planning across multiple parcels rather than on an individual parcel basis. The strategic ecosystem communities were identified and mapped by KBN/Golder Associates in their report, "Alachua County Ecological Inventory Project" (1996) and map available at [www.growth-management.alachua.fl.us/gis/gis\\_mapatlas.php](http://www.growth-management.alachua.fl.us/gis/gis_mapatlas.php).

If a property lies within a strategic ecosystem, up to 50% of the **upland** (not including wetlands and surface waters) portion of a parcel associated with a development may be required to be preserved without landowner consent (the area can be greater with landowner consent).



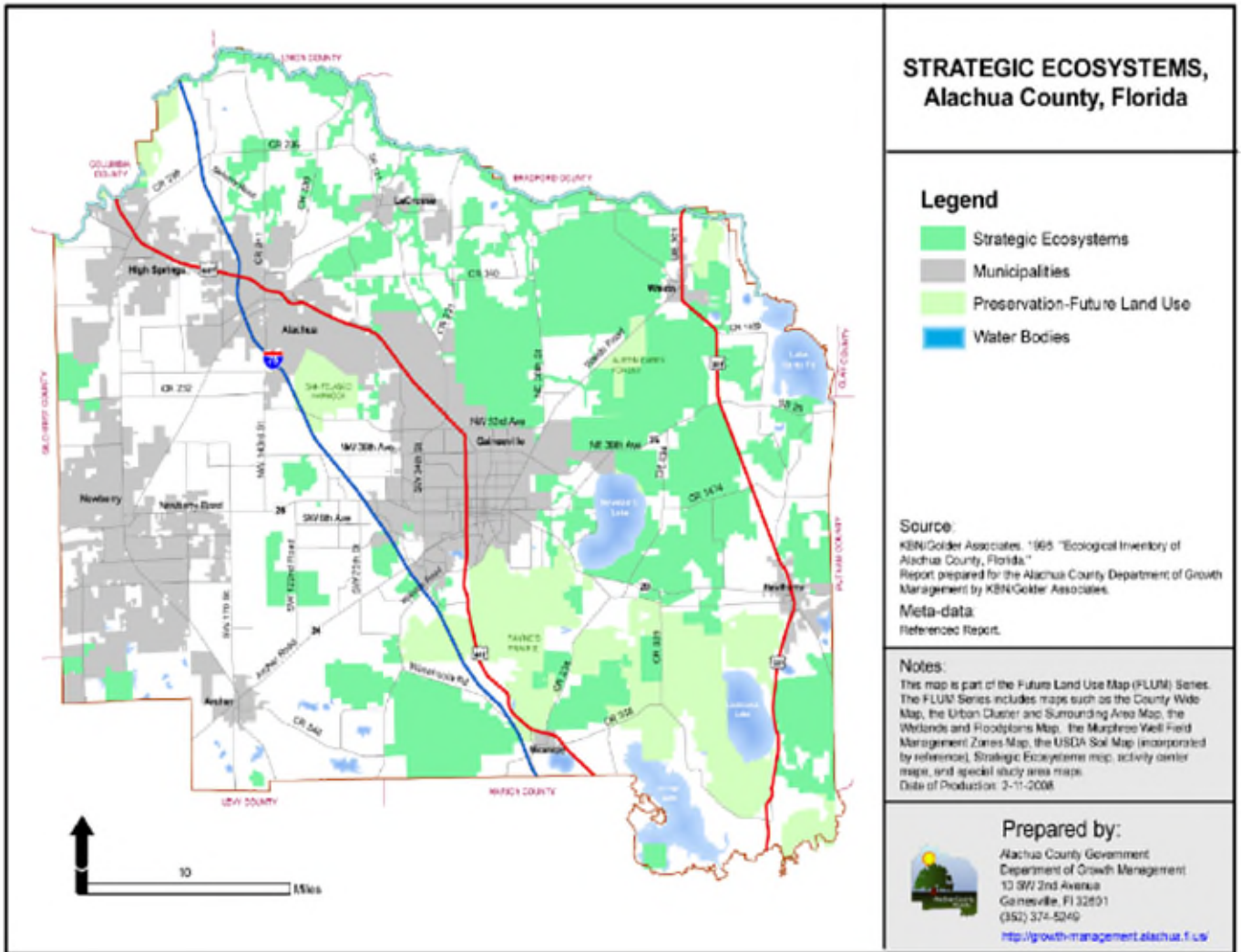
A field investigation is necessary to determine the specific location and extent of strategic ecosystem resources, and to select the portion of the resources, if any, that shall be permanently preserved.

The portion selected for preservation is based on several factors including: 1. Native biodiversity within or across natural ecological communities, ecological integrity, rarity, and functional connectedness with other communities; 2. Plant and animal species habitat that is documented for listed species and species with large home ranges, and habitat that is a special wildlife migration or aggregation site for activities such as breeding, roosting, colonial nesting, or over-wintering, high in vegetation quality and species diversity, and low in non-native invasive species; and 3. Size, shape, and landscape features that allow the ecosystem to be restored to, or maintained in, good condition with regular management activities, such as prescribed burning, removal of exotic vegetation, or hydrological restoration.

Where the strategic ecosystem is greater than 50% of the upland portion of the parcel, development on any portion of the strategic ecosystem outside the set-aside area may be subject to restrictions to minimize the overall impact to ecosystem integrity. A management plan may also be necessary to ensure the long-term protection of the ecological integrity of the strategic ecosystem.

Parcels bordering or within 660 ft of a strategic ecosystem that has been designated as Preservation/Conservation in the Future Land Use map may also be subject to restrictions, including preservation of a 100 ft corridor adjacent to the strategic ecosystem in its natural state.

The Alachua County 2001 digital orthophotographic series shall presumptively establish the baseline condition of the property as of the effective date of this policy. Any unauthorized alterations or adverse impacts to a strategic ecosystem will be considered a violation and restoration or other on-site mitigation shall be required.

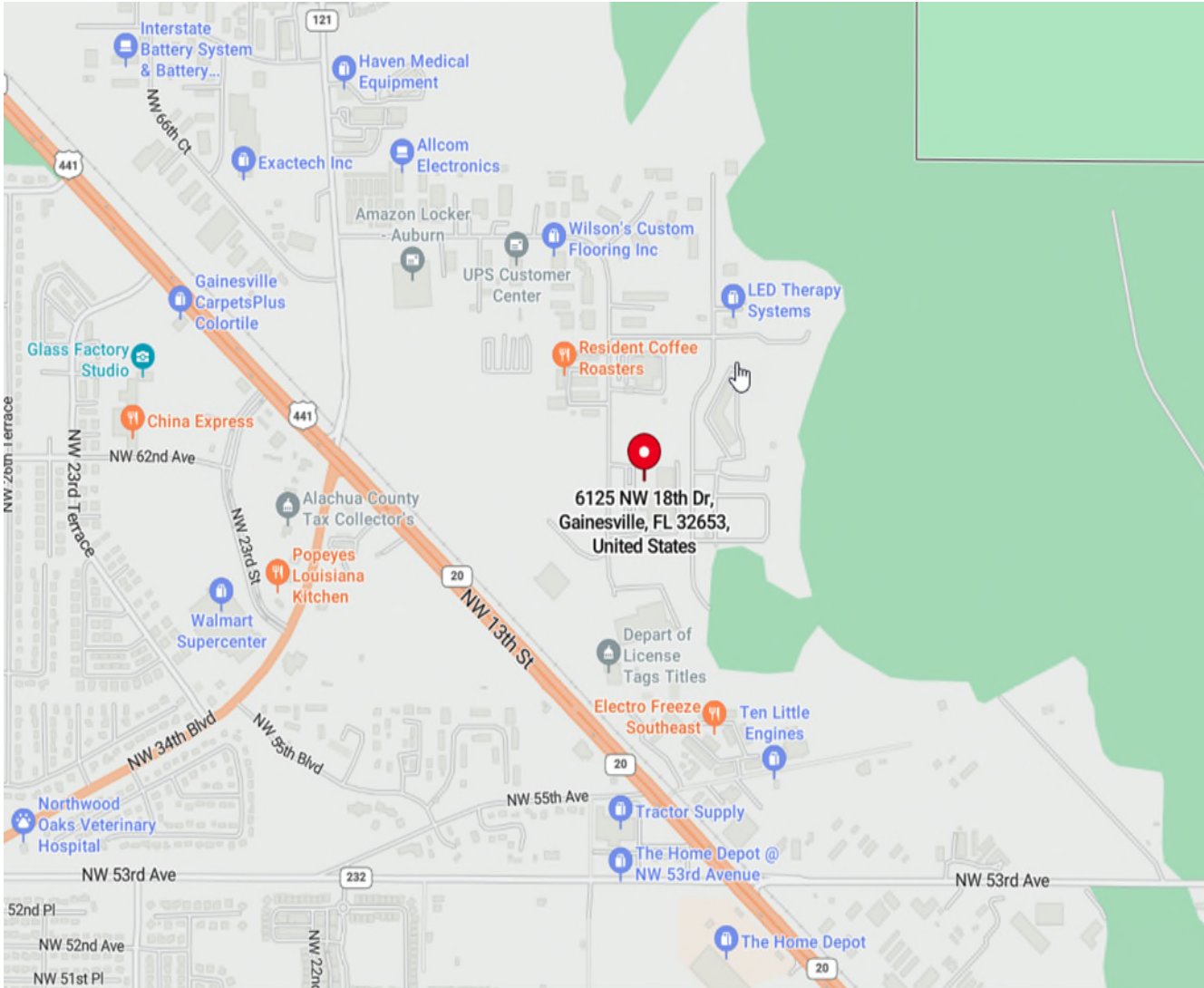


The following chart from *Site To Do Business* shows continued and projected growth of housing units, median household income and median home value for Alachua County.

<b>Housing Unit Summary</b>	
2000 Housing Units	95,113
Owner Occupied Housing Units	50.6%
Renter Occupied Housing Units	41.4%
Vacant Housing Units	8.0%
2010 Housing Units	112,766
Owner Occupied Housing Units	48.6%
Renter Occupied Housing Units	40.6%
Vacant Housing Units	10.9%
2020 Housing Units	123,359
Vacant Housing Units	8.6%
2022 Housing Units	126,029
Owner Occupied Housing Units	48.2%
Renter Occupied Housing Units	43.1%
Vacant Housing Units	8.7%
2027 Housing Units	129,028
Owner Occupied Housing Units	49.1%
Renter Occupied Housing Units	41.9%
Vacant Housing Units	9.0%
<b>Median Household Income</b>	
2022	\$56,478
2027	\$70,737
<b>Median Home Value</b>	
2022	\$269,539
2027	\$320,134
<b>Per Capita Income</b>	
2022	\$35,602
2027	\$42,846
<b>Median Age</b>	
2010	30.1
2022	32.0
2027	33.1
<b>Data Note:</b> Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.	
<b>Source:</b> Esri forecasts for 2022 and 2027. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.	

In summary, Alachua County has a stable, government-based economy, anchored by the University of Florida. Growth can be expected to continue at a slow pace consistent with the past decade.

# NEIGHBORHOOD AREA MAP



## NEIGHBORHOOD ANALYSIS

A neighborhood tends to be any separately identifiable, cohesive area within a community, with some community interest shared by its occupants. Some neighborhoods may have recognizable natural or manmade boundaries. A neighborhood has been defined as a grouping of complementary uses affected in a similar manner by the following forces - social, economic, governmental, and environmental - which affect all property values. In addition to physical boundaries, neighborhood boundaries can be identified further by perceptible changes in such characteristics as the degree of similarity in land use, types of structure, architectural style, and maintenance. Every neighborhood is influenced by its surrounding community or metropolitan area.

### **NEIGHBORHOOD BOUNDARIES/LOCATION**

The subject property is located at 6125 NW 18th Drive, in the City of Gainesville, Alachua County, Florida 32653. This location is within the Northwest Industrial Park Unit 3 at the southern terminus of NW 18<sup>th</sup> Drive, just northeast of US Highway 441. The neighborhood can be defined as NW 78<sup>th</sup> Place to the north, the Buck Bay Wildlife Area to the east, NW 53<sup>rd</sup> Avenue to the south, and NW 33<sup>rd</sup> Street.

### **NEIGHBORHOOD CHARACTERISTICS**

The subject immediate neighborhood consists of light and heavy industrial uses including small manufacturing and storage warehouses and large-scale industrial and distribution facilities, low density residential, apartments and numerous commercial/retail uses. Retail commercial development is located along the State Road 222, US Highway 441 and State Road 24 corridors. This area is approximately four miles north of the downtown Gainesville central business district.

Property uses in the Northwest Industrial Park and immediate vicinity of the subject include: the City of Gainesville vehicle maintenance and materials storage facility located adjacent the subject on the east, Pepsi Bottling plant, Amazon distribution facility, UPS Customer Center, Department of License, Tags, Title, Electro Freeze Southeast, Allcom Electronics and Purelabs. There are also several small office/warehouse buildings located northwest of the subject between US Highway 441 and CR 121.

### **MAJOR ROADWAYS**

The subject has good access to US Highway 441 and State Roads 222 and 24. Interstate 75 runs north-south with access from the subject via SR 222 about four miles southwest of the subject. It provides access to Lake City and into Georgia to the north and to Ocala, the Tampa MSA, Bradenton/Sarasota and east to Fort Lauderdale to the south. US Highway 441 runs through the state in a southeast to northwest direction. State Road 22 is an east-west road that links Interstate 75 eastward to US Highway 441 and SR 24. SR 24 extends from southeast Gainesville in a northeast direction past SR 222 and on to the Waldo community where it connects with US Highway 301.

## **CONCLUSION**

In summary, the subject property neighborhood is a combination of light and heavy industrial uses along with rural residential homes, single family subdivisions, rental apartments and support commercial/retail uses. We expect that the subject neighborhood will continue to maintain its industrial distribution characteristics into the foreseeable future. On the long-term outlook, it is our expectation that the subject neighborhood will exhibit characteristics of moderate economic growth.

## DESCRIPTION OF THE SITE

### **LOCATION**

The subject property is located at 6125 NW 18th Drive, in the City of Gainesville, Alachua County, Florida 32653. This location is within the Northwest Industrial Park Unit 3 at the southern terminus of NW 18<sup>th</sup> Drive, just northeast of US Highway 441. This area is approximately four miles north of the downtown Gainesville central business district.

### **SIZE, SHAPE AND CONFIGURATION**

The subject site consists of one rectangular shaped parcel totaling 10.12± acres, all upland & usable. The site has 760± feet along the east side of NW 18<sup>th</sup> Drive with two paved entrances/exits. The site is effectively level and at road grade. All utilities are available. The building is situated in the east central portion of the site. A retention pond is situated along the west boundary of the site.

### **ACCESS AND VISIBILITY**

The site has two access points along the east side of NW 18<sup>th</sup> Drive near its southern terminus. The frontage access drives lead to the near center of the site providing access to the front of the building. The subject has good visibility from NW 18<sup>th</sup> Drive. The network of interior streets within the Northwest Industrial Park provide adequate access within the park and to the major arterials serving the area. Overall, the subject property has good access and visibility.

### **EASEMENTS AND ENCROACHMENTS**

There are no known easements or encumbrances that negatively or adversely affect the value of the subject.

## **UTILITIES AND SERVICES**

All municipality services are available to the subject site. Electricity is provided by Gainesville Regional Utilities. Water, sanitary sewer and trash/recycling services are provided by the City of Gainesville, as are police and fire department services. Cable, internet and telephone services are available as well.

## **TOPOGRAPHY AND SOIL**

The subject site appears to be level and at road grade. Drainage appears to be adequate. The appraisers have not been supplied with any studies or reports of the subsoil conditions relating to the subject property. There appear to be no apparent conditions of the subject site or subsoil structure that would render it more or less valuable. No responsibility is assumed for such conditions or for engineering that may be required to discover them. However, we assume no responsibility for hidden or unapparent conditions beyond the area of our expertise as appraisers.

## **HAZARDOUS OR TOXIC MATERIALS**

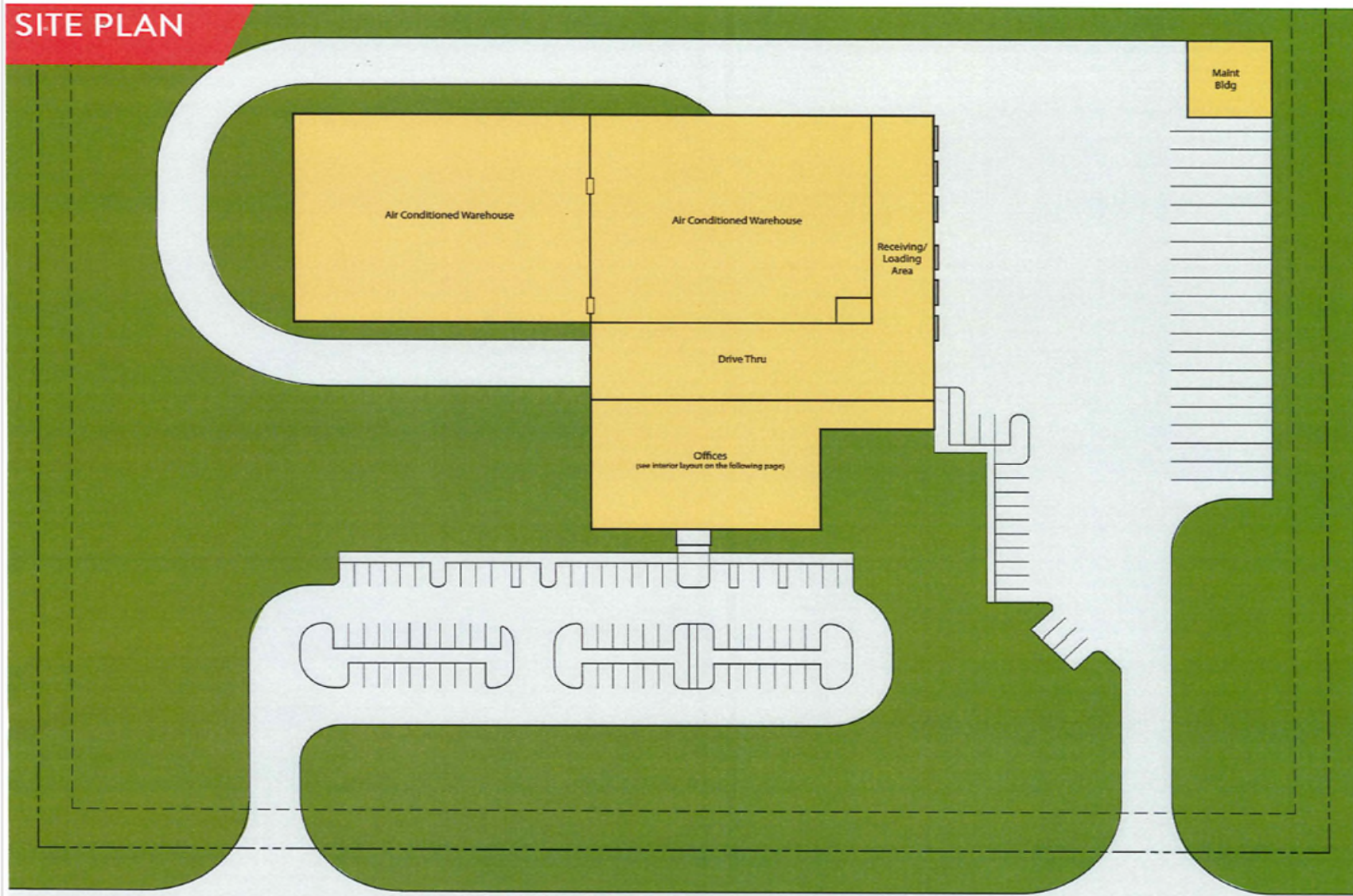
The appraisers have not been provided with an environmental study of the subject property. During the course of our inspection of the subject property, no hazardous or toxic materials were observed, and none came to our attention; however, we are not experts in these matters and assume no responsibility in these regards.

## **FUNCTIONAL UTILITY AND CONCLUSIONS**

The subject site is considered to be well adapted for a variety of land use types. The existing use of the subject property as a distribution industrial warehouse facility is consistent with current zoning and the existing land uses in the area, and no physical limitations are apparent. The functional utility of the site is consistent with the existing layout.



# SITE PLAN



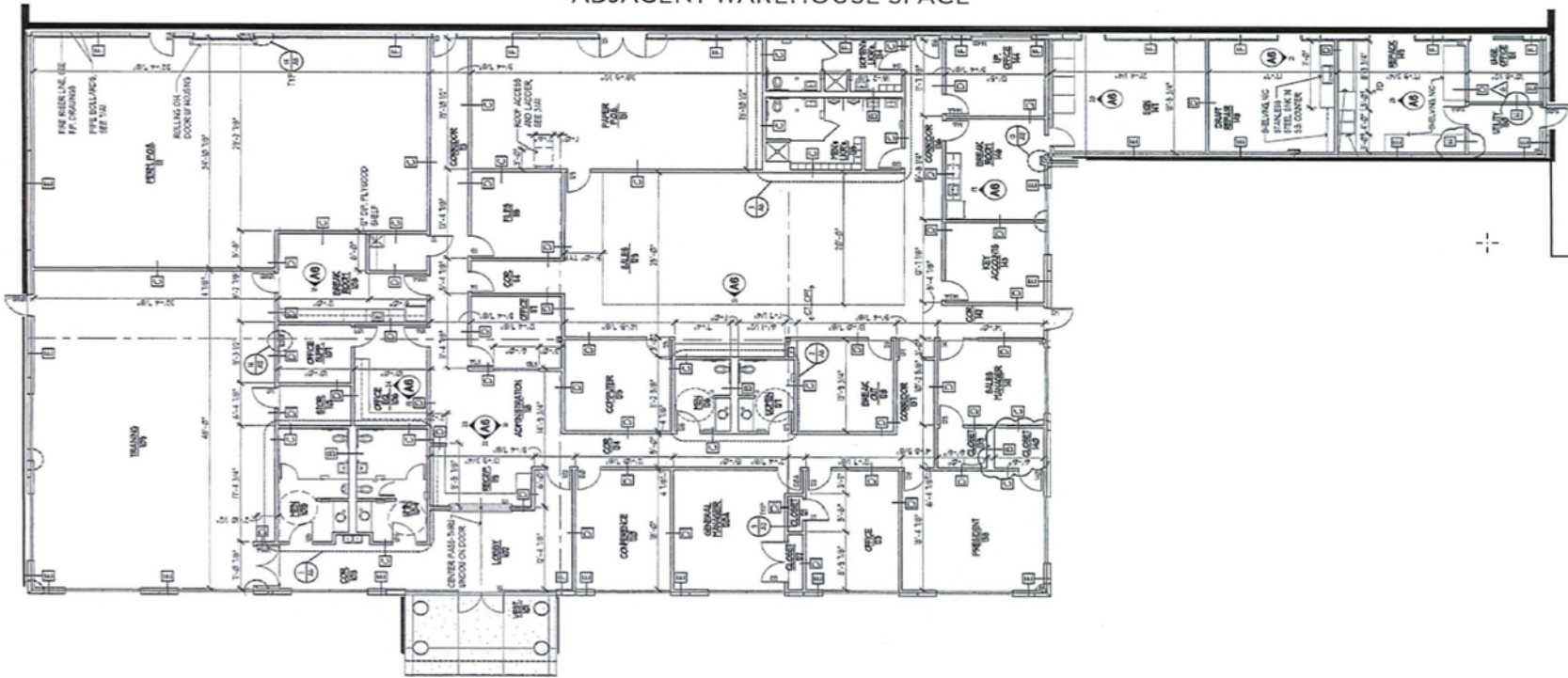
6125 NW 18TH DR, GAINESVILLE, FL 32207



# OFFICE FLOOR PLAN

## OFFICE FLOOR PLAN

ADJACENT WAREHOUSE SPACE



6125 NW 18TH DR, GAINESVILLE, FL 32207



## DESCRIPTION OF THE IMPROVEMENTS

The subject site is improved with a single distribution warehouse building totaling 76,397± square feet of gross leasable area with about 12,613 SF or 16.5% finished office area, situated on the 10.12± acres. The building is tilt-wall concrete construction built in 2000 and expanded in 2011 and is in good condition. The subject has been owner-occupied and utilized as a beer distribution facility since 2000 and is currently vacant and under contract for purchase.

<b>SUBJECT PROPERTY SUMMARY</b>										
Parcel ID	Bldg #	Address	Year Built	Bldg SF	Land Ac	Land SF	LTB	FAR	Parking Spaces	Parking Ratio (Per 1,000 SF)
07878-030-008	1	6125 NW 18th Dr.	2000	52,685						
			2011	23,712						
	Total			76,397	10.12	440,827	5.77	0.17	90	1.18

<b>Building Area Summary</b>	<b>SF</b>
Office	12,613
Air Conditioned Warehouse	45,987
Traditional Warehouse	15,297
Detached Service Garage	2,500
Total Building Area	76,397

The distribution warehouse building contains 73,897± square feet, is L-shaped and is located in the east central portion of the site. The detached service garage contains 2,500± square feet, is rectangular shaped and is located in the southeast corner of the site.

The main distribution warehouse building has its finished office area at the front or west side of the building that is backed up with a large drive-thru area and cold storage warehouse and the receiving/loading area. The receiving/loading area has six dock high loading/unloading doors with metal rollup doors and a step up entry/exit door. Overall, this building has about 12,613 square feet or 16.5% finished office space. The office portion is designed with a large open work area with office cubicles, executive offices, conference rooms, large employee lounge area and restrooms.

The maintenance building is a precast concrete tilt-wall structure with a steel frame truss system that is located at the southeast corner of the site and has two drive-in bay areas for vehicle service and shop area, restroom and a small office. This building has two grade-level metal rollup doors. Building clear height is 20'.

## BUILDING COMPONENTS -MAIN BUILDING

<b>Foundation</b>	Poured concrete, slab on grade.
<b>Exterior Walls</b>	One-story, pre-cast concrete tilt-wall panels with a textured acrylic coating with steel frame truss system, gutters & downspouts. Building clear height in warehouse areas is 30'.
<b>Roof</b>	Steel frame with flat rolled roofing with Goodyear rubber coating over metal panels; flat pitched. The roof cover was reported to be in good condition with no noted leaks
<b>Flooring</b>	Mix of carpet, ceramic tile and vinyl tile in finished areas office. Sealed concrete in warehouse areas.
<b>Interior Walls</b>	Painted drywall in office. Insulated metal panels in warehouse.
<b>Ceilings</b>	2'x2' acoustic tile grid with fluorescent light fixtures in office areas. Steel frame with insulated metal panels and industrial lighting in warehouse areas.
<b>Ventilation</b>	Central HVAC in the office areas. Refrigerated cooling system in about 72% of the warehouse area.
<b>Plumbing</b>	Adequate plumbing for office/industrial use. The building is not equipped with fire sprinklers. Men's and women's restrooms are adequate.
<b>Mechanical</b>	Typical electrical service assumed adequate for office/industrial use.
<b>Security</b>	The building is equipped with security alarms and cameras.

## SITE IMPROVEMENTS

There is approximately 112,000 square feet of asphalt paving for access and ample parking area for about 90 spaces (1.18 per 1,000 SF GLA) with ample truck turnaround and overflow parking area. There is also 3,200 square feet of concrete paved sidewalks and walkways, two retention ponds, perimeter chain-link fencing and above average landscaping.

## ACTUAL AGE AND EFFECTIVE AGE

According to the Marshall Valuation Service, the improvements are considered to be representative of Storage Warehouse, Class C, Average to Good Quality (Section 14, Page 26). The buildings were constructed in 2000-2011 indicating an average actual age of about 13-24 years. At the time of our inspection, the buildings appeared to be in overall good condition. The weighted overall effective age was estimated at 20 years. The buildings have an estimated typical economic life of 40 years, indicating a remaining useable life of about 20 years. The level of ongoing maintenance could affect the effective age and remaining economic life going forward.

## CONCLUSION

The improvements are considered to be in good overall condition with no significant deferred maintenance noticed or reported by the owner's representative. The improvements have received routine maintenance over the years. The subject site is considered to be well adapted for a variety of land use types. The functional utility of the property appears to be consistent with the existing layout and design. The land to building ratio is 5.7:1 and the floor area ratio (FAR) is 0.17. Overall, the improvements are considered to function well in the marketplace for its type and age.

## HIGHEST AND BEST USE ANALYSIS

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.”<sup>2</sup>

In order to estimate the highest and best use for the subject property, we have considered those uses that are legally permissible, physically possible, economically feasible, reasonably probable, and which would result in the highest net return to the land. Consideration is also given to the individual features of the site such as size, shape, location, frontage and access to roadways, and availability of necessary utilities and infrastructure. Consideration is also given to surrounding land uses and the demand for property in the current real estate market.

### **HIGHEST AND BEST USE – AS VACANT**

#### ***Physically Possible***

The first step in determining the highest and best use is to examine what potential uses are physically possible. The most important constraint upon real estate is location because the location of a property cannot be changed. In order to determine what uses are physically possible, we will examine all of the physical characteristics of the subject property. This analysis will also consider any physical constraints upon the property which may reduce, or at least hinder in some way, its utility.

The subject property is located at 6125 NW 18th Drive, in the City of Gainesville, Alachua County, Florida 32653. This location is within the Northwest Industrial Park Unit 3 at the southern terminus of NW 18th Drive, just northeast US Highway 441. The subject site consists of one rectangular shaped parcel totaling 10.12± acres, all upland & usable. The site has significant road frontage for access along the east side of NW 18<sup>th</sup> Drive. The subject property is well located in the City of Gainesville with good linkage to the area’s major roadways. The site is generally level, and all utilities are available. The site is of sufficient size and appropriate dimensions to allow a variety of uses. Therefore, from a physically possible perspective, the subject site could physically support several various types of development that could fit within its confines.

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<sup>2</sup> The Appraisal of Real Estate, 15th Edition, Appraisal Institute, 875 North Michigan Avenue, Chicago, Illinois, 60611-1980, page 331.

***Legally Permissible***

The most important legal constraint upon most real estate, including the subject property, is zoning. Zoning laws are designed to allow for the orderly development of communities, rather than permitting a disorganized sprawl. The goal, in general terms, is to provide for compatible neighboring land uses, coordinate the development of primary infrastructure, and reduce the overall cost of providing necessary services to the community.

The subject property is under the jurisdiction of the City of Gainesville with a zoning of I-1, Limited Industrial, and a future land use of Industrial. The zoning is consistent with the future land use. Allowable uses in this district include alcoholic beverage establishment, warehouse distribution facility, business services, industrial office, public administration, vehicle repair, carwash, equipment sales and rental, drive-thru facility, microbrewery, mini-warehouse, self storage facility. Based on our inspection of the subject property and a review of the zoning restrictions, it appears the improvements conform to the surrounding land uses and comply with the land use requirements. The zoning and future land use allow for multiple industrial/commercial uses which would be suitable for the neighborhood. From a legal standpoint, the site could be developed with many types of development that are allowed under the current zoning.

***Financially Feasible & Maximally Productive***

Once the physically possible and legally permissible potential land uses have been determined, the next step in estimating the highest and best use is to determine which uses are logical, economically feasible, and maximally productive. Determining which uses are logical is based primarily upon the nature of the subject property, the characteristics of the subject neighborhood, and expected growth trends which are projected to impact the subject property. All of these factors are examined in detail within the body of this report.

After determining which uses are logical, it is necessary to determine what potential uses are economically feasible. Strictly speaking, a use that produces any positive overall return, be it cash flow or Internal Rate of Return (IRR), is economically feasible. From the list of economically feasible uses is chosen the one use which produces the greatest return. This is the maximally productive use and is, therefore, the highest and best use of the subject property. This procedure, therefore, can be seen as being shaped like a pyramid, with physically possible uses representing the base and the one

maximally productive use representing the peak.

Furthermore, a determination of highest and best use must take into consideration not only present influences upon the subject property, but the expectation of future influences, as well. The highest and best use of a property can change if market influences on the property change.

As a vacant parcel of land with no significant physical or legal constraints located in the City of Gainesville, a wide variety of potential land uses for the subject property is available for consideration. The potential land uses can be grouped into the four basic categories of institutional or recreational land uses, commercial land uses, industrial land uses and residential land uses. We will discuss each in appropriate detail.

Although the subject property could be developed as an institutional or recreational land use, this is not considered to be a logical or maximally productive use. Our review of the subject neighborhood indicates an adequate supply of educational and recreational facilities located within the subject neighborhood. Therefore, it is our opinion that development of the subject property as an institutional or recreational type of land use would not be maximally productive and would not represent the highest and best use.

Given the surrounding industrial uses and lack of major highway frontage, commercial/retail use does not seem to be favorable. The need for this use is met in other nearby areas.

The current zoning and future land use do not allow residential uses.

The current zoning of the subject parcel and surrounding development indicate industrial use of the site. The subject's zoning allows for various industrial office/warehouse uses, and the location allows easy access to major arterials including US Highway 441 and Interstate 75.

***Highest Best Use Conclusion "As Vacant"***

Therefore, it is our conclusion that the highest and best use of subject "As Vacant" is for industrial development purposes.



**HIGHEST AND BEST USE – AS IMPROVED**

The subject property consists of an owner occupied or single tenant industrial distribution warehouse facility totaling 76,397± square feet of gross leasable area built in 2000-2011. The buildings are precast concrete & steel frame construction and are in good condition. The property is currently owner occupied and vacant and is under contract for purchase. The buildings are good quality construction with significant remaining economic life and will continue to function well in the marketplace. It seems the improvements conform to the surrounding land uses and adhere to the zoning requirements. Therefore, the highest and best use of subject “As Improved” is for continued use as an industrial distribution warehouse property.

## MARKETABILITY ANALYSIS

In order to estimate a reasonable marketing period for the subject property, as well as to assess its general marketability, we have interviewed a number of active realtors as well as market participants within the subject's marketing area. Based upon these interviews, we have been able to arrive at a consensus of opinion relative to the subject.

### **SUBJECT SIZE**

In order to arrive at a marketing time opinion, it is necessary to give consideration to many factors. The size of the subject is worthy of consideration since it is reasonable to expect a longer marketing period for a larger property than for a smaller property, all other factors remaining constant. It is readily apparent that the number of potential purchasers for a 10,000 square foot building, for instance, would be higher than the number of potential purchasers for a much larger property. The subject property consists of 76,397 square feet of industrial office/warehouse space. The subject's size does not warrant an extended marketing period, as it is considered ideal for investors and businesses.

### **PROPERTY PRODUCTIVITY ANALYSIS**

We have analyzed the legal, physical, and location attributes of the subject site and improvements. In this analysis, we have highlighted the subject property's strengths and weaknesses in comparison to competing industrial properties.

**Strengths** – The subject property offers a number of competitive advantages. The property is well located in an established industrial park with surrounding compatible uses. The property also has good access to major arterials including US Highway 441 and Interstate 75. The buildings are somewhat older construction (2000-2011) but have a with a typical modern appeal/design and are functional for a variety of uses. Overall, the subject property offers a product with a functional layout and attractive design.

**Weaknesses** – There are no apparent significant weaknesses regarding the marketability of the subject property.

## **SUPPLY AND DEMAND**

It is also necessary to consider the relationship between the factors of supply and demand within the subject property's particular submarket. It is necessary to examine both existing and proposed levels of supply and demand within the appropriate submarket. If the current supply of office uses of this type exceeded demand, for instance, it would be reasonable to expect a rather lengthy marketing period. The opposite would be true if demand exceeded supply.

We researched national/regional real estate brokerage firm's Industrial Market Overviews for the U.S. and the Gainesville market area to determine current market conditions.

The Avison Young report indicated a 1st Quarter 2024 U.S. Industrial Market Report indicated a national vacancy rate of approximately 7.6% overall after a record amount of new industrial space was completed in 2022-2023. Delivery of new space has declined in 2024 allowing for positive absorption of much of the new space so far in 2024. New construction is expected to decrease through 2024 resulting in improving occupancy overall.

The Avison Young report for the Gainesville market area indicated a 4<sup>th</sup> Quarter 2023 Industrial Market overall vacancy rate of approximately 3.3% of 13,443,441 square feet of leaseable space and an average asking rent of \$14.43/SF NNN. The year over year asking rental rate reportedly increased at a notable 14.4%.

There appears to be a minimal amount of new construction and proposed inventory coming to the subject's market area along with steadily increasing rental rates and high occupancy.

## **MARKETABILITY SUMMARY**

Demand for industrial warehouse space in the subject neighborhood is positive. The subject property is considered to have generally good characteristics of marketability overall. The property is well located within the Alachua County area, as well as being well located within the subject's marketing area in particular. We expect that the location of the subject will allow it to capitalize upon growth trends projected into the future. The subject offers a quality product with an attractive and functional design. No quantifiable negative influences upon the subject are observed. Assuming the utilization of an organized and coordinated marketing effort, it is our opinion that a reasonable marketing period

of approximately 12 months or less can be expected for the subject. We have also estimated a reasonable exposure period for the subject property of approximately 12 months or less.

The available U.S. and Gainesville Area Industrial Market Overviews are presented on the following pages.



# U.S. industrial market report

Q1 2024



## U.S. industrial market trends

**7.6%**

### National vacancy rate upticks to highest point since 2013

Industrial net absorption remained positive at the start of 2024 but continued to decline due to global economic and financial headwinds, alongside record levels of new construction deliveries. Peak deliveries have impacted nearly every market nationwide and are expected to be largely completed by the end of 2024. This decline in deliveries will enable markets to absorb the excess space that has flooded the sector for three quarters, aligning well with increasing occupier requirements that are likely to translate to increased gross leasing activity in 2024.

**-20%**

### First quarter gross leasing below pre-COVID average

Overall leasing volume for the start of 2024 was significantly smaller compared to historical trends. However, pre-leasing activity remains active throughout the U.S. industrial market, showing an uptick starting in the third quarter of 2023. It's important to remember that leasing is a lagging indicator, and the observed slowdown in leasing aligns perfectly with the significant slowdown in Port activity experienced at the beginning of 2023. Tenant decision-making processes were primarily focused 6-12 months ago and are now being reflected in the market.

The first month of the year experienced more users entering the pre-leasing process, indicating that leasing activity is gearing up for increases in 2024.

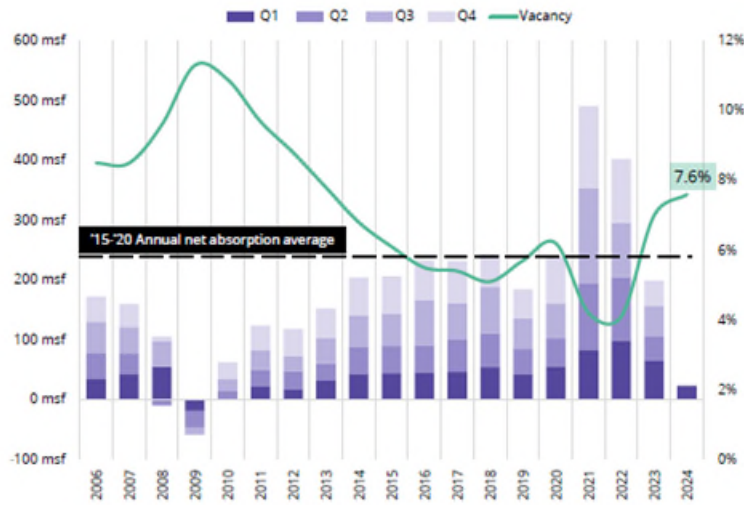
**55%**

### Construction pipeline expected to deliver by end of first half of 2024

New construction groundbreakings topped out in the third quarter of 2022, and very limited replacement in the construction pipeline have been experienced in 2023 and the start of 2024. After topping out at nearly 700 msf in 2022, we expect the overall construction pipeline to fall to under 150 msf by the end of the first half of 2024.

We are closely monitoring the market shift that decreasing groundbreakings will have on new space availabilities in six to nine months, as tenants looking for newly constructed space may have limited optionality relative to prior years.

### U.S. industrial net absorption and vacancy



page 3 U.S. Industrial Market Report | Q1 2024

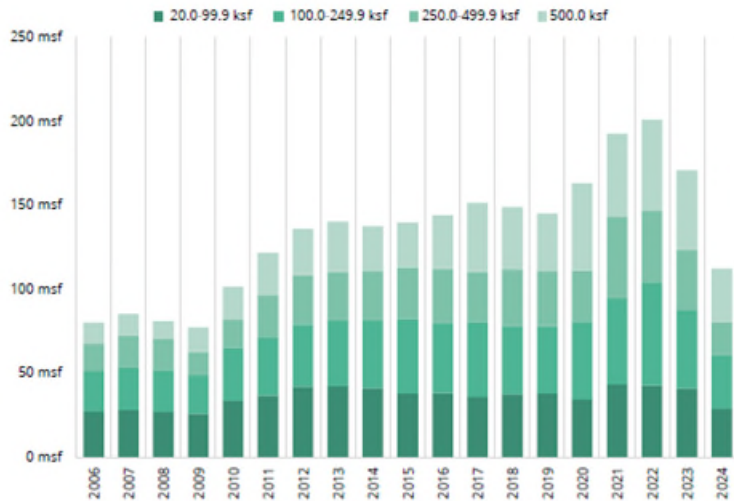
Source: AVANT by Avison Young, CoStar

Record-setting deliveries elevate vacancy rates throughout the country, however net absorption remains positive.

Peak deliveries have passed, which should boost absorption for the remainder of 2024.



### U.S. industrial leasing volume through Q1



page 4 U.S. Industrial Market Report | Q1 2024

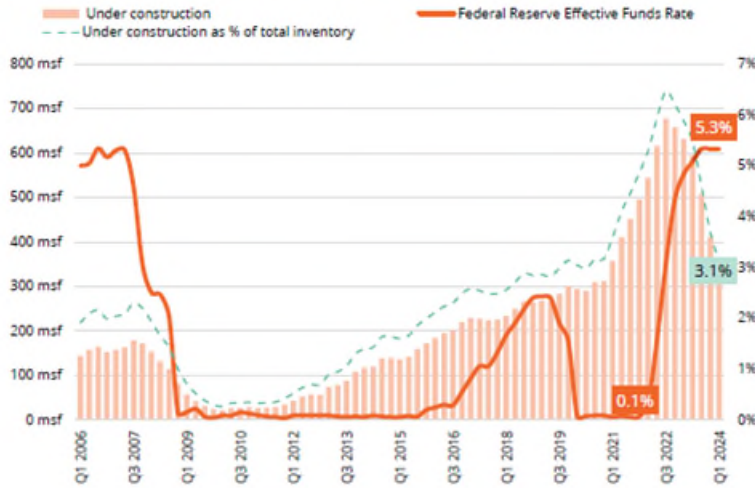
Source: AVANT by Avison Young, CoStar

Overall industrial leasing was down nearly 20% to start the year when compared to pre-COVID first quarter average.

Pre-leasing activity picked up since Q3 of 2023, and we expect an uptick in activity through the remainder of 2024.



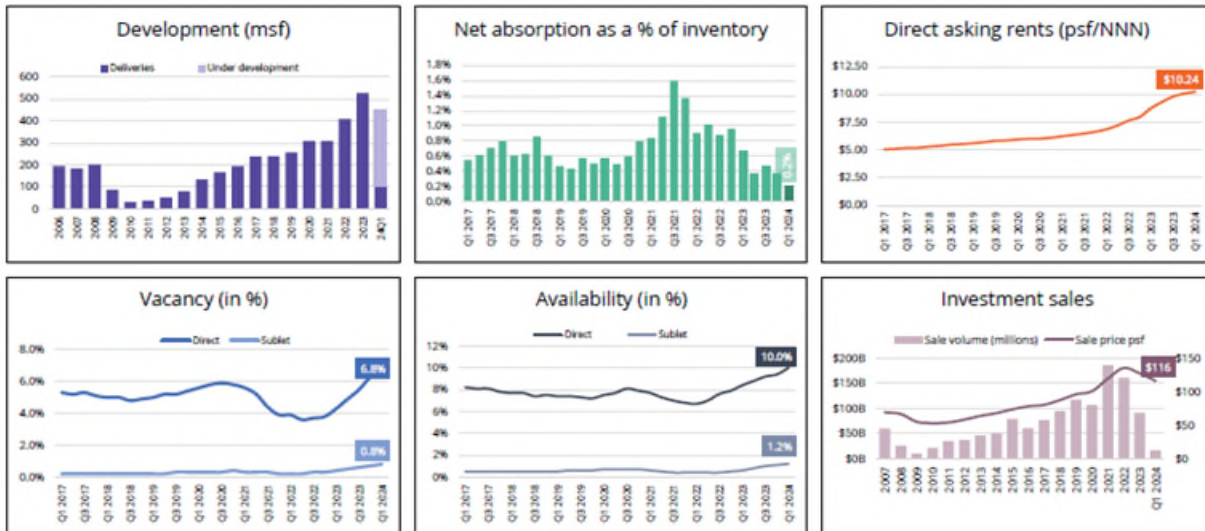
### The overall construction pipeline peaked in 2022 Q3 and will reduce to <150 msf in 2024



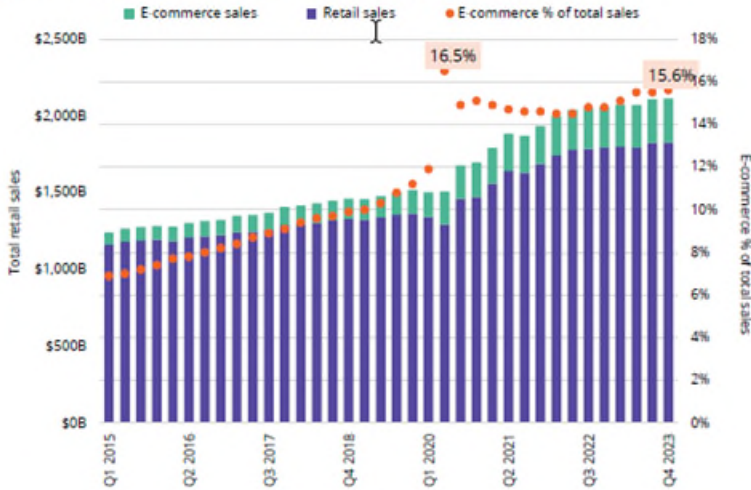
The construction pipeline continues to shrink as product that broke ground at the market peak in Q3 2022 delivered without replacement.

The construction pipeline will decrease further by the end of the first half of 2024 and is expected to reach 15-year lows.

### U.S. industrial market indicators



### Retail sales grow slowly, with e-commerce gaining in total percentage of sales



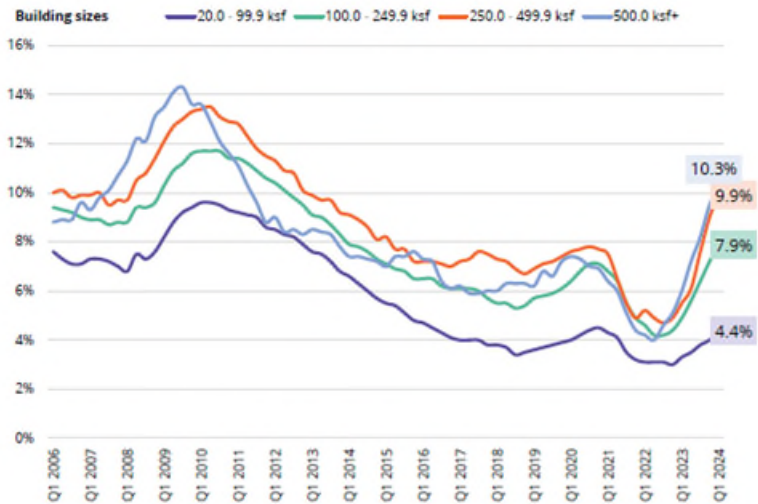
Over the past decade, e-commerce retail spend skyrocketed by a staggering 317.5%, and another +33.7% since start of 2020.

This surge has sparked a relentless demand for top-notch supportive fulfillment operations, led largely by 3PLs.

Note: As of February 20, 2024 (most recent update)  
Source: Federal Reserve Bank of St. Louis



### U.S. industrial vacancy by building size



After reaching a historic construction pipeline volume in late 2022, a record amount of new industrial space was completed in 2023.

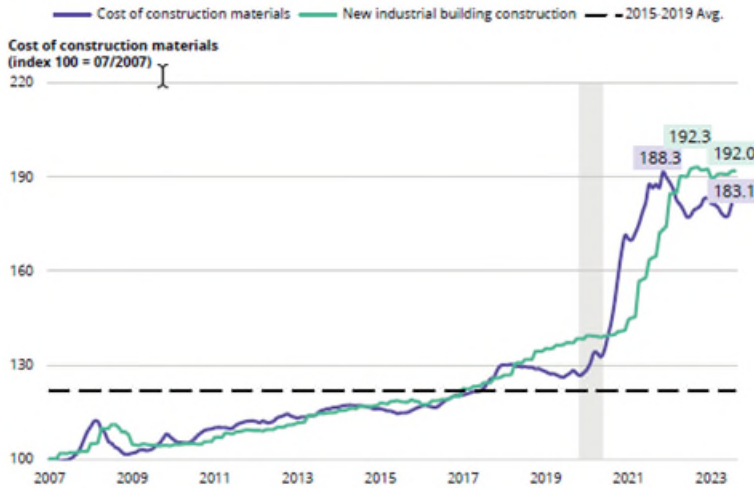
Peak deliveries have now passed, and a flattening in vacancy rates among larger building sizes is to be expected throughout 2024.

Source: AVANT by AHSCHYOUNG, CoStar





### Construction costs climbing again, and remain at historic highs



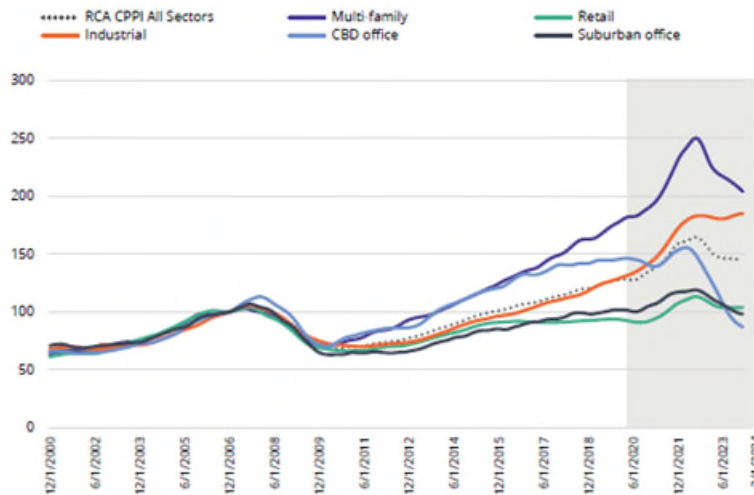
page 15 U.S. Industrial Market Report | Q1 2024

Source: AVANT by Avison Young, Federal Reserve Bank of St. Louis

As some landlords and developers consider demising large vacant blocks into smaller spaces to target more active occupier size requirements, the additional costs associated with this option make it unlikely to flood the smaller space inventory in 2024.



### RCA commercial property price indices



page 19 U.S. Industrial Market Report | Q1 2024

Note: Transactions >\$2.5M. RCA CPPI™ measure the actual price movements for commercial properties based on exclusive transaction data using repeat-sales regression methodology.  
Source: AVANT by Avison Young, MSC Real Capital Analytics

Industrial pricing retained and is accelerating in the value experienced during COVID when compared to any other peer sector.

It is the single sector that has appreciated through 2024, despite the elevated increases in the cost of debt.





As of November, Gainesville's unemployment rate dropped slightly by 20 basis points to 3.2% from the third quarter. Nonfarm employment growth increased 1.7% year over year, with the professional and business services sector increasing by 3.2%, and the education and health services sector growing by 2.4% during the same period.

**-14.4%**

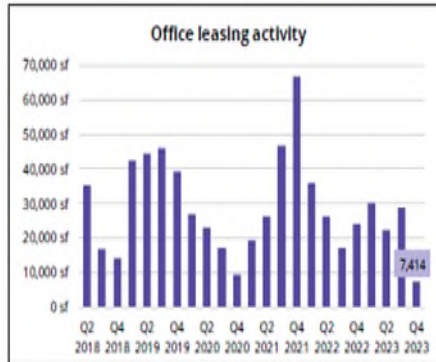
Office leasing activity experienced a slight year-over-year softening, amounting to more than 88,000 square feet in 2023.

**96.5%**

The retail occupancy rates continued to reach unprecedented levels, with limited available space. In Gainesville, the occupancy rate stood at 96.5% at the end of 2023.

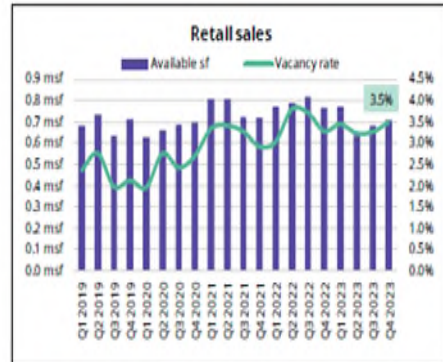
**14.4%**

Year over year, there was a notable 14.4% surge in industrial asking rates, reaching \$14.43 NNN per square foot.



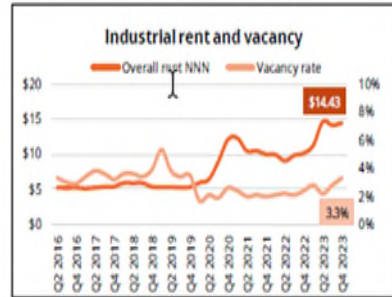
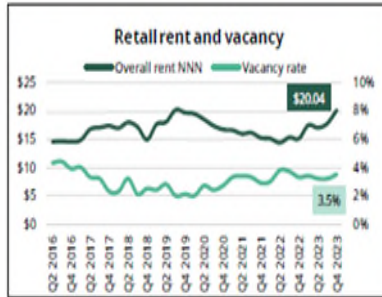
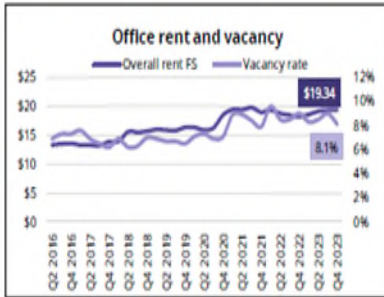
Office leasing activity in 2023 amounted to over 88,000 square feet, indicating a year-over-year decrease of 14.4%. This decline is likely attributed to prolonged economic challenges hindering companies from making real estate decisions. The Federal Reserve's announcement of three anticipated rate cuts in 2024 is expected to alleviate economic pressures on companies and stimulate office leasing activity in 2024.

Sources: CoStar, U.S. Bureau of Labor Statistics



The retail sector in Gainesville continues to thrive, characterized by limited available space, slightly exceeding 700,000 square feet, and a 3.5% vacancy rate. This has led to a notable 33% year-over-year increase in asking rates. Amidst these strong market conditions, investor activity remains vigorous, reflecting retail sales surpassing \$112 million in 2023. These indicators collectively point toward sustained growth and opportunities within the Gainesville retail market.





Recent office leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
ADT	3205 S.W. 47 <sup>th</sup> Ave.	6,425	Renewal	Direct
Maxim Healthcare *	201 S.E. 2 <sup>nd</sup> Ave.	4,543	New	Direct
Confidential	1090 N.W. 8 <sup>th</sup> Ave.	1,617	New	Direct
Mold Alert	7733 W. Newberry Rd.	1,570	New	Direct

Recent retail leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Mainstreet Beauty Max <sup>®</sup>	1002-1320 N. Main St.	20,585	New	Direct
Sushi Sake	104 N.W. 17 <sup>th</sup> St.	4,649	New	Direct
Confidential	Newberry Village	2,600	New	Direct
Haile Kitchen & Bath	5240 N.W. 34 <sup>th</sup> St.	1,887	New	Direct

\*Avison Young represented the landlord in these transactions

Source: CoStar



# Gainesville

## Market snapshot

Q4 2023

## Get in touch

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Net absorption sf (4Q23)	Net absorption sf (YTD)	Annual asking rent psf
Office	4,570,099	-	-	7.5%	1.1%	8.6%	40,647	39,504	\$19.34 FS
Retail	19,268,889	59,123	-	3.2%	0.3%	3.5%	(43,836)	17,494	\$20.04 NNN
Industrial	13,443,441	71,600	120,000	3.3%	0.0%	3.3%	(62,692)	(59,738)	\$14.43 NNN

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Source: CoStar

**AVISON  
YOUNG**

## APPRAISAL PROCESS

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

The Cost Approach is based upon the "Principle of Substitution" which states that a prudent purchaser will not pay more for a property than the amount required to purchase a similar site and construct similar improvements, without undue delay, to produce a property of equal desirability and utility. The procedure of estimating the market value by the Cost Approach begins by estimating the value of the subject site, as if vacant, at its highest and best use, based upon a market analysis of recent comparable sales of vacant land similar to the subject site. The next step involves estimating the replacement cost new of the improvements (including direct/hard costs, indirect/soft costs and entrepreneurial profit), less any applicable accrued depreciation for physical deterioration, functional obsolescence or external obsolescence. The estimated depreciated value of the improvements is added to the land value to arrive at the indicated market value of the overall property. This approach is mostly used to value proposed or fairly new construction, or special purpose properties.

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

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

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

The Sales Comparison Approach and Income Approaches were pertinent to the assignment and resulted in credible results. The Sales Comparison Approach was applicable is relevant since it reflects the actions of buyers and sellers in the current market, and there were ample sale data sources available. The Income Approach was applicable because the subject property could be leased and result in being an income producing property and ample comparable rental data was available. The Cost Approach was not applied due to the varying and advanced age of the buildings and resulting difficulty in estimating depreciation. Also, market participants confirm cost analysis is not a primary factor in buy/sell decisions for older properties such as the subject.

## SALES COMPARISON APPROACH

In order to estimate the market value of the subject, we have utilized the Sales Comparison Approach that directly compares the subject to improved sales that have occurred within the marketing area of the subject property. This approach is based upon the principle of substitution, which states that an informed purchaser would pay no more for a property than they would for a similar, equally desirable property. Recent sales of comparable properties are compared to the subject property and are adjusted for differences in varying characteristics. Resulting value indications are then weighted as to similarity with the subject property, and a single value indication is concluded.

In applying the Sales Comparison Approach, appraisers deal with pertinent units of comparison such as the price per square foot of building area, price per square foot of land area, price per room or unit, or gross income multiplier. In this instance, the appraisers have utilized the overall sale price per square foot of gross leasable building area. Each of the comparable sales utilized in the Sales Comparison Approach has been analyzed to reflect this unit of comparison.

We researched numerous sales and used the sales considered most similar to the subject property. The following pages discuss the adjustments made to each sale, followed by the adjustment summary grid and location map. The sale write-ups that follow summarize the pertinent details of each of the comparable sales analyzed.

### **ADJUSTMENTS**

An explanation of the adjustments made to each comparable improved sale follows. The adjustments considered were for property rights, financing terms, conditions of sale, and market conditions (time), as well as physical characteristics including location & access/visibility, age/condition, construction quality, building size, office ratio, and land to building ratio.

#### ***Property Rights***

We have valued the subject's fee simple interest assuming the property is owner-occupied or fully leased/stabilized at market terms. The Improved Sales involved either the fee simple interest or the leased fee interest at market rates and terms, therefore no adjustment was indicated.

***Financing Terms***

When a property is sold with other than typical market financing, such as a purchase money mortgage and an atypical interest rate and/or terms, the sale price will often reflect the influence of financing. All comparable sales have been considered or cash equivalency and appropriate adjustments have been made. All of the comparable sales involved direct payment of cash to the seller or cash equivalent mortgage terms. Therefore, no adjustments were applied for financing.

***Conditions of Sale***

All of the comparable sales were considered to be arm's length transactions under no duress with typically motivated buyers and sellers. Therefore, no adjustments were applied for conditions of sale.

***Market Conditions***

We have concluded that with stabilized job growth and unemployment rates over the past few years, coupled with stabilized submarket rental rates, favorable economic conditions in Central Florida exist; therefore, an upward 3% annual market conditions adjustment was warranted.

***Location / Access & Visibility***

The subject is located at 6125 NW 18th Drive, in the City of Gainesville, Alachua County, Florida 32653. This location is within the Northwest Industrial Park Unit 3 at the southern terminus of NW 18th Drive, just northeast of US Highway 441. Improved Sales 3 and 7 were located in smaller market areas similar to the subject area and were not adjusted. The remaining improved sales were located in slightly superior larger metropolitan areas and were adjusted downward.

***Year Built / Condition***

The subject was constructed in 2000-2011 and is in overall good condition. Improved Sales 1, 2, 4 and 5 were considered similar to the subject and were not adjusted. Improved Sales 3 and 7 were newer construction and were adjusted downward. Improved Sale 6 was adjusted upward for older age/condition.



***Quality of Construction***

The subject's improvements are average to good quality pre-cast concrete panel construction. Improved Sales 1-5 were similar construction quality and were not adjusted. Improved Sales 6 and 7 were adjusted upward for inferior all metal construction.

***Gross Leasable Area***

Typically, larger properties tend to sell for lower unit values, and vice versa. The subject contains 76,397± square feet of gross leasable area. Improved Sales 1, 4, 6 and 7 were adjusted downward for smaller size. Improved Sales 2, 3 and 5 were adjusted upward for their larger sizes.

***Finished Area / Cooler Ratio***

The subject has about 16.5% of finished office area; additionally, the building has 45,987± SF of cooled area. Improved Sales 6 and 7 had similar office finish ratios as the subject and were not adjusted. Improved Sales 1, 2, 3 and 5 were adjusted upward for lower office finish ratios while Improved Sale 4 was adjusted downward due to a much higher office finish ratio. All of the Sales were adjusted upward for inferior cooled area as compared to the subject.

***Land To Building Ratio***

The subject has a land to building ratio of 5.77:1 which is near the middle of the range for similar type properties. The subject did not indicate the presence of excess or surplus land. The Improved Sales had similar and functional ratios as the subject and were not adjusted.

**SALES COMPARISON APPROACH CONCLUSION**

Prior to adjustment, the comparable sales ranged from \$109.03 to \$173.20 per square foot of gross leasable area. After adjustments, the range of value indications was \$125.94 to \$187.09 per square foot with a mean of \$149.47 and a median of \$144.52. The improved sales were considered good indicators of value and we placed relatively equal weight on all of the sales.

We also considered the pending sale of the subject property. The subject property is currently under

contract for purchase to Alachua County, Florida. The property was listed with NAI Hallmark Commercial Real Estate Services, Jacksonville in October 2023 for \$11,250,000, or about \$147.26/SF. The current contract for sale to Alachua County is for \$10,835,000 or 141.82/SF. The pending sale is believed to be arm's length.

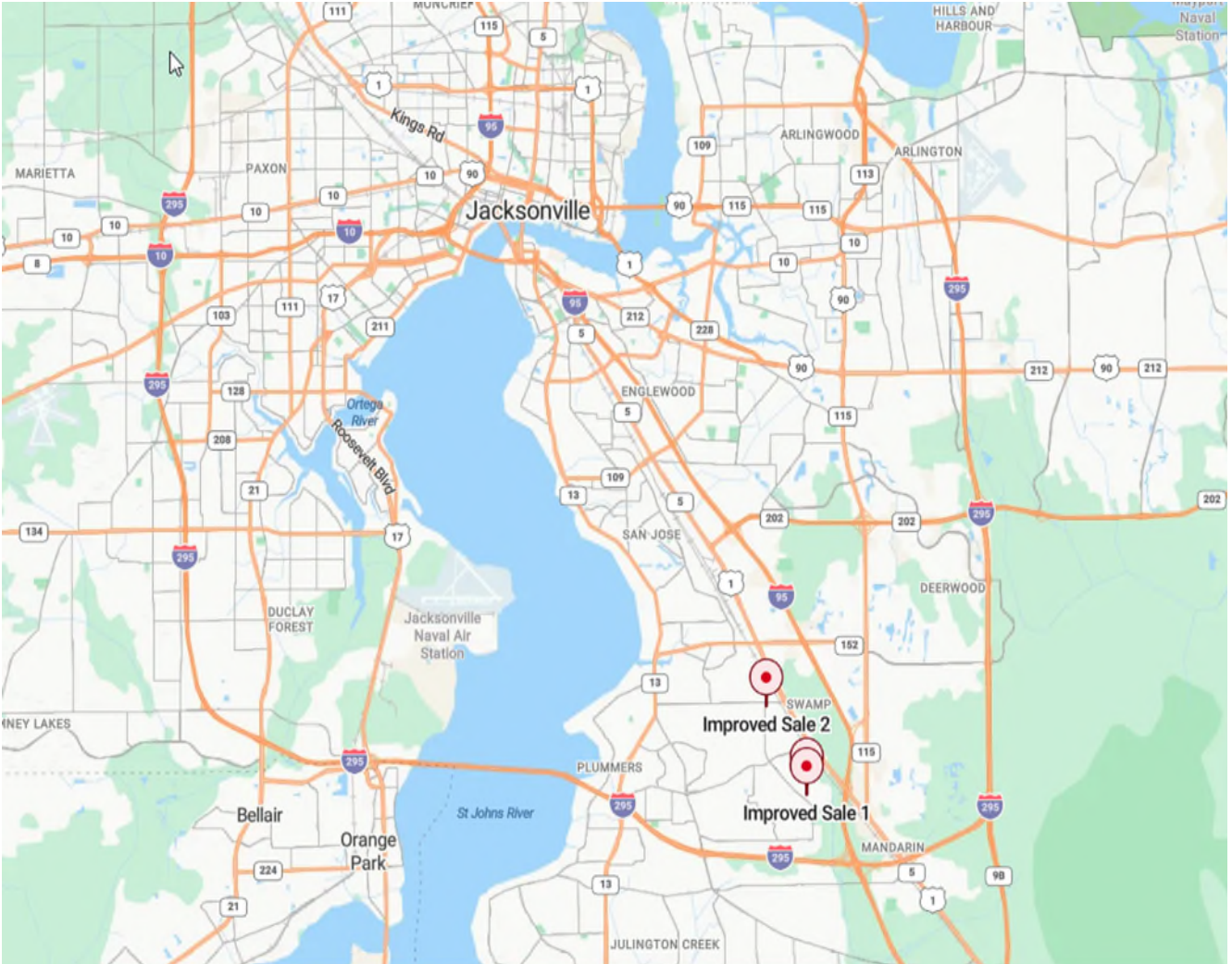
We are aware that the owner of the subject property also has a nearly identical building of 72,831 SF in St. Augustine, FL that is listed for \$11,250,000 or about \$154.47 / SF.

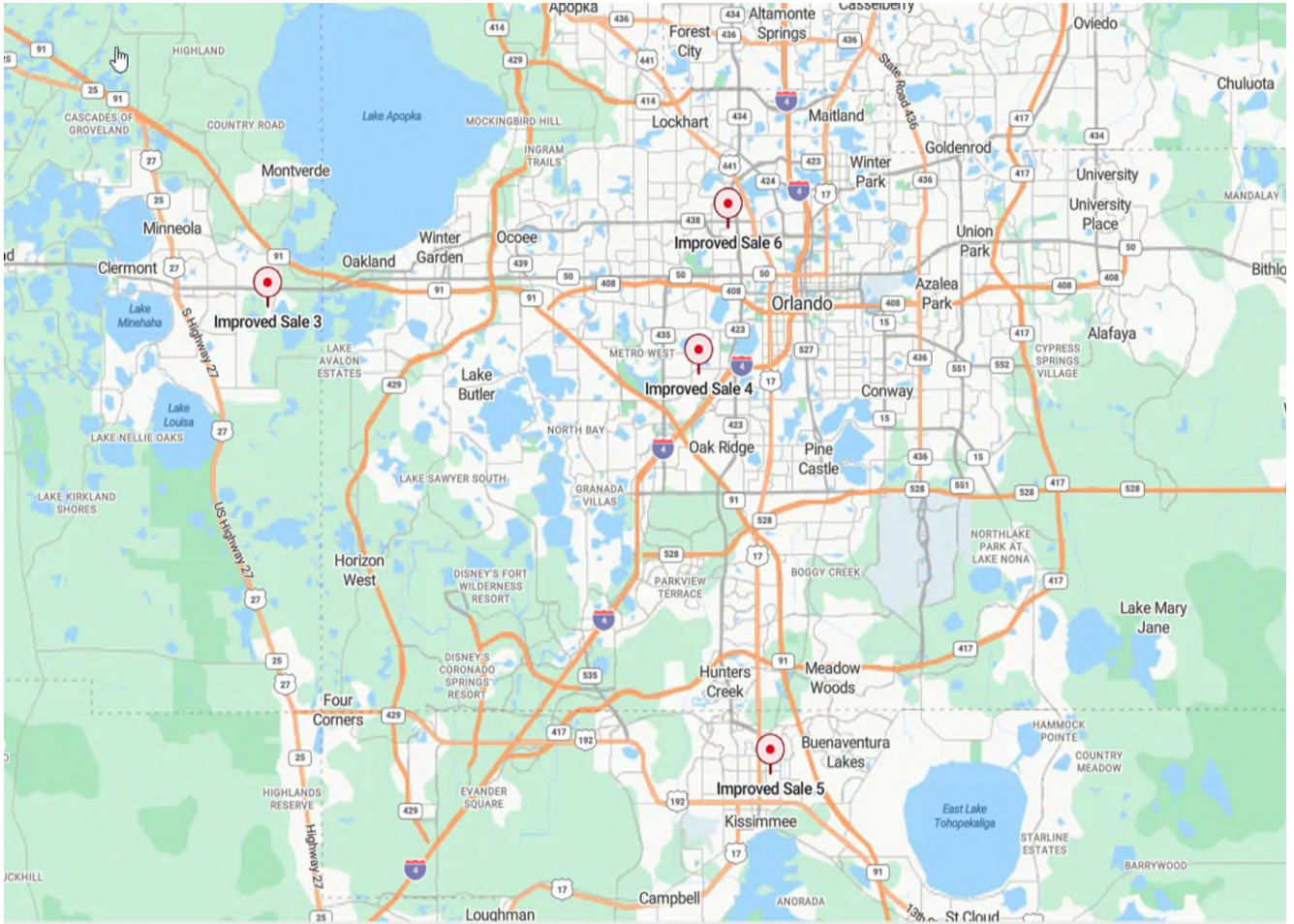
Therefore, it is our opinion that the "As Is" market value of the fee simple interest in the subject property via the Sales Comparison Approach, effective by May 22, 2024, is estimated at \$145.00/SF or \$11,077,565, or **\$11,100,000 rounded** (76,397 SF x \$145/SF).

## IMPROVED SALES COMPARISON ANALYSIS

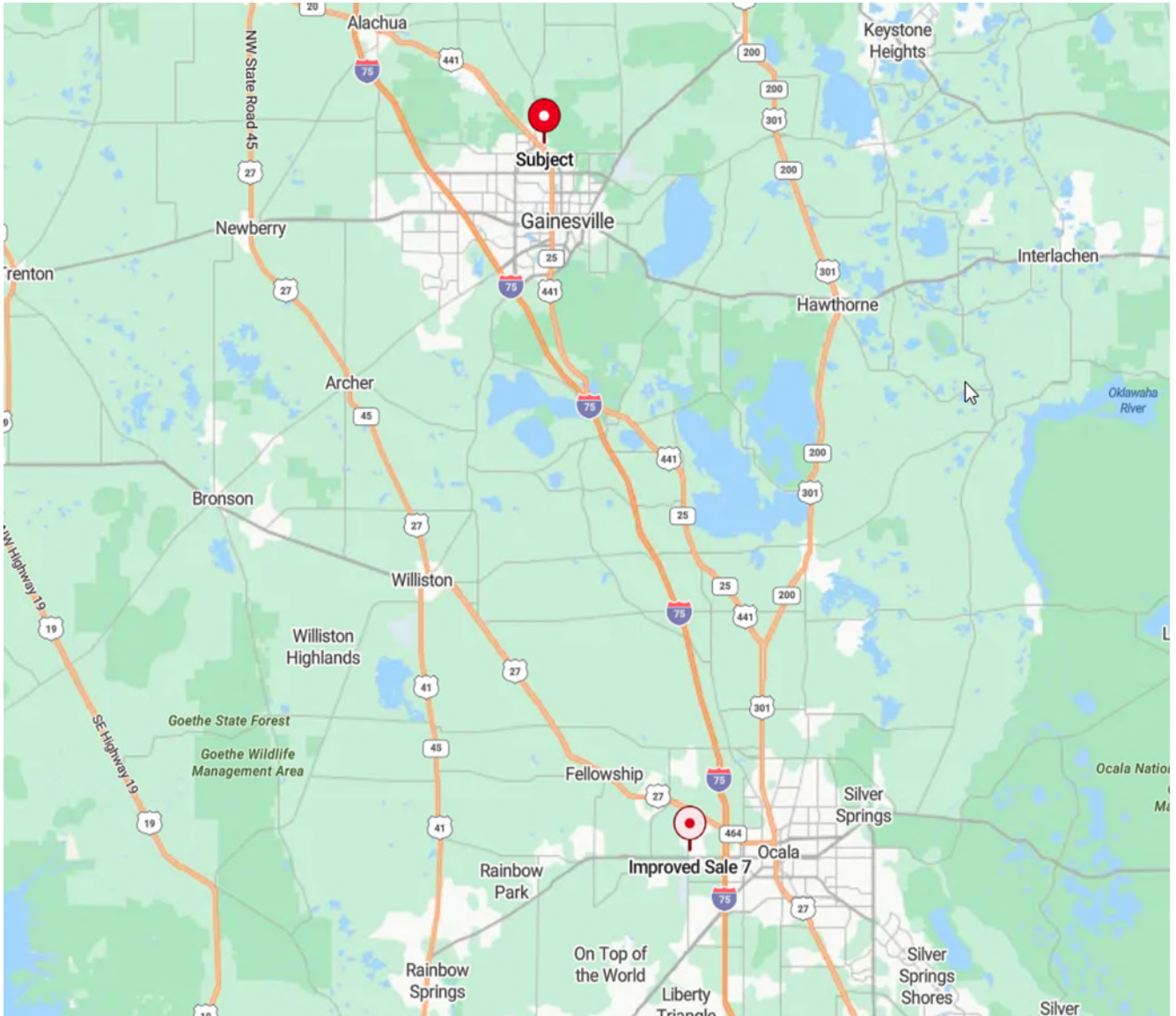
IMPROVED SALES COMPARISON ANALYSIS								
"As Is" Market Value - Fee Simple Interest - May 22, 2024								
6125 NW 18th Drive, Gainesville, Alachua County, Florida 32653								
CRM SALE #	SUBJECT PROPERTY	IMPROVED SALE 1 32008	IMPROVED SALE 2 32009	IMPROVED SALE 3 31828	IMPROVED SALE 4 31829	IMPROVED SALE 5 31830	IMPROVED SALE 6 31632	IMPROVED SALE 7 32010
<b>PROPERTY USE</b>	Office/Warehouse	Multi-Tenant Warehouse	Multi-Tenant Warehouse	Multi-Tenant Warehouse	Multi-Tenant Warehouse	Multi-Tenant Warehouse	Single-Tenant Warehouse	Single-Tenant Warehouse
<b>LOCATION</b>	6125 NW 18th Drive Gainesville Alachua Co, FL	5748 Mining Terrace Jacksonville Duval Co, FL	9855 Mining Drive Jacksonville Duval Co, FL	2162 Ray Goodgame Pkwy Clemont Lake Co, FL	4501 34th St Orlando Orange Co, FL	2450 Smith St Kissimmee Osceola Co, FL	2920 Eunice Avenue Orlando Orange Co, FL	5151 NW 5th Street Ocala Marion Co, FL
<b>SALES INFORMATION</b>								
Date of Value/Sale	May 22, 2024	May 7, 2024	May 7, 2024	June 7, 2023	November 16, 2022	September 20, 2022	June 21, 2022	December 3, 2021
Sale Price	N/A	\$7,645,000	\$13,616,929	\$29,750,000	\$6,950,000	\$11,500,000	\$5,250,000	\$4,620,000
Capitalization Rate	N/A	N/A	N/A	5.25%	5.80%	5.19%	N/A	N/A
Interest Conveyed	Fee Simple	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Fee Simple	Fee Simple
Year Built / Condition	2000-2011 / Good	2001 / Good	1998-2003 / Good	2022 / New	1993 / Good	1999 / Good	1969 / Good	2005 / Good
Construction Quality	Precast Concrete / Good	Concrete-Metal / Avg-Good	Concrete-Metal / Avg-Good	Concrete Panel / Good	Concrete Panel / Good	CCB-Metal / Good	Metal / Good	Metal / Good
Gross Leasable Area (SF)	76,397	54,750	103,772	171,785	40,785	105,480	42,275	30,800
Office Area Ratio	16.5%	8.36%	8.60%	7.10%	27.25%	4.85%	11.00%	15.00%
AC Warehouse	60.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Occupancy Rate	N/A	100%	100%	100%	100%	100%	0%	0%
Net Land Area (SF)	440,827	266,152	270,507	534,481	111,667	318,118	86,032	140,263
Land To Building Ratio	5.77	4.86	2.61	3.11	2.74	3.02	2.04	4.55
Price Per SF GLA		\$139.63	\$131.22	\$173.20	\$170.41	\$109.03	\$124.19	\$150.00
<b>PRIMARY ADJUSTMENTS</b>								
Property Rights	Fee Simple	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financing Terms	Conventional	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Conditions of Sale	Arm's Length	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Market Conditions	+3% Annual	0.1%	0.1%	2.9%	4.5%	5.0%	5.8%	7.4%
Net Primary Adjustment		0.1%	0.1%	2.9%	4.5%	5.0%	5.8%	7.4%
Adjusted Price Per SF GLA		\$139.81	\$131.38	\$178.18	\$178.15	\$114.49	\$131.34	\$161.11
<b>OTHER ADJUSTMENTS</b>								
Location & Access/Visibility	Gainesville / Good	-5%	-5%	0%	-5%	-5%	-5%	0%
Year Built / Condition	2000-2011 / Good	0%	0%	-10%	0%	0%	10%	-10%
Construction Quality	Precast Concrete / Good	0%	0%	0%	0%	0%	5%	5%
Gross Leasable Area (SF)	76,397	-5%	5%	5%	-5%	5%	-5%	-5%
Office Area Ratio	16.5%	5%	5%	5%	-10%	5%	0%	0%
AC Warehouse	60.0%	5%	5%	5%	5%	5%	5%	5%
Land To Building Ratio	5.77	0%	0%	0%	0%	0%	0%	0%
Net Other Adjustment		0%	10%	5%	-15%	10%	10%	-5%
<b>Final Adjusted Price Per SF GLA</b>		<b>\$139.81</b>	<b>\$144.52</b>	<b>\$187.09</b>	<b>\$151.43</b>	<b>\$125.94</b>	<b>\$144.48</b>	<b>\$153.05</b>
<b>Statistical Data Per SF</b>								
"As Is" Market Value - Fee Simple Interest - May 22, 2024								
Min \$125.94		Building SF	Value Per SF	"As Is" Value				
Max \$187.09		76,397	\$145.00	\$11,077,565				
Mean \$149.47								
Median \$144.52								
Standard Deviation: \$18.84			Rounded:	\$11,100,000				

## IMPROVED SALES MAPS





**CLAYTON, ROPER & MARSHALL**



32008

IMPROVED SALE 1

<u>TYPE OF PROPERTY</u>	Office/Warehouse
<u>RECORDED</u>	O.R. Book 21049, Page 228, Duval County, Florida
<u>GRANTOR</u>	SPI/CSIM JIP Property Owner, LLC
<u>GRANTEE</u>	AG-RC III 5748 Mining Terrace Owner, LLC
<u>SALE DATE</u>	May 7, 2024
<u>SALE PRICE</u>	\$7,645,000
<u>ANALYSIS</u>	\$139.63 Per Square Foot of Leasable Area
<u>TYPE OF INSTRUMENT</u>	Special Warranty Deed
<u>INTEREST CONVEYED</u>	Leased Fee
<u>CONDITIONS OF SALE</u>	Arm's Length
<u>FINANCING</u>	Cash to Seller

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**CLAYTON, ROPER & MARSHALL**

32008, Page 2

IMPROVED SALE 1  
(Cont'd)

<u>MOTIVATIONS OF PARTIES</u>	Typical Market Motivations
<u>CASH EQUIVALENCY</u>	N/A
<u>LOCATION</u>	The property is located at 5748 Mining Terrace, Jacksonville, Duval County, Florida 32257. This location is in the Southgate Distribution Center.
<u>SITE DESCRIPTION</u>	The site consists of a nearly rectangular parcel totaling 266,152± square feet or 6.11± acres, with 4.80± acres upland and usable. The site is situated at the western terminus of Mining Terrace, approximately 300 feet east of Hood Road South. The site is generally level and at road grade. All utilities are available.
<u>ZONING</u>	I-L, Light Industrial, City of Jacksonville
<u>FUTURE LAND USE</u>	Industrial, City of Jacksonville
<u>PRESENT USE</u>	Office/Warehouse
<u>HIGHEST AND BEST USE</u>	As Vacant: Industrial As Improved: Office/Warehouse
<u>IMPROVEMENTS</u>	The site is improved with a multi-tenant warehouse building totaling 54,750 square feet of interior leasable area with 4,576 SF (8.36%) of office, built in 2001 of concrete block and modular and was in good condition. The ceiling height is about 24'. There are twelve dock-high doors on the west/front side and six dock-high doors on the east side. The land to building ratio is 4.86 to 1. Site improvements include asphalt & concrete paving, minimal landscaping and fencing.
<u>VERIFICATION</u>	
With/Relationship:	Public Records, Deed
Telephone:	N/A
Date:	June 19, 2024
Verified by:	Timothy K. Wilhoit, MAI



32008, Page 3

IMPROVED SALE 1  
(Cont'd)

COMMENTS

The Class B property was reportedly 100% leased at the time of sale and indicated a cap rate of 5.69%. The sale date and sale price were verified by a third-party broker, Duval County Property Appraiser and inspection of the deed.

SALE HISTORY

No prior sales in the past three years.

TAX ID NUMBER

155607-5035

LEGAL DESCRIPTION

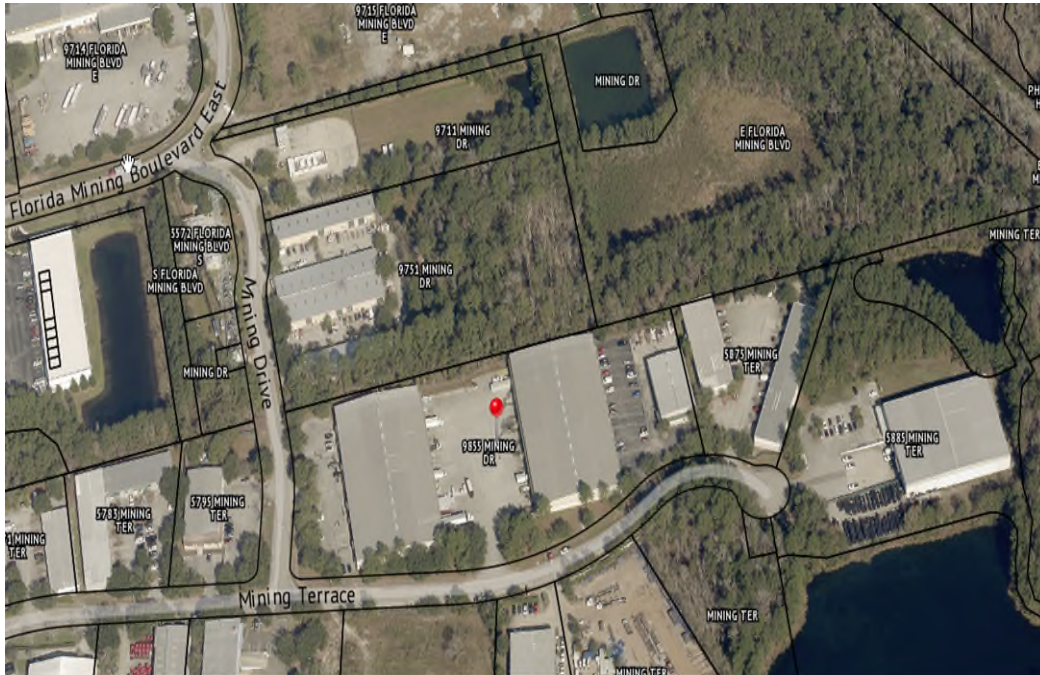
The Land referred to herein below is situated in the County of Duval, State of Florida, and is described as follows:

LOTS 4, 5 AND 6, AND PORTION OF LOT 7, INDUSTRIAL SOUTH SUBDIVISION, AS RECORDED IN PLAT BOOK 50, PAGES 96, 96A, 96B, AND 96C, OF THE CURRENT PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF BEGINNING, BEGIN AT THE NORTHWEST CORNER OF SAID LOT 5; THENCE NORTH 77°30'54" EAST, ALONG THE NORTHERLY LINE OF SAID INDUSTRIAL SOUTH SUBDIVISION, A DISTANCE OF 725.42 FEET TO THE NORTHEASTERLY CORNER OF SAID LOT 4; THENCE SOUTH 24°32'00" WEST, ALONG THE EASTERLY LINE OF SAID LOT 4, A DISTANCE OF 387.43 FEET TO A POINT SITUATE IN THE NORTHERLY RIGHT OF WAY LINE OF MINING TERRACE (A 60 FOOT RIGHT OF WAY AS CURRENTLY ESTABLISHED), SAID POINT BEING SITUATE IN A CURVE CONCAVE TO THE NORTH AND HAVING A RADIUS OF 25 FEET; THENCE ALONG AND THE AROUND ARC OF SAID CURVE, AND ALONG SAID RIGHT OF WAY LINE OF MINING TERRACE, AN ARC DISTANCE OF 2.22 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 79°00'05" WEST, 2.22 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 50 FEET; THENCE ALONG AND AROUND THE ARC OF SAID CURVE, AND CONTINUING ALONG RIGHT OF WAY OF SAID MINING TERRACE, AN ARC DISTANCE OF 231.69 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 29°12'40" EAST, 73.43 FEET, TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 25 FEET; THENCE ALONG AND AROUND THE ARC OF SAID CURVE, AND CONTINUING ALONG RIGHT OF WAY OF SAID MINING TERRACE, AN ARC DISTANCE OF 7.44 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 26°33'36" EAST, 7.41 FEET; THENCE SOUTH 00°17'00" WEST, A DISTANCE OF 130.55 FEET TO A POINT SITUATE IN THE SOUTHERLY LINE OF SAID LOT 7; THENCE NORTH 89°43'00" WEST, ALONG THE SOUTHERLY LINE OF SAID LOTS 7 AND 6, A DISTANCE OF 163.18 FEET; THENCE NORTH 88°51'33" WEST, ALONG SAID SOUTHERLY LINE OF SAID LOT 6, A DISTANCE OF 428.00 FEET TO THE SOUTHWESTERLY CORNER OF SAID LOT 6; THENCE NORTH 01°08'27" EAST, ALONG THE WESTERLY LINE OF SAID LOTS 6 AND 5, A DISTANCE OF 373.93 FEET TO THE POINT OF BEGINNING.

32009

IMPROVED SALE 2



<u>TYPE OF PROPERTY</u>	Office/Warehouse
<u>RECORDED</u>	O.R. Book 21049, Page 218, Duval County, Florida
<u>GRANTOR</u>	SPI/CSIM JIP Property Owner, LLC
<u>GRANTEE</u>	AG-RC III 9855 Mining Drive Owner, LLC
<u>SALE DATE</u>	May 7, 2024
<u>SALE PRICE</u>	\$13,616,929
<u>ANALYSIS</u>	\$131.22 Per Square Foot of Leasable Area
<u>TYPE OF INSTRUMENT</u>	Special Warranty Deed
<u>INTEREST CONVEYED</u>	Leased Fee
<u>CONDITIONS OF SALE</u>	Arm's Length
<u>FINANCING</u>	Cash to Seller

32009, Page 2

IMPROVED SALE 2  
(Cont'd)

<u>MOTIVATIONS OF PARTIES</u>	Typical Market Motivations
<u>CASH EQUIVALENCY</u>	N/A
<u>LOCATION</u>	The property is located at 9855 Mining Drive, Jacksonville, Duval County, Florida 32257. This location is in the Southgate Distribution Center.
<u>SITE DESCRIPTION</u>	The site consists of a nearly rectangular parcel totaling 270,507± square feet or 6.21± acres, all upland and useable. The site is situated at the northeast corner of Mining Drive and Mining Terrace, approximately 1,800 feet east of Hood Road South. The site is generally level and at road grade. All utilities are available.
<u>ZONING</u>	I-L, Light Industrial, City of Jacksonville
<u>FUTURE LAND USE</u>	Industrial, City of Jacksonville
<u>PRESENT USE</u>	Office/Warehouse
<u>HIGHEST AND BEST USE</u>	As Vacant: Industrial As Improved: Office/Warehouse
<u>IMPROVEMENTS</u>	The site is improved with three multi-tenant warehouse buildings totaling 103,772 square feet of interior leasable area with 9,994 SF (8.6%) of office, built in 1998-2003 of concrete block and modular and was in good condition. The ceiling height is about 15' -25'. The two larger buildings have eighteen dock-high doors each and the smaller building has 6 dock-high doors on the west side. The land to building ratio is 2.61:1. Site improvements include asphalt & concrete paving, minimal landscaping and fencing.
<u>VERIFICATION</u>	
With/Relationship:	Public Records, Deed
Telephone:	N/A
Date:	June 19, 2024
Verified by:	Timothy K. Wilhoit, MAI

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IMPROVED SALE 2  
(Cont'd)

COMMENTS

The sale date and sale price were verified by the Duval County Property Appraiser and inspection of the deed.

SALE HISTORY

No prior sales in the past three years.

TAX ID NUMBER

155607-5105

LEGAL DESCRIPTION

The Land referred to herein below is situated in the County of Duval, State of Florida, and is described as follows:

PARCEL 1:

LOTS 20, 21, 22, 23, 24 AND 25, OF INDUSTRIAL SOUTH SUBDIVISION, ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 50, PAGE(S) 96 OF THE PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA.

PARCEL 2:

THE NON-EXCLUSIVE EASEMENTS FOR THE BENEFIT OF THE ABOVE DESCRIBED PARCEL SET FORTH IN THE PROTECTIVE COVENANTS OF INDUSTRIAL SOUTH RECORDED JANUARY 9, 1997, IN OFFICIAL RECORD BOOK 8522, PAGE 425 OF THE PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA.

31828

IMPROVED SALE 3

<u>TYPE OF PROPERTY</u>	Multi-Tenant Office/Warehouse
<u>RECORDED</u>	O.R. Book 6157 Page 1770, Lake County, Florida
<u>GRANTOR</u>	AG-HS Perimeter Park Property Owner LLC
<u>GRANTEE</u>	GKI Orlando LLC
<u>SALE DATE</u>	June 7, 2023
<u>SALE PRICE</u>	\$29,750,000
<u>ANALYSIS</u>	\$173.20 Per Square Foot of Leasable Area 5.25% Capitalization Rate
<u>TYPE OF INSTRUMENT</u>	Special Warranty Deed
<u>INTEREST CONVEYED</u>	Fee Simple
<u>CONDITIONS OF SALE</u>	Arm's Length
<u>FINANCING</u>	Cash to Seller
<u>MOTIVATIONS OF PARTIES</u>	Typical Market Motivations
<u>CASH EQUIVALENCY</u>	N/A
<u>LOCATION</u>	The property is located at 2162 Ray Goodgame Parkway, Clermont, Lake County, Florida 34711. This location is just south of State Road 50, east of Hancock Road.
<u>SITE DESCRIPTION</u>	According to the Lake County Property Appraiser's records, the irregular shaped site contains 12.27± acres or 534,481± square feet, all useable, with 1,900' of frontage on the east side of Ray Goodgame Parkway. The site is generally level and at road grade. All utilities are available.

31628, Page 2

IMPROVED SALE 3**CLAYTON, ROPER & MARSHALL**

(Cont'd)

**ZONING** M-1, Industrial, City of Clermont

**FUTURE LAND USE** Industrial, City of Clermont

**PRESENT USE** Industrial Office/Warehouse

**HIGHEST AND BEST USE** As Vacant: Industrial  
As Improved: Industrial

**IMPROVEMENTS** The site is improved with three multi-tenant industrial warehouse buildings totaling 171,765 square feet of gross leasable area with 12,140 square feet (7.1%) of office area, constructed in 2022 of concrete panel and in new/excellent condition. The buildings are fully sprinklered for fire protection. There are 63 dock high doors and 6 drive-in doors (rear load). The building depths range from 120'-160'. The clear height is 30'-32' and the truck courts are 117'-130'. There is ample parking (231 spaces). The land to building ratio is 3.11.

<b>OFFERING SUMMARY</b>				
Building	400	500	600	Total
Address	2162 Ray Goodgame Pkwy	2170 Ray Goodgame Pkwy	2250 Ray Goodgame Pkwy	
Submarket				Lake County
Site Size (Acres)				12.08
Occupancy	100%	100%	85%	92%
RSF	36,339 SF	47,864 SF	87,562 SF	171,765 SF
Office SF	3,178 SF	4,247 SF	4,715 SF	12,140 SF
Office %	8.3%	8.9%	5.4%	7.1%
Year Built	2022	2022	2022	
Loading Type	Rear-Load	Rear-Load	Rear-Load	
Clear Height	30'	30'	32'	
Dock High Doors	14	19	30	63
Drive In Doors	2	2	2	6
Parking Spaces	40	86	105	231
Parking Ratio	1.1/1,000 SF	1.8/1,000 SF	1.2/1,000 SF	
Roof System				60-mil TPO

Source: Offering Memorandum

**VERIFICATION**

With/Relationship: Dennis Mitchell (listing broker), CoStar, Public Records, Deed  
 Telephone: 404-995-2447  
 Date: October 11, 2023  
 Verified by: Richard B. Williams

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IMPROVED SALE 3  
(Cont'd)

COMMENTS

The broker stated the property was 100% leased/occupied at time of sale. The reported cap rate was 5.25%. At time of listing, the property was 92% leased to 7 diverse tenants with an average size of 22,672 SF with rents ranging from \$9.25/SF to \$10.50/SF triple net with an average of \$9.14/SF with 4% annual escalation and a CAM fee of \$3.86/SF.

SALE HISTORY

The vacant site sold in March 2021 for \$860,100.

TAX ID NUMBER

09-22-26-1105-055-00002

LEGAL DESCRIPTION

Lengthy, retained in job file.

31829

IMPROVED SALE 4

<u>TYPE OF PROPERTY</u>	Multi-Tenant Office/Warehouse
<u>RECORDED</u>	Document # 20220698332, Orange County, Florida
<u>GRANTOR</u>	GJB Fund I LLC
<u>GRANTEE</u>	4501 34 <sup>th</sup> Street Investors LLC
<u>SALE DATE</u>	November 16, 2022
<u>SALE PRICE</u>	\$6,950,000
<u>ANALYSIS</u>	\$170.41 Per Square Foot of Leasable Area 5.80% Capitalization Rate
<u>TYPE OF INSTRUMENT</u>	Special Warranty Deed
<u>INTEREST CONVEYED</u>	Fee Simple
<u>CONDITIONS OF SALE</u>	Arm's Length
<u>FINANCING</u>	Cash to Seller
<u>MOTIVATIONS OF PARTIES</u>	Typical Market Motivations
<u>CASH EQUIVALENCY</u>	N/A
<u>LOCATION</u>	The property is located at 4501 34 <sup>th</sup> Street, Orlando, Orange County, Florida 32811. This location is within the 33 <sup>rd</sup> Street Industrial Park, south of L B McLeod Road and west of Vineland Road.
<u>SITE DESCRIPTION</u>	According to the Orange County Property Appraiser's records, the rectangular site contains 111,667± square feet or 2.56± acres, all useable, with 300' of frontage on the north side of 34 <sup>th</sup> Street and a depth of 372'. The site is generally level and at road grade. All utilities are available.

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**CLAYTON, ROPER & MARSHALL**



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IMPROVED SALE 4  
(Cont'd)

<u>ZONING</u>	I-P, Industrial Park, City of Orlando
<u>FUTURE LAND USE</u>	Industrial, City of Orlando
<u>PRESENT USE</u>	Industrial Office/Warehouse
<u>HIGHEST AND BEST USE</u>	As Vacant: Industrial As Improved: Industrial
<u>IMPROVEMENTS</u>	The site is improved with an industrial warehouse building totaling 40,785 square feet of gross leasable area with 11,112 square feet (27%) of office area, constructed in 1993 of concrete panel and in good condition. The building is fully sprinklered for fire protection. There are 6 dock high doors and 2 drive-in doors (rear load). The clear height is 18'-20' with 41'x41' column spacing. There is ample parking (48 spaces). The land to building ratio is 2.74.
<u>VERIFICATION</u>	
With/Relationship:	Alex Rosario (listing broker), CoStar, Public Records, Deed
Telephone:	407-540-7713
Date:	October 11, 2023
Verified by:	Timothy K. Wilhoit, MAI
<u>COMMENTS</u>	A telephone message left for the broker was not immediately returned. The sale appears to be arm's length.  CoStar comments: "On November 16, 2022, Foundry Commercial sold this property in Orange County, Florida to High Street Logistics Properties for the sale price of \$6,950,000. The subject property is a 40,785 square foot industrial building located at 4501 SW 34th Street in Orlando, Florida. This was an investment sale and the buyer did acquire financing for the purchase. The information contained in this sales comparable was verified by individuals on the buyer's side of the deal. No one from the seller's side could be reached for comment on the sale. Cap Rate 5.80%."
<u>SALE HISTORY</u>	No prior sales in the past three years.
<u>TAX ID NUMBER</u>	08-23-29-8628-00-840
<u>LEGAL DESCRIPTION</u>	33RD ST INDUSTRIAL PARK UNIT 2 5/14 LOT 84

31830

IMPROVED SALE 5

<u>TYPE OF PROPERTY</u>	Multi-Tenant Office/Warehouse
<u>RECORDED</u>	O.R. Book 6289 Page 0516, Osceola County, Florida
<u>GRANTOR</u>	Kissimmee Flexspace Ltd.
<u>GRANTEE</u>	Gen Smith LLC
<u>SALE DATE</u>	September 20, 2022
<u>SALE PRICE</u>	\$11,500,000
<u>ANALYSIS</u>	\$109.03 Per Square Foot of Leasable Area 5.19% Capitalization Rate
<u>TYPE OF INSTRUMENT</u>	Special Warranty Deed
<u>INTEREST CONVEYED</u>	Fee Simple
<u>CONDITIONS OF SALE</u>	Arm's Length
<u>FINANCING</u>	Cash to Seller
<u>MOTIVATIONS OF PARTIES</u>	Typical Market Motivations
<u>CASH EQUIVALENCY</u>	N/A
<u>LOCATION</u>	The property is located at 2450 Smith Street, Kissimmee, Osceola County, Florida 34711. This location is just south of E. Donegan Avenue, east of N. Orange Blossom Trail. Located less than one mile north of downtown Kissimmee with easy access to Osceola Parkway, Orange Blossom Trail, W. Irl Bronson Memorial Highway (US 192), and John Young Parkway.

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**CLAYTON, ROPER & MARSHALL**

31830, Page 2

IMPROVED SALE 5  
(Cont'd)

SITE DESCRIPTION

According to the Osceola County Property Appraiser's records, the rectangular site contains 318,118± square feet or 6.50± acres, all useable, with 525' of frontage and two access points on the west side Smith Street and 525' of frontage and one access point on the east side of Old Dixie Highway. The site is generally level and at road grade. All utilities are available.

ZONING

IR, Industrial Restricted, Osceola County

FUTURE LAND USE

Industrial, Osceola County

PRESENT USE

Industrial Office/Warehouse

HIGHEST AND BEST USE

As Vacant: Industrial  
As Improved: Industrial

IMPROVEMENTS

The site is improved with three multi-tenant industrial warehouse buildings totaling 105,480 square feet of gross leasable area with 5,120 square feet (5%) of office area, constructed in 1999 of concrete block base and steel frame & metal and in good condition. The clear height is 18'-20'. There is ample parking. There are 75 drive in bays, one loading dock, and the main property supplies units with option cross-dock capability. Mixture of industrial spaces: warehouse, showroom, office, and distribution. The land to building ratio is 3.02.

VERIFICATION

With/Relationship:  
Telephone:  
Date:  
Verified by:

Braden Dwyer (buyer broker), CoStar, Public Records, Deed  
407-557-3856  
October 11, 2023  
Timothy K. Wilhoit, MAI

COMMENTS

CoStar comments: "The sale consists of 3 industrial warehouses located on 2420, 2430-2440 and 2450 Smith Street, Kissimmee, FL 34744 with a total of 105,480 square feet which sold for \$11,500,000 or \$109.02 per square foot at a 5.19% CAP Rate on October 12, 2022. The information was confirmed with the seller and the buyer's broker and verified from public record documents from Osceola County, FL. Cap Rate 5.19%."

SALE HISTORY

No prior sales in the past three years.

TAX ID NUMBER

15-25-29-4450-0001-0010

LEGAL DESCRIPTION

NORTH KISSIMMEE ADD PB 1 PG 102 ALL OF BLKS 1-4 AND BLKS 5, 6 LYING W OF SMITH ST AND VAC ZUHARS ST, MILLER AVE & BRADEN ST ALL ABUTTING ABOVE SAID LEGAL LYING W OF SMITH ST

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**CLAYTON, ROPER & MARSHALL**

31632

IMPROVED SALE 6

<u>TYPE OF PROPERTY</u>	Office/Warehouse
<u>RECORDED</u>	Doc # 20220388434, Orange County, Florida
<u>GRANTOR</u>	Ruffin Investments LLC
<u>GRANTEE</u>	Show Imaging Orlando LLC
<u>SALE DATE</u>	June 21, 2022
<u>SALE PRICE</u>	\$5,250,000
<u>ANALYSIS</u>	\$124.19 Per Square Foot of Leasable Area
<u>TYPE OF INSTRUMENT</u>	Special Warranty Deed
<u>INTEREST CONVEYED</u>	Fee Simple
<u>CONDITIONS OF SALE</u>	Arm's Length
<u>FINANCING</u>	Cash to Seller
<u>MOTIVATIONS OF PARTIES</u>	Typical Market Motivations
<u>CASH EQUIVALENCY</u>	N/A
<u>LOCATION</u>	The property is located at 2920 Eunice Avenue, just north of Silver Star Road (SR 416), in Orlando, Orange County, Florida 32808.

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**CLAYTON, ROPER & MARSHALL**

31632, Page 2

IMPROVED SALE 6  
(Cont'd)

SITE DESCRIPTION

The site consists of a rectangular parcel totaling 86,032 square feet or 1.98 acres, all upland & useable, with 277 frontage feet on the west side of Eunice Avenue. The south of the site has frontage but no access along the CSX Transportation railroad. The site is generally level and at road grade. All utilities are available.

ZONING

I-P/W, Industrial Park / Wekiva Overlay, City of Orlando

FUTURE LAND USE

Industrial, City of Orlando

PRESENT USE

Office/Warehouse

HIGHEST AND BEST USE

As Vacant: Industrial  
As Improved: Office/Warehouse

IMPROVEMENTS

The site is improved with a single-tenant warehouse building totaling 42,275 square feet of interior leasable area with 4,585 SF (11%) of office, built in 1969 of steel frame & metal and was in good condition. The ceiling height is about 22'-24'. There are two grade level doors and two dock doors on the east/front side, and two dock doors (one with ramp) on the north side. The north side of the building has an add-on section with five grade level doors. The land to building ratio is 2.04 to 1. Site improvements include asphalt & concrete paving, minimal landscaping, fencing, etc.

VERIFICATION

With/Relationship:	CoStar, Public Records, Deed
Telephone:	N/A
Date:	March 14, 2023
Verified by:	Richard B. Williams

COMMENTS

CoStar sale comments: "On June 21, 2022, the 42,275 square foot industrial building located at 2920 Eunice Ave in Orlando, FL sold for \$5,250,000 or about \$124 per square foot. The building was completed in 1969 and sits on 1.942 acres zoned I-P/W. The seller verified what sold (Larry Ruffin, 407-291-2341). The sale date and sale price were verified by inspection of the deed."

SALE HISTORY

No prior sales in the past three years.

TAX ID NUMBER

16-22-29-5844-00-133

LEGAL DESCRIPTION

WILLIS R MUNGERS LAND SUB E/3 S1/2 OF LOT 13 (LESS S 48 FT THEREOF & LESS E 15 FT FOR RD)

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**CLAYTON, ROPER & MARSHALL**

32010

IMPROVED SALE 7

<u>TYPE OF PROPERTY</u>	Office/Warehouse
<u>RECORDED</u>	O.R. Book 7639, Page 1862, Marion County, Florida
<u>GRANTOR</u>	5151 Fifth, LLC
<u>GRANTEE</u>	Ricky W. Massie, Debra L. Massie & CKMR2, LP
<u>SALE DATE</u>	December 3, 2021
<u>SALE PRICE</u>	\$4,620,000
<u>ANALYSIS</u>	\$150.00 Per Square Foot of Leasable Area
<u>TYPE OF INSTRUMENT</u>	Warranty Deed
<u>INTEREST CONVEYED</u>	Fee Simple
<u>CONDITIONS OF SALE</u>	Arm's Length
<u>FINANCING</u>	Cash to Seller

32010, Page 2

IMPROVED SALE 7  
(Cont'd)

<u>MOTIVATIONS OF PARTIES</u>	Typical Market Motivations
<u>CASH EQUIVALENCY</u>	N/A
<u>LOCATION</u>	The property is located at 5151 NW 5 <sup>th</sup> Street, Ocala, Marion County, Florida 34482. This location is in the Ocala International Commerce Park north of West Highway 40 and west of Interstate 75.
<u>SITE DESCRIPTION</u>	The site consists of a triangular parcel totaling 140,263± square feet or 3.22± acres, all upland and useable. The site is situated at the northeast corner of NW 5 <sup>th</sup> Street and NW 52 <sup>nd</sup> Avenue. The site is generally level and at road grade. All utilities are available.
<u>ZONING</u>	M-1, Light Manufacturing, City of Ocala
<u>FUTURE LAND USE</u>	Industrial, City of Ocala
<u>PRESENT USE</u>	Office/Warehouse
<u>HIGHEST AND BEST USE</u>	As Vacant: Industrial As Improved: Office/Warehouse
<u>IMPROVEMENTS</u>	The site is improved with a single-tenant warehouse building totaling 30,800 square feet of interior leasable area with 4,620 SF (15%) of office, built in 2005 of steel frame and stucco exterior and was in good condition. The ceiling height is about 20'. The building has four dock-high doors and one grade level door on the north side. The land to building ratio is 4.55:1. Site improvements include asphalt & concrete paving, minimal landscaping and chain link fencing.
<u>VERIFICATION</u>	
With/Relationship:	Public Records, Deed
Telephone:	N/A
Date:	June 19, 2024
Verified by:	Timothy K. Wilhoit, MAI

32010, Page 3

IMPROVED SALE 7  
(Cont'd)

COMMENTS

The sale date and sale price were verified by the Marion County Property Appraiser and inspection of the deed. The building was vacant at the time of sale and is occupied by Edmonson Electric.

SALE HISTORY

No prior sales in the past three years.

TAX ID NUMBER

21647-003-01

LEGAL DESCRIPTION

*Lot 1, Block C, Ocala International Commerce Park Phase One, according to map or plat thereof as recorded in Plat Book 5, Pages 122 through 124, public records of Marion County, Florida.*



## INCOME APPROACH

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

The Income Approach is based on the premise that a prudent investor would pay no more for the property than they would for another property with similar risk and return characteristics. Since the value of an investment can be considered to be equal to the present worth of all anticipated future benefits, dollar volume, or amenities, this approach estimates the market value of the net income that the property is capable of producing. This amount is then capitalized at a rate that would reflect the risk and amount of income necessary for debt service or mortgage requirements.

The Income Approach (Direct Capitalization method) consists of five basic steps:

1. **Estimate of Potential Gross Income** – The actual income history and current rent roll of the subject property must be studied and compared with those of competitive properties for the purpose of estimating market rentals. Therefore, we must rely on a survey of comparable rentals to determine a market-oriented rental rate for the subject.
2. **Estimate of Vacancy and Collection Loss** – An analysis of past vacancy and collection losses of the subject property and comparable properties must also be made to develop a reasonable percentage for vacancy and credit loss allowance. This percentage is then subtracted from the potential gross income to arrive at an effective gross income.
3. **Estimate of Operating Expenses** – The operating expenses of the subject property and of similar properties must be analyzed to develop typical expenses and expense ratios applicable to the subject.
4. **Estimate of Stabilized Net Operating Income** – Total operating expenses are then subtracted from the effective gross income to arrive at a net operating income.
5. **Capitalization of Net Income to Derive Value** – The net operating income is capitalized into an indication of market value via direct and/or yield capitalization.

## POTENTIAL GROSS INCOME

The first step in the Income Approach is to estimate the potential gross income for the subject property. The potential gross revenues that could be generated by the subject property are typically composed of the minimum rent determined by lease agreement, and a reimbursement of certain expenses incurred in the ownership and operation of the real estate. The minimum base rent represents a legal contract establishing a return to the investors in the real estate, while the passing of certain expenses onto the tenants serves to maintain this return in an era of continually rising costs of operation.

In this instance, the subject property is vacant and is under contract for sale to an owner-user. The property has been owner-occupied since construction and no lease is in place. In order to estimate a market rental rate for the subject property, we researched on a regional basis for rentals of similar buildings and have considered current asking rental rates as well. We have analyzed the subject on a triple net (NNN) lease basis, meaning the tenant pays a base rent and reimburses ownership for pro-rata share of real estate taxes, property insurance, common area maintenance/utilities, and their own electric, water/sewer, trash, pest control, janitorial & telephone/internet. The landlord is responsible for management and reserves for replacement. Typical lease terms for large industrial space range from 5 to 10 years or longer with renewal options. Typical rent increases are 3% to 4% annually, or some of the longer-term leases have 10% increases every five years.

Each rental comparable was adjusted in comparison to the subject. Adjustments were made for lease type, location & access/visibility, age/condition, construction quality, lease area size, and office ratio. Some of the rent comps were current listings; however, brokers we interviewed stated that the market is very healthy in this submarket and that it was not difficult to lease space at asking rate; therefore, we did not adjust the rent comps for listing status.

Prior to adjustments, the comparable rentals indicated a lease rate range of \$12.00/SF to \$13.50/SF. After adjustments, the range was \$10.45/SF to \$14.18/SF for a triple net lease, with a mean of \$12.07/SF and a median of \$11.83/SF. Based on the rental comparison analysis, conversations with the listing broker and considering the subject's characteristics, we estimated the subject's market lease rate at \$12.00/SF for a triple net lease. The estimated market lease rate is near the middle of the comparable range and is appropriate considering the quality and interior finish of the building. This rate is also consistent with the listing broker's estimate of likely market rent for the building.

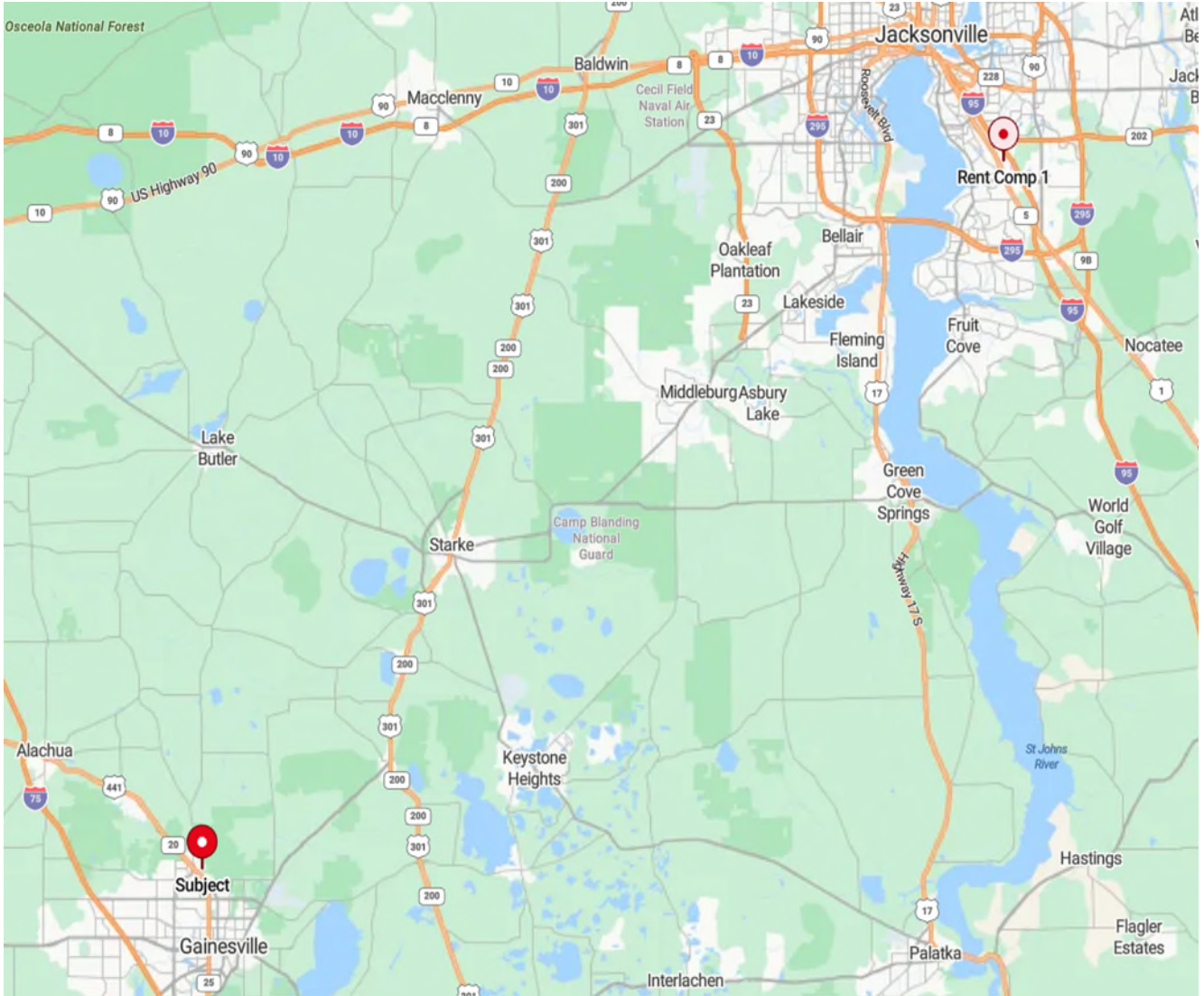
Total base rent was estimated at \$916,764. In addition to the base rent, the tenant would also reimburse the landlord for their pro-rata share of expenses including real estate taxes, property insurance and exterior/grounds maintenance and utilities. We estimated the projected CAM reimbursement income at \$284,638 or about \$3.73/SF which accounts for increased real estate taxes subsequent to a sale at market value.

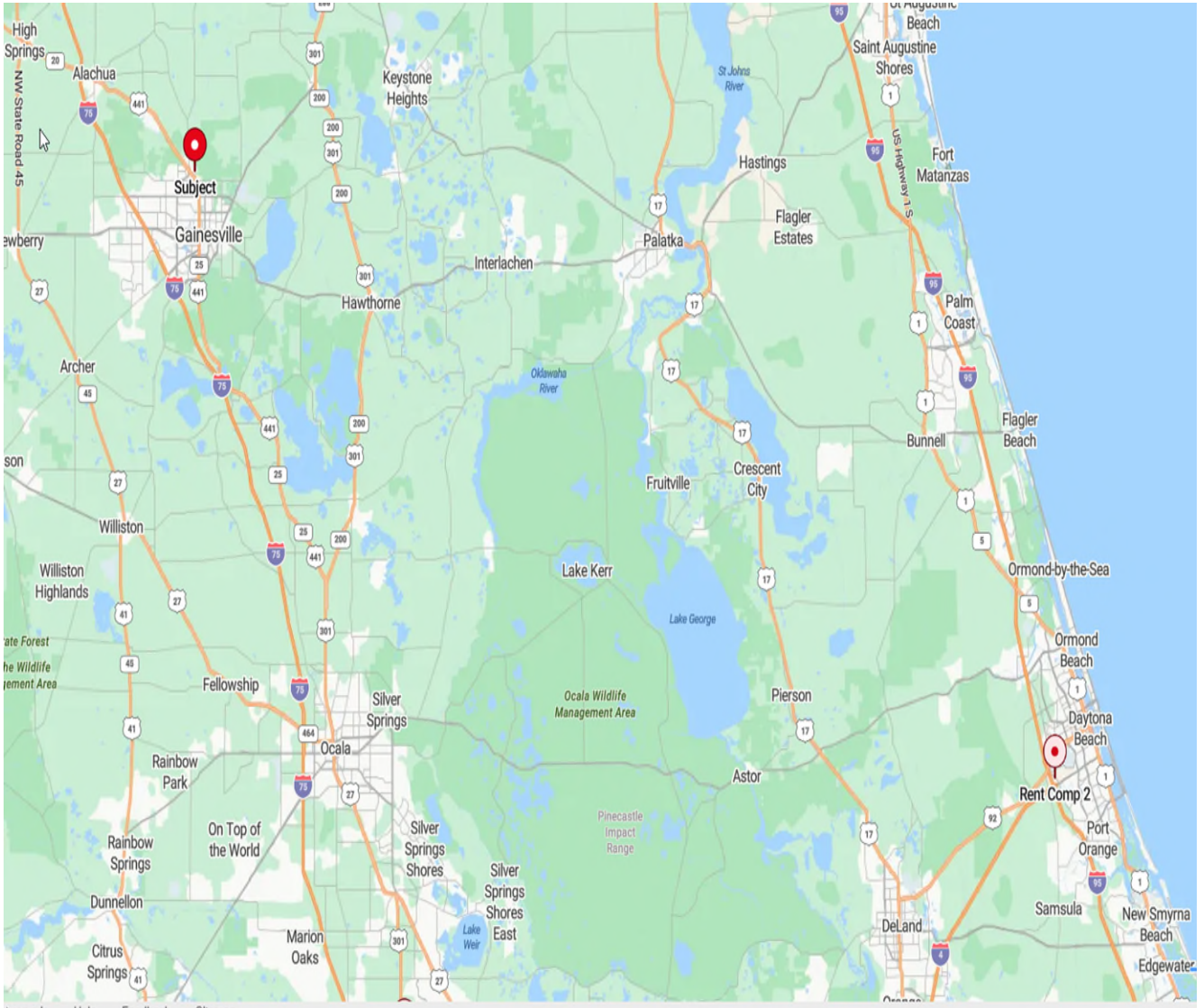
Therefore, the annual potential gross income is estimated at \$1,201,402 or \$15.73/SF. On the following page is a summary chart of the comparable industrial rentals and adjustments in comparison to the subject. A location map and comparable summary write-ups with pictures follow.

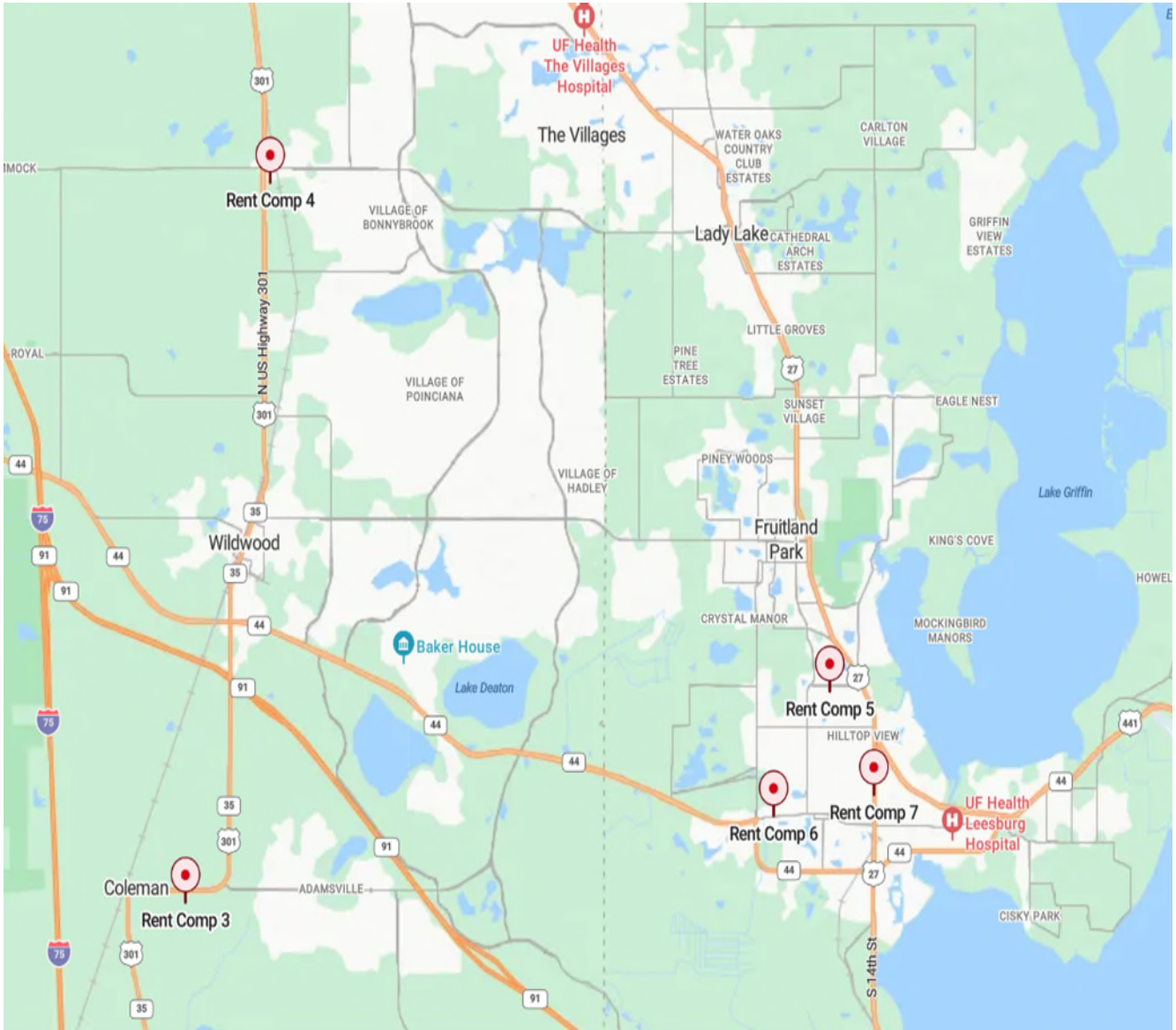
## COMPARABLE RENTAL ANALYSIS

COMPARABLE RENTAL ANALYSIS									
Northwest Industrial Park									
6125 NW 18th Drive, Gainesville, Alachua County, Florida 32653									
SUBJECT PROPERTY	Rent Comp 1	Rent Comp 2	Rent Comp 3	Rent Comp 4	Rent Comp 5	Rent Comp 6	Rent Comp 7	Rent Comp 7	
<b>LOCATION</b>	6125 NW 18th Drive Gainesville Alachua Co, FL	8051 Bayberry Road Jacksonville Duval Co, FL	1094 South Williamson Boulevard - Bldgng "C" Daytona Beach Volusia Co, FL	2836 CR 523 Coleman Sumter Co, FL	11201 US Hwy 301 Oxford Sumter Co, FL	1720 Leesburg Commons Ct Leesburg Lake Co, FL	105-109 Park Center St Leesburg Lake Co, FL	411 N. 14th St Leesburg Lake Co, FL	411 N. 14th St Leesburg Lake Co, FL
<b>PROPERTY INFORMATION</b>									
Year Built / Condition	2000-2011 / Good	1977 / Average	2023 / Good	2020 / Excellent	2021 / Excellent	2021-23 / Excellent	2019 / Good	1989 / Average	
Construction Quality	Precast Concrete / Good	Concrete Block / Avg	Pre-cast Concrete / Avg-Good	Steel-Metal / Avg-Good	Steel-Metal / Avg-Good	CCB / Good	Steel-Metal / Avg-Good	Steel-Metal / Avg-Good	
Gross Building Area (SF)	76,397	40,182	139,991	72,000	36,500	23,663	27,180	41,300	
<b>LEASE INFORMATION</b>									
Lease Area (SF)	76397	40,182	139,991	1,200 - 12,000	1,200 - 2,400	1,890 & 4,415	2,250 - 4,770	3,400	
Finished Office %	16.50%	11.00%	4.00%	16.67%	21.00%	5.00%	25.00%	6.00%	
Cooler Area	60%	0.00%	10.70%	0.00%	0.00%	0.00%	0.00%	0.00%	
Lease Type	Triple Net	Triple Net	Triple Net	Modified Gross	Modified Gross	Modified Gross	Triple Net	Modified Gross	
Lease Rate Per SF	\$12.25	\$13.50	\$13.00	\$13.00	\$13.00	\$13.00	\$12.45	\$12.00	
Expense Adjustment	\$0.00	\$0.00	(\$2.00)	(\$2.00)	(\$2.00)	(\$2.00)	\$0.00	(\$2.00)	
Adjusted Lease Rate Per SF	\$12.25	\$13.50	\$11.00	\$11.00	\$11.00	\$11.00	\$12.45	\$10.00	
<b>ADJUSTMENTS</b>									
Location & Access/Visibility	Wildwood / Good	-5%	0%	10%	10%	0%	0%	0%	
Year Built / Condition	2000-2011 / Good	10%	-10%	-5%	-10%	-10%	-5%	5%	
Construction Quality	Precast Concrete / Good	0%	0%	5%	5%	0%	5%	5%	
Lease Area (SF)	76,397	-5%	5%	-5%	-5%	-5%	-5%	-5%	
Cooler Area	60%	5%	5%	5%	5%	5%	5%	5%	
Finished Office %	17%	0%	5%	0%	0%	5%	-5%	5%	
Total Adjustments	5%	5%	10%	5%	10%	-5%	-5%	15%	
<b>Final Adjusted Lease Rate Per SF</b>	<b>\$12.86</b>	<b>\$14.18</b>	<b>\$12.10</b>	<b>\$11.55</b>	<b>\$10.45</b>	<b>\$11.83</b>	<b>\$11.50</b>	<b>\$11.50</b>	
<b>Statistical Data Per SF</b>									
<b>SUBJECT ESTIMATED MARKET RENTAL RATE</b>									
Min \$10.45									
Max \$14.18									
Mean \$12.07									
Median \$11.83									
Std. Dev. \$1.18									
<b>\$11.00 to 13.00/SF, Triple Net</b>									

# RENT COMPARABLES MAPS







RENT COMPARABLE 1

<u>PROPERTY TYPE</u>	Single-Tenant Industrial Office/Warehouse
<u>LOCATION</u>	8051 Bayberry Road Jacksonville, Duval County, Florida 32256
<u>YEAR BUILT / CONDITION</u>	1977 / Average
<u>CONSTRUCTION QUALITY</u>	Concrete Block / Average-Good
<u>BUILDING SIZE (GLA)</u>	40,182 SF (one building)
<u>LEASE AREA</u>	40,182 SF (4,453 SF finished office – 11.0%)
<u>LEASE RATE &amp; TERMS</u>	\$12.25/SF, Triple Net, Beginning January 2024 – 7.5 Year Term 3% Annual Increase Two, 3-year Renewal Options
<u>COMMENTS</u>	Jacksonville Distribution Center, pre-cast concrete panel construction with four dock high doors with levelers and one ramp in the Deerwood Center Industrial/Business Park in southeast Jacksonville. Located in proximity to Interstates 95 and 295 and US Highway 1. Building contains private offices, conference room, restrooms and is ideal for manufacturing, e-commerce, distribution, etc. LED lighting, fully sprinkled 20-23 foot clear ceilings in warehouse, fenced. Leased to Elliot Electrical Supply.
<u>CONTACT</u>	Mike Salik, Franklin Street (listing broker) 904-838-6603



RENT COMPARABLE 2

<u>PROPERTY TYPE</u>	Single-Tenant Industrial Office/Warehouse
<u>LOCATION</u>	1094 South Williamson Boulevard – Building “C” Daytona Beach, Volusia County, Florida 32114
<u>YEAR BUILT / CONDITION</u>	2023 / Good
<u>CONSTRUCTION QUALITY</u>	Pre-cast Concrete Panels / Good
<u>BUILDING SIZE (GLA)</u>	139,991 SF (one building)
<u>LEASE AREA</u>	139,991 SF (7,000 SF office or 5%)
<u>LEASE RATE &amp; TERMS</u>	\$13.50/SF, NNN, Beginning November 2023 – 10 Year Term 4% Annual Increase Two, 5-year Renewal Options
<u>COMMENTS</u>	1094 South Williamson Boulevard Industrial Park located on South Williamson Boulevard, just northeast of Interstate 95 and Interstate 4 interchange, north of Beville Road in west Daytona Beach. Newly constructed upscale distribution center for large space users with cold storage, dock-high loading doors, private offices, conference room, breakroom, restrooms. Clear height to 40'. Secured fencing. Building has 100% AC with 6,000± SF (4%) of office and 15,000± SF (10.7%) of cooler space.
<u>CONTACT</u>	Jared Bonshire (listing broker), Cushman & Wakefield 407-541-4414

RENT COMPARABLE 3

<u>PROPERTY TYPE</u>	Multi-Tenant Industrial Office/Warehouse
<u>LOCATION</u>	2836 County Road 523 Coleman, Sumter County, Florida 33521
<u>YEAR BUILT / CONDITION</u>	2021 / Excellent
<u>CONSTRUCTION QUALITY</u>	Steel Frame & Metal / Average-Good
<u>BUILDING SIZE (GLA)</u>	72,000 SF (six buildings)
<u>LEASE AREA</u>	1,200 SF to 12,000 SF (200 SF office per bay or 17%)
<u>LEASE RATE &amp; TERMS</u>	\$13.00/SF, Modified Gross (asking rate) 3% Annual Increase (assumed) 1 Year minimum
<u>COMMENTS</u>	Coleman Flex Business Park is located on the west side of County Road 523, just south of E. Warm Springs Avenue, and adjacent to The Villages with close proximity to Florida's Turnpike, State Road 44, and Interstate 75. The park has already been developed with six buildings totaling 72,000 square feet of multi-tenant industrial flex space built in 2020. The park is currently undergoing an ambitious expansion plan aiming to add five new buildings by the end of 2025. The typical 1,200 SF unit has 200 SF finished area with an office and restroom and a 12'x14' grade level door. On-site property manager, 24-hour video surveillance, fully gated, 220-v 80-amp single phase electric.
<u>CONTACT</u>	Preston Hage (listing broker) 352-661-1891

RENT COMPARABLE 4

<u>PROPERTY TYPE</u>	Multi-Tenant Industrial Office/Warehouse
<u>LOCATION</u>	11201 US Highway 301 Oxford, Sumter County, Florida 34484
<u>YEAR BUILT / CONDITION</u>	2021 / Excellent
<u>CONSTRUCTION QUALITY</u>	Steel Frame & Metal / Average-Good
<u>BUILDING SIZE (GLA)</u>	36,500 SF (four buildings)
<u>LEASE AREA</u>	1,200 SF to 2,400 SF (200 SF office per bay or 17%)
<u>LEASE RATE &amp; TERMS</u>	\$13.00/SF, Modified Gross (asking rate) 3% Annual Increase (assumed) 1 Year minimum
<u>COMMENTS</u>	Preston Place is located on the east side of US Highway 301 in Oxford and has already been developed with four buildings totaling 36,500 square feet of multi-tenant industrial flex space (the front two buildings of 18,250 SF are office retail) built in 2022 with an additional 86,400 square feet projected to be built by the end of 2024. The typical 1,200 SF unit has 200 SF finished area with an office and restroom and a 12'x14' grade level door. 220-v 125-amp single phase electric.
<u>CONTACT</u>	Preston Hage (listing broker) 352-661-1891

RENT COMPARABLE 5



<u>PROPERTY TYPE</u>	Multi-Tenant Industrial Office/Warehouse
<u>LOCATION</u>	1720 Leesburg Commons Court Leesburg, Lake County, Florida 34748
<u>YEAR BUILT / CONDITION</u>	2021-23 / Excellent
<u>CONSTRUCTION QUALITY</u>	Concrete Block / Good
<u>BUILDING SIZE (GLA)</u>	10,500 SF and 13,163 SF
<u>LEASE AREA</u>	1,890 SF to 4,415 SF (small office in each bay)
<u>LEASE RATE &amp; TERMS</u>	1,890 SF – \$14.00/SF, Modified Gross (asking rate) 4,415 SF – \$12.00/SF, Modified Gross (asking rate) 3% Annual Increase (assumed) 3 to 5 Years
<u>COMMENTS</u>	Brand new block & metal office/warehouse space for lease. Available space of 1,890 SF in Phase 1 (built 2021) and 4,415 SF in Phase 2. Large rollup doors for each bay. Clear span throughout with office area & restroom planned for each bay. High quality custom construction inside & out in very busy business park. Well located with easy access and close proximity to The Villages, I-75 and Turnpike.
<u>CONTACT</u>	Scott Strem (listing broker) 352-978-3428

RENT COMPARABLE 6

<u>PROPERTY TYPE</u>	Multi-Tenant Industrial Office/Warehouse
<u>LOCATION</u>	105 Park Center Street Leesburg, Lake County, Florida 34748
<u>YEAR BUILT / CONDITION</u>	2019 / Excellent
<u>CONSTRUCTION QUALITY</u>	Steel Frame & Metal / Average-Good
<u>BUILDING SIZE (GLA)</u>	27,180 SF
<u>LEASE AREA</u>	2,250 SF and 4,770 SF (25% office)
<u>LEASE RATE &amp; TERMS</u>	\$12.45/SF, Triple Net 3%-4% Annual Increases 5 Years
<u>COMMENTS</u>	<p>Leesburg Commerce Park, located on the north side of W. Main Street, just east of County Road 468 and 1.5 miles west of US Highway 27. Easy access to the Turnpike and I-75. Building height is 24' to 26', roll-up doors are 10'12'.</p> <p>Suite 100-101 (4,770 SF) had a 5-year lease signed at \$12/SF NNN starting May 2023 with 4% annual increase. Suite 102 (2,520 SF) had a 5-year lease signed at \$12/SF NNN starting April 2023 with 3% annual increase.</p>
<u>CONTACT</u>	Subject of CRM File No. 23-097 Lou Forges (listing broker) 407-592-7710

RENT COMPARABLE 7

<u>PROPERTY TYPE</u>	Multi-Tenant Industrial Office/Warehouse
<u>LOCATION</u>	411 N. 14 <sup>th</sup> Street Leesburg, Lake County, Florida 34748
<u>YEAR BUILT / CONDITION</u>	1964 & 1989 / Average
<u>CONSTRUCTION QUALITY</u>	Steel Frame & Metal / Average
<u>BUILDING SIZE (GLA)</u>	41,300 SF
<u>LEASE AREA</u>	3,400 SF (200 SF office or 6%)
<u>LEASE RATE &amp; TERMS</u>	\$12.00/SF, Modified Gross (asking rate) 3% Annual Increase 1 to 3 Years
<u>COMMENTS</u>	Located in the Leesburg Commerce Center on 14 <sup>th</sup> Street (US Hwy 27), about one mile south of the merge with US Hwy 441. The center is a condominium project which is majority owned. Unit 260 is available for lease containing 3,400 SF of flex warehouse space with 200 SF of office. 3 phase power, 2 grade-level bay doors, 14' clear height. In October 2023, the broker stated that this market is hot and he is finalizing a lease deal at asking rate.
<u>CONTACT</u>	Eric Coe (listing broker) 407-718-7841

## VACANCY AND COLLECTION LOSS

It is reasonable to expect some loss in income over an anticipated upcoming twelve-month period. This loss in income would be a combination of a reduction in the potential gross income due to actual vacancy of the structure as well as the inability of the owner to collect rents from troublesome tenants, thereby reducing potential gross income due to collection losses. Based on the general occupancy rate of the area and assumed quality of a long-term tenant, we estimated a nominal 2% vacancy and a 1% credit loss. Therefore, the subject's stabilized vacancy and collection loss is estimated at 3% or \$36,042.

## EFFECTIVE GROSS INCOME

Subtracting the vacancy and collection loss from the potential gross income indicates an annual effective gross income of \$1,165,360 or \$15.25/SF of building area.

## OPERATING EXPENSES

Before reaching an estimate of net operating income for the subject property, expenses must be deducted from the projected total revenue. Operating expenses are the periodic expenditures necessary to maintain the real property and to continue the production of the effective gross income.

We have analyzed the subject on a triple net (NNN) lease basis, meaning the tenant pays a base rent and reimburses ownership for pro-rata share of real estate taxes, property insurance, common area maintenance/utilities, and their own electric, water/sewer, trash, pest control, janitorial & telephone/internet. The landlord is responsible for management fee and reserves for replacement.

The subject has always been owner-occupied therefore no CAM expense history was available for analysis. The following operating expenses were estimated based on projected real estate taxes and estimates based on conversations with the listing broker, comparable data and industry averages for this property type.

### ***Real Estate Taxes***

As previously discussed in the *Real Estate Tax Information* section of the report, considering a 4% early payment discount, the tax expense was estimated at \$189,141 or \$2.48/SF. This expense is reimbursed by the tenants as part of the CAM fee.

***Property Insurance***

Based on data from the subject and industry averages, the insurance expense was estimated at \$38,199 or \$0.50/SF. This expense is reimbursed by the tenants as part of the CAM fee.

***Common Area Maintenance/Repairs/Utilities***

This expense includes common area expenses including typical maintenance/repairs to the buildings, landscaping and utilities. Based on the expense information from other similar properties and industry averages, this expense was estimated at \$0.75/SF or \$57,298. This expense is reimbursed by the tenants as part of the CAM fee.

***Management Fees***

Management fees are generally based on a percentage of effective gross income. The range for similar income producing properties is from 2% to 6% of effective gross income depending upon the management intensities and the requirements of the individual owner. The subject is considered to be low management intensive; therefore, the management fee was estimated at 3% or \$34,961.

***Reserves for Replacement***

Reserves for replacement provide for replacement of long-lived items, which are necessary in order to sustain a projected level of income. Long-lived items would include, but are not limited to, structural repairs, roof maintenance, HVAC replacement, parking lot resurfacing, etc. We estimated the replacement reserves expense at \$0.20/SF or \$15,279 per year.



## TOTAL EXPENSES AND NET OPERATING INCOME

Based on the expense estimates, total annual expenses were estimated at \$334,878 or \$4.38/SF (28.74% of EGI), of which \$284,638 or \$3.73/SF is reimbursed to the landlord by the tenants for the CAM fee operating expenses. Subtracting total expenses from effective gross income indicates an estimated net operating income of \$830,482 or \$10.87/SF.

## CAPITALIZATION RATE

Direct capitalization is used to convert an estimate of a single-year's income expectation into an indication of value. This is done by dividing the income estimate by an appropriate capitalization rate. The key figure in this calculation is the capitalization rate. Overall rates can be extracted from sales of similar properties where accurate income information is available. In such cases, net income is divided by the sales price to yield the overall capitalization rate. The reverse process is used to determine the market value of a property if its anticipated next year's net cash flow is known. In that case, the net income figure is divided by the capitalization rate to yield a value indication.

Overall capitalization rates reflected by transactions of similar properties give a reliable indication of an overall rate that the subject property could expect. These types of properties are normally held by investors out of the local market. The owners of these property types are typically very sophisticated and well capitalized. However, generally the only market data for cap rates available for this property type are from investment grade properties.

Capitalization rates factor in tenant quality and remaining lease term. In determining an applicable cap rate, we have utilized three techniques as follows:

1. **Capitalization Rates of Improved Sales:** This method involves extracting capitalization rates from sales of leased properties. Primary emphasis is placed on this method when there is ample sales data and verification is considered good. If only limited sale cap rate data is available, appraisers will sometimes consider cap rates indicated by current listings for sale.
2. **National Investment Surveys:** This method involves analysis of national investment surveys. Secondary emphasis is usually placed on this method, especially for local non-credit tenant operations because the market survey is generally of investment grade properties.
3. **Band of Investment Technique:** This technique indicates an overall capitalization rate by taking into account the investment requirements of the mortgage and equity investors (i.e., the lender and the investor). We have obtained general lending and investment criteria from the RealtyRates.com survey that we have used to formulate the band of investment method. Less emphasis is usually placed on this method, but it provides a good check for reasonableness.

### Capitalization Rates of Comparable Improved Sales/Listings

We researched comparable sales on a regional basis and found several overall cap rate indications from similar properties. The sales we found indicated cap rates ranging from 4.00% to 7.07% with an average of 5.64%.

<b>INDUSTRIAL OFFICE/WAREHOUSE SALE CAP RATES</b>					
<b>Location</b>	<b>Sale Date</b>	<b>Size SF</b>	<b>Price</b>	<b>Per SF</b>	<b>Cap Rate</b>
4822 S. Orange Ave, Orlando	06/20/23	14,950	\$1,940,000	\$129.77	4.00%
4265 Church St, Sanford	02/15/23	17,120	\$2,500,000	\$146.03	5.00%
2550 Connection Pt, Oviedo	01/06/23	50,600	\$10,800,000	\$213.44	6.00%
1020 Crown Park Cir, Winter Garden	12/14/22	25,028	\$5,150,175	\$205.78	5.20%
4501 SW 34th St, Orlando	11/02/22	40,615	\$6,950,000	\$171.12	5.80%
2475 Regent Ave, Orlando	08/26/22	10,166	\$1,515,000	\$149.03	7.07%
8350 Parkline Blvd, Orlando	08/16/22	81,750	\$13,350,000	\$163.30	5.46%
6363 Edgewater Dr, Orlando	08/09/22	32,736	\$5,600,000	\$171.07	5.00%
6333 McCoy Rd, Orlando	05/23/22	42,400	\$9,650,000	\$227.59	6.12%
1050 Miller Dr, Altamonte Springs	05/18/22	48,255	\$5,850,000	\$121.23	5.77%
2328 Montclair Rd, Leesburg	03/31/22	35,490	\$7,145,900	\$201.35	4.50%
2380 W. 25th St, Sanford	01/07/22	52,888	\$4,200,000	\$79.41	7.00%
7038 Stapoint Ct, Winter Park	11/23/21	28,000	\$4,200,000	\$150.00	6.45%
<b>AVERAGE</b>		<b>36,923</b>	<b>\$6,065,467</b>	<b>\$163.78</b>	<b>5.64%</b>

### National Investment Surveys

A secondary method of estimating overall capitalization rates for improved properties is via utilization of investment surveys compiled by various research groups and investment banks. These yields are considered to be the best indicators available of general yield expectations in the marketplace.

We reviewed the RealtyRates.com *Investor Survey* (1<sup>st</sup> Quarter 2024 Edition, 4<sup>th</sup> Quarter 2023 Data) which presents the results of polling of appraisal and brokerage firms, developers, investors, and lenders nationwide. The survey showed that for Industrial – Warehouse & Distribution Centers, overall capitalization rates via the Band of Investment Technique range from 6.28% to 12.34% with an average of 8.46%, and overall capitalization rates via Surveyed Rates range from 5.91% to 11.60% with an average of 8.61%.

We reviewed the RealtyRates.com *Market Survey* (1<sup>st</sup> Quarter 2024 Edition, 4<sup>th</sup> Quarter 2023 Data), which tracks sales, income, occupancy and expense data, as well as operating rates and ratios for various property types. Information is provided for twelve regional areas encompassing the 48 continental U.S. states and the District of Columbia, as well as three to four selected metro market areas within each region, a total of 45 in all. for Florida – Class A & B Industrial Buildings, the average overall cap rate for Warehouse/Distribution properties in the Orlando area was 8.5%.

According to *2023 End Of Year Industrial Market Report* prepared by Matthews Real Estate

**CLAYTON, ROPER & MARSHALL**

Investment Services, the national industrial market experienced significant upticks in cap rates in 2023, reaching 6.0% by year-end, a 63 basis point change year-over-year. Between early 2022 and late 2023, average cap rates increased by roughly 150 basis points. Class A properties recorded an average cap rate of 5.00% amid financing rates of 6.5% or more. While the cap rate is dependent on market and asset class, the southwest and southeast experienced the most substantial cap rate movement, the Midwest remained flat, and Mid-Atlantic reported a slight decline. The signs of volatility within the transaction market have largely been attributed to the misalignment between buyers and sellers and higher interest rates that have made refinancing more difficult. In 2024, buyer and seller expectations will be more aligned, but additional cap rate increases in 2024 are expected, though the market settling into an upward pricing trend is not guaranteed.

The 3<sup>rd</sup> Quarter 2023 PwC Real Estate Investor Survey the National Warehouse market reported overall cap rates ranging from 3.00% to 6.50% with an average of 4.97% for investment grade properties. The average is up 1 basis point from the previous quarter and up 68 basis points from a year ago.

## NATIONAL WAREHOUSE MARKET

Third Quarter 2023

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
<b>DISCOUNT RATE (IRR)<sup>a</sup></b>					
Range	5.25% – 8.00%	5.25% – 8.00%	5.00% – 8.00%	5.25% – 7.50%	5.25% – 9.00%
Average	6.63%	6.48%	5.98%	6.13%	6.38%
Change (Basis Points)		+ 15	+ 65	+ 50	+ 25
<b>OVERALL CAP RATE (OAR)<sup>a</sup></b>					
Range	3.00% – 6.50%	3.00% – 7.00%	3.00% – 5.75%	3.40% – 7.00%	1.50% – 6.25%
Average	4.97%	4.96%	4.29%	4.84%	4.62%
Change (Basis Points)		+ 1	+ 68	+ 13	+ 35
<b>RESIDUAL CAP RATE</b>					
Range	4.00% – 6.50%	4.00% – 6.50%	3.75% – 6.50%	4.50% – 7.00%	4.50% – 7.25%
Average	5.38%	5.31%	4.89%	5.48%	5.64%
Change (Basis Points)		+ 7	+ 49	- 10	- 26
<b>MARKET RENT CHANGE<sup>b</sup></b>					
Range	0.00% – 5.00%	0.00% – 5.00%	0.00% – 10.00%	0.00% – 5.00%	0.00% – 7.00%
Average	2.46%	2.41%	3.15%	0.57%	2.60%
Change (Basis Points)		+ 5	- 69	+ 189	- 14
<b>EXPENSE CHANGE<sup>b</sup></b>					
Range	0.00% – 4.00%	0.00% – 5.00%	0.00% – 5.00%	0.00% – 4.00%	0.00% – 3.00%
Average	2.38%	2.50%	2.64%	2.23%	2.30%
Change (Basis Points)		- 12	- 26	+ 15	+ 8
<b>MARKETING TIME<sup>c</sup></b>					
Range	1 – 9	1 – 9	1 – 9	1 – 9	1 – 9
Average	3.7	3.7	3.4	4.4	4.2
Change (▼, ▲, =)		=	▲	▼	▼
<b>FORECAST VALUE CHANGE<sup>d</sup></b>					
Range	(30.0%) – 5.0%	(20.0%) – 5.0%	(25.0%) – 20.0%	(15.0%) – 9.0%	0.0% – 15.0%
Average	(2.6%)	(1.3%)	4.0%	1.6%	5.2%
Change (▼, ▲, =)		▼	▼	▼	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months d. Over next 12 months

Source: PwC Investor Survey; survey conducted by PwC during July 2023

<b>RealtyRates.com INVESTOR SURVEY - 1st Quarter 2024*</b>						
<b>INDUSTRIAL - WAREHOUSES &amp; DISTRIBUTION CENTERS</b>						
<b>Item</b>	<b>Input</b>					<b>QAR</b>
<b>Minimum</b>						
Spread Over 10-Year Treasury	1.05%	<b>DCR Technique</b>	1.10	0.062301	0.87	<b>5.96</b>
Debt Coverage Ratio	1.10	<b>Band of Investment Technique</b>				
Interest Rate	5.55%	Mortgage	87%	0.062301	0.054202	
Amortization	40	Equity	13%	0.066357	0.008626	
Mortgage Constant	0.062301	QAR				<b>6.28</b>
Loan-to-Value Ratio	87%	<b>Surveyed Rates</b>				<b>5.91</b>
Equity Dividend Rate	6.64%					
<b>Maximum</b>						
Spread Over 10-Year Treasury	3.28%	<b>DCR Technique</b>	1.80	0.113159	0.60	<b>12.22</b>
Debt Coverage Ratio	1.80	<b>Band of Investment Technique</b>				
Interest Rate	7.78%	Mortgage	60%	0.113159	0.067896	
Amortization	15	Equity	40%	0.138652	0.055461	
Mortgage Constant	0.113159	QAR				<b>12.34</b>
Loan-to-Value Ratio	60%	<b>Surveyed Rates</b>				<b>11.60</b>
Equity Dividend Rate	13.87%					
<b>Average</b>						
Spread Over 10-Year Treasury	2.17%	<b>DCR Technique</b>	1.31	0.079418	0.74	<b>7.65</b>
Debt Coverage Ratio	1.31	<b>Band of Investment Technique</b>				
Interest Rate	6.67%	Mortgage	74%	0.079418	0.058372	
Amortization	28	Equity	27%	0.098890	0.026206	
Mortgage Constant	0.079418	QAR				<b>8.46</b>
Loan-to-Value Ratio	74%	<b>Surveyed Rates</b>				<b>8.61</b>
Equity Dividend Rate	9.89%					

\*4th Quarter 2023 Data

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RealtyRates.com MARKET SURVEY - 1st Quarter 2024*										
Florida - Class A & B Industrial Buildings										
	Jacksonville		Miami/Dade		Orlando		Tampa Bay		Region	
	VH	Flex	VH	Flex	VH	Flex	VH	Flex	VH	Flex
	Dist	R&D	Dist	R&D	Dist	R&D	Dist	R&D	Dist	R&D
<b>Operating Data</b>										
<b>Income</b>										
Asking Rent	\$6.55	\$13.34	\$10.80	\$16.58	\$7.79	\$15.99	\$7.62	\$12.71	\$8.09	\$14.59
Effective Rent	\$6.19	\$12.74	\$10.19	\$15.47	\$7.61	\$15.48	\$7.35	\$12.26	\$7.79	\$14.07
Reimbursable Exp.	\$2.22	\$5.22	\$2.74	\$6.45	\$2.22	\$5.22	\$2.14	\$5.03	\$2.30	\$5.41
Total Income	\$8.41	\$17.96	\$12.93	\$21.92	\$9.83	\$20.70	\$9.49	\$17.29	\$10.09	\$19.48
Vacancy Rate	8.4%	8.2%	2.9%	3.4%	7.9%	6.3%	6.9%	10.1%	6.4%	6.7%
EGI	\$7.71	\$16.48	\$12.55	\$21.16	\$9.05	\$19.41	\$8.84	\$15.55	\$9.45	\$18.17
<b>Expenses</b>										
Total Expenses	\$2.39	\$5.61	\$2.95	\$6.93	\$2.39	\$5.61	\$2.30	\$5.41	\$2.47	\$5.82
Expense Ratio	30.97%	34.05%	23.47%	32.75%	26.36%	28.93%	26.03%	34.80%	26.16%	32.01%
<b>NOI</b>	<b>\$5.32</b>	<b>\$10.87</b>	<b>\$9.61</b>	<b>\$14.23</b>	<b>\$6.67</b>	<b>\$13.79</b>	<b>\$6.54</b>	<b>\$10.14</b>	<b>\$6.98</b>	<b>\$12.35</b>
<b>Investment Data</b>										
<b>Avg Sale Price</b>	<b>\$67</b>	<b>\$114</b>	<b>\$104</b>	<b>\$159</b>	<b>\$79</b>	<b>\$148</b>	<b>\$79</b>	<b>\$126</b>	<b>\$81</b>	<b>\$136</b>
<b>OAR</b>	<b>8.0%</b>	<b>9.6%</b>	<b>9.3%</b>	<b>8.9%</b>	<b>8.5%</b>	<b>9.4%</b>	<b>8.3%</b>	<b>8.1%</b>	<b>8.6%</b>	<b>9.0%</b>
<b>GRM</b>	<b>10.74</b>	<b>8.91</b>	<b>10.15</b>	<b>10.30</b>	<b>10.31</b>	<b>9.53</b>	<b>10.75</b>	<b>10.24</b>	<b>10.43</b>	<b>9.70</b>
<b>EGIM</b>	<b>8.63</b>	<b>6.89</b>	<b>8.24</b>	<b>7.53</b>	<b>8.67</b>	<b>7.60</b>	<b>8.94</b>	<b>8.07</b>	<b>8.60</b>	<b>7.51</b>

\*4th Quarter 2023 Data

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## Band of Investment Technique

A final method utilized to determine an appropriate capitalization rate is the "Band of Investment" technique. We have estimated the interest rate for the mortgage on the subject property to be approximately 7.00% with a 25-year amortization. Also, in the analysis of the Band of Investment, it is required that we understand the equity requirement of an investor in a property such as the subject. In the present market, considering the rate of return paid by banks and the United States government on short-term obligations, it is our opinion that investors in this type of property are normally willing to accept an equity dividend rate of approximately 8% to 12%. Considering the advantages of ownership, including appreciation and depreciation for tax purposes, an 8% equity dividend rate would be considered reasonable. The typical loan-to-value ratio of a property such as the subject would be 75%, which would be applied to the mortgage constant of 8.48%, with the remaining 25% applied at the equity dividend rate required by the investor of 8.00%. The indicated capitalization rate via the band of investment method is 8.36%, as summarized in the following exhibit.

<b>BAND OF INVESTMENT METHOD</b>				
<b>MORTGAGE/ EQUITY ASSUMPTIONS</b>				
Loan to Value Ratio	75%			
Interest rate	7.00%			
Amortization (Years)	25			
Mortgage Constant	8.48%			
Equity Ratio	25%			
Equity Dividend Rate	8.00%			
<b>WEIGHTED AVERAGE OF MORTGAGE AND EQUITY REQUIREMENTS</b>				
Mortgage Requirement	75%	X	0.0848	6.36%
Equity Requirement	25%	X	0.0800	2.00%
Capitalization Rate				8.36%

## Reconciled Overall Capitalization Rate

Based on the list of sale cap rates with support from the investor surveys and the Band of Investment Technique, as well as interviews from brokers and market participants, we believe these cap rates provide a good bracket for the subject property.

The property is well located within the City of Gainesville in an established industrial park with good access to US Highway 441 State Roads 222 and 24 and Interstate 75. The building is of good quality construction with a typical modern appeal/design and is adaptable to a variety of uses. Overall, the subject offers a product with a functional layout and attractive design.

Therefore, based on the available market data and characteristics of the subject property, we estimate an applicable overall capitalization rate of 7.50%.

<b>CAPITALIZATION RATE SUMMARY</b>	
Comparable Improved Sales	5.64%
PwC Investor Survey - National Industrial Market	4.97%
RealtyRates Investor Survey - Industrial Warehouse & Distribution (BOI Technique)	8.46%
RealtyRates Investor Survey - Industrial Warehouse & Distribution (Surveyed Rates)	8.61%
RealtyRates Market Survey - Class A & B Industrial Warehouse Buildings (Orlando)	8.50%
Band of Investment	8.36%
<b>AVERAGE</b>	<b>7.42%</b>
<b>Subject Estimated Cap Rate</b>	<b>7.50%</b>

### **INCOME APPROACH CONCLUSION**

The overall capitalization rate is then applied to the net operating income. Therefore, based on the Income Approach (Direct Capitalization method), the “As Is” market value of the fee simple interest in the subject property, effective May 22, 2024, was estimated at \$11,073,090 (\$830,482 / 0.075), **rounded to \$11,100,000 or \$145.29/SF.**



## INCOME APPROACH SUMMARY

<b>INCOME APPROACH - DIRECT CAPITALIZATION</b>				
<b>"As Is" Market Value - Fee Simple Interest - May 22, 2024</b>				
<b>6125 NW 18th Drive, Gainesville, Alachua County, Florida 32653</b>				
<b>POTENTIAL GROSS INCOME</b>				
	SIZE	ANNUAL	MONTHLY	ANNUAL
UNIT RENT	SF GLA	RENT / SF	GROSS RENT	POTENTIAL GROSS INCOME
Leaseable Space	76,397	\$12.00	\$76,397	\$916,764
Gross Rental Income	76,397	\$12.00	\$76,397	\$916,764
CAM Fee (Reimbursed Expenses)		\$3.73	\$23,720	\$284,638
<b>Potential Gross Income</b>		<b>\$15.73</b>	<b>\$100,117</b>	<b>\$1,201,402</b>
Less: Vacancy & Collection Loss	3.0%	(\$0.47)	(\$3,004)	(\$36,042)
<b>EFFECTIVE GROSS INCOME</b>		<b>\$15.25</b>	<b>\$97,113</b>	<b>\$1,165,360</b>
<b>OPERATING EXPENSES</b>				
FIXED EXPENSES		PER SF	% OF EGI	TOTAL
Real Estate Taxes	Tenant (CAM)	\$2.48	16.23%	\$189,141
Property Insurance	Tenant (CAM)	\$0.50	3.28%	\$38,199
Total Fixed Expenses		\$2.98	19.51%	\$227,340
VARIABLE EXPENSES				
Maintenance/Repairs/Utilities	Tenant (CAM)	\$0.75	4.92%	\$57,298
Management Fees	Landlord	\$0.46	3.00%	\$34,961
Reserves For Replacement	Landlord	\$0.20	1.31%	\$15,279
Total Variable Expenses		\$1.41	9.23%	\$107,538
<b>TOTAL OPERATING EXPENSES</b>		<b>\$4.38</b>	<b>28.74%</b>	<b>\$334,878</b>
<b>NET OPERATING INCOME</b>		<b>\$10.87</b>	<b>71.26%</b>	<b>\$830,482</b>
<b>"As Is" Market Value - Fee Simple Interest - May 22, 2024</b>				
Net Operating Income		\$830,482		
Capitalization Rate		7.50%		
"As Stabilized" Market Value		\$11,073,090		
<b>ROUNDED</b>		<b>\$11,100,000</b>	<b>\$145.29 Per SF</b>	

## RECONCILIATION AND FINAL VALUE ESTIMATE

As requested, we have made the inspections, investigations, and analyses necessary to appraise the subject property. The purpose of this appraisal report was to estimate the "As Is" market value of the fee simple interest in the subject property.

In the case of the subject property, the Sales Comparison Approach and Income Approach were pertinent to the assignment and resulted in credible results. The Sales Comparison Approach was applicable is relevant since it reflects the actions of buyers and sellers in the current market, and there were ample sale data sources available. The Income Approach was applicable because the subject property could be leased to a single-tenant or on a multi-tenant basis and offer an income producing property. Ample comparable rental data was available. The Cost Approach was not applied due to the advanced age of the building and resulting difficulty in estimating depreciation. Also, market participants confirm cost analysis is not a primary factor in buy/sell decisions for older properties such as the subject. Primary consideration is given to the Sales Comparison Approach with secondary consideration applied to the Income Approach.

<b>MARKET VALUE INDICATIONS</b>	
<b>Value Description</b>	<b>Value Indication</b>
<b>"As Is" Market Value - Fee Simple Interest - May 22, 2024</b>	
Cost Approach	N/A
Sales Comparison Approach	\$11,100,000
Income Approach	\$11,100,000

Based upon our investigation into those matters that affect market value, and by virtue of our experience and training, we have estimated the "As Is" market value of the fee simple interest in the subject property, effective May 22, 2024, to be:

**ELEVEN MILLION ONE HUNDRED THOUSAND DOLLARS**  
**(\$11,100,000).**

ADDENDUM

## QUALIFICATIONS OF CRAIG H. CLAYTON, MAI

### **BUSINESS ADDRESS**

Clayton, Roper & Marshall  
246 North Westmonte Drive  
Altamonte Springs, Florida 32714

Ph: (407) 772-2200 x 315  
Fax: (407) 772-1340  
cclayton@crmre.com

### **PROFESSIONAL ASSOCIATIONS**

MAI Designation - Appraisal Institute, Certificate #6441  
Appraisal Institute - East Florida Chapter President (2005)  
Appraisal Institute - Standards of Professional Practice – Former Committee Member  
Appraisal Institute - Regional Ethics and Counseling Panel – Former Committee Member  
Appraisal Institute - Admissions Committee – Former Chapter Admissions Committee Chairman  
Member - Orlando-Winter Park Board of Realtors (REALTOR)  
Member - Florida Association of Realtors  
Member - National Association of Realtors  
State-Certified General Appraiser - State of Georgia - Exp. June 30, 2024, License No. CG 5138  
State-Certified General Appraiser - State of Florida - Exp. November 30, 2024, License No. RZ 118  
Licensed Real Estate Broker – State of Florida – Exp. March 31, 2024, License No. BK 128405  
Certificate of Completion for the Valuation of Conservation Easements Certificate Program, as offered by the American Society of Appraisers, the American Society of Farm Managers and Rural Appraisers and the Appraisal Institute and endorsed by the Land Trust Alliance. This certificate indicates that Craig H. Clayton, MAI, has completed the Valuation of Conservation Easements educational requirements and passed the examination – January 14-18, 2008, Tallahassee Florida.

### **EDUCATION**

Bachelor of Science in Business Administration (BSBA)  
University of Florida, Gainesville, Florida  
Major - Real Estate, Graduated - 1975  
Master in Business Administration (MBA)  
University of Florida, Gainesville, Florida  
Major - Real Estate, Graduated - 1976

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAI's and RM's who meet the minimum standards of this program are awarded periodic educational certification. Craig H. Clayton is currently certified under this program through December 31, 2027.

### **APPRAISAL COURSES SPONSORED BY THE APPRAISAL INSTITUTE**

*(formerly the American Institute of Real Estate Appraisers)*

Course II (Urban Case Studies), University of Colorado	-1977
Course VII (Industrial Valuation), Lake Lanier, Georgia	-1981
Course #2-3 (Standards of Professional Practice), Orlando, Florida	-1984
Standards of Professional Practice Update, Orlando, Florida	-1988
Standards of Professional Practice Update, Parts A & B, Orlando, Florida	-1992
Standards of Professional Practice Update, Part A, Orlando, Florida	-1998
Standards of Professional Practice Update, Part B, Orlando, Florida	-1998
Florida State Law and USPAP Review for R.E. Appraisers	-2000
Florida State Law Update for Real Estate Appraisers	-2002
Standards of Professional Practice, Part C	-2002
National Uniform Standards of Professional Appraisal Practice (USPAP) Update Course	-2004
Scope of Work and the New USPAP Requirements	-2006
Business Practices and Ethics	-2007

**APPRAISAL COURSES SPONSORED BY THE APPRAISAL INSTITUTE (continued)**

Valuation of Conservation Easements	-2008
2008-2009 7-Hour National USPAP Update Course	-2008
Florida Law Update for Real Estate for Appraisers	-2008
Supervisor/Trainee Roles & Relationship	-2008
Florida Law Update for Real Estate for Appraisers	-2010
Supervisor/Trainee Roles and Rules	-2010
2010-2011 7-Hour National USPAP Update Course	-2010
Condemnation Appraising Principles and Applications	-2010
Central Florida Real Estate – 2011 Valuation Forum (Presenter)	-2011
Business Practices & Ethics	-2012
IRS Valuation – Webinar	-2012
Course 833 – Fundamentals of Separating Real Property, Personal Property And Intangible Business Assets	-2012
Florida Law Update for Real Estate for Appraisers	-2012
2012-2013 7-Hour National USPAP Update Course	-2012
Florida Law Update for Real Estate for Appraisers	-2014
2014-2015 7-Hour National USPAP Update Course	-2014
Evaluating Commercial Construction	-2014
2014 Central Florida Real Estate Forum – Unity of the Community	-2014
AI Business Practices and Ethics	-2015
2015 Central Florida Real Estate Forum – A Sustainable Growth Story	-2015
Florida Law Update for Real Estate for Appraisers	-2016
2016-2017 7-Hour National USPAP Update Course	-2016
Online Cool Tools: New Technology for Real Estate Appraisers	-2016
2017 Central Florida Real Estate Forum	-2017
Appraising for the Dept. of the Interior – Office of Valuation Services (OVS) And Other Federal Agencies	-2018
2018-2019 7-Hour National USPAP Update Course	-2018
Florida Law Update for Real Estate for Appraisers	-2018
2018 Central Florida Real Estate Forum	-2018
2019 Central Florida Real Estate Forum	-2019
3-Hour Florida Law Update for Real Estate Appraisers	-2020
2020-2021 7-Hour National USPAP Update Course	-2020
AI Business Practices and Ethics	-2020
Valuation of Donated Real Estate Including Conservation Easement	-2020
Legal Issues for Non-Lending & Litigation Appraisal Assignments	-2021
What's Up In Technology for Real Estate Appraisers	-2021
2022-2023 7-Hour National USPAP Update Course	-2022
3-Hour Florida Law Update for Real Estate Appraisers	-2022
2022 Central Florida Real Estate Forum	-2022
Six Recent Lawsuits and Lessons Learned From Each	-2022
What's Up In Technology for Real Estate Appraisers	-2022
Insurance Appraisals-Report Contents and Valuation	-2022

**REAL ESTATE COURSES SPONSORED BY THE APPRAISAL INSTITUTE***(formerly the Society of Real Estate Appraisers)*

Course 101 (Introduction to Appraising Real Property) - University of Florida	-1977
Course 201 (Principals of Income Property Appraising) - University of Florida	-1974

**SEMINARS**

Market Analysis for Appraising and Real Estate Investment Analysis	-1977
The Influence of Capital Markets on Real Estate Valuation	-1980
Land Development and Market Analysis	-1980
Discount and Capitalization Rates, Their Components and How to Find Them	-1981
Fifth Colloquium on Real Estate and Land Use Models passed	-1981
Creative Financing/Cash Equivalency	-1982
Developing Small Office Buildings	-1983
Appraisers and Communication Tools	-1984
Is Judgment Obsolete in the High Tech Era?	-1984
Subdivision Analysis	-1985
R-41b Overview	-1985
Appraising for Pension Funds	-1986
Valuation of Multi-Family Housing	-1986
Tax Reformation and its Effect on Real Property	-1986
Use of Videotaping in Eminent Domain Trials	-1986
Memorandum R-41c	-1986
Underwriting Guidelines and the Appraiser	-1986
Where is the Real Estate Industry Going?	-1986
Valuation Under FHLBB Regulations: An Update	-1987
Resort Hotel Development	-1987
Hands On Computer Session	-1987
Environmental Regulations Affecting Land Use and Value	-1988
Easement Valuation	-1988
Real Estate Boundary Law given by Professional Education Systems, Inc.	-1989
Managing Real Estate Assessment	-1989
Hotel - Motel Valuation Seminar	-1990
Concurrency	-1990
Appraisal Regulations of the Federal Banking Agencies	-1990
Americans with Disabilities Act	-1992
Valuation Considerations: Appraising Nonprofit Properties	-1992
Rates, Ratios and Reasonableness	-1992
The Challenge of Measuring External Obsolescence	-1992
Appraising Interim Use Properties	-1992
Affordable Housing Initiatives - Urban Land Institute	-1993
Understanding Limited Appraisals & Reporting Options - General	-1994
Professional Standards USPAP Update Core Law for Appraisers	-1994
The Appraiser in Litigation	-1994
How to Appraise FHA-Insured Property	-1995
Fair Lending and the Appraiser	-1995
Electro-Magnetic Fields	-1995
Less than Fee Acquisitions/Mineral Rights/Remnants/Highest and Best Use	-1996
1996 Real Estate Law Symposium	-1996
Professional Standards USPAP Update Core Law for Appraisers	-1998
R4321 - Rates & Ratios Used in the Income Capitalization Approach	-1998
Highest and Best Use Applications	-1998
Small Hotel/Motel Valuation Seminar	-1998
665 - Understanding and Using DCF Software	-1998
Lease Abstracting & Analysis	-1999
International Symposium - The Globalization of Real Estate	-1999
Technology Forum, Parts I and II	-1999
Valuation and the Evolution of the Real Estate Capital Markets	-1999

**SEMINARS (continued)**

Appraising from Blueprints and Specifications	-2000
SFWMD Current Appraisal Issues in Florida	-2000
The IRS & FLPS: Where are we Now?	-2000
The Real Estate Capital Markets: An Update to Valuers (Parts I and II)	-2000
Bridging the Gap: Marketability Discounts for Real Estate Interest	-2000
The Effect of E-Commerce on Real Estate Value	-2000
HUD MultiFamily Accelerated Processing (MAP) - 3rd Party Technical Training Seminar	-2000
Exchanges/An Investors Dream - A Comprehensive Study of the Creative Possibilities	-2001
SFWMD Current Appraisal Issues in Florida	-2001
Land Acquisition & Management Partnership Conference	-2001
Section 8/HUD: Rent Comparability Studies	-2001
The Appraisal Institute Commercial Database and Appraiser Loop	-2002
USPAP The Changing Role of the Appraiser and USPAP	-2002
Financial Reporting Valuations: Part 1, Principles and Concepts	-2002
The Aftermath: Our World Post September 11: A General/Commercial View	-2002
Technology Update II, Computer Hardware and Software	-2002
Appraisal Review	-2003
2003 National Public Land Acquisition & Management Partnership Conference	-2003
Appraising a Proposed Property	-2004
Timberland Appraisal Methods	-2004
Uniform Appraisal Standards for Federal Land Acquisitions "The Yellowbook"	-2004
New Technology for the Real Estate Appraiser: Cool Tools	-2004
Site to Do Business	-2005
Florida State Law for Real Estate Appraisers	-2005
Conservation Easements	-2005
Inspecting Commercial Properties	-2005
Beat the Clock	-2005
An Overview of the Hospitality & Wine Industries	-2005
National USPAP Update	-2005
Subdivision Valuation: A Comprehensive Guide to Valuing Improved Subdivisions	-2006
Case Studies in Financial Harmonization	-2006
SFWMD - Appraisal Seminar	-2006
SFWMD - Appraisal Seminar	-2007
A Professional's Guide to Conservation Easements	-2007
The Real Estate Economy: What's in Store for 2008?	-2007
Making Sense of the Changing Landscape of Valuation: Cool Tools	-2007
The Valuation of Wetlands	-2007
Sovereignty Submerged Land Easements	-2008
SFWMD – Appraisal Seminar	-2008
HUD Multi-Family Accelerated Processing (MAP) - 3rd Party Technical Training Seminar	-2009
HUD Multi-Family Accelerated Processing (MAP) - 3rd Party Technical Training Seminar	-2010
HUD Multi-Family Accelerated Processing (MAP) - 3rd Party Technical Training Seminar	-2012
Orlando Regional Realtor Association – 3 <sup>rd</sup> Cycle Quad Code of Ethics	-2012
The Nuts and Bolts of Green Building for Appraisers (with Audio and Video)	-2016
Yellow Book Changes – Overview for Appraisers	-2017
Drone Technology and its Impact on the Appraisal Industry	-2017
PLAM – Public Lands Acquisition & Management Partnership Conference	-2019

**EXPERIENCE**

Real Estate Appraiser, Consultant and Market Analyst with  
Pardue, Heid, Church, Smith & Waller, Inc. 1976-1982

Co-Founder and President of Clayton, Roper & Marshall, Inc. Since 1982  
(formerly Clayton & Roper Appraisal Services)

Testified as Expert Witness in Brevard, Orange, Seminole, Osceola, Lake, Hernando, Volusia and Indian River Counties


Testified as Expert Witness in Federal Bankruptcy Court in Orlando, Miami, Tampa, Jacksonville, Memphis and Pittsburgh

Property Appraisal Adjustment Board Member for Orange, Osceola, and Seminole Counties, Florida

- Diverse clientele including individuals, lenders, trustees, corporations, government agencies, attorneys, accountants, developers, builders and non-profit organizations.
- Designed, authored and extensively utilized computer software (programs) for real estate appraisal and investment analysis applications for the benefit of my clients.
- 46 Years' Experience in Appraisals, Market Studies and Feasibility Studies of Diverse Property Types including
  - Apartments for HUD, FNMA, Freddie Mac and Conventional Purposes
  - Assisted Living Facilities and Nursing Homes
  - Hotel/Motel Properties
  - Mixed-Use Planned Unit Developments (PUD's)
  - Subdivisions and Single Family Properties
  - Condominium Projects
  - Commercial and Retail Buildings
  - Shopping Centers
  - Office Buildings and Parks
  - Industrial Parks and Buildings
  - Self-Storage Buildings
  - Agricultural Cropland, Pasture Ranches, Timberlands, Sugar Cane and Citrus Groves
  - Environmentally Endangered Lands - Waterfront, Lowlands, Coastal Barrier Islands
  - Conservation Easements
  - Mitigation Banks
  - Recreational Properties - i.e., Golf Courses, Ski Resorts, Marinas, etc.
  - Mobile Home Parks and Subdivisions
  - New Community Developments
  - Resort Developments
  - Special Use Properties
  - Special Purpose Properties
  - Litigation Assignments




**STATE OF FLORIDA CERTIFICATION**



Ron DeSantis, Governor

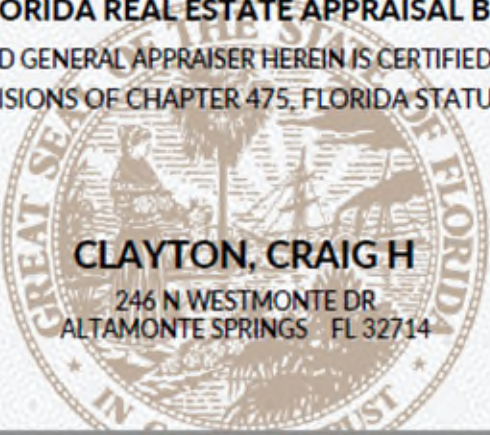
Melanie S. Griffin, Secretary



**STATE OF FLORIDA**  
**DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BD**

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




**CLAYTON, CRAIG H**  
246 N WESTMONTE DR  
ALTAMONTE SPRINGS FL 32714

**LICENSE NUMBER: RZ118**

**EXPIRATION DATE: NOVEMBER 30, 2024**

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



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**CERTIFICATE OF COMPLETION - VALUATION OF CONSERVATION EASEMENTS**



# Certificate of Completion

**Craig H. Clayton, MAI**

*has successfully completed the*

*Valuation of Conservation Easements Certificate Program*

*on January 18, 2008*

Terry R. Dunkin, MAI, SRA, 2007 President,  
Appraisal Institute

Ray L. Brownfield, AFM, ARA, President,  
ASFMRA

John D. Willey, FASA, President, ASA

THE CERTIFICATE OF COMPLETION DOES NOT PROVIDE CERTIFICATION OF ANY KIND,  
NOR DOES IT ATTEST TO THE COMPETENCY OF THE PARTICIPANTS.



This program was developed with the approval of the Land Trust Alliance.

## QUALIFICATIONS OF TIMOTHY K. WILHOIT, MAI

### BUSINESS ADDRESS

Clayton, Roper & Marshall  
246 North Westmonte Drive  
Altamonte Springs, FL 32714

Phone: (407) 772-2200 x 349  
Fax: (407) 772-1340  
[twilhoit@crmre.com](mailto:twilhoit@crmre.com)

### EXPERIENCE

Senior Analyst with Clayton, Roper & Marshall, Orlando, a full-service regional valuation and consulting firm located in Orlando, Florida (2005-Present).

Senior Analyst:	Integra Realty Resources - Orlando (2003-2005)
Senior Appraiser:	Cushman & Wakefield of Florida, Inc. (1999-2003)
Asst. Vice President/Senior Appraiser:	CB Richard Ellis, Inc. (1986-1999)
Associate Appraiser:	Pardue, Heid, Church, Smith & Waller (1983-1986)
Right of Way Appraiser:	Tennessee Dept. of Transportation (1978-1983)

Mr. Wilhoit has been actively engaged in real estate valuation and consulting assignments since 1978 and has experience in appraising the following types of properties.

Condemnation Appraising	Condominium Developments
Vacant Land (Commercial, Industrial, Residential)	Restaurants
Residential Subdivisions	Malls, Shopping Centers and other Retail
Warehouse Buildings	Planned Unit Developments
Office Buildings	Golf Clubs
Medical Office Buildings	Service Stations
Apartment Complexes	Convenience Stores
Mobile Home Parks	Financial Institutions
	Mixed-Use Developments

### PROFESSIONAL ACTIVITIES

Member: Appraisal Institute (MAI Certificate No. 7819)  
Licensed: Florida State-Certified General Real Estate Appraiser RZ 882  
Licensed: Florida Real Estate Broker since 1990 (Inactive)

### EDUCATION

Bachelor of Science in Business Administration (BSBA)  
East Tennessee State University (1978)  
Major – Real Estate

Successfully completed numerous real estate courses and seminars sponsored by the Appraisal Institute, Florida Real Estate Commission, accredited universities and other real estate course offerings.

**STATE OF FLORIDA CERTIFICATION**



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BD**

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

**WILHOIT, TIMOTHY KENNETH**

246 N WESTMONTE DRIVE  
ALTAMONTE SPRINGS FL 32714

**LICENSE NUMBER: RZ882**

**EXPIRATION DATE: NOVEMBER 30, 2024**

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



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This is your license. It is unlawful for anyone other than the licensee to use this document.

WORK ORDER NOTICE TO PROCEED FOR CONTINUING CONTRACTS

WORK ORDER NO: N/A

BILLING/INVOICE REFERENCE NO.: 2024-1677

PROJECT NUMBER: NA

PROJECT DESCRIPTION: Appraisal of Burkhardt Warehouse-TP# 07878-030-008

County: Alachua County, a political subdivision of the State of Florida

Date Issued: May 17, 2024

PROFESSIONAL: Clayton, Roper & Marshall, Inc.

PROFESSIONAL'S ADDRESS: 246 N. Westmonte Dr., Altamonte Springs, FL 32714

Execution of the Work Order by County shall serve as authorization for the Professional to provide for the above project, professional services as set out in the Scope of Services attached as Exhibit "A," to that certain Agreement dated January 17, 2023 between the County and the Professional and further delineated in the specifications, conditions, and requirements stated in the following listed documents which are attached hereto and made a part hereof.

**ATTACHMENTS:**

- drawings/plans/specifications
- scope of services
- special conditions
- \_\_\_\_\_

The Professional shall provide said services pursuant to this Work Order, its attachments and the above-referenced Agreement, which is incorporated herein by reference as if it had been set out in its entirety. Whenever the Work Order conflicts with said Agreement, the Agreement shall prevail.

**TIME FOR COMPLETION:** The work authorized by this Work Order shall be commenced upon  the date written above or upon issuance of a  Notice to Proceed by County and shall be completed within Thirty (30) calendar days.

**METHOD OF COMPENSATION:**

- (a) This Work Order is issued on a:
  - fixed fee basis
  - time basis method with a not-to-exceed amount
  - time basis method with a limitation of funds amount
- (b) If the compensation is based on a "Fixed Fee Basis," then the Professional shall perform all work required by this Work Order for the sum of **Ten Thousand and 00/100 DOLLARS (\$10,000.00)**. In no event shall the Professional be paid more than the Fixed Fee Amount.
- (c) If the compensation is based on a "Time Basis Method" with a Not-to-Exceed Amount, then the Professional shall perform all work required by this Work Order for a sum not exceeding \_\_\_\_\_ DOLLARS (\_\_\_\_\_). The Professional's compensation shall be based on the actual work required by this Work Order.
- (d) If the compensation is based on a "Time Basis Method" with a Limitation of Funds

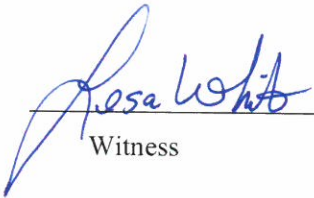
Amount, then the Professional is not authorized to exceed the Limitation of Funds amount of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) without prior written approval of the County. Such approval, if given by the County, shall indicate a new Limitation of Funds amount. The Professional shall advise the County whenever the Professional has incurred expenses on this Work Order that equals or exceeds eighty percent (80%) of the Limitation of Funds amount. The County shall compensate the Professional for the actual work performed under this Work Order.

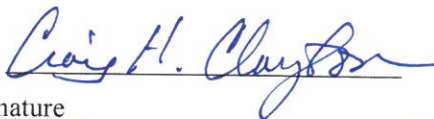
The County shall make payment to the Professional in strict accordance with the payment terms of the above-referenced Agreement.

It is expressly understood by the Professional that this Work Order, until executed by the County, does not authorize the performance of any services by the Professional and that the County, prior to its execution of the Work Order, reserves the right to authorize a party other than the Professional to perform the services called for under this Work Order if it is determined that to do so is in the best interest of the County.

**IN WITNESS WHEREOF**, the parties hereto have made and executed this Work Order on the date set forth below, for the purposes stated herein.

**PROFESSIONAL: CLAYTON, ROPER &  
MARSHALL, INC.**

  
\_\_\_\_\_  
Witness

By:   
Signature

Title: PRESIDENT - CRAIG H. CLAYTON

Print Name and Title

Date: 5/16/2024

**ALACHUA COUNTY, FLORIDA**

By: \_\_\_\_\_

**Ramon D. Gavarrete, P. E**

**Public Works Director/County Engineer**

**Alachua County**

Date: 05/17/2024



*Clayton, Roper & Marshall, Inc., a Florida Corporation*

CRAIG H. CLAYTON, MAI  
State-Certified General Appraiser RZ 118



PAUL M. ROPER, MAI, SRPA SRA  
Florida Real Estate Broker BK144413

STEVEN L. MARSHALL, MAI, SRA, AI-GRS  
State-Certified General Appraiser RZ 155

January 31, 2024

C. Perry Peeples, Real Property Coordinator  
Public Works - Transportation Improvement  
Alachua County  
5620 NW 120<sup>th</sup> Lane  
Gainesville, Florida 32653

Re: Appraisal of a 10± Acre Industrial Property Located at 6125 NW 18<sup>th</sup> Drive, Gainesville, Alachua County, Florida 32608; Parcel ID #: 07878-030-008

Dear Mr. Peeples:

Subject to your authorization, Clayton, Roper & Marshall will prepare an appraisal report of the property referenced above. The report will conform to the requirements of Alachua County and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by The Appraisal Foundation. The scope of the appraisal, per Mr. Peeples, will include all applicable approaches of the real property only which excludes any business enterprise value or furniture, fixtures and equipment.

The fee for this assignment is \$10,000 which will be due upon completion/delivery of our report. We will provide you with a PDF electronic copy within 30 days of the date of inspection of the property.

If you have any additional information applicable to this assignment, please forward it as soon as possible to assure timely completion of the appraisal. Should you have any questions, please feel free to call me at your convenience.

Respectfully submitted,

CLAYTON, ROPER & MARSHALL

A handwritten signature in blue ink that reads 'Craig H. Clayton'.

Craig H. Clayton, MAI  
State-Certified General Real Estate Appraiser  
License No. RZ 118

CHC/jj

---

Real Estate Appraisers • Consultants • Since 1982

Orlando Headquarters: 246 North Westmonte Drive, Altamonte Springs, Florida 32714  
Telephone: (407) 772-2200 / Facsimile: (407) 772-1340