

**Prepared For:**  
**US Small Business Administration**  
**C/O Florida Business Development Corporation Inc.**  
**7270 NW 12<sup>th</sup> Street, PH6**  
**Miami, FL 33126**  
**and**  
**Ameris Bank**

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**LETTER OF TRANSMITTAL**

January 31, 2025

US Small Business Administration  
C/O Florida Business Development Corporation, Inc.  
7270 NW 12<sup>th</sup> Street, PH6  
Miami, FL 33126  
and  
Ameris Bank  
3490 Piedmont Road NE  
Atlanta, Georgia 30305

Re: Appraisal of two proposed industrial buildings on State Road 16.

Dear Sirs/Mesdames:

Thank you for the opportunity to provide appraisal services. Based on our agreement with you, we have performed an appraisal and reported our findings in this Appraisal Report. The subject property is two proposed industrial buildings located at 2950 & 2960 State Road 16 in Saint Augustine, Florida. The value(s) contained herein reflects our opinion(s) of market value as of the respective valuation date(s).

The enclosed report identifies and describes the subject property, its general market area environment and influences, and the valuation methods used to solve the valuation problem. We developed our analyses, opinions and conclusions and prepared this report in conformity with the reporting requirements under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP 2024-2025 edition); the Financial Institutions Reform and Recovery act (FIRREA); the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the requirements of our client as we understand them. The information contained in this report is specific to the needs of the client and for the intended use as stated.

The purpose of this appraisal is to form an opinion of the "as is" and "as complete" market values of the subject property. The fee simple interest was appraised; liens and encumbrances, if any, have been disregarded.

The highest and best use analysis and the valuation conclusions are subject to the legal limitations of the land use identified therein. Unless otherwise stated, it is assumed that the subject conforms to current zoning and land use requirements. The only intended user of this appraisal are the clients, US Small Business Administration C/O Florida Business Development Corporation, Inc., and Ameris Bank. There are no other intended users. No purchaser, seller, or borrower is an intended user of this report. No party, other than the intended user, should rely upon this appraisal for any purpose whatsoever. The fact that some party, other than the client, paid for the appraisal, either directly, or indirectly, does not make them an intended user. The appraisers are not responsible for any unauthorized use of the enclosed appraisal.

The intended use is for loan underwriting. The value opinions reported are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herein are contingent upon the following extraordinary assumptions and/or hypothetical conditions:

#### **Extraordinary Assumptions**

- We assume that the proposed improvements will be completed on time, in a workmanlike manner using first grade materials in accordance with any entity having jurisdiction, governmental or otherwise.
- We were not provided with building plans or specifications. We were provided with a verbal description of the proposed buildings, along with a site plan and construction budget. We assume that the proposed improvements will be completed in the way verbally described to us.

Should these assumptions prove to be false, we reserve the right, but are not obligated to amend our value opinion. The use of these special assumptions may have affected the assignment results.

#### **Hypothetical Conditions**

- None

Thank you for the opportunity to have been of service to you in this matter.

Respectfully submitted,



Robert Hornbuckle, MAI  
Certified General Appraiser RZ3515  
Provident Valuation Services LLC  
7643 Gate Parkway, Suite 104-67  
Jacksonville, Florida 32256  
PVS File # 24-283



John Miles, MAI  
Certified General Appraiser RZ3723  
Provident Valuation Services LLC

The Executive Summary follows the table of contents; and summarizes our value conclusions and relevant data.

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### **ADDENDA**

Subject Exhibits  
Engagement Letter  
Qualifications of Appraisers

### EXECUTIVE SUMMARY

Property Address	2950 & 2960 State Road 16
Property Location	Saint Augustine Florida 32092
Property Tax Identification Number(s)	The subject is located on the northeast side of State Road 16, approximately 1-mile north of the FL 16/Interstate 95 intersection.
Owner of Record	0874100000; 0874100030
Date of the Report	Veles Logistics, LLC
“As Is” Effective Date	January 31, 2025
“Prospective Upon Completion” Date	January 23, 2025
Property Rights Appraised	September 22, 2025
Land Area	Fee simple interest
Building Gross Square Feet	87,120 square feet, 2.00 acres
Building 1	<u>12,000</u> square feet
Building 2	4,500 square feet
Building Net Rentable Square Feet	7,500 square feet
Parking/Ratio	12,000 square feet
Year Built	40 spaces; 3.33 spaces per 1,000 sq. ft. of building area
Total Economic Life	2025 (proposed)
Actual Physical Age	40 years
Effective Age	0 years
Remaining Economic Life	0 years
Zoning Designation	40 years
Highest and Best Use as Vacant	The property is zoned PUD (Planned Unit Development) by Saint Johns County. The property has a Mixed Use land use.
Highest and Best Use as Improved	Commercial
Estimated Exposure Time	As proposed
Marketing Period	12-months
	12-months
<b>“As Is” Market Value</b>	<b>\$1,050,000</b>
<b>Prospective Value Upon Completion</b>	<b>\$2,400,000</b>

Both buildings will reportedly be occupied by an owner-user. Building 1 will be an office/showroom and building 2 will be a shop space/warehouse.

### Subject Photographs



**Subject Site**





**SR 16 View NW**



**SR 16 View SE**



## Proposed Site Plan

## **Provident Valuation Services**

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### **Purpose of the Appraisal**

The purpose of this appraisal is to form an opinion of the "as is" and "as complete" market values of the fee simple interest of the subject.

### **Intended Use/Client and Intended User(s)**

The intended use of this report is for loan underwriting. The only intended user of this report are our clients, The US Small Business Administration C/O Florida Business Development Corporation, Inc., and Ameris Bank. There is no other intended user. No purchaser, seller, or borrower is an intended user of this report. No party, other than the intended user, should rely upon this appraisal for any purpose whatsoever. The fact that some party, other than the client, paid for the appraisal, either directly, or indirectly, does not make them an intended user.

### **Competency of the Appraisers**

The appraisers' specific qualifications are included within this report. These qualifications serve as evidence of their competence for the completion of this appraisal assignment in compliance with the competency provision in USPAP. 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 opinion for properties like the subject in Florida.

### **Interest Appraised**

- **Fee Simple Interest** is 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** is an ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.

The subject was not and will not be encumbered with any arm's-length lease agreements as of the effective dates of value. Thus, we appraised the fee simple interest.

### **Effective Dates of Value**

"As Is" Value Date: January 23, 2025

Prospective Value Upon Completion Date: September 22, 2025

### **Date of Report**

January 31, 2025

## **Provident Valuation Services**

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### **Date of Inspection**

January 23, 2025

### **Scope of Work**

Scope of work is the most critical decision an appraiser will make in performing an assignment. Solving an appraisal problem involves three steps:

1. Identifying the problem
2. Determining the solution (or scope of work)
3. Applying the solution

None of the three steps can be omitted, and each must be performed in order. To analyze the problem, the appraiser identifies seven key assignment elements: (1) client, (2) intended users in addition to the client, (3) intended use, (4) objective of the appraisal, or type of value and its definition, (5) effective date, (6) property characteristics that are relevant to the assignment such as the interest to be valued and physical and legal characteristics), and (7) assignment conditions such as hypothetical conditions, extraordinary assumptions, and other requirements. These elements provide the framework for the assignment and allow the appraiser to identify the problem to be solved.

The second step is to determine the scope of work to solve the problem. Scope of work encompasses all aspects of the valuation process, including which approaches to value will be used; how much data is to be gathered, from what sources, from which geographic area, and over what period; the extent of the data verification process; and the extent of property inspection, if any. The scope of work decision is appropriate when it allows the appraiser to arrive at credible assignment results and is consistent with the expectations of similar clients and the work that would be performed by the appraiser's peers in a similar situation.

**Source:** *Appraisal of Real Estate 14th Edition*

### **Identification of the Subject Property**

The subject was legally identified via Saint Johns County Official Records. Economics characteristics of the subject property were identified via market research and comparison to properties with similar locational and physical characteristics. A marketability analysis was conducted for the subject property's regional, neighborhood, and market areas, as applicable. The subject was physically identified via personal inspection and/or from data obtained from public records, published data sources, and market participants.

### **Use of Real Estate as of the Effective Date of Value**

The subject property was being used as open storage property as of the effective date of the appraisal. The owner plans on constructing an office/showroom warehouse on the site.

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### **Ownership and Subject Property History**

According to the Saint Johns County Property Appraiser's Office, the current owner of record is Veles Logistics, LLC. The property is identified as county Tax ID 0874100000; 0874100030. According to public records, the subject has not sold in the past three years. We found no evidence that the subject property was listed for sale or under contract as of the effective date of value.

### **Inspection**

John Miles, MAI represented Provident Valuation Services LLC (PVS); and inspected the subject property on the valuation date. The appraiser has been retained to arrive at an opinion of value for the subject property and is not a Building Inspector. The 'inspection' performed by the appraiser is more of an observation and is not intended to reveal defects in the mechanical systems, plumbing, electrical systems, structural integrity, roofing, or other components of the buildings, and the appraiser does not claim to be an expert in those areas. There could be defects hidden behind floors or wall coverings or inside cabinets or closets or behind furniture or under rugs. It is not the responsibility of the appraiser to perform the kind of inspection designed to find those kinds of problems nor would he have the expertise to detect or diagnose many of those issues even if something was discovered.

The appraiser is not inspecting the property to determine the current presence of wood-destroying or other insects, nor is he looking for evidence of any past infestation.

The appraiser does not guarantee that the property is free of environmental problems. The appraiser can only observe areas that are visually accessible. Mold could be present in building areas where the appraiser could not see. The appraiser is not an expert in the identification of adverse environmental factors such as radon gas, lead based paint, mold, fungi, asbestos, formaldehyde, ground water contamination, underground storage tanks, etc. If the client has any concerns about or questions about such conditions, an expert in this field should be called to do an inspection.

### **Data Research**

We collected and analyzed market area data including comparable property listings, sales, rentals, and expenses in the subject's competitive market area, as applicable. Our research may have included discussions with knowledgeable market participants, the use of private data sources, our existing appraisal files, and public records including the Saint Johns County Property Appraiser's Office. We generally research up to three years prior to the date of our valuation, including reviewing any relevant current listings. And we attempt to confirm that information with sources such as buyers, sellers, and brokers.

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### **Type of Appraisal**

This is a written appraisal and is intended to comply with USPAP SR 2-2 (a).

### **Methodology**

The subject site has improvements that contribute to the overall value more than the land value. If a property has proposed development; a feasibility study may be warranted. We observed surrounding land use trends, the present use and demand for the subject property, and relative legal limitations in concluding the highest and best use.

There are three basic methodologies or approaches available to develop indications of real property value: the cost, sales comparison, and income capitalization approaches.

### **Cost Approach**

The cost approach is based upon the principle of substitution, which states that a prudent purchaser would not pay more for a property than the amount required to purchase a similar site and construct similar improvements without undue delay, producing a property of equal desirability and utility. This approach is particularly applicable when the improvements being appraised are relatively new or proposed, or when the improvements are so specialized that there is little or no sales data for comparable properties available.

### **Sales Comparison Approach**

The sales comparison approach involves the direct comparison of sales and listings of similar properties, adjusting for differences that exist between the subject property and the comparable properties. This method can be useful for valuing general-purpose properties or vacant land. For improved properties, it is particularly applicable when there is an active sales market for the property type being appraised.

### **Income Capitalization Approach**

The income capitalization approach is based on the principle of anticipation and the assumption that value is created by the expectation of economic benefits to be derived in the future. Its premise is that a prudent investor will pay no more for the property than they would for another investment of similar risk and income characteristics. The income capitalization approach is widely used and relied upon in appraising investment grade income-producing properties, particularly those for which there is an active investment sales market.

### **Analyses Applied**

A **cost analysis** was applied as the subject is proposed construction. Market participants often consider this methodology when purchasing properties like the subject, particularly in regard to financial feasibility.

A **sales comparison analysis** was applied as it reflects a method that market participants consider when purchasing properties like the subject.

An **income analysis** was applied as it reflects a method that market participants consider when purchasing properties like the subject.



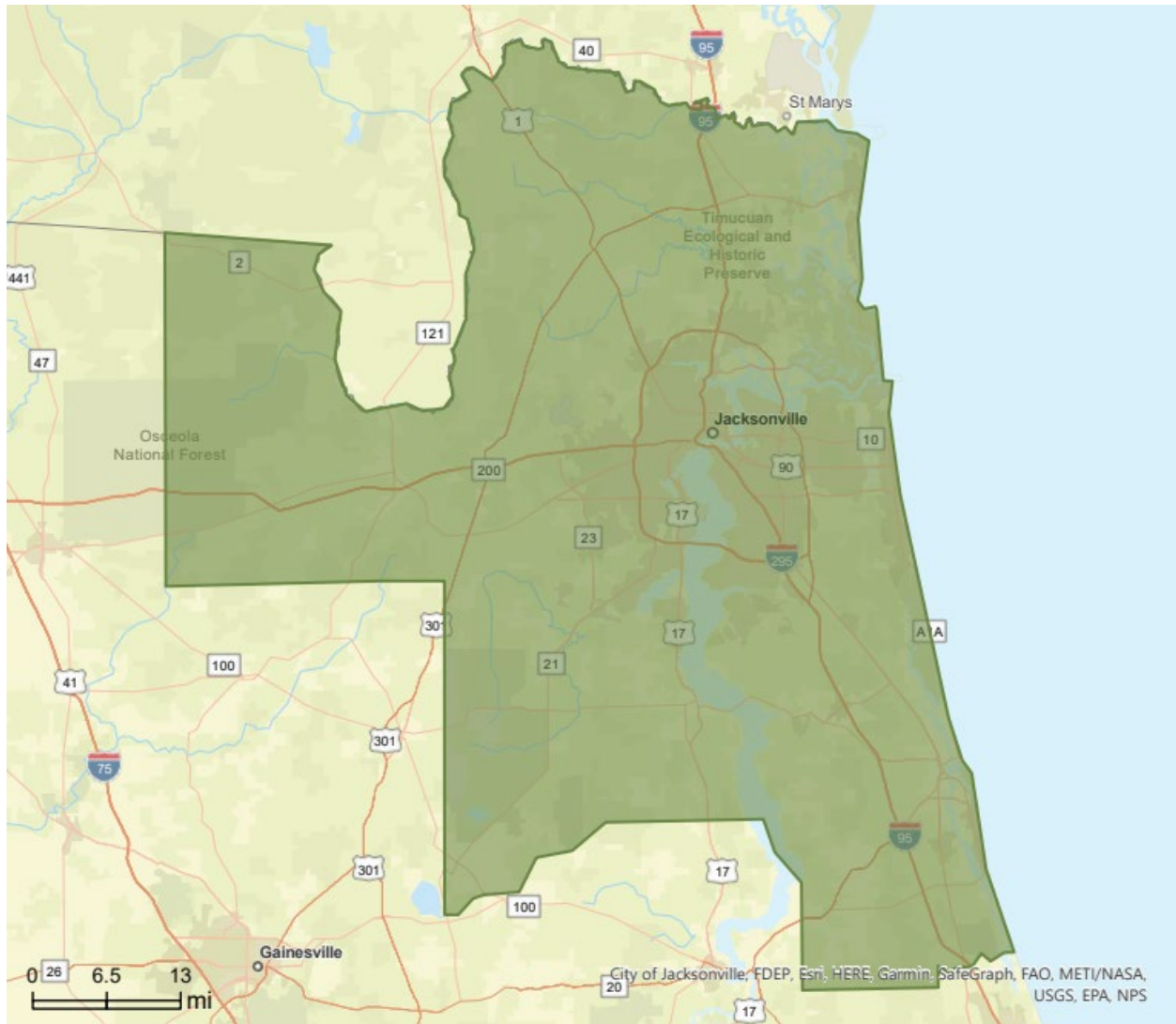
### Area Analysis

#### Introduction

An overview of the subject's region and city provides context for subsequent discussions of the subject, the market for the specific property type, the market area, and comparable properties.

#### Jacksonville MSA

The Jacksonville MSA is comprised of five contiguous counties, Duval, Saint Johns, Clay, Nassau, and Baker.



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### Population

Jacksonville had an estimated 2024 population of 1,737,832 with approximately 685,635 households and a median age of approximately 40.0.

Summary	Census 2010	Census 2020	2024	2029
Population	1,345,596	1,605,848	1,737,832	1,855,859
Households	524,146	628,344	685,635	740,874
Families	350,483	417,500	448,340	484,210
Average Household Size	2.52	2.50	2.49	2.46
Owner Occupied Housing Units	350,768	404,058	452,591	498,933
Renter Occupied Housing Units	173,378	224,286	233,044	241,941
Median Age	37.3	39.6	40.0	41.1

Looking forward, Jacksonville's population is projected to increase at a 1.32% annual rate over the next five years. Jacksonville's population growth rate is expected to exceed that of both the state and national average over that same period. Median household income growth is also expected to exceed the state and national averages over the same period.

### Employment

Recent data shows that the Jacksonville unemployment rate is 3.9% in comparison to the 3.6% rate for Florida, a sign that is consistent with the fact that Jacksonville approximates the state of Florida in the rate of job growth.

2024 Civilian Population 16+ in Labor Force	
Civilian Population 16+	913,890
Population 16+ Employed	96.1%
Population 16+ Unemployment rate	3.9%

### Employment Sectors

The composition of the Jacksonville job market is depicted in the following chart. Total employment is broken down by major employment sectors based on the percentage of Jacksonville jobs in each category.

2024 Employed Population 16+ by Industry	
Total	878,089
Agriculture/Mining	0.4%
Construction	7.3%
Manufacturing	5.6%
Wholesale Trade	1.9%
Retail Trade	11.1%
Transportation/Utilities	7.5%
Information	1.4%
Finance/Insurance/Real Estate	11.4%
Services	48.9%
Public Administration	4.5%

## Provident Valuation Services

The following chart shows the breakdown of occupations within the Jacksonville job market:

2024 Employed Population 16+ by Occupation	
Total	878,089
White Collar	64.6%
Management/Business/Financial	20.1%
Professional	23.6%
Sales	9.5%
Administrative Support	11.4%
Services	16.1%
Blue Collar	19.2%
Farming/Forestry/Fishing	0.3%
Construction/Extraction	4.5%
Installation/Maintenance/Repair	3.1%
Production	3.3%
Transportation/Material Moving	8.1%

### Housing Unit Summary

Jacksonville's housing unit summary is presented in the chart below. The summary is segmented by owner-occupied, rented, and vacant housing units with a range of corresponding median home values.

Housing Units by Occupancy Status and Tenure	Census 2020		2024		2029	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	690,609	100.0%	751,484	100.0%	810,078	100.0%
Occupied	628,344	91.0%	685,635	91.2%	740,874	91.5%
Owner	404,058	58.5%	452,591	60.2%	498,933	61.6%
Renter	224,286	32.5%	233,044	31.0%	241,941	29.9%
Vacant	62,265	9.0%	65,849	8.8%	69,204	8.5%

Owner Occupied Housing Units by Value	2024		2029	
	Number	Percent	Number	Percent
Total	452,556	100.0%	498,892	100.0%
<\$50,000	14,428	3.2%	6,784	1.4%
\$50,000-\$99,999	17,167	3.8%	6,077	1.2%
\$100,000-\$149,999	16,494	3.6%	5,276	1.1%
\$150,000-\$199,999	24,959	5.5%	9,817	2.0%
\$200,000-\$249,999	30,096	6.7%	16,653	3.3%
\$250,000-\$299,999	34,280	7.6%	26,763	5.4%
\$300,000-\$399,999	113,281	25.0%	126,827	25.4%
\$400,000-\$499,999	77,696	17.2%	111,332	22.3%
\$500,000-\$749,999	79,750	17.6%	123,409	24.7%
\$750,000-\$999,999	23,449	5.2%	35,649	7.1%
\$1,000,000-\$1,499,999	11,011	2.4%	16,152	3.2%
\$1,500,000-\$1,999,999	3,404	0.8%	5,144	1.0%
\$2,000,000+	6,541	1.4%	9,009	1.8%
Median Value	\$378,437		\$446,033	
Average Value	\$450,083		\$533,952	

By way of comparison, the average home value in Florida is \$474,788, and the median is \$391,816.

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### Education and Age

Jacksonville residents have a similar level of educational attainment to those of Florida. An estimated 37.6% of Jacksonville residents are college graduates with four-year degrees or higher, versus 35.6% of Florida residents. People in Jacksonville are younger than their Florida counterparts. The median age for Jacksonville is 40.0 years, while the median age for Florida is 43.5 years.

2024 Population 25+ by Educational Attainment	
Total	1,215,911
Less than 9th Grade	2.3%
9th - 12th Grade, No Diploma	4.7%
High School Graduate	22.3%
GED/Alternative Credential	4.2%
Some College, No Degree	18.1%
Associate Degree	10.7%
Bachelor's Degree	24.6%
Graduate/Professional Degree	13.0%

### Conclusion

Jacksonville experienced significant growth in the number of jobs over the past decade, and it is reasonable to assume that employment trends will continue in the future. We anticipate that the Jacksonville economy will maintain the current demand for real estate.

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### Site Description

The subject site consists of two adjacent parcels situated on the northeast side of State Road 16, approximately 1-mile north of the intersection with Interstate 95. The site has full access to both traffic lanes of SR 16, with one driveway access point. SR 16 is in the process of being widened to a four-lane divided highway and it is not clear if the subject will continue to have full access once this roadway improvement is complete. The site is cleared and rough graded, and is entirely developable.

Site Data	
Parcel ID Number(s)	0874100000; 0874100030
MSA	Jacksonville
Owner of Record	Veles Logistics, LLC
Site Description	
Upland SF	87,120
Upland Acres	2.00
Wetland SF	0
Wetland Acres	0
Gross SF	87,120
Gross Acres	2.00
Shape	Irregular
Frontage	277' on SR 16
Easements Encroachments	Typical Easements, No Encroachments
Access	SR 16
Topography/Drainage	Level/Presumed adequate
Environmental Concerns	None Noted
Functional Utility	Average
Off-Site Improvements	
Curb/Gutter	No
No of Lanes	Two (widening in process)
Sidewalks	No
Street Lights	No
Traffic Lights	No
Adjacent Properties	
North	Vacant
West	Private school
South	Apartments (under construction)
East	Religious use

### Utilities and Services

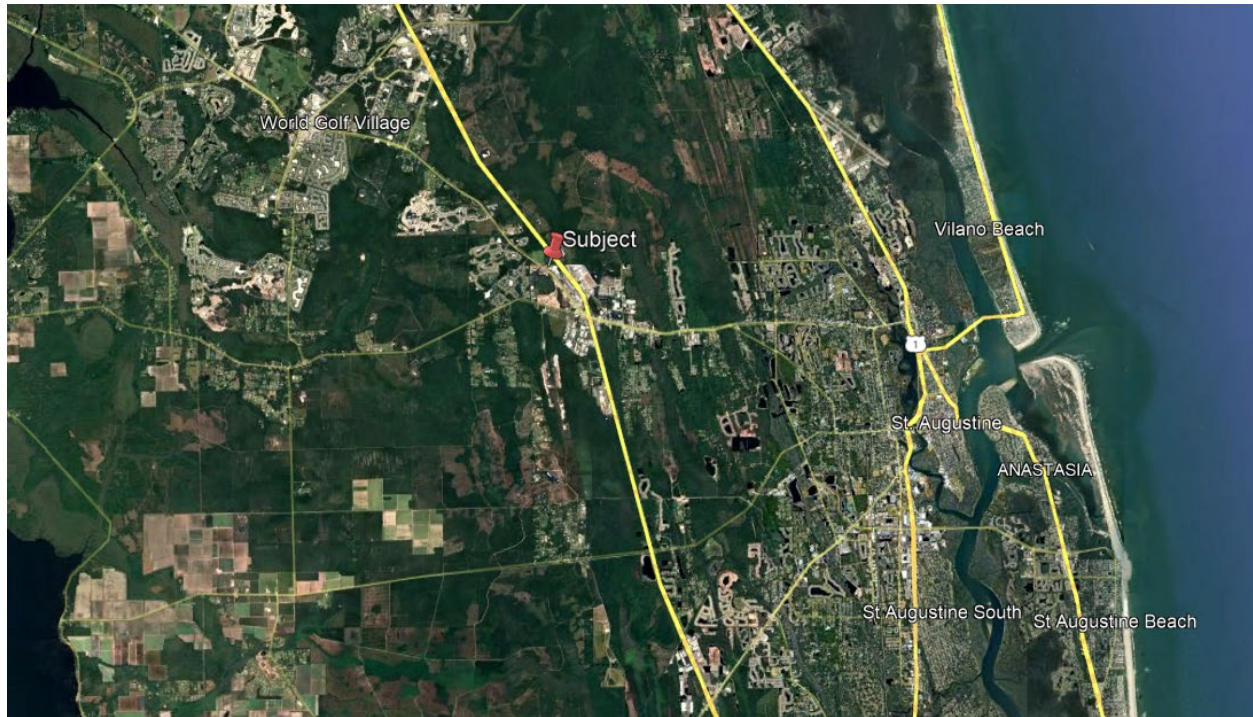
Public utilities and services are readily available to the subject site.



### Aerial Map

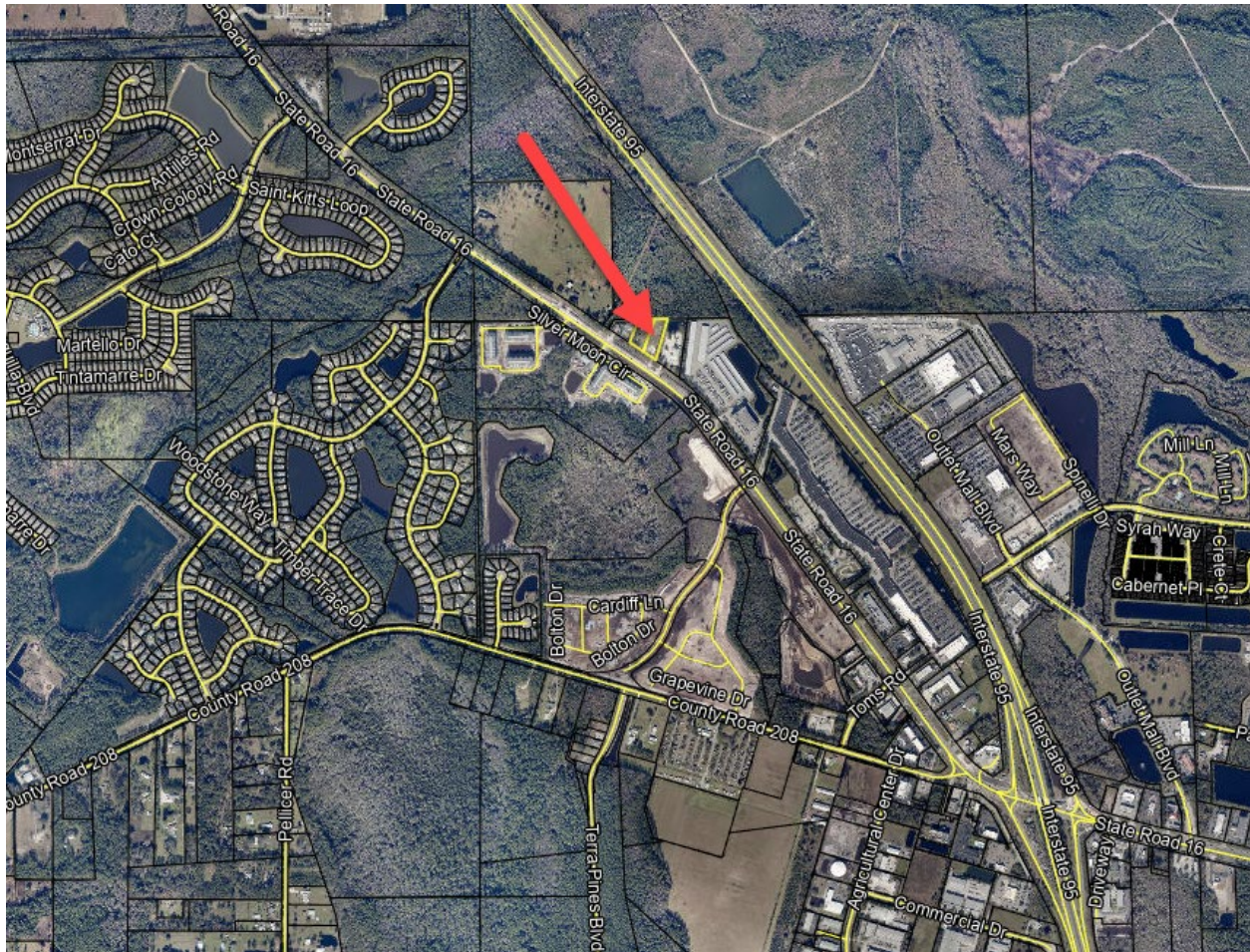


### Area Map

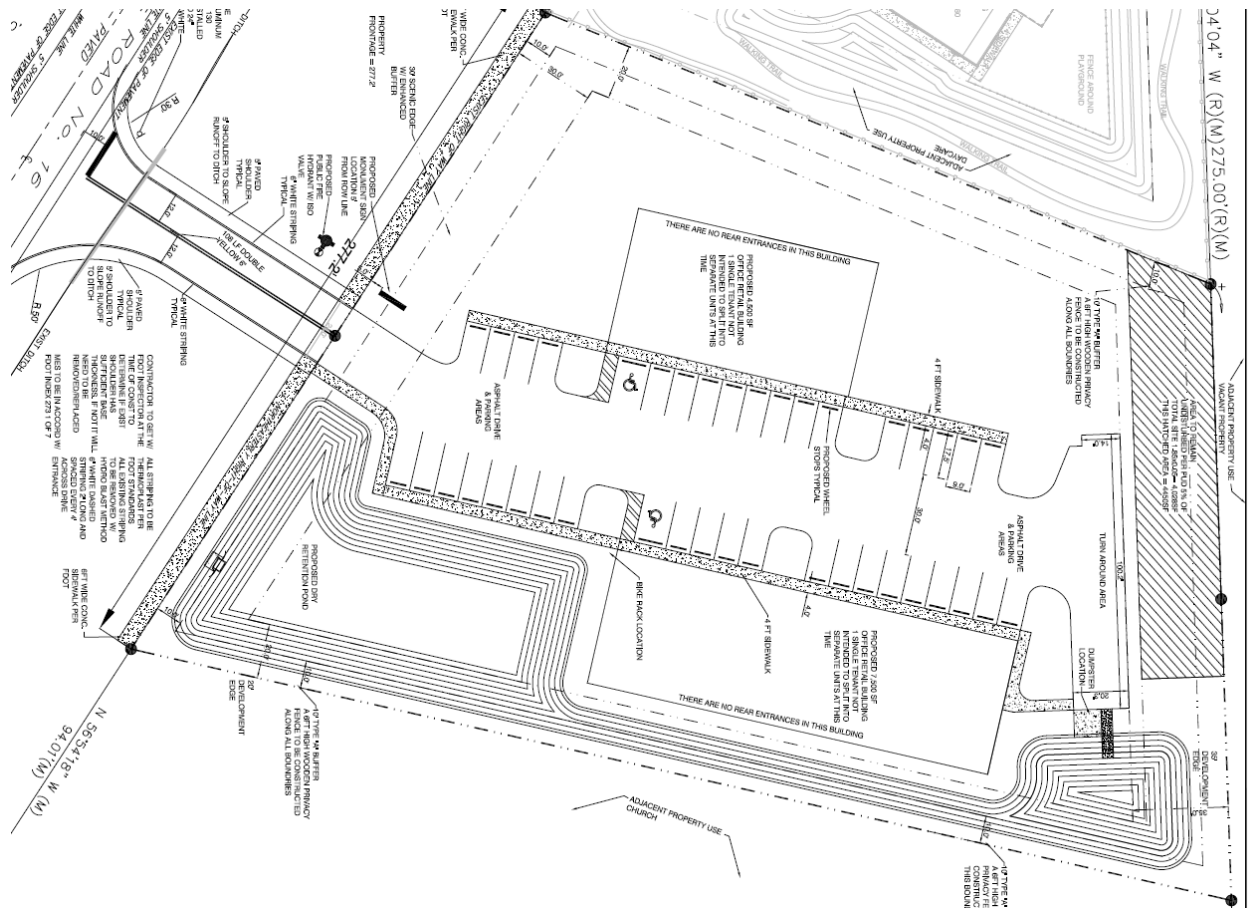




### Location Map



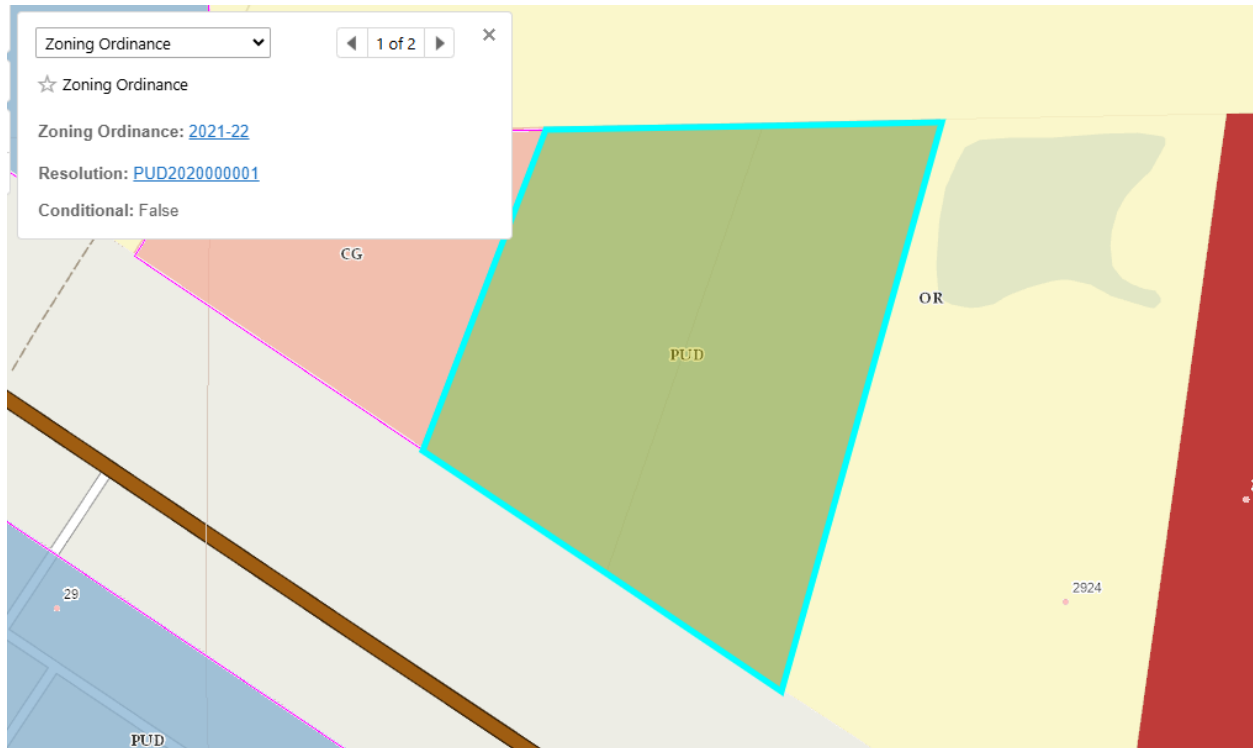
## Site Plans



### Zoning & Land Use

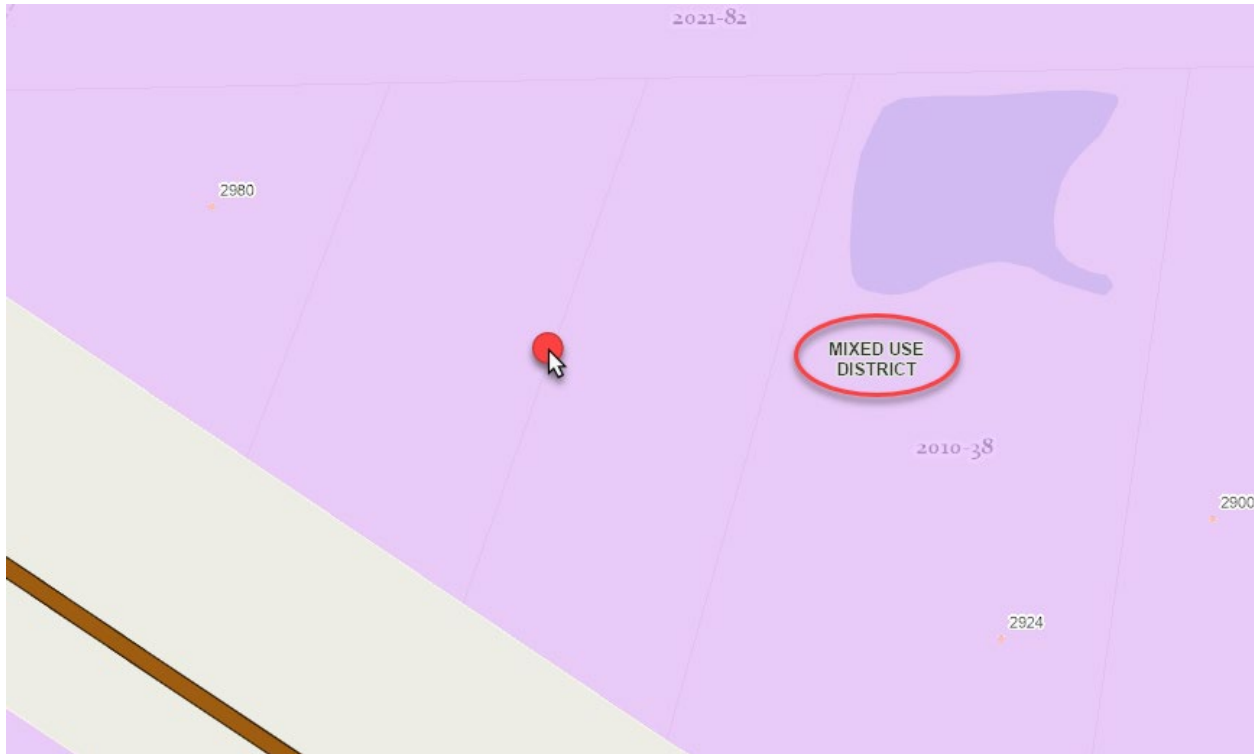
The property is zoned PUD (Planned Unit Development) by Saint Johns County and the land use is Mixed Use. The improvements represent a legally conforming use and, if damaged, may be restored without special permit application. Additional information may be obtained from the appropriate governmental authority. For the purposes of this appraisal, we have assumed the information obtained is correct. Please refer to the Highest and Best Use section of this report for further discussion.

### Zoning Map





### Land Use Map



# Provident Valuation Services

## Flood Information

The subject site is generally at road grade. Per FEMA Map No. 12109C0291J, dated December 7, 2018, the property is situated in Flood Zone X - area of minimal flood hazard.

## Flood Map

CoreLogic | RiskMeter

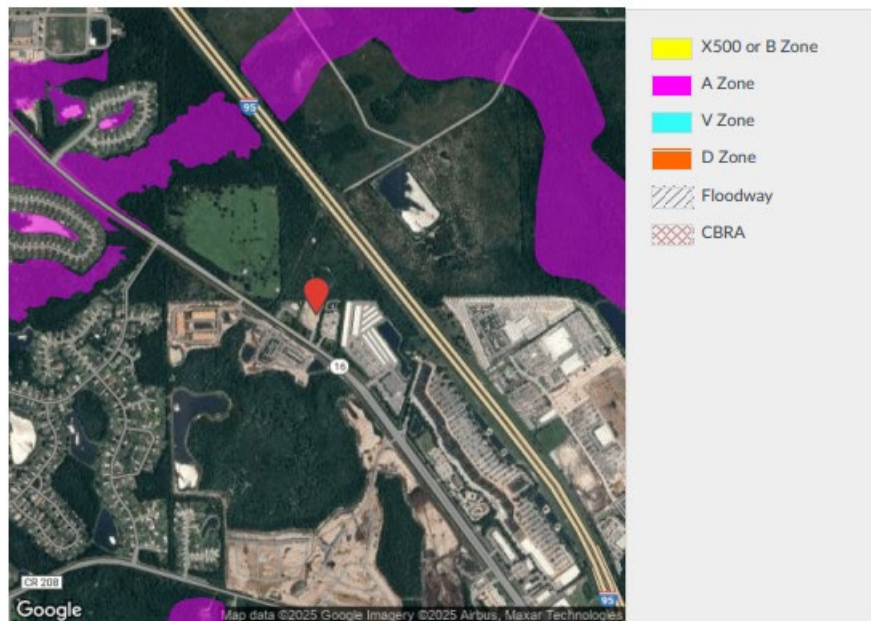
2950 STATE ROAD 16 ST AUGUSTINE, FL 32092-0710

LOCATION ACCURACY: Excellent

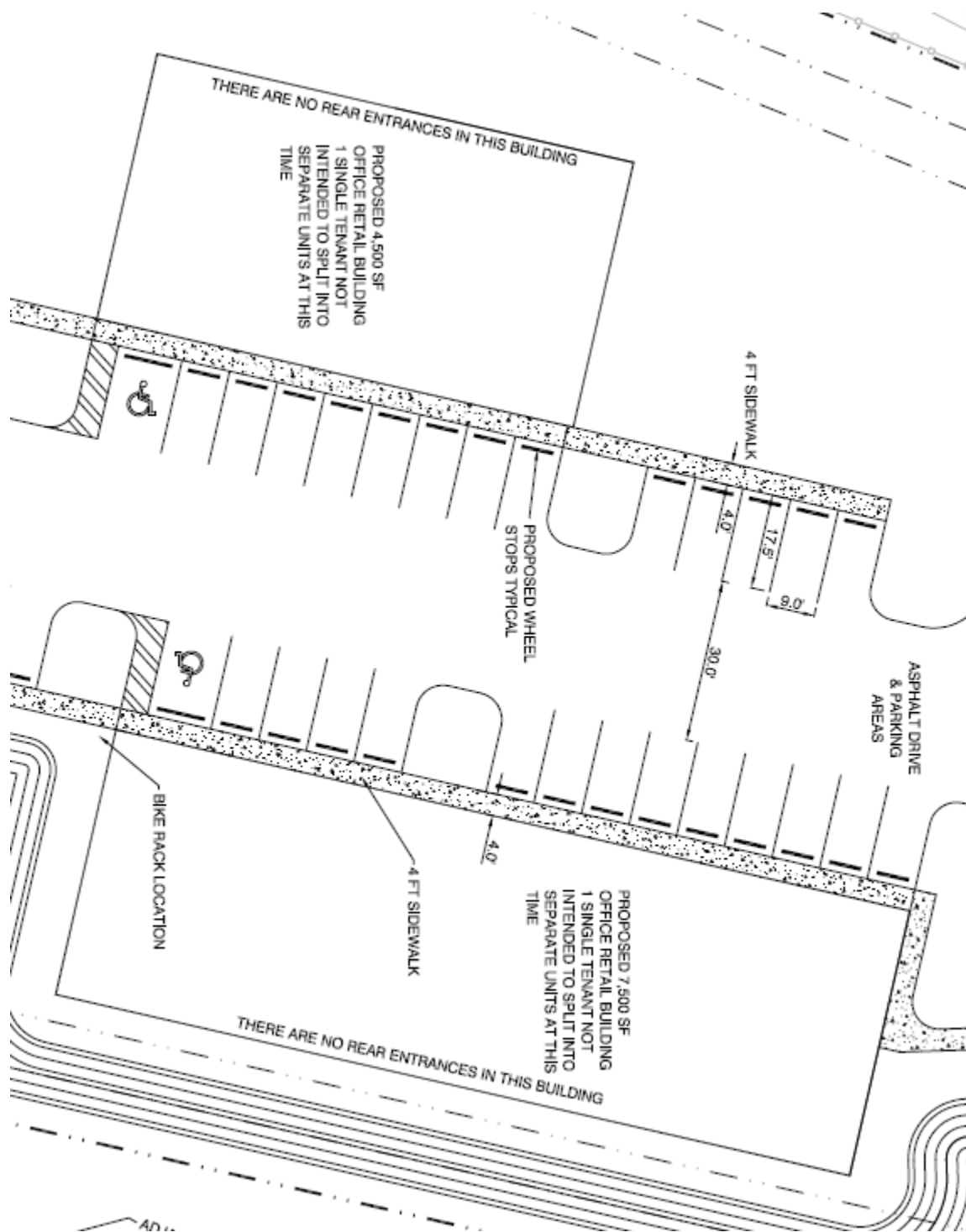
### Flood Zone Determination Report

Flood Zone Determination: **OUT**

COMMUNITY	125147	PANEL	0291J
PANEL DATE	December 07, 2018	MAP NUMBER	12109C0291J



### Building Perimeter Sketch



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### Description of Improvements

The proposed improvements consist of two metal buildings and a parking lot. We were not provided with detailed plans and specifications for the buildings but relied upon a verbal description provided by the owner/developer. Building 1 will be a 4,500 square foot industrial office building with typical glass storefront entry. Building 2 will be a 7,500 square foot warehouse/repair shop building with multiple roll up, grade level doors. Ceiling heights are estimated to be 22'. Both buildings will be insulated and both will be used for owner occupancy. Design standards in the zoning district appear to be typical, requiring some exterior ornamentation. The verbal description we were provided detail an industrial property that appears to be functional and well suited to the owner's business.

Building Components	Total	Building 1	Building 2
Building Size Gross SF	12,000	4,500	7,500
Building Size Net Rentable SF	12,000	4,500	7,500
No of Buildings	2	1	1
Overall Property Condition		Proposed	Proposed
Construction Type		Metal	Metal
No of Stories		1	2
Floor Area Ratio	0.14		
Land to Building Ratio	7.26		
Foundation		Concrete slab	Concrete slab
Roof Structure		Metal	Metal
Exterior Walls		Metal	Metal
HVAC		Central	Central
<b>Interior Finishes</b>			
Walls		Gypsum wallboard	Minimal
Ceilings		Acoustic tile	Minimal
Flooring		LVP or similar	Minimal
<b>Age/Life</b>			
Year Built	2025 (proposed)	2026 (proposed)	2027 (proposed)
Total Economic Life	40	40	40
Actual/Physical Age	0	0	0
Effective Age	0	0	0
Remaining Economic Life	40	40	40
<b>Site Improvements</b>			
Drainage/Retention	On site (dry retention)		
Paving	Asphalt		
Parking Spaces	40		
Parking Ratio/1,000	3.33		
Landscaping	Assumed typical		
Fencing	Assumed typical		
Exterior Lighting	Assumed typical		
Signage	Assumed typical		

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### Taxes and Assessments

The current method of taxation of real property in Florida is mandated by Florida Statute Chapter 193. The property appraiser must make their assessment no later than July 1 every year. Properties are reassessed annually beginning January 1. Properties that have not changed ownership may be reassessed up to 10 percent of the assessed value for the property for the prior year for commercial properties and 3 percent for residential properties. While the State of Florida requires the market value assessment to reflect 100% of market value, in practice assessments typically reflect a percentage of market value that is less than 100%, more generally in the range of 60% to 85%. The subject will be reassessed in the year after construction is complete. The current real estate taxes are \$5,877. A copy of the tax bill follows.

Year	Building Value	Extra Feature Value	Total Land Value	Ag (Market) Value	Ag (Assessed) Value	Just (Market) Value	Assessed Value	Exempt Value	Taxable Value
2024	\$0	\$0	\$304,920	\$0	\$0	\$304,920	\$178,483	\$126,437	\$178,483
2023	\$0	\$33,264	\$174,240	\$0	\$0	\$207,504	\$193,233	\$14,271	\$193,233
2022	\$0	\$23,206	\$152,460	\$0	\$0	\$175,666	\$175,666	\$0	\$175,666
2021	\$0	\$23,206	\$60,000	\$0	\$0	\$83,206	\$55,901	\$27,305	\$55,901
2020	\$0	\$23,206	\$60,000	\$0	\$0	\$83,206	\$50,819	\$32,387	\$50,819
2019	\$0	\$23,206	\$39,000	\$0	\$0	\$62,206	\$46,199	\$16,007	\$46,199
2018	\$0	\$23,206	\$32,800	\$0	\$0	\$56,006	\$41,999	\$14,007	\$41,999
2017	\$0	\$5,381	\$32,800	\$0	\$0	\$38,181	\$38,181	\$0	\$38,181
2016	\$0	\$5,830	\$32,800	\$0	\$0	\$38,630	\$38,630	\$0	\$38,630
2015	\$0	\$6,727	\$32,800	\$0	\$0	\$39,527	\$36,108	\$3,419	\$36,108
2014	\$0	\$7,175	\$25,650	\$0	\$0	\$32,825	\$32,825	\$0	\$32,825

2950 SR 16



## Provident Valuation Services

### Property Tax Account: 087410-0030

VELES LOGISTICS LLC

**Year:** 2024

**Bill Number:** 94661

**Owner:** VELES LOGISTICS LLC

**Tax District:** 450

**Property Type:** Real Estate

**Discount Period:** 2%

**MAILING ADDRESS:**

VELES LOGISTICS LLC  
127 OLD FIELD LN  
SAINT AUGUSTINE FL 32092

**PROPERTY ADDRESS:**

2950 STATE ROAD 16  
SAINT AUGUSTINE 32092

**Taxes**

[All Unpaid Bills](#)

[Assessments](#)

[Legal Description](#)

[Payment History](#)

### Ad Valorem

Authority/Fund	Tax Rate	Charged	Paid	Due
<b>COUNTY</b>				
GENERAL	4.6537	\$830.61	\$0.00	\$830.61
ROAD	0.8444	\$150.71	\$0.00	\$150.71
HEALTH	0.0160	\$2.86	\$0.00	\$2.86
<b>Subtotal</b>	<b>5.5141</b>	<b>\$984.18</b>	<b>\$0.00</b>	<b>\$984.18</b>
<b>SCHOOL</b>				
SCHOOL-STATE LAW	3.0300	\$923.91	\$0.00	\$923.91
SCHOOL - LOCAL BOARD	2.2480	\$685.46	\$0.00	\$685.46
<b>Subtotal</b>	<b>5.2780</b>	<b>\$1,609.37</b>	<b>\$0.00</b>	<b>\$1,609.37</b>
<b>SJRWMD</b>	<b>0.1793</b>	<b>\$32.00</b>	<b>\$0.00</b>	<b>\$32.00</b>
<b>FIRE</b>	<b>1.3813</b>	<b>\$246.54</b>	<b>\$0.00</b>	<b>\$246.54</b>
<b>MOSQUITO</b>	<b>0.1600</b>	<b>\$28.56</b>	<b>\$0.00</b>	<b>\$28.56</b>
<b>FL INLAND NAV DISTRICT</b>	<b>0.0288</b>	<b>\$5.14</b>	<b>\$0.00</b>	<b>\$5.14</b>
<b>PORT AUTHORITY</b>	<b>0.0598</b>	<b>\$10.67</b>	<b>\$0.00</b>	<b>\$10.67</b>
<b>TOTAL</b>	<b>12.6013</b>	<b>\$2,916.46</b>	<b>\$0.00</b>	<b>\$2,916.46</b>

### Non-Ad Valorem

Authority/Fund	Charged	Paid	Due
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

Year	Building Value	Extra Feature Value	Total Land Value	Ag (Market) Value	Ag (Assessed) Value	Just (Market) Value	Assessed Value	Exempt Value	Taxable Value
2024	\$0	\$0	\$304,920	\$0	\$0	\$304,920	\$184,477	\$120,443	\$184,477
2023	\$0	\$0	\$174,240	\$0	\$0	\$174,240	\$167,706	\$6,534	\$167,706
2022	\$0	\$0	\$152,460	\$0	\$0	\$152,460	\$152,460	\$0	\$152,460
2021	\$0	\$0	\$60,000	\$0	\$0	\$60,000	\$43,657	\$16,343	\$43,657
2020	\$0	\$0	\$60,000	\$0	\$0	\$60,000	\$39,688	\$20,312	\$39,688
2019	\$0	\$0	\$39,000	\$0	\$0	\$39,000	\$36,080	\$2,920	\$36,080
2018	\$0	\$0	\$32,800	\$0	\$0	\$32,800	\$32,800	\$0	\$32,800
2017	\$0	\$0	\$32,800	\$0	\$0	\$32,800	\$32,800	\$0	\$32,800
2016	\$0	\$0	\$32,800	\$0	\$0	\$32,800	\$31,036	\$1,764	\$31,036
2015	\$0	\$0	\$32,800	\$0	\$0	\$32,800	\$28,215	\$4,585	\$28,215
2014	\$0	\$0	\$25,650	\$0	\$0	\$25,650	\$25,650	\$0	\$25,650

2960 SR 16

## Provident Valuation Services

### Property Tax Account: 087410-0000

VELES LOGISTICS LLC

**Year:** 2024

**Bill Number:** 94660

**Owner:** VELES LOGISTICS LLC

**Tax District:** 450

**Property Type:** Real Estate

**Discount Period:** 2%

**MAILING ADDRESS:**

VELES LOGISTICS LLC  
127 OLD FIELD LN  
SAINT AUGUSTINE FL 32092

**PROPERTY ADDRESS:**

2960 STATE ROAD 16  
SAINT AUGUSTINE 32092

**Taxes**

**All Unpaid Bills**

**Assessments**

**Legal Description**

**Payment History**

### Ad Valorem

Authority/Fund	Tax Rate	Charged	Paid	Due
<b>COUNTY</b>				
GENERAL	4.6537	\$858.50	\$0.00	\$858.50
ROAD	0.8444	\$155.77	\$0.00	\$155.77
HEALTH	0.0160	\$2.95	\$0.00	\$2.95
<b>Subtotal</b>	<b>5.5141</b>	<b>\$1,017.22</b>	<b>\$0.00</b>	<b>\$1,017.22</b>
<b>SCHOOL</b>				
SCHOOL-STATE LAW	3.0300	\$923.91	\$0.00	\$923.91
SCHOOL - LOCAL BOARD	2.2480	\$685.46	\$0.00	\$685.46
<b>Subtotal</b>	<b>5.2780</b>	<b>\$1,609.37</b>	<b>\$0.00</b>	<b>\$1,609.37</b>
<b>SJRWMD</b>	<b>0.1793</b>	<b>\$33.08</b>	<b>\$0.00</b>	<b>\$33.08</b>
<b>FIRE</b>	<b>1.3813</b>	<b>\$254.82</b>	<b>\$0.00</b>	<b>\$254.82</b>
<b>MOSQUITO</b>	<b>0.1600</b>	<b>\$29.52</b>	<b>\$0.00</b>	<b>\$29.52</b>
<b>FL INLAND NAV DISTRICT</b>	<b>0.0288</b>	<b>\$5.31</b>	<b>\$0.00</b>	<b>\$5.31</b>
<b>PORT AUTHORITY</b>	<b>0.0598</b>	<b>\$11.03</b>	<b>\$0.00</b>	<b>\$11.03</b>
<b>TOTAL</b>	<b>12.6013</b>	<b>\$2,960.35</b>	<b>\$0.00</b>	<b>\$2,960.35</b>

### Non-Ad Valorem

Authority/Fund	Charged	Paid	Due
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

### Americans with Disabilities Act (ADA)

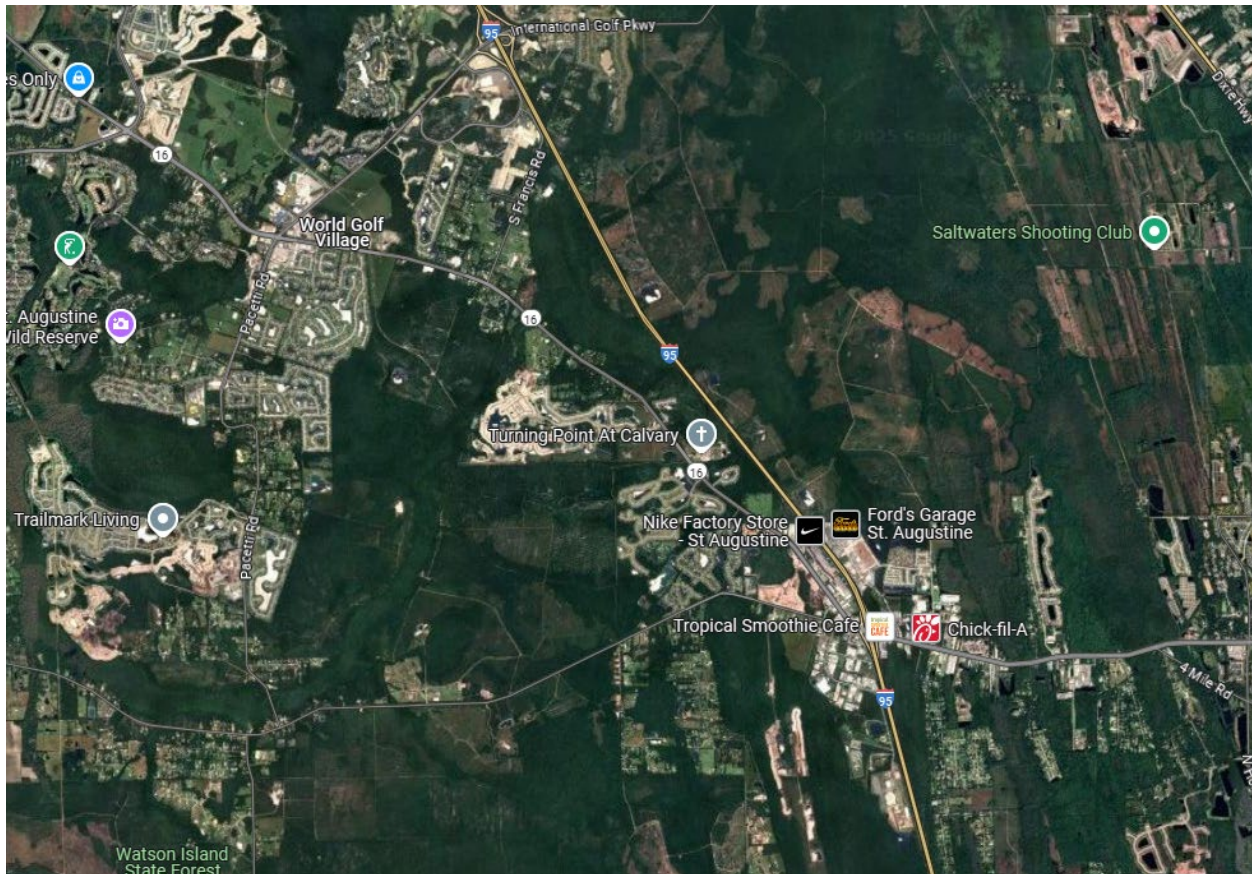
The Americans with Disabilities Act was passed on July 26, 1990. This Act provides comprehensive civil rights protection for individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications. This Act was designed to remove barriers which prevent qualified individuals with disabilities from enjoying the same employment opportunities and access to public facilities available to persons without handicaps. We have not made an ADA compliance survey as it is beyond the scope of our expertise as appraisers.

## Provident Valuation Services

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### Neighborhood and Marketability Analysis

The subject is located in the North Central Saint Johns County area, as shown in the map below.

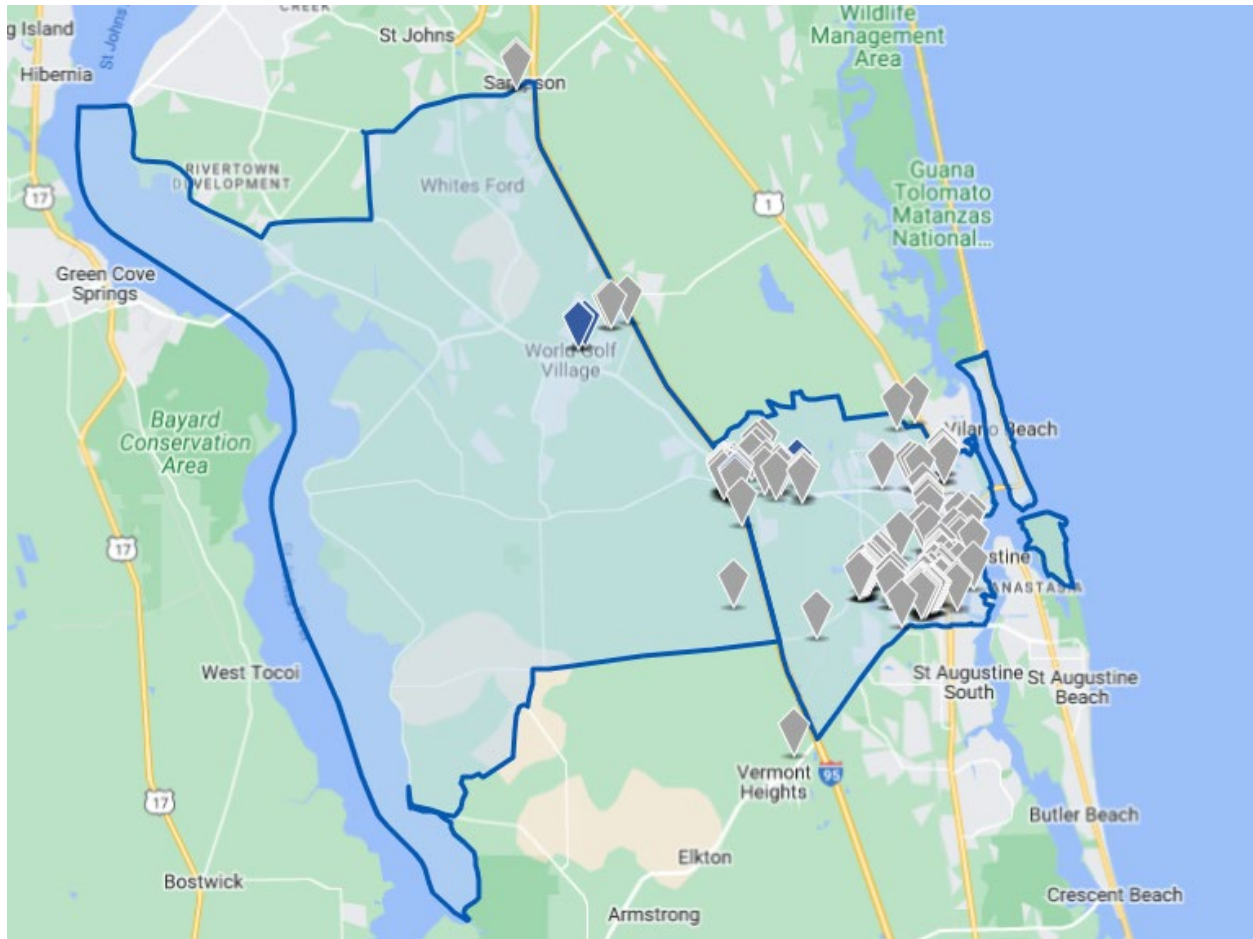


The subject is located approximately 1-mile north of the Interstate 95/State Road 16 intersection, which is densely developed with retail improvements that cater to interstate traffic. Located near this intersection is the Saint Augustine Premium Outlet mall. The area just north of this intersection is quickly developing with multiple single and multi-family developments as population growth expands south from World Golf Village, Murabella, and Trailmark, and west from the City of Saint Augustine. There is a road widening project underway to improve access from the International Golf Parkway to the Outlet Mall, and intersection improvements at the SR 16/I-95 interchange as well. The area is growing rapidly.

In analyzing the subject's competitive market area, we relied on market data provided by Costar Services. Costar is a leading provider of market data for various property types within the subject market area. We identified the subject's market area as the industrial submarket within the 32092 and 32084 zip codes. Costar surveyed competing industrial properties for this market area. A map noting these properties and a statistical summary follow.

## Provident Valuation Services

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## Provident Valuation Services

INVENTORY SF <b>2.9M</b> <span>+0.2%</span> Prior Period 2.9M	UNDER CONSTRUCTION SF <b>516K</b> <span>+77.6%</span> Prior Period 291K	12 MO NET ABSORPTION SF <b>70.3K</b> <span>+583.2%</span> Prior Period (14.6K)	VACANCY RATE <b>1.5%</b> <span>-2.2%</span> Prior Period 3.7%	MARKET ASKING RENT/SF <b>\$12.40</b> <span>+4.7%</span> Prior Period \$11.84	MARKET SALE PRICE/SF <b>\$122</b> <span>+10.3%</span> Prior Period \$110	MARKET CAP RATE <b>7.0%</b> <span>-0.1%</span> Prior Period 7.1%
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### Key Metrics

Availability		Inventory	
Vacant SF	45K ↓	Existing Buildings	148 ↑
Sublet SF	0 ↓	Under Construction Avg SF	129K ↑
Availability Rate	15.7% ↓	12 Mo Demolished SF	0 ↓
Available SF Total	538K ↓	12 Mo Occupancy % at Delivery	92.3%
Available Asking Rent/SF	\$10.52 ↓	12 Mo Construction Starts SF	228K ↓
Occupancy Rate	98.5% ↑	12 Mo Delivered SF	6.5K ↑
Percent Leased Rate	98.7% ↑	12 Mo Avg Delivered SF	6.5K

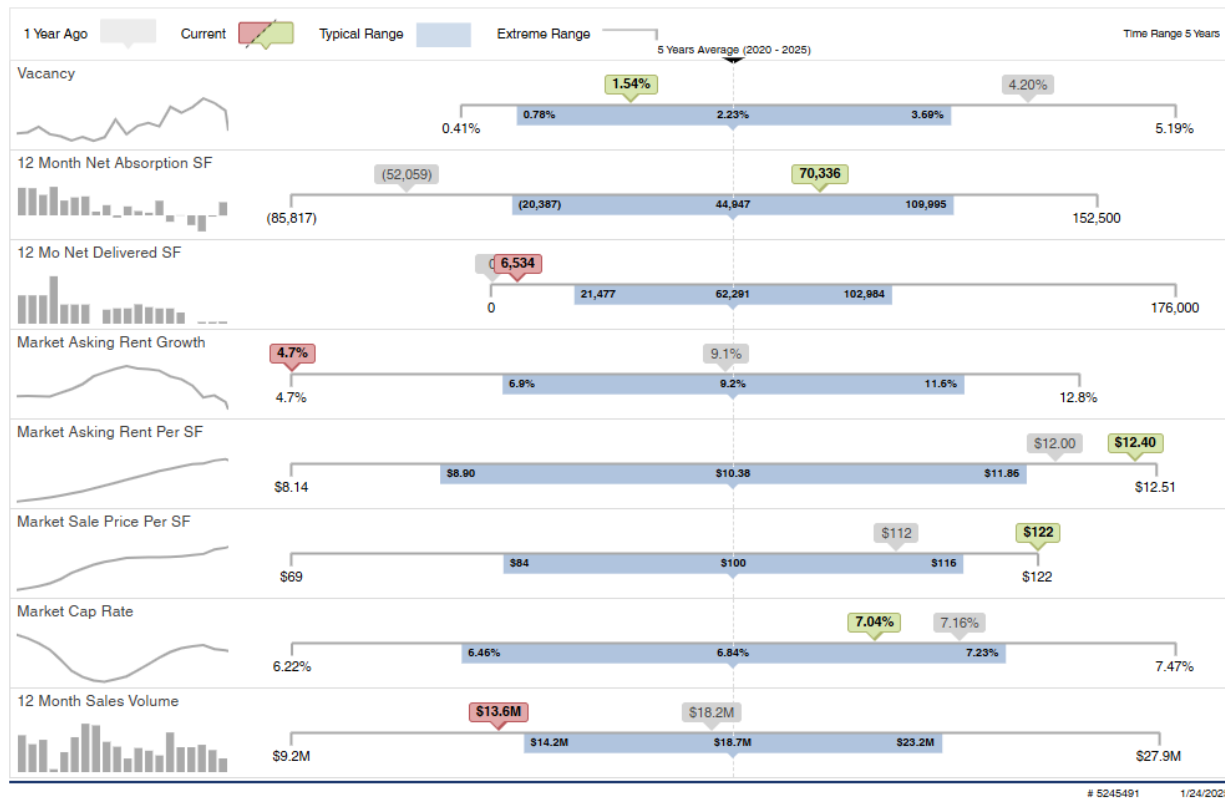
Sales Past Year		Demand	
Asking Price Per SF	\$160 ↑	12 Mo Net Absorp % of Inventory	2.4% ↑
Sale to Asking Price Differential	-5.9% ↓	12 Mo Leased SF	181K ↑
Sales Volume	\$13.6M ↓	Months on Market	0.5 ↓
Properties Sold	8 ↓	Months to Lease	5.8 ↓
Months to Sale	5.0 ↓	Months Vacant	9.0 ↓
For Sale Listings	-	24 Mo Lease Renewal Rate	76.4%
Total For Sale SF	-	Population Growth 5 Yrs	33.1%

# 5245491 1/24/2025

The above data detail a robust industrial submarket. Absorption is positive, vacancy is low, and rents and sales prices continue to climb. The population growth in the area is expected to be high, which should continue to fuel demand for real estate in general. Listed properties tend to sell/lease quickly, at 5 and 5.8 months, respectively.

## Provident Valuation Services

### Key Performance Indicators



Relative to the 5-year average, property performance continues to outperform. The only aspect of underperformance is 12-month sales volume, which has dropped due to higher interest rates.

Our research for properties that would compete for buyers of the subject revealed the following ‘for sale’ listing data located in the subject’s competitive market area.

### Comparable Properties Listed "For Sale"

	Location	List Price	Building Size	Price/SF
1	2410 Lucy Branch Rd, Orange Park	\$2,100,000	12,000	\$175.00
2	8444 103rd St, Jacksonville	\$2,500,000	9,955	\$251.13
3	4583 Sunbeam Rd, Jacksonville	\$2,300,000	9,185	\$250.41
4	5521 Blanding Blvd, Jacksonville	\$1,420,000	8,848	\$160.49

The foregoing ‘for sale’ listing data was like the subject property in overall location and use. The listing price per square foot has a range from \$160.49 to \$251.13.



## Provident Valuation Services

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Our research for properties that would compete with the subject for tenants provided the following rental listings located within the subject's market area.

Comparable Properties "For Lease"				
	Location	Lease Type	Unit Size	Rent/SF
1	1730 Dobbs Rd, St Augustine	Triple-net	20,000	\$9.00
2	1285 CR 210, Jacksonville	Triple-net	8,000	\$20.00
3	14125 Beach Blvd	Triple-net	13,508	\$21.00
4	6380 Philips Hwy	Triple-net	14,750	\$15.00

Asking rental rates ranged from \$9.00 to \$21.00 per square foot, with triple net leases being the predominate lease type for the asset class.

**SWOT ANALYSIS** is often a consideration as it relates to the implementation and viability of small industrial concerns and in this instance as it relates to the real estate component.

**Strengths/Opportunities** relate to forecasted population and income growth within the market area, which translates to on-going effective demand. The subject property is as proposed and located along a major roadway in a general area of high demand.

**Weaknesses/Threats** – Higher interest rates are creating a significant amount of uncertainty and reduced sales activity. The proposed road widening could potentially create a right-in/right-out only location, which could potentially negatively impact the subject's value, albeit slightly given its proposed use as an industrial property.

Market Participants we have spoken with over the course of several small industrial appraisals we've performed in the past year echo the above sentiments. Namely, the submarket has begun to stabilize over the past eighteen months. Most agree that there is significant cash on the sideline, and now that the federal reserve has begun its monetary loosening cycle, the market should return to appreciation, with cap rates once again compressing and rents and sales prices increasing.

Based on our review of the current trends within the subject's market area, the subject property appears to be as marketable as its direct competition.

### **Highest and Best Use Analysis**

According to the *Dictionary of Real Estate Appraisal, 6th Edition*, highest and best use is defined as: The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are physically possible, legally permissible, financially feasible and maximally productive. Alternatively, the probable use of land or improved property, specific with respect to the user and timing of the use that is adequately supported and results in the highest present value.

The highest and best use of an improved site may differ from the existing use. However, the existing use will continue unless the land value at its highest and best use exceeds the total value of the property in its present use. This definition recognizes a specific use's contribution to the community or individual property owners.

The determination of highest and best use results from the appraiser's judgment and analytical skill, i.e., the highest and best use is an opinion, not a fact to be found. In appraisal practice, value is based upon the concept of highest and best use. This concept requires an analysis of the subject as if it were vacant and as if improved to determine if the land is more valuable as vacant than the property as improved. The four criteria that must be met are: 1) physically possible; 2) legally permissible; 3) financially feasible; and 4) maximally productive. These criteria are generally considered sequentially; and the analysis may indicate more than one use.

### **Physically Possible**

The subject site, given its size and configuration, is well suited for a variety of potential uses. Elements such as site size, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences are described in the Site Description and have been considered. The subject site has an irregular shape and contains 2.00 upland acres, or 87,120 upland square feet. The site has frontage along State Road 16. The subject's size and shape create a functional site with no known physical characteristics that significantly restrict the development of any land uses that comfortably fit on the site. Thus, the subject site could physically support proposed industrial development.

Average daily traffic is the total volume passing a segment of roadway in both directions during a 24-hour period. A reported 20,500 cars per day pass the subject along State Road 16.



### Legally Permissible

The property is zoned PUD (Planned Unit Development) by Saint Johns County. The property has a Mixed Use land use. The subject's zoning allows for various retail, office, and personal service uses. Its proposed use appears to be legal and conforming.

This zoning district is appropriate for the location and physical elements of the subject, providing for a consistency of use with the general neighborhood. The location of the subject is appropriate for the uses allowed. The subject zoning does not have a negative effect on the subject's value, in our opinion, and considering the possibility for a rezoning or change in future use is beyond the scope of this appraisal.

### Financially Feasible

Once physically possible and legally permissible uses are determined, an appraiser considers the potential economic or financial feasibility for the most probable uses via a cost/benefit analysis or through direct market observation. We have surveyed the neighborhood to determine what types of land uses and improvements are present in the area. The probable use of the site for commercial development conforms to the pattern of land use in the market area, representing a positive inferred market demand. A review of rental and occupancy rates for the most probable use of the site was conducted. Data suggests that there is

## **Provident Valuation Services**

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enough demand to ensure timely absorption of additional inventory in this market, and development of the site with this or allied uses would be financially feasible.

Those uses which are financially feasible and maximally productive are generally closely related. Any use that results in a net return to the land after satisfying the return to the improvements is financially feasible. And the use that returns the maximum dollars to the land is the use which is maximally productive.

### **Maximally Productive**

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as though vacant is for commercial development as restricted by the subject zoning.

### **As If Vacant**

It is our opinion that the highest and best use of the subject property as if vacant would be for commercial development as restricted by current zoning.

### **Highest and Best Use As Improved**

In determining the highest and best use of the property as improved, the focus is on three possibilities for the property: 1) continuation of the existing use, 2) modification of the existing use, or 3) demolition and redevelopment of the land.

The subject owner plans to develop the subject site with a two-building, owner occupied office/showroom warehouse facility. The construction budget provided to us is \$1,028,805. Combining this budget with our opinion of land value \$1,050,000 (since the subject site was acquired some time ago) equals a total project cost of \$2,078,805. Our reconciled opinion of value of the subject upon completion is \$2,400,000. This implies profit in the deal, and therefore financial feasibility.

### **Conclusion of Highest and Best Use as Improved**

The site is improved with 12,000 gross square feet of proposed industrial improvements. Given the subject's location, size, shape, and surrounding land uses, we have identified the highest and best use of the subject property "as improved" to be "as proposed".

### **Most Probable Buyer/User**

As of the date of value, the most probable buyer/user would be an owner-user.

### **Land Valuation – Value As Is**

Land is most often valued using the Sales Comparison Approach. This approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same utility. In the sales comparison approach, the opinion of market value is based on closed sales, listings and pending sales of properties like the subject property, using the most relevant units of comparison. The comparative analysis focuses on the difference between the comparable sales and the subject property using all appropriate elements of comparison.

A systematic procedure for applying the sales comparison approach includes the following steps: (1) researching and verifying transactional data, (2) selecting relevant units of comparison, (3) analyzing and adjusting the comparable sales for differences in various elements of comparison, and (4) reconciling the adjusted sales into a value indication for the subject site.

### **Unit of Comparison**

The unit of comparison depends on land use economics and how buyers and sellers use the property. The unit of comparison in this analysis is price per net square foot.

### **Elements of Comparison**

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The main elements of comparison that are considered in a sales comparison analysis are: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location and (7) physical characteristics.

### **Comparable Sales Data**

A search of data sources and public records, a field survey, interviews with knowledgeable real estate professionals in the area, and/or a review of our internal database were conducted to obtain and verify comparable sales and listings of vacant land properties. We have included four sales in our analysis, as these sales are judged to be the most comparable in developing an indication of the market value of the subject property.



## Land Sale No. 1



### Property Identification

Record ID	567
Property Type	Commercial
Address	SR 16, Saint Augustine, St Johns County, Florida 32092
Tax ID	0729200000

### Sale Data

Grantor	West St Johns Investments, LLC
Grantee	Dharani SR165A Holdings
Sale Date	December 20, 2024
Deed Book/Page	6072-1439
Property Rights	Fee simple
Marketing Time	304 days
Conditions of Sale	Arm's-length
Financing	Cash-to-seller
Verification	Tammy Palmer - Broker; January 23, 2025; Other sources: Public records, Listing materials, Confirmed by John Miles

Sale Price	\$1,600,000
Cash Equivalent	\$1,600,000

### Land Data

Zoning	PUD
Topography	Level
Utilities	Public

## Provident Valuation Services

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### Land Sale No. 1 (Cont.)

**Shape** Triangular

#### **Land Size Information**

**Gross Land Size** 5.010 Acres or 218,236 SF

#### **Indicators**

**Sale Price/Gross Acre** \$319,361

**Sale Price/Gross SF** \$7.33

#### **Remarks**

The broker confirmed this to be an arm's-length sale of a triangular shaped 5-acre parcel of commercially zoned land. The site is located on the southwest side of SR-16, approximately 1.1-mile north of Interstate 95. The zoning allows for development of up to 30,100 square feet of commercial and office space, which includes light retail. The site was heavily forested.

### Land Sale No. 2



#### Property Identification

Record ID	568
Property Type	Industrial
Address	Agricultural Center Drive, Saint Augustine, St Johns County, Florida 32092
Tax ID	0874400070; 0874100000

#### Sale Data

Grantor	John Oaks; JRI AG Center, LLC
Grantee	SAMC Holdings, LLC
Sale Date	December 16, 2024
Deed Book/Page	6071-1437; 1467
Property Rights	Fee simple
Marketing Time	228 days
Conditions of Sale	Arm's-length
Financing	Cash-to-seller
Verification	Wes Nicholson – Broker 1/23/2025, Confirmed by John Miles

Sale Price	\$835,000
Cash Equivalent	\$835,000

#### Land Data

Zoning	IW
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## Provident Valuation Services

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### Land Sale No. 2 (Cont.)

<b>Topography</b>	Level
<b>Utilities</b>	Public
<b>Shape</b>	Rectangular

#### **Land Size Information**

<b>Gross Land Size</b>	2.000 Acres or 87,120 SF
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#### **Indicators**

<b>Sale Price/Gross Acre</b>	\$417,500
<b>Sale Price/Gross SF</b>	\$9.58

#### **Remarks**

The broker confirmed this to be a qualified assemblage sale of two 1-acre industrially zoned parcels on the west side of Agricultural Center Drive, approximately 350-feet south of CR 208. The site was cleared and rough graded.



Land Sale No. 3



**Property Identification**

<b>Record ID</b>	559
<b>Property Type</b>	Industrial
<b>Address</b>	9990 US Highway 1 North, Ponte Vedra, St Johns County, Florida 32081
<b>Tax ID</b>	0259900010

**Sale Data**

<b>Grantor</b>	Mariposa Realty, LLC
<b>Grantee</b>	Southern Aquatics, Inc.
<b>Sale Date</b>	August 29, 2024
<b>Deed Book/Page</b>	6012-316
<b>Property Rights</b>	Fee simple
<b>Marketing Time</b>	72 days
<b>Conditions of Sale</b>	Arm's-length
<b>Financing</b>	Cash-to-seller
<b>Verification</b>	Adam Lanteigne - Broker; October 18, 2024; Other sources: Public records, Settlement Statement, Confirmed by John Miles
<b>Sale Price</b>	\$1,400,000



### Land Sale No. 3 (Cont.)

Cash Equivalent	\$1,400,000
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#### Land Data

Zoning	IW
Topography	Level
Utilities	Public
Shape	Irregular

#### Land Size Information

Gross Land Size	1.880 Acres or 81,893 SF
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#### Indicators

Sale Price/Gross Acre	\$744,681
Sale Price/Gross SF	\$17.10

#### Remarks

The broker confirmed this to be an arm's-length sale of a cleared site on the northeast side of US 1 in Ponte Vedra. The site has a small, older concrete block building that contributed no value contribution to the overall property. The site was mostly cleared, graded, and gravel covered. There is chain link perimeter fencing surrounding it, with a concrete apron and vehicle gate for access. The site has right-in/right-out access onto US 1. The buyer intends to develop the site with a small bay flex development.

### Land Sale No. 4



#### Property Identification

Record ID	500
Property Type	Industrial
Address	235 International Golf Pkwy/67 Thomas Industry Way, Saint Augustine, St Johns County, Florida 32095
Tax ID	0724510150; 0724510160

#### Sale Data

Grantor	Southern Aquatics, Inc.
Grantee	Chinchor Electric, Inc.
Sale Date	January 31, 2024
Deed Book/Page	5894-82
Property Rights	Fee simple
Conditions of Sale	Arm's-length
Financing	Cash-to-seller
Verification	Tom Frohne - Broker; March 07, 2024; Other sources: Public records, Confirmed by John Miles
Sale Price	\$1,275,900
Cash Equivalent	\$1,275,900

### Land Sale No. 4 (Cont.)

#### **Land Data**

<b>Zoning</b>	PUD
<b>Topography</b>	Level
<b>Utilities</b>	Public
<b>Shape</b>	Generally rectangular

#### **Land Size Information**

<b>Gross Land Size</b>	2.100 Acres or 91,476 SF
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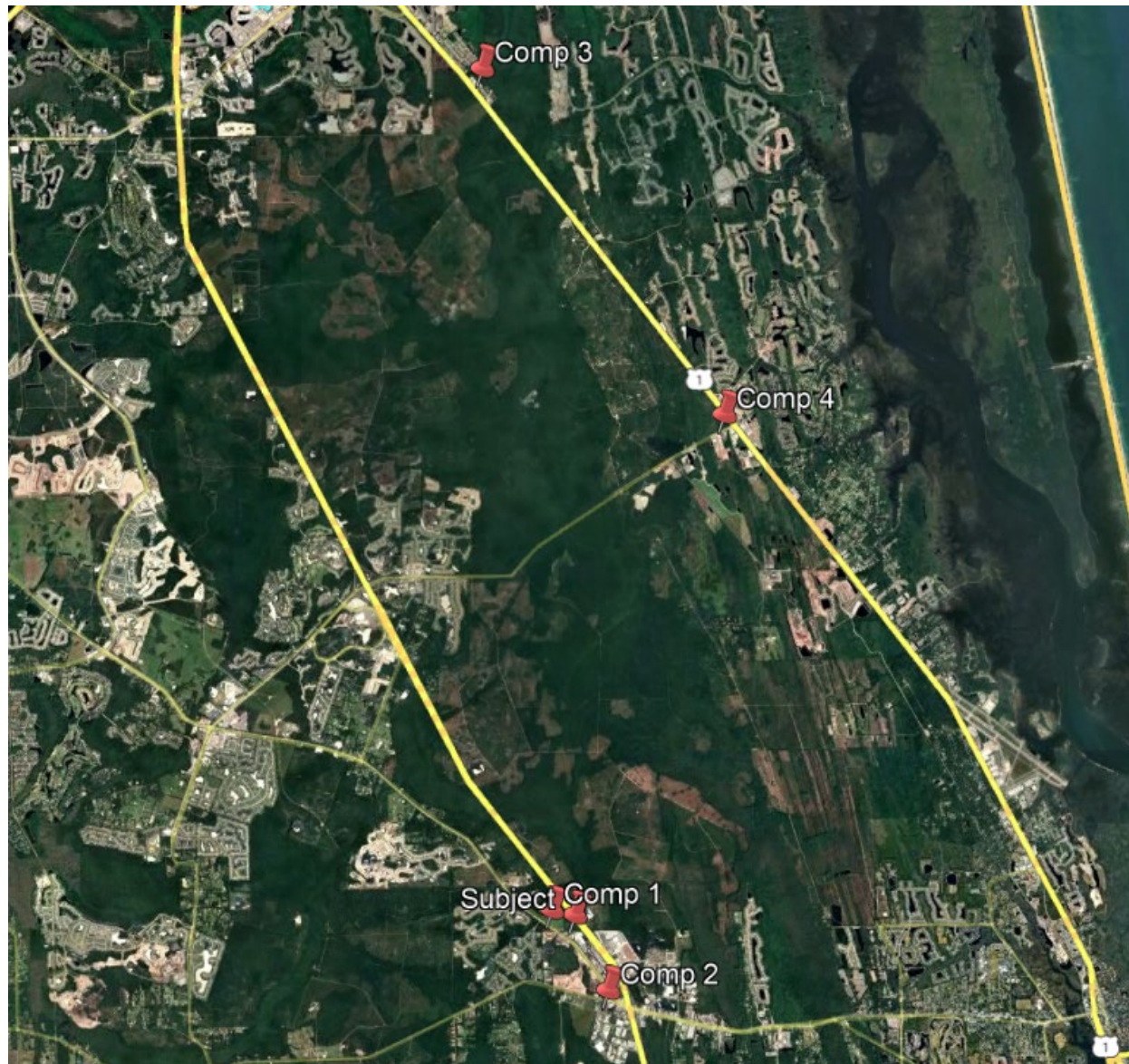
#### **Indicators**

<b>Sale Price/Gross Acre</b>	\$607,571
<b>Sale Price/Gross SF</b>	\$13.95

#### **Remarks**

According to a broker who is active in the development, but did not work directly with this deal, this is an arm's-length sale of an industrial lot within the IGP Commerce Center. The center is planned as an industrial anchored center with a maximum of 290,000 square feet of industrial improvements on approximately 59.4 acres of land near the intersection of International Golf Parkway and US 1. The sites within the development are all "shovel-ready".

### Land Sales Map





## Provident Valuation Services

### Land Sales Adjustment Grid

Land Sales Summary and Adjustment Grid					
Subject		Comp 1	Comp 2	Comp 3	Comp 4
Location:	2950 & 2960 State Road 16	SR 16	Agricultural Center Drive	9990 US Highway 1 North	235 International Golf Pkwy/67 Thomas Industry Way
Date of Sale:		December-24	December-24	August-24	January-24
Sale Price:		\$1,600,000	\$835,000	\$1,400,000	\$1,275,900
Adjusted Sale Price:					
Site Size (Acres):	2.00	5.01	2.00	1.88	2.10
Site Size (Sq. Ft.):	87,120	218,236	87,120	81,893	91,476
Unadjusted Price/Sq. Ft.:		\$7.33	\$9.58	\$17.10	\$13.95
Adjustments					
Rights Transferred:		Fee simple	Fee simple	Fee simple	Fee simple
Adjustment %:		0%	0%	0%	0%
Financial Considerations:		Market	Market	Market	Market
Adjustment %:		0%	0%	0%	0%
Conditions of Sale:		Arm's Length	Arm's Length	Arm's Length	Arm's Length
Adjustment %:		0%	0%	0%	0%
Market Conditions:		Improving	Improving	Improving	Improving
Adjustment %:	10%	1%	1%	4%	10%
Cash Equiv. Price/SF:		\$7.40	\$9.68	\$17.78	\$15.32
Location:		Similar	Inferior	Superior	Similar
		0%	10%	-30%	0%
Site Size (Square Feet):	87,120	218,236	87,120	81,893	91,476
		10%	0%	0%	0%
Zoning:	PUD	PUD	IW	IW	PUD
		5%	10%	10%	5%
Site Shape/Prep		Inferior	Similar	Similar	Superior
		30%	0%	0%	-30%
Net Adjustments:		45%	20%	-20%	-25%
Adjusted Price/Sq. Ft.:		\$10.73	\$11.62	\$14.23	\$11.49



## Provident Valuation Services

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### Land Sales Analysis

Properties like the subject site are typically sold on a price per square foot basis as indicated by market participants. A search of the subject neighborhood and competing neighborhoods was conducted for vacant land sales that were most like the subject site. Numerous comparable sales were researched and analyzed, and in the final analysis, they were narrowed to the four most comparable transactions. Items considered important in the selection of market data were market conditions, location, and site size.

All the transactions were financed in market terms by third-party financial institutions; hence, no adjustments for financing were required.

Each transaction was confirmed to be arm's length between willing buyers and sellers; therefore, no adjustments for abnormal conditions of sale were necessary. However, if a listing is included in the analysis, a downward adjustment is considered to reflect a typical cushion for negotiations. Nonetheless, the amount of adjustment, if any, would depend on the asking price as it relates to the market at that time. Some transactions might include a bank sale sometimes referred to as a "short sale". An adjustment will be made if warranted based on the confirmation of that transaction.

Adjustments attempt to quantify changes in market conditions between the date of each sale and the date of the appraisal, based on current market conditions and available properties. All the transactions are relatively timely, taking place from January, 2024 to December, 2024. Adjustments were based on any quantifiable appreciation or depreciation, typically identified through market analysis.

*The Comparable Sales were adjusted upward by an annual rate of 10.0% from their sales dates to the Subject's valuation date to account for improving market conditions outlined in the marketability section of this report.*

Adjustments for location typically are associated with the general demographics and overall characteristics of an area, as well as roadway frontage.

*Comparable 2 lacked major road frontage; thus, it required upward adjusting. Comparable 3 is located in a superior area; thus, it required downward adjusting..*

Land size is an adjustment in which the comparable sales' sizes are compared to the subject. Depending on the market segment, variation in size can affect the price per square foot index. Typically, if a comparable is larger than the subject, an upward adjustment is applied to reflect economies of scale. Conversely, if a comparable is smaller than the subject, a downward adjustment is applied.

*Comparable 1 required upward adjusting for its materially larger size.*

Zoning can affect land sale prices as properties with zoning codes that allow for less dense development often sell for less than properties that are zoned for more intense usage.

## Provident Valuation Services

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*All four comparables required adjusting for their inferior zoning. Comps 1 and 4 had more restrictive PUD zoning that didn't allow for the subject's flexibility of uses. Comps 2 and 3 were industrially zoned, which limits the retail uses allowed.*

Site shape and preparation can affect land sale prices as sites must be cleared and graded prior to any development. This cost is borne by developers in the price of the land or in the construction budget. Highly irregularly shaped sites limit land available for development.

*Comparable 1 was uncleared and had a triangular shape. Thus, it required upward adjusting. Comparable 4 was "shovel ready" with all necessary development made for building construction to begin. Thus, it required downward adjusting.*

### Land Value Reconciliation

Before adjustment, the land sales ranged from \$7.33 to \$17.10 per square foot. After adjustments, the sales range from \$10.73 to \$14.23 per square foot. Based on the relative merits of each sale, we have concluded to value the subject at \$12.00 per square foot of land area. Our computations are as follows:

$$87,120 \text{ Square Feet of Land Area} \times \$12.00/\text{SF} = \$1,045,440$$

**Market Value Sales Comparison Approach (Land)**

**Rnd. \$1,050,000**

### **Cost Approach**

The cost approach is a valuation method in which the reproduction or replacement cost of improvements is estimated. Applicable indirect costs are added, and entrepreneurial profit is then considered, which results in the estimate of reproduction or replacement cost new. This analysis estimated a replacement cost new.

Estimates of applicable forms of depreciation are then deducted, resulting in an estimate of the depreciated value of the improvements. Land value and applicable contributory value are then added to form an indication of value by this method.

### **Marshall Valuation Service**

The Marshall Valuation Service (MVS) is a complete guide to developing replacement costs for buildings, selected equipment, and other real estate improvements. It is one of the country's most widely recognized cost data services and is used by builders, mortgage lenders, insurance companies, accountants, engineers, architects, and appraisers. On-going research into current construction costs is reflected in periodic updates. Data can be adjusted to make it location specific. The service has been in publication for more than 50 years and after testing MVS data against known local construction costs, we have found it to be a reliable source of current replacement costs.

The Marshall Valuation Service unit replacement costs include the following:

- In the Calculator Section, the actual costs used are final costs to the owner and will include average architect and engineer's fees. These, in turn, include plans, building permits, and survey to establish building lines and grades.
- Normal interest on building funds during construction, and processing fee or service charge is included. Typically, this will average half of the going rate over the time, plus the service fee.
- Sales taxes on materials are included.
- Normal site preparation includes finish, grading, and excavation for foundation and backfill.
- Utilities from structure to lot line figured for typical setback except where noted in some Unit-in-Place cost sections.
- Contractor's overhead and profit, job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, equipment, temporary facilities, security, etc. are included.

The Marshall Valuation Service unit replacement costs do not include the following:

- Costs of buying or assembling land such as escrow fees, legal fees, property taxes, demolition, storm drains, or rough grading. These are considered costs of doing business.
- Pilings or hillside foundations are priced separately in the manual and are considered an improvement to the land. This also refers to soil compaction and vibration, terracing, etc.
- Costs of land planning or preliminary concept and layout for large developments inclusive of developer's overhead and profit are not included, nor is interest costs, taxes on the land, feasibility studies, environmental impact reports, appraisals, or consulting fees, etc.
- Discounts or bonuses paid for financing are considered a cost of doing business, as are funds for operating start up, development overhead, or fixture and equipment purchases, etc.
- Yard improvements including signs, landscaping, paving, walls, yard lighting, etc.

## Provident Valuation Services

- Off-site costs including roads, utilities, park fees, jurisdictional hook-up, tap-in, impact or entitlement fees and assessments, etc.
- Furnishings and fixtures, usually not found in the general contract, that are peculiar to a definite tenant, such as seating or kitchen equipment, etc.
- Marketing costs to create first occupancy including model or advertising expenses, leasing or broker's commissions or temporary operation of property owners' associations.

### Building Cost Estimate

#### Direct Costs

Our analysis uses the Marshall Valuation Service (MVS) "Office" Section 15, Page 17, dated November 2023; and "Service Garage" Section 14, Page 32, dated February 2024, and appropriate supporting adjustments and refinements data. The estimated quality level of the structural system, exterior and interior finishes, plumbing, HVAC, electrical equipment, and exterior wall surfaces reflect Low Cost, Class S construction for the office, and Average Class S construction for the warehouse. The site horizontal improvements are discussed in the next section (Other Improvements).

Direct Unit Cost		
Data Source	Marshall Valuation Services (MVS)	
Property Type	Office	Service Garage
Class/Quality	Class S - Low Cost	Class S - Average
Section/Page	15/17	14/32
Date	November-23	February-24
Base Cost per Square Foot (Unadjusted)	\$94.50	\$68.00
Size Refinements		
Floor Area / Perimeter Multiplier	1.000	1.000
Story Height Multiplier	1.000	1.000
Interim Refined Cost per Square Foot	\$94.50	\$68.00
Refinements		
Current Cost Multiplier	1.050	1.030
Local Cost Multiplier - Jacksonville	0.940	0.940
Refined Cost per Square Foot	\$93.27	\$65.84
Estimated Unit Cost	\$93.27	\$65.84

The analysis considers and has made the following adjustments to the MVS base unit construction costs:

1. Floor Area/Perimeter Multipliers consider the cost of constructing a building that is larger/smaller than the norm. The appropriate multiplier is 1.00.
2. Story Height Multipliers consider the cost of a building height above that which is considered normal. The appropriate multiplier for the subject is 1.00.
3. The appropriate multiplier to convert MVS cost data to the current date is 1.05 (office) and 1.03 (shop space).
4. The appropriate multiplier to convert MVS cost data to local costs in the Jacksonville, Florida area, is 0.94.

## Provident Valuation Services

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### **Other Improvements**

The horizontal improvements were not included within the MVS base unit costs; but are included as part of the improvements cost new computation. We did not have enough detailed information to estimate the horizontal costs using MVS; thus, we used the cost estimate provided by the contractor. Much of the site development costs are embedded in the land valuation shown in the previous section.

Other Improvements	
Paving/Retention	\$88,000
Site Lighting	\$39,000
<hr/>	
Total - Other Improvements	\$127,000

### **Indirect Costs**

Within Marshall Valuation Service, several items of indirect costs are included such as architect and engineering fees, contractor's overhead profit, unemployment insurance, normal construction financing, etc. Costs that are not accounted for within the MVS base costs as well as other improvement costs include legal fees, land acquisition costs, permanent financing placement costs, interest between completion of construction and stabilization, advertising, leasing commissions, accounting, real estate taxes and insurance, and other related expenses. Therefore, in addition to the direct costs estimated above, indirect costs of 10% are added to estimate the total development cost for the subject property.

### **Entrepreneurial Incentive**

Entrepreneurial incentive represents an estimate of the amount necessary to attract a developer to construct the Subject Property, to assemble and coordinate the purchase of the site, to oversee the planning and development of the proposed improvements, to assemble, hire, and train personnel and to absorb the risk of the operations failure. Entrepreneurial incentive incorporates a coordination fee, as well as the profit that can arise from a development that is properly timed, appropriate for the site and market area, well designed, and satisfies a market niche.

Profit expectations and entrepreneurial incentive are difficult factors to predict because they are subjective and typically residual in nature. Since comparable properties are rarely sold shortly after their construction, there is little opportunity to extract the entrepreneurial incentive from market data. Our research and experience with commercial properties having good supporting transactional data indicates that entrepreneurial incentive typically ranges broadly between 10% and 20% of total costs. The entrepreneurial incentive has been estimated at 10% of the total direct and indirect construction costs.

### **Replacement Cost New**

The summation of the direct costs, indirect costs, and entrepreneurial incentive yields the replacement cost new.



## Provident Valuation Services

Replacement Cost New					
Direct Costs	Qty	Unit	Unit Cost		Cost
Office	4,500	/SF	x	\$93.27	= \$419,722
Service Garage	7,500	/SF	x	\$65.84	= \$493,782
	12,000	/SF	x	\$76.13	= \$913,504
Other Improvements					
Paving/Retention					\$88,000
Site Lighting					\$39,000
Total - Other Improvements					\$127,000
Total Direct Costs					\$1,040,504
Indirect Costs					
(As a % of Total Direct Costs)	10%	x	\$1,040,504	=	\$104,050
					\$1,144,554
Entrepreneurial Incentive					
(As a % of Total Direct Costs)	10%	x	\$1,144,554	=	\$114,455
Total Replacement Cost New					\$1,259,010

### Accrued Depreciation Estimate

Accrued depreciation is a loss in value from the replacement cost of the improvements from any cause as of the date of an appraisal. A loss to the structure or improvements emanates from one or more of these sources: physical deterioration, functional obsolescence, and/or external obsolescence. After identifying and measuring accrued depreciation, an appraiser deducts the dollar amounts of the estimated depreciation from the replacement cost of the improvements. The resulting difference is the estimated depreciated value of those improvements.

The primary goal of depreciation analysis is to identify all forms of depreciation recognized by the market. The method used by the appraiser to estimate depreciation should reflect the reaction of an informed and prudent buyer to the condition, quantity, and quality of the property and the market in which the property is found as of the date of value.

*The subject improvements are new with no depreciation.*

## Provident Valuation Services

### Indicated Value by the Cost Approach

Cost Approach Summary					
Direct Costs	Qty /Unit		Unit Cost		Cost
Office	4,500 /SF	x	\$93.27	=	\$419,722
Service Garage	7,500 /SF	x	\$65.84	=	\$493,782
	12,000 /SF	x	\$76.13	=	\$913,504
Other Improvements					
Paving/Retention					\$88,000
Site Lighting					\$39,000
Total - Other Improvements					\$127,000
Total Direct Costs					\$1,040,504
Indirect Costs					
(As a % of Total Direct Costs)	10%	x	\$1,040,504	=	\$104,050
					\$1,144,554
Entrepreneurial Incentive					
(As a % of Total Direct Costs)	10%	x	\$1,144,554	=	\$114,455
Total Replacement Cost New					\$1,259,010
Less Accrued Depreciation					\$0
Depreciated Improvement Costs					\$1,259,010
Plus Land Value					\$1,045,440
Value Indication via the Cost Approach					\$2,304,450
<b>Value Indication via the Cost Approach, Rounded</b>					<b>\$2,300,000</b>

The budget provided to us shows a total construction cost of \$1,028,805. Based on our analysis shown above, this appears to be reasonable given that much of the site preparation and indirect costs (rezoning) have already been paid for by the owner.

### **Sales Comparison Approach - Improved**

The Appraisal Institute's *Dictionary of Real Estate Appraisal, 6th Edition*, defines the sales comparison approach as "A set of procedures in which a value indication is derived by comparing the property being appraised to similar, recently sold properties, then applying appropriate units of comparison, and adjusting the sale prices of the comparable sales based on the elements of comparison. This method may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparable sales is available."

The sales comparison approach is based on the principle of substitution, which suggests that property values tend to be set by the cost of acquiring an equally desirable substitute. The primary steps of the sales comparison approach are as follows:

1. Sales of properties like the subject are identified. Ideally, comparable properties are equally desirable (identical attributes of market conditions, site, location, improvements, etc.). However, properties that are identical to the subject are unlikely. Thus, sales of properties that are reasonable economic substitutes are identified.
2. Attributes of each comparable property are compared to the subject property's corresponding attributes. If there is a material difference between a comparable property and the subject regarding a value attribute, then we evaluate the degree of inferiority/superiority.
3. The sale prices of the comparable properties are adjusted to compensate for material differences between the comparable properties' attributes and the subject property's attributes. For example, if a comparable property has a location that is superior to the subject's location, then the price of the comparable property is adjusted downward to render its value equivalent to the subject property. And vice versa.
4. After all adjustments are made, the comparable properties have theoretically been altered into a value duplicate of the subject property. The adjusted values of the comparable sales provide indications of the subject's value. The value indications typically vary across a range. An opinion of value for the subject is developed based on the appraiser's level of confidence in the various adjusted values.

Direct Sales Comparison is a valuation technique in which a value opinion is predicated on prices paid in actual market transactions. In this process, comparison is made between properties having a satisfactory degree of similarity to the subject.

*We searched the subject market area for recent sales that were like the subject and found several that were suitable for analysis. Comparable Sale write-ups, an improved adjustment grid, and a comparable sales map is presented thereafter.*

### Improved Sale No. 1



#### **Property Identification**

<b>Record ID</b>	1586
<b>Property Type</b>	Industrial
<b>Address</b>	3845 Deerpark Boulevard, Elkton, St Johns County, Florida 32033
<b>Tax ID</b>	1363210030

#### **Sale Data**

<b>Grantor</b>	Roy Hinman
<b>Grantee</b>	Tibbetts Lumber CO, LLC
<b>Sale Date</b>	May 24, 2024
<b>Deed Book/Page</b>	5957-696
<b>Property Rights</b>	Fee simple
<b>Marketing Time</b>	108 days
<b>Conditions of Sale</b>	Arm's-length
<b>Financing</b>	Cash-to-seller
<b>Verification</b>	Rich O'Brien - Broker; January 24, 2025; Other sources: Public records, OM, Confirmed by John Miles

<b>Sale Price</b>	\$3,700,000
<b>Cash Equivalent</b>	\$3,700,000

#### **Land Data**

<b>Land Size</b>	3.810 Acres or 165,964 SF
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## Provident Valuation Services

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### Improved Sale No. 1 (Cont.)

<b>Zoning</b>	PUD
<b>Topography</b>	Level
<b>Utilities</b>	Public
<b>Shape</b>	Irregular

#### General Physical Data

<b>Building Type</b>	Single Tenant
<b>Gross SF</b>	18,000

<b>Construction Type</b>	Metal
<b>Roof Type</b>	Metal
<b>Foundation</b>	Slab
<b>HVAC</b>	Central
<b>Stories</b>	1
<b>Year Built</b>	2021

#### Indicators

<b>Sale Price/ SF</b>	\$205.56
<b>Floor Area Ratio</b>	0.11
<b>Land to Building Ratio</b>	9.22:1

#### Remarks

The broker confirmed this to be an arm's-length sale of an industrial property in the Deer Park Industrial Park. The building had 3,840 square feet of good quality office space, 14,160 square feet of insulated warehouse space, with 26' and 20' ceiling heights. Not included in the gross square footage is 2,000 square feet of semi-finished mezzanine space accessible via staircase. The building has fire suppression, and a loading dock. It has a large amount of concrete paved open storage as well. The seller did a short-term leaseback (around 8 months) which did not have an effect on the sales price.



### Improved Sale No. 2



#### Property Identification

<b>Record ID</b>	1531
<b>Property Type</b>	Industrial
<b>Address</b>	9315 Old Kings Road South, Jacksonville, Duval County, Florida 32257
<b>Tax ID</b>	148656-0250

#### Sale Data

<b>Grantor</b>	Four Buildings, LLC ET AL
<b>Grantee</b>	Adam Ableman, Trustee
<b>Sale Date</b>	May 10, 2024
<b>Deed Book/Page</b>	21058-1854
<b>Property Rights</b>	Leased fee
<b>Conditions of Sale</b>	Arm's-length
<b>Financing</b>	Cash-to-seller
<b>Verification</b>	Edward Wilson - Broker; September 20, 2024; Other sources: CoStar, Public records, Confirmed by John Miles

<b>Sale Price</b>	\$2,668,000
<b>Cash Equivalent</b>	\$2,668,000

#### Land Data

<b>Land Size</b>	2.500 Acres or 108,900 SF
<b>Zoning</b>	PUD
<b>Topography</b>	Level
<b>Utilities</b>	Public
<b>Shape</b>	Generally rectangular

### Improved Sale No. 2 (Cont.)

#### General Physical Data

<b>Building Type</b>	Single Tenant
<b>Gross SF</b>	14,943
<b>Construction Type</b>	Masonry and Metal
<b>Roof Type</b>	Metal
<b>Foundation</b>	Slab
<b>HVAC</b>	Central
<b>Stories</b>	1
<b>Year Built</b>	1997

#### Income Analysis

<b>Net Operating Income</b>	\$186,736
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#### Indicators

<b>Sale Price/ SF</b>	\$178.55
<b>Floor Area Ratio</b>	0.09
<b>Land to Building Ratio</b>	11.12:1
<b>Occupancy at Sale</b>	100%
<b>Overall or Cap Rate</b>	7%
<b>Net Operating Income/Sq. Ft.</b>	\$12.50

#### Remarks

Th broker confirmed this to be an arm's-length sale of a leased industrial building. The property was leased until November 2031 on an absolute net basis with 3% annual escalations. The building had 20' ceiling heights and 6 drive in doors. There was a 1,530 square-foot office area (16%) with the remainder being warehouse.

### Improved Sale No. 3



#### **Property Identification**

<b>Record ID</b>	1557
<b>Property Type</b>	Industrial
<b>Address</b>	43 Hudson Way, Ponte Vedra, St Johns County, Florida 32081
<b>Tax ID</b>	0237650030

#### **Sale Data**

<b>Grantor</b>	Jacksonville Academy of Gymnastics, Inc.
<b>Grantee</b>	43 Hudson Way, LLC
<b>Sale Date</b>	December 29, 2023
<b>Deed Book/Page</b>	5878-1667
<b>Property Rights</b>	Fee simple
<b>Conditions of Sale</b>	Arm's-length
<b>Financing</b>	Cash-to-seller
<b>Verification</b>	Other sources: Appraisal svc, Confirmed by John Miles

<b>Sale Price</b>	\$2,500,000
<b>Cash Equivalent</b>	\$2,500,000

#### **Land Data**

<b>Land Size</b>	1.250 Acres or 54,450 SF
<b>Zoning</b>	PUD
<b>Topography</b>	Level
<b>Utilities</b>	Public
<b>Shape</b>	Rectangular

### Improved Sale No. 3 (Cont.)

#### General Physical Data

<b>Building Type</b>	Single Tenant
<b>Gross SF</b>	10,005
<b>Construction Type</b>	Metal/Split faced block
<b>Roof Type</b>	Metal
<b>Foundation</b>	Slab
<b>HVAC</b>	Central
<b>Stories</b>	1
<b>Year Built</b>	2014

#### Indicators

<b>Sale Price/ SF</b>	\$249.88
<b>Floor Area Ratio</b>	0.18
<b>Land to Building Ratio</b>	5.44:1

#### Remarks

This is the arm's-length sale of a metal and split-faced block warehouse building constructed in 2014. It was most recently used as a gymnastics facility and was purchased for conversion for use as a swim school. The building has approximately 2,600 square feet of office space, with the balance being an open, climate-controlled warehouse. The building has a decorative storefront with split faced block and fixed glass. The warehouse space is accessible via four roll up doors. The office space was average quality. The building was high quality otherwise.

### Improved Sale No. 4



#### **Property Identification**

<b>Record ID</b>	1534
<b>Property Type</b>	Industrial
<b>Address</b>	105 East Davis Industrial Drive, Saint Augustine, St Johns County, Florida 32084
<b>Tax ID</b>	'0962710080

#### **Sale Data**

<b>Grantor</b>	Davis Industrial Partners, LLC
<b>Grantee</b>	1 CHRON 4, LLC
<b>Sale Date</b>	September 12, 2023
<b>Deed Book/Page</b>	5826-512
<b>Property Rights</b>	Leased fee
<b>Conditions of Sale</b>	Arm's-length
<b>Financing</b>	Cash-to-seller
<b>Verification</b>	Adam Lanteigne - Broker; September 24, 2024; Other sources: CoStar, Public records, Confirmed by John Miles

<b>Sale Price</b>	\$1,300,000
<b>Cash Equivalent</b>	\$1,300,000

#### **Land Data**

<b>Land Size</b>	0.750 Acres or 32,670 SF
<b>Zoning</b>	IW
<b>Topography</b>	Level



## Provident Valuation Services

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### Improved Sale No. 4 (Cont.)

Utilities	Private
Shape	Rectangular

#### General Physical Data

Building Type	Single Tenant
Gross SF	8,822

Construction Type	Metal
Roof Type	Metal
Foundation	Slab
HVAC	Central
Stories	1
Year Built	2007

#### Indicators

Sale Price/ SF	\$147.36
Floor Area Ratio	0.27
Land to Building Ratio	3.70:1

#### Remarks

Th broker confirmed this to be an arm's-length sale of a warehouse property in Saint Augustine. The building was purchased for primarily owner occupancy, and an additional space was to be leased. The building contained a small amount of office space and is located in an established industrial park.

### Improved Sale No. 5



#### **Property Identification**

<b>Record ID</b>	1457
<b>Property Type</b>	Industrial
<b>Address</b>	5830 US-1 S, St Augustine, St Johns County, Florida 32086
<b>Tax ID</b>	183240-0000

#### **Sale Data**

<b>Grantor</b>	Green Ravan, LLC
<b>Grantee</b>	NAP W. Properties, LLC
<b>Sale Date</b>	August 07, 2023
<b>Deed Book/Page</b>	5806-957
<b>Property Rights</b>	Fee simple
<b>Conditions of Sale</b>	Arm's-length
<b>Financing</b>	Cash to Seller
<b>Verification</b>	Joseph Green - Grantor; March 07, 2024; Other sources: Costar, Public Records, Previous Appraisal, Confirmed by John Miles

<b>Sale Price</b>	\$1,800,000
<b>Cash Equivalent</b>	\$1,800,000

#### **Land Data**

<b>Land Size</b>	1.630 Acres or 71,003 SF
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## Provident Valuation Services

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### Improved Sale No. 5 (Cont.)

<b>Front Footage</b>	US-1 S;
<b>Zoning</b>	PSD
<b>Topography</b>	Level
<b>Utilities</b>	Public
<b>Shape</b>	Irregular

#### General Physical Data

<b>Building Type</b>	Single Tenant
<b>Gross SF</b>	8,525
<b>Construction Type</b>	Masonry
<b>Roof Type</b>	Metal
<b>Foundation</b>	Slab
<b>HVAC</b>	Central in office
<b>Stories</b>	1
<b>Year Built</b>	2009

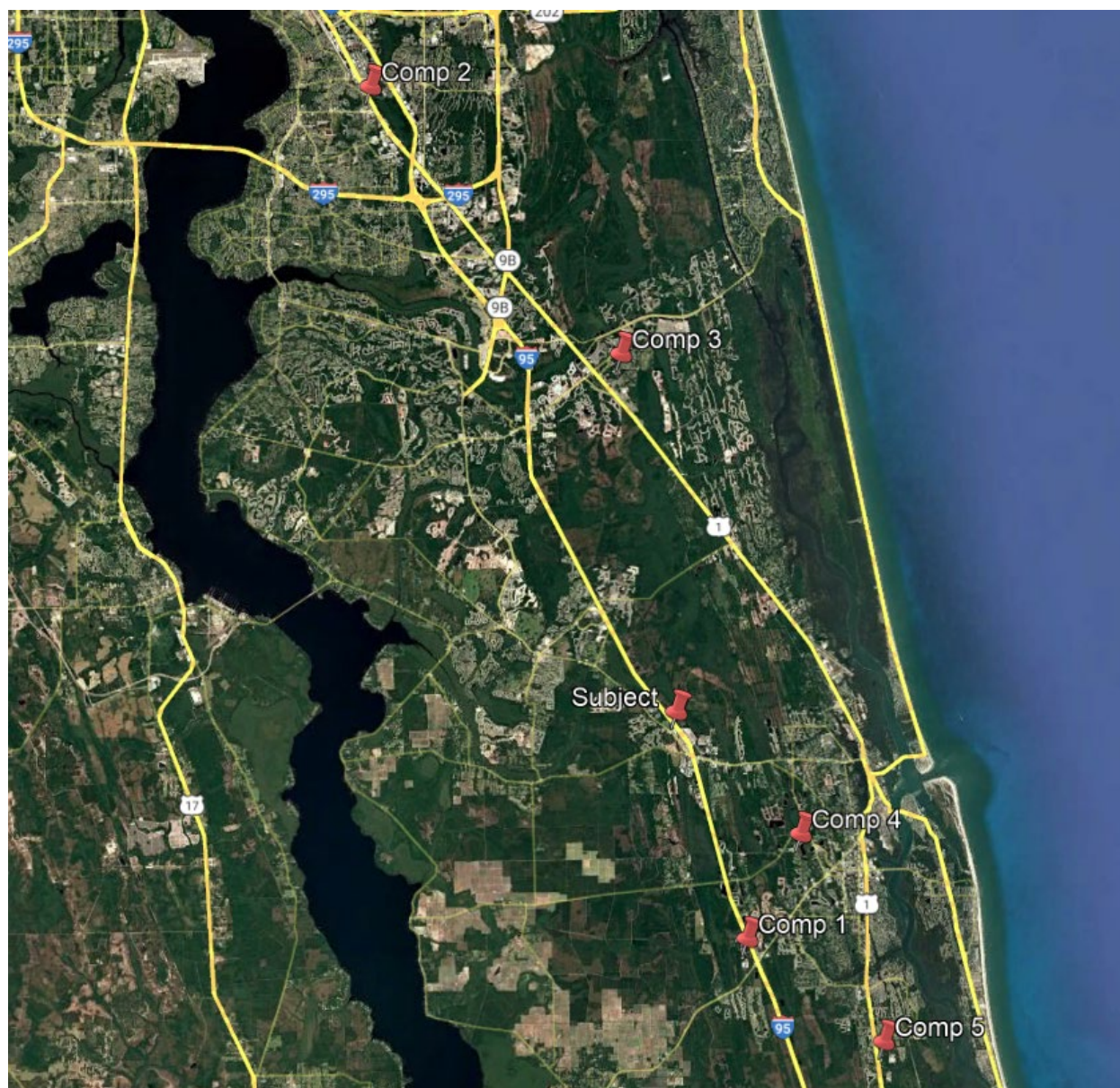
#### Indicators

<b>Sale Price/ SF</b>	\$211.14
<b>Floor Area Ratio</b>	0.12
<b>Land to Building Ratio</b>	8.33:1

#### Remarks

The grantor confirmed this to be an arm's-length sale. The seller purchased this building for his Ontime Moving & Storage business back in 2021 for \$1.5 million, indicating a 20% increase. The building has a split-faced block design, five roll up grade level doors accessing the 7,223 square foot warehouse and has approximately 1,302 square feet of high-quality office space (14%). The building was in good condition.

### Subject and Comparable Sales



## Provident Valuation Services

### Improved Sales Adjustment Grid

Improved Sales Summary and Adjustment Grid						
Subject		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Address/Location:	2950 & 2960 State Road 16	3845 Deerpark Boulevard	9315 Old Kings Road South	43 Hudson Way	105 East Davis Industrial Drive	5830 US-1 S
Submarket:	St Augustine	Elkton	Jacksonville	Ponte Vedra	St Augustine	St Augustine
Date of Sale:		May-24	May-24	December-23	September-23	August-23
Sale Price:		\$3,700,000	\$2,668,000	\$2,500,000	\$1,300,000	\$1,800,000
Adjusted Sale Price:						
Cap Rate:			7.00%			
Building Size:	12,000	18,000	14,943	10,005	8,822	8,525
Unadjusted Price/SF:		\$205.56	\$178.55	\$249.88	\$147.36	\$211.14
Adjustments						
Rights Transferred:		Fee simple	Leased fee	Fee simple	Fee simple	Fee simple
Adjustment %:		0%	0%	0%	0%	0%
Financial Considerations:		Market	Market	Market	Market	Market
Adjustment %:		0%	0%	0%	0%	0%
Conditions of Sale:		Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Adjustment %:		0%	0%	0%	0%	0%
Market Conditions:		Improving	Improving	Improving	Improving	Improving
Adjustment %:	10.00%	6.68%	7.07%	10.71%	13.67%	14.66%
Cash Equiv. Price/SF:		\$219.30	\$191.17	\$276.64	\$167.50	\$242.09
Location:	Average	Inferior	Inferior	Superior	Inferior	Inferior
		5%	5%	-25%	5%	5%
Building Size (SF):	12,000	18,000	14,943	10,005	8,822	8,525
		0%	0%	0%	0%	0%
Year Built/Condition:	2025 (proposed)	2021	1997	2014	2007	2009
		0%	10%	5%	5%	5%
Quality/Design:		Superior	Similar	Superior	Inferior	Superior
		-15%	0%	-10%	5%	-10%
Floor Area Ratio:	0.14	0.11	0.09	0.18	0.27	0.12
		0%	-5%	0%	5%	0%
Net Adjustments:		-10%	10%	-30%	20%	0%
Adjusted Price/SF:		\$197.37	\$210.28	\$193.65	\$201.01	\$242.09



## Provident Valuation Services

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### Improved Sales Analysis

The preceding sales were confirmed to offer the best indication of value of the subject via the Sales Comparison Approach. Multiple sales were examined, and we selected the most comparable transactions.

There are several units of comparison generally employed in the analysis of proposed industrial properties. In this instance, the market implies that the price per gross square foot index is most appropriate. Adjustment categories considered were market conditions, location, building size, effective age/condition, quality/design, and floor area ratio.

Real property rights conveyed influence sale prices and must be considered when analyzing a comparable sale. Typically, fee simple and leased fee interests are considered.

All the transactions were financed in market terms by third party financial institutions; hence, no adjustments for financing were required. If atypical financing were involved in the transaction, the appraiser would determine if those terms had a quantifiable effect on the sale price requiring an adjustment.

Each transaction was confirmed to be arm's length between willing buyers and sellers; therefore, no adjustments for abnormal conditions of sale were necessary.

If a listing is included in the analysis, a downward adjustment is considered to reflect a typical cushion for negotiations. This adjustment would depend on the asking price's relationship to the market at that time.

Some transactions might include a bank sale sometimes referred to as a "short sale". An adjustment will be made if warranted based on the confirmation of that transaction.

Adjustments for time and price trends attempt to quantify changes in market conditions between the date of each sale and the date of the appraisal. All the transactions are relatively timely, taking place from August, 2023 to May, 2024. Adjustment were based on quantifiable appreciation or depreciation, typically identified through market analysis.

*The Comparable Sales were adjusted upward by an annual rate of 10.0% from their sales dates to the Subject's valuation date to account for improving market conditions.*

Adjustments for location typically are associated with the general demographics of the area and property specific influences such as traffic counts, ingress/egress, proximity to linkages such as interstate and overall characteristics of an area.

*All five comparables required adjusting for location. Comp 1 was in an inferior area, further to the south. Comp 2 has inferior roadway frontage. Comp 3 is located in a superior area, Comp 4 lacks major roadway frontage, and comp 5 is located much further to the south in a less densely developed area.*

The effective age and condition of the sales are compared to the subject to determine if adjustments are necessary. The historical or chronological age of the structure is less meaningful than its effective age at the

## Provident Valuation Services

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time of sale. Effective age is the age indicated by the condition and utility of the structure and is based on the appraiser's judgment and interpretation of market perceptions. If one building is better maintained than other buildings in its market area, the effective age of the building may be less than its actual age. If a building is poorly maintained, its effective age may be greater than its actual age. If a building has received typical maintenance, its effective age and actual age may be the same.

*Comparables 2, 3, 4, and 5 required upward adjusting for their inferior age/condition.*

Building design and quality can influence sales prices. Buildings constructed with higher quality materials, or buildings with more modern designs often sell for more than buildings constructed with cheaper materials or buildings with older, less functional designs.

*Comparables 1, 3, and 5 were considered to be higher quality buildings than the subject; thus, they required downward adjusting. Comp 4 was a relatively low quality building thus it required upward adjusting.*

Floor area ratio (FAR) reflects the building component divided by the land component. Its inverse would be a land-to-building ratio. FARs reflect an optimal parcel size and configuration. Sometimes a low FAR can result in extra land not needed to support a specific use. A downward adjustment may be applied when a comparable has a lower FAR than the subject, and an upward adjustment may be applied when a comparable has a higher FAR than the subject.

*Comparables 2 and 4 required adjusting for their materially differing FAR relative to the subject.*

The unadjusted sales ranged from \$147.36 to \$249.88 per square foot. After adjustments, the sales range from \$193.65 to \$242.09 per square foot. After considering the relative merits of each sale, we have concluded to value the subject at \$204.00 per square foot. Comps 1 and 2 were given most weight since they were most recent. Our computations are as follows:

$$12,000 \text{ Square Feet of Building Area} \times \$204.00/\text{SF} = \$2,448,000$$

**Prospective "As Complete" Market Value Sales Comparison Approach      Rnd. \$2,450,000**

### Income Approach

The Appraisal Institute's *Dictionary of Real Estate Appraisal, 6th Edition*, defines the income approach as "A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate."

The income approach is based on the premise that value may be determined by the amount of cash flows that can reasonably be produced over the property's remaining economic life. The rationale of this approach is that the present worth of the future cash flow stream is equivalent to the value of the property that produces those cash flows.

The income capitalization method is appropriate when the future cash flow stream is expected to remain at a constant level or is expected to change at a constant rate. If the future cash flow stream is expected to change at varying rates, then the discounted cash flow method may be appropriate. When using the discounted cash flow method, the discounted value (present value) of each year's expected income is added to the discounted value of the reversion to determine the total value. The income capitalization method was used to develop an indication of the subject's value. The steps in applying the income capitalization method were as follows:

1. Estimate the annual gross income that the property will likely produce.
2. Deduct an allowance for vacancy and collection losses to arrive at an estimate of effective gross income.
3. Deduct the annual expenses of operation from the effective gross income to arrive at an estimate of annual net operating income.
4. Capitalize the annual net operating income to arrive at an indication of value, using a capitalization rate that accounts for the risk and growth of the corresponding estimate of net operating income.

## **Provident Valuation Services**

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### **Market Rent Analysis**

An opinion of market rent is developed through an analysis of comparable rental transactions obtained through market surveys.

### **Contract Rent Analysis**

Existing leases (if any) are reviewed and compared to market rent. Market rent is applied to vacant space and upon lease rollover. Additional income sources, expense recoveries, and rent escalations are considered. The sum of all income develops potential gross income (PGI).

### **Vacancy Analysis**

The subject's existing vacancy is compared to the market. Turnover and collection losses are considered. Application of vacancy and collection loss develops effective gross income (EGI).

### **Expense Analysis**

Expenses that are an obligation to the property are estimated based on the subject's operating history, actual lease terms/conditions, and/or comparable data, and are deducted to develop an estimate of net operating income (NOI). Expenses and other costs such as leasing commissions, tenant improvements, concessions, and replacement reserves are developed as appropriate and most often in developing a DCF analysis.

### **Rate Analysis**

Conversion of the stabilized net operating income and/or cash flow streams to value is completed through the development of appropriate direct (overall), terminal, or yield capitalization rates, as appropriate.

### **Application of Methodology**

Direct capitalization is most applicable to single-tenant and stabilized properties and those with long-term leases at market terms and conditions. Discounted cash flow analysis better recognizes changes in income patterns over a holding period and is most applicable to non-stabilized and multi-tenant properties, properties that have tenants with various lease structures not performing at market and/or properties with a high-level of anticipated lease turnover.

*In this appraisal, we employed the direct capitalization approach to develop an indication of market value for the subject property.*

## Provident Valuation Services

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### Lease Structure

Lease structures range from full-service, in which the owner is responsible for all expenses, to absolute net, in which the tenant is responsible for all expenses. If a comparable lease transaction is structured with the landlord paying for operating expenses with market norms suggesting full or partial tenant responsibility, an adjustment is required to reflect the lower total cost of occupancy to the tenant and vice-versa.

The following summarizes the breakdown of lease expenses and the responsible parties. Lease terminology can vary from market to market, but the lease terms presented accurately reflect the local market.

Lease Term Matrix					
Who Pays For:					
Lease Type	Utilities	Property Taxes	Insurance	Maintenance	Structural
Full Service	Landlord	Landlord	Landlord	Landlord	Landlord
Modified Gross	Typically, the tenant pays utilities and the landlord pays other remaining expenses.				
Net	Landlord	Tenant	Tenant	Landlord	Landlord
Modified Net	Landlord	Tenant	Tenant	Landlord	Landlord
Triple Net	Landlord	Tenant	Tenant	Tenant	Landlord
Absolute Net	Tenant	Tenant	Tenant	Tenant	Tenant
Source: <i>The Appraisal of Real Estate</i> , 14th Edition					

### Contract Rent Analysis

The subject will reportedly be owner occupied; thus, there were no contract rents to analyze.

### Opinion of Market Rent

To develop an opinion of market rent, we surveyed representatives of comparable and competitive properties in the local market area, focusing on buildings with similar locations, size, and market appeal. We utilized the following comparable rents to derive an appropriate market rent for the subject property. Summary sheets detailing each comparable are followed by a rent adjustment chart and a map displaying their location in relation to the subject.



### Improved Lease No. 1



#### Property Identification

Record ID	875
Property Type	Industrial
Address	400 Sterling Plaza Drive Unit 407 & 408, Ponte Vedra, St Johns County, Florida 32081

#### Physical Data

Gross SF	4,800
Construction Type	Masonry & Metal
Roof Type	Metal
Foundation	Slab
HVAC	Central
Stories	1
Year Built	2022

#### General Lease Data

Tenant	KTX Ventures
Typical Lease Term	3 years

## Provident Valuation Services

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### Improved Lease No. 1 (Cont.)

<b>Lease Type</b>	NNN
<b>Tenant Size</b>	4,800

#### General Tenant Summary

<b>Verification</b>	Other sources: Lease copy, Confirmed by John Miles
<b>Tenant Expenses</b>	CAM - \$4.50

#### Rent Analysis

<b>Rent</b>	\$18.75/SF
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#### Remarks

This lease of an industrial condo was signed on February 23, 2024. The owner provided \$30,000 worth of tenant improvement allowance and was given 1-month free rent at the start of the contract. The rent escalated by 3% annually. The lease contract included one 3-year renewal option, with 3% annual increases. The unit is located within the Sterling Plaza multi-tenant flex development at 10000 US 1.

### Improved Lease No. 2



#### **Property Identification**

<b>Record ID</b>	809
<b>Property Type</b>	Industrial, Flex
<b>Address</b>	94 Thomas Industry Way, Saint Augustine, St Johns County, Florida 32095

#### **Physical Data**

<b>Gross SF</b>	9,148
<b>Construction Type</b>	Metal
<b>Roof Type</b>	Metal
<b>Foundation</b>	Slab
<b>HVAC</b>	Central
<b>Stories</b>	1
<b>Year Built</b>	2023

#### **General Lease Data**

<b>Tenant</b>	Jacksonville Academy of Gymnastics
<b>Typical Lease Term</b>	10 years
<b>Lease Type</b>	NNN
<b>Tenant Size</b>	9,148

### Improved Lease No. 2 (Cont.)

#### General Tenant Summary

##### Verification

Tom Frohne - Broker; October 16, 2023; August 01, 2023;  
Confirmed by John Miles

##### Tenant Expenses

Taxes, Insurance, CAM

#### Rent Analysis

##### Rent

\$16.00/SF

#### Remarks

The broker confirmed this to be an arm's-length lease agreement which was signed in August 2023 for 9,148 square feet in an industrial building. The space was completely built out with an office, showroom, and gym space for a gymnastics outfit local to the area.

Improved Lease No. 3



**Property Identification**

<b>Record ID</b>	897
<b>Property Type</b>	Industrial
<b>Address</b>	11320 East Phillips Highway, Jacksonville, Duval County, Florida 32256

**Physical Data**

<b>Gross SF</b>	21,750
<b>Construction Type</b>	Metal
<b>Roof Type</b>	Metal
<b>Foundation</b>	Slab
<b>HVAC</b>	Central in showroom
<b>Stories</b>	1
<b>Year Built</b>	1980

**General Lease Data**

<b>Tenant</b>	Sunbelt Rentals
<b>Typical Lease Term</b>	7 years
<b>Lease Type</b>	NNN
<b>Tenant Size</b>	21,750

**General Tenant Summary**

<b>Verification</b>	Eric Bumgarner - Broker; September 30, 2024; Other sources: CoStar, Confirmed by John Miles
<b>Tenant Expenses</b>	Taxes, Insurance, CAM - \$2.18 PSF



### Improved Lease No. 3 (Cont.)

#### Rent Analysis

Rent \$13.00/SF

#### Remarks

The broker confirmed the details of this lease. This 10-year lease began in July 2024 for a showroom/office warehouse. The finished area is 3,900 square feet and appears to be in good condition with good quality finish. The warehouse has 18' ceiling height and has 6 grade level drive-in doors and one recessed truck well for dock-high loading. A heating and air company was the previous lessee and the new tenant is a tool rental company. There is an open storage area that is fenced and concrete paved.

### Improved Lease No. 4



#### **Property Identification**

<b>Record ID</b>	930
<b>Property Type</b>	Industrial
<b>Address</b>	104 Liberty Center Place, Saint Augustine, St Johns County, Florida 32092

#### **Physical Data**

<b>Gross SF</b>	10,800
<b>Construction Type</b>	Metal
<b>Roof Type</b>	Metal
<b>Foundation</b>	Slab
<b>HVAC</b>	Central
<b>Stories</b>	1
<b>Year Built</b>	2007

#### **General Lease Data**

<b>Typical Lease Term</b>	7 years
<b>Lease Type</b>	NNN
<b>Tenant Size</b>	10,800

Improved Lease No. 4 (Cont.)

**General Tenant Summary**

<b>Verification</b>	Zach Lemke - Broker; Other sources: CoStar, Confirmed by John Miles
<b>Tenant Expenses</b>	Taxes, Insurance, CAM

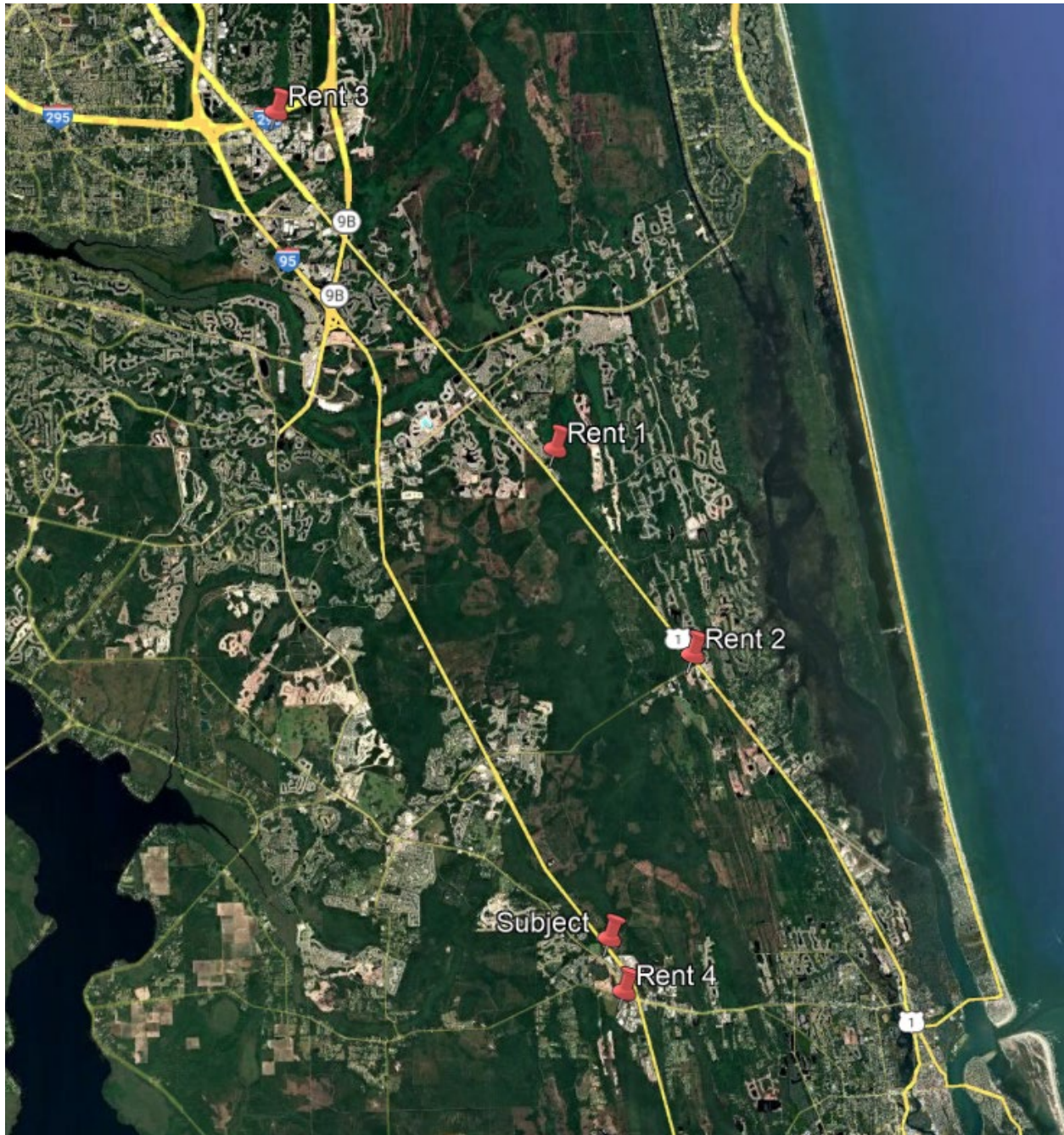
**Rent Analysis**

<b>Rent</b>	\$12.00/SF
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**Remarks**

We confirmed the details of this lease agreement with the broker. This lease began in December 2024 for 10,800 square feet of warehouse space. The lease term was 7 years. Listing photos show the building to be in good condition, with above average quality office space. Ceiling heights were 18'. The rental rate was said to be lower because the tenant paid a significant amount to upgrade the building, including climate controlling the entire space. The broker speculated that the rental rate would typically be \$14-\$15 per square foot without all of the tenant improvements.

### Subject and Comparable Rents Map





## Provident Valuation Services

Rent Comparables				
	Comp 1	Comp 2	Comp 3	Comp 4
Address	400 Sterling Plaza Drive Unit 407 &	94 Thomas Industry Way	11320 Phillips Pkwy Dr E	104 Liberty Center Place
Leased Space	4,800	9,148	21,750	10,800
Year Built	2022	2023	1980	2007
Rent per Square Foot	\$18.75	\$16.00	\$12.00	\$12.00
Lease Type	NNN	NNN	NNN	NNN
Lease Terms	3 years	10 years	7 years	7 years
<b>Adjustments</b>				
Adj. to NNN	\$0.00	\$0.00	\$0.00	\$0.00
NNN Equivalent	\$18.75	\$16.00	\$12.00	\$12.00
Adj Categories				
Market Conditions	3%	5%	0%	0%
Location	-20%	0%	0%	0%
Age/Condition	0%	0%	20%	10%
Space Size	-10%	0%	5%	0%
Quality/Build Out	0%	-10%	0%	10%
Net Adjustments	-27%	-5%	25%	20%
<b>Adjusted Rent</b>	<b>\$13.69</b>	<b>\$15.20</b>	<b>\$15.00</b>	<b>\$14.40</b>

### Comparable Rent Analysis

These comparable rents reflect generally similar industrial space in the subject and competitive market area. After adjustments, the above rents range from \$13.69 to \$15.20 per square foot on a triple net basis.

### Conclusion

Adjustments were made for market conditions, location, condition, size, and quality (Comp 2 was entirely climate controlled and the tenant at Comp 4 paid a significant amount to renovate the building, which factored into the rental rate). Given the overall utility of the subject and its current age/condition, we have concluded an overall market rent for the subject at \$15.00 per square foot on a triple net basis. We applied this rent to the subject in the following income analysis.



## Provident Valuation Services

### Income Analysis

#### Potential Rental Income

The potential rental income is based on the concluded market rental rate for the subject's net rentable area and expenses reimbursed by the tenants, if applicable. Reimbursable expenses are typically comprised of the tenants' pro rata share of real estate taxes, insurance, and common area maintenance.

#### Vacancy

Vacancy plays a major role in the income producing ability of the property, and represents funds not collected during the typical holding period, or for the time between tenants. We studied the market area and analyzed market vacancy rates in the previous Marketability section of this report. Based on this analysis, we estimated a vacancy and collection loss at the subject of 3.0% of the potential gross income.

#### Effective Gross Income

Effective gross income is the rental income, plus any expense reimbursements, less an allowance for vacancy and collection loss.

#### Potential Rental Income

<u>Tenant</u>	<u>Rent Applied</u>	<u>\$/SF</u>	<u>Sq. Ft.</u>	<u>Per Annum</u>
Industrial Property	Market	\$15.00	12,000	\$180,000
<b>Total Potential Rental Income</b>			<b>12,000</b>	<b>\$180,000</b>
Expense Reimbursements		\$3.30	12,000	\$39,611
<b>Potential Gross Income</b>				\$219,611
Vacancy and Collection Loss			3.0%	\$6,588
<b>Effective Gross Income (EGI)</b>				\$213,023

#### Stabilized Expense Analysis

Operating expenses applicable to the subject property must be deducted to arrive at net operating income. To estimate these expenses, we reviewed the subject's history and analyzed expenses of comparable properties. Market expense data is provided in the following table.

Industrial Expense Comparables					
	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Location	Jacksonville	Jacksonville	St Augustine	Jacksonville	Jacksonville
Building Square Feet	10,000	7,200	9,300	14,300	66,250
Occupancy %	100.0%	86.0%	100.0%	100.0%	98.0%
Expense Year	2024	2023	2021	2021	2023
	<b>\$/SF</b>	<b>\$/SF</b>	<b>\$/SF</b>	<b>\$/SF</b>	<b>\$/SF</b>
Effective Gross Income (EGI)	\$15.48	\$14.43	\$9.16	\$9.15	\$13.13
<i>Expenses per Square Foot</i>					
Real Estate Taxes	\$1.21	\$0.60	\$0.67	\$0.61	\$0.49
Insurance	\$1.00	\$0.57	\$0.30	\$0.42	\$0.78
Common Area Maintenance (CAM)	\$0.52	\$1.60	\$0.26	\$0.55	\$0.43
Total Expenses	\$2.73	\$2.77	\$1.23	\$1.58	\$1.70
Percent of EGI	17.7%	19.2%	13.4%	17.2%	12.9%

## **Provident Valuation Services**

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### **Fixed Expenses**

#### Real Estate Taxes

The real estate tax expense is based on the estimated real estate tax liability the subject will incur over the holding period. This expense category includes all local, county, and state property tax levies.

*Real estate taxes were based on a projected assessment of 70% of the subject's hypothetical contract sale price (estimated via sales method), which equate to \$21,611, or \$1.80 per square foot. This expense amount is lower than the range for the expense comps, which were reported to us prior to a reassessment from a sale.*

#### Insurance

Insurance is a fixed expense relative to the replacement cost of a property. This expense is typically property specific and includes coverage for loss or damage to the property caused by the perils of fire, lightning, extended coverage perils, vandalism, malicious mischief, and other perils.

*We have estimated \$9,000 per year for insurance, or \$0.75 per square foot. This expense amount is within the range for the expense comps.*

### **Variable Expenses**

#### Common Area Maintenance

Common area maintenance is the expense of repairing, operating, and maintaining the building structures and common areas of the property. The common area is the total area within a property that is not designed for rental, but is available for common use by all owners, tenants, or their invitees, e.g., driveways, parking, landscaped areas, and recreation areas.

*We have estimated \$9,000 for common area maintenance, or \$0.75 per square foot. This expense amount is within the range for the expense comps.*

#### Management

Management expenses include an allowance for the contractual management of the property by a professional management service. Typical fees throughout the market range from 2.0% to 6.0% of effective gross income, depending upon the size, quality, and location of the property.

*We have estimated a base management fee of 3.0% of EGI.*

#### Reserves for Replacement

Reserves for replacement is a category where the landlord escrows funds each year to defray non-recurring structural and mechanical repairs and/or replacements. These expenses are usually incurred on a "pay-as-you-go" basis and can vary widely over time. Thus, a prudent investor should provide some amount for these costs over the term of ownership. It is common for owners of properties like the subject to set aside an allowance from 1.0% to 3.0% of the effective gross income.

*We have estimated reserves for replacement to be 1.0% of EGI.*

## Provident Valuation Services

The expenses projections for the subject property are estimated as follows.

### Expenses

#### Fixed Expenses

	<u>Per Sq. Ft.</u>	<u>% EGI</u>	
Real Estate Taxes	\$1.80	10.15%	\$21,611
Insurance	\$0.75	4.22%	\$9,000
<b>Total Fixed Expenses</b>	<b>\$2.55</b>	<b>14.37%</b>	<b>\$30,611</b>

#### Variable Expenses

Common Area Maintenance	\$0.75	4.22%	\$9,000
Management Fee	\$0.53	3.00%	\$6,391
Replacement Reserves	\$0.18	1.00%	\$2,130
<b>Total Variable Expenses</b>	<b>\$1.46</b>	<b>8.22%</b>	<b>\$17,521</b>

<b>Total Expenses</b>	<b>\$4.01</b>	<b>22.59%</b>	<b>\$48,132</b>
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### Conclusion

Operating expenses totaled \$48,132, which equates to 22.59% of EGI and \$4.01 per square foot. These expense amounts are reasonable compared with other similar-sized proposed industrial properties.

### Net Operating Income

Net operating income is calculated by subtracting from effective gross income the operating expenses and reserves for replacements for the subject property.

$$\$213,023 \text{ Less } \$48,132 = \$164,891$$

### Capitalization Rate Analysis

A capitalization rate is the ratio of one year's net operating income to the value of the asset and is used to convert income into value. An overall rate for the subject was derived from one or more of the following methods: a) market extraction; b) band of investment; c) debt coverage formula; and d) investor surveys.

### Market Extraction Method

We surveyed the Jacksonville MSA and found the following market sales with reported cap rates.

Capitalization Rate Comparables					
Sale Date	Address	Property Type	Size-SF	Year Built	Cap Rate
May-24	9315 Old Kings Rd S	Industrial	14,943	1997	7.00%
June-23	1408 Haines St	Industrial	7,294	1980	7.04%
April-22	2730 Clydo Rd	Industrial	14,300	1985	6.26%
Listing	2475 Dobbs Rd	Industrial	6,640	1997	8.44%
Listing	11590 Davis Creek Rd E	Industrial	10,325	2007	4.50%

### Band of Investment – Debt Coverage Ratio

We have included band of investment and debt coverage ratio analyses. Imputed rates are based on discussions with lenders and market yields for similar investments.

## Provident Valuation Services

Capitalization Rate Analysis					
Mortgage Interest Rate	7.000%			Loan To Value Ratio	75%
				Debt Coverage Ratio	1.30
Loan Term (Years)	28			Equity Dividend Rate	10.00%
Band of Investment					
Mortgage Constant		Loan Ratio			
0.08155	x	75%	=	0.0612	Mortgage Component
Equity Dividend Rate		Equity Ratio			
10%	x	0.25	=	0.025	Equity Component
		<b>Capitalization Rate</b>		<b>8.62%</b>	
Debt Coverage Ratio Analysis					
Debt Coverage Ratio	x	LTV	x	Mortgage Constant	
1.30	x	75%	x	0.08155	= 0.079514
		<b>Capitalization Rate</b>		<b>7.95%</b>	

### Surveyed Rates

*RealtyRates.com Investor Surveys* were utilized to support abstracted rates of return. Survey respondents include financial institutions, developers, and other market participants. These respondents operate on a regional and/or national level. The following table summarizes the capitalization rates reported.

RealtyRates.com INVESTOR SURVEY - 4th Quarter 2024*						
INDUSTRIAL - WAREHOUSES & DISTRIBUTION CENTERS						
Item	Input					OAR
<b>Minimum</b>						
Spread Over 10-Year Treasury	1.10%	<b>DCR Technique</b>	1.10	0.057467	0.87	<b>5.50</b>
Debt Coverage Ratio	1.10	<b>Band of Investment Technique</b>				
Interest Rate	4.95%	Mortgage	87%	0.057467	0.049996	
Amortization	40	Equity	13%	0.066550	0.008652	
Mortgage Constant	0.057467	OAR				<b>5.86</b>
Loan-to-Value Ratio	87%	<b>Surveyed Rates</b>				<b>5.51</b>
Equity Dividend Rate	6.66%					
<b>Maximum</b>						
Spread Over 10-Year Treasury	3.35%	<b>DCR Technique</b>	1.80	0.109206	0.60	<b>11.79</b>
Debt Coverage Ratio	1.80	<b>Band of Investment Technique</b>				
Interest Rate	7.20%	Mortgage	60%	0.109206	0.065523	
Amortization	15	Equity	40%	0.138645	0.055458	
Mortgage Constant	0.109206	OAR				<b>12.10</b>
Loan-to-Value Ratio	60%	<b>Surveyed Rates</b>				<b>11.37</b>
Equity Dividend Rate	13.86%					
<b>Average</b>						
Spread Over 10-Year Treasury	2.23%	<b>DCR Technique</b>	1.31	0.074901	0.74	<b>7.21</b>
Debt Coverage Ratio	1.31	<b>Band of Investment Technique</b>				
Interest Rate	6.08%	Mortgage	74%	0.074901	0.055052	
Amortization	28	Equity	27%	0.098993	0.026233	
Mortgage Constant	0.074901	OAR				<b>8.13</b>
Loan-to-Value Ratio	74%	<b>Surveyed Rates</b>				<b>8.29</b>
Equity Dividend Rate	9.90%					

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In an active market, overall rates from comparable sales are given more weight in arriving at an appropriate capitalization rate. Less weight is placed on the rates indicated by both band of investments and debt coverage ratio analysis. Least weight is given to the market surveys, as they are generally focused on high investment grade properties and typically lag the market because of the publication process.

### Capitalization Rate Conclusion

The concluded capitalization rates are summarized in the following table. Most weight was given to the market extracted comparables, and to the submarket survey.

Capitalization Rate Summary				
Source	Range			Average
Market Extracted Rates	4.50%	to	8.44%	6.65%
Band of Investments				8.62%
Debt Coverage Ratio				7.95%
CoStar submarket survey				7.00%
RealtyRates Investor Survey	5.51%	to	11.37%	8.29%
<b>Concluded Capitalization Rate</b>				<b>7.00%</b>



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### Direct Capitalization Summary

The valuation of the subject property is show below:

<b>Income Approach - Direct Capitalization</b>				
<b>Potential Rental Income</b>				
<u><b>Tenant</b></u>	<u><b>Rent Applied</b></u>	<u><b>\$/SF</b></u>	<u><b>Sq. Ft.</b></u>	<u><b>Per Annum</b></u>
Industrial Property	Market	\$15.00	12,000	\$180,000
<b>Total Potential Rental Income</b>			<b>12,000</b>	<b>\$180,000</b>
Expense Reimbursements		\$3.30	12,000	\$39,611
<b>Potential Gross Income</b>				\$219,611
Vacancy and Collection Loss			3.0%	\$6,588
<b>Effective Gross Income (EGI)</b>				\$213,023
<b>Expenses</b>				
<u><b>Fixed Expenses</b></u>		<u><b>Per Sq. Ft.</b></u>	<u><b>% EGI</b></u>	
Real Estate Taxes		\$1.80	10.15%	\$21,611
Insurance		\$0.75	4.22%	\$9,000
<b>Total Fixed Expenses</b>		\$2.55	14.37%	\$30,611
<u><b>Variable Expenses</b></u>				
Common Area Maintenance		\$0.75	4.22%	\$9,000
Management Fee		\$0.53	3.00%	\$6,391
Replacement Reserves		\$0.18	1.00%	\$2,130
<b>Total Variable Expenses</b>		\$1.46	8.22%	\$17,521
<b>Total Expenses</b>		\$4.01	22.59%	\$48,132
<b>Net Operating Income (NOI)</b>		\$13.74		\$164,891
<b>Capitalization Rate</b>				7.00%
<b>Indication of Subject's Value</b>				\$2,355,582
<b>Indication of Subject's Value (rounded)</b>				<b>\$2,360,000</b>

## Provident Valuation Services

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### Reconciliation and Final Value Conclusions

Reconciliation as defined by *The Appraisal of Real Estate, 14th Edition, P. 641*, is the process of “resolving the differences among various value indications” ultimately leading to a final value conclusion. A credible value conclusion is based on the appropriateness, accuracy, and quantity of evidence available for each approach to value. The subject property was studied and analyzed with all the available data believed to influence its value. The analysis resulted in an estimate of the Highest and Best Use and concluded indications of value via the Sales Comparison Approach and Income Approach and Cost Approach. The value indications’ differences were reconciled after considering the objective of the appraisal, the quality of the market data, and the characteristics of the property.

For the Cost Approach, we analyzed four land sales deemed similar to the subject in various respects. From these sales, we determined the as is value of the subject land. Our subsequent cost analysis indicates that the construction budget provided to us is reasonable for what is planned. We gave the results of this approach minimal weight since there were adequate market data available for the sales and income methods.

We found five closed sales of similar sized warehouses to analyze for the improved sales comparison approach. After adjusting, the resulting value indication was deemed credible and well supported and was given primary weight in our analysis, since the subject building will be owner-occupied.

For the income approach, we found four rents within the subject and competitive submarkets to analyze. Market vacancy and expenses were deducted, and the resulting net operating income was capitalized by a rate determined via several sources. The results of this approach were given less weight in our final value opinion, since the subject will be owner occupied.

Summary Of Value Conclusions		
	As Is January 23, 2025	Prospective Upon Completion September 22, 2025
Cost Approach	Not Applicable	\$2,300,000
Sales Comparison Approach	\$1,050,000	\$2,450,000
Income Approach	Not Applicable	\$2,360,000
<b>Reconciled Value</b>	<b>\$1,050,000</b>	<b>\$2,400,000</b>

Therefore, we have concluded the following value opinion(s).

#### “As Is” Market Value as of January 23, 2025

**\$1,050,000**

**One Million Fifty Thousand Dollars**

#### Prospective “Upon Completion” Market Value as of September 22, 2025

**\$2,400,000**

**Two Million Four Hundred Thousand Dollars**

## **Provident Valuation Services**

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### **Insurable Value**

We estimated the replacement cost new for the subject improvements using the Marshall Valuation Service (MVS) cost guide.

The appraisers are not cost estimators, and we do not have specific knowledge of insurance requirements. Items included in or excluded from insurance coverage may be dictated by a specific insurance policy. We were not provided with specific insurance requirements. This estimate considers exclusions that are typical based upon our experience. This estimate of replacement cost new for the subject improvements does not reflect the specific requirements of any given policy. We recommend that a professional cost estimator and/or insurance specialist be consulted with the specific definitions of coverage and requirements of a specific fire and extended coverage policy.

Cost estimated provided by Marshall Valuation Services indicates the insurable replacement cost as stated below. This figure excludes non-perishable components including the cost of architect's fees, excavation costs, foundation costs, and below ground piping and wiring, as appropriate. Additionally, this cost does not include site improvements, including parking lots, driveways, landscaping, and various other items.

**Insurable Value:**  
**\$400,000 (Building 1)**  
**\$470,000 (Building 2)**

## Provident Valuation Services

Insurable Value	
Property:	Proposed Industrial Buildings 2950 & 2960 State Road 16 Saint Augustine
Type and Class	
Building Classification	Office
Class	Class S
MVS Section, Page, Date	S 15, P 17 - Nov 2023
<u>Base Cost PSF</u>	\$94.50
(=) Replacement Cost New	\$94.50
Multipliers	
Floor Area/Shape	1.000
Story Height	1.000
Current Cost	1.050
<u>Local Cost - Jacksonville</u>	0.940
Adjusted Cost New	\$93.27
Non-Perishable Components (10%)	\$9.33
Cost per Square Foot	\$83.94
<u>(x) Times Building Area SF</u>	4,500
Conclude Replacement Cost	\$377,750
Soft Costs (5%)	\$18,887
<b>Conclude Insurable Value, Rounded</b>	<b>\$400,000</b>

## Provident Valuation Services

Insurable Value	
Property:	Proposed Industrial Buildings 2950 & 2960 State Road 16 Saint Augustine
Type and Class	
Building Classification	Industrial - Service/Repair Garage
Class	Class S
MVS Section, Page, Date	S 14, P 32 - Feb 2024
Base Cost PSF	\$68.00
(=) Replacement Cost New	\$68.00
Multipliers	
Floor Area/Shape	1.000
Story Height	1.000
Current Cost	1.030
Local Cost - Jacksonville	0.940
Adjusted Cost New	\$65.84
Non-Perishable Components (10%)	\$6.58
Cost per Square Foot	\$59.25
(x) Times Building Area SF	7,500
Conclude Replacement Cost	\$444,404
Soft Costs (5%)	\$22,220
<b>Conclude Insurable Value, Rounded</b>	<b>\$470,000</b>



### CERTIFICATION

We 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 reporting predetermined results.
- ✔ Compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in 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 related to the intended use of this appraisal.
- ✔ Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- ✔ John Miles made a personal inspection of the property that is the subject of this report. Robert Hornbuckle did not inspect the subject.
- ✔ No one provided significant real property appraisal assistance to the persons signing this certification.
- ✔ Our analyses, opinions, and conclusions have been developed, and this report has been prepared, in compliance with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of The Appraisal Foundation, and in accordance with the appraisal-related mandates within Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). This report was also prepared in conformance with the State of Florida Standards for Certified General Real Estate Appraisers and with Ameris Bank's appraisal requirements.
- ✔ We have not relied on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.
- ✔ It is our opinion that the subject does not include any enhancement in value because of any natural, cultural, recreational, or scientific influences retrospective or prospective.
- ✔ We have extensive experience in appraising properties like the subject and have complied with the Competency Rule of USPAP.

## Provident Valuation Services

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- ✔ The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ✔ The Appraisal Institute conducts a program of continuing education for its designated members and members are awarded periodic educational certification. John Miles and Robert Hornbuckle are currently certified under the mandatory continuing education program of the Appraisal Institute.
- ✔ We have performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report, within the three-year period immediately preceding acceptance of this assignment.

Certified by,

**PROVIDENT VALUATION SERVICES LLC**  
**7643 GATE PARKWAY, SUITE 104-67**  
**JACKSONVILLE, FLORIDA 32256**



Robert Hornbuckle, MAI  
Certified General Appraiser RZ3515



John Miles, MAI  
Certified General Appraiser RZ3723

## Provident Valuation Services

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### ASSUMPTIONS

1. This is an appraisal report presented in an Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. It is understood that the scope of the assignment is limited, and we relied on information obtained from the public records of Saint Johns County, published data sources, and discussions with market professionals such as investors and brokers relative to the subject's income performance and physical composition. Provident Valuation Services LLC (PVS) is not responsible for unauthorized use of this report.
2. Unless specifically noted in this report, it is assumed that title to the property or properties which are identified as the subject of the report, are clear and marketable and there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. PVS has not examined the title and makes no representations relative to the condition thereof.
3. Unless otherwise specifically noted in the body of the report, the legal description furnished is assumed to be correct. Any abbreviations or discrepancies relative to the legal would be identified.
4. It is assumed that surveys and/or plat maps furnished to, or acquired by, the appraiser and used in the making of this report are correct. PVS has not conducted a land survey or caused one to be made unless identified in the report and therefore, assumes no responsibility for accuracy of same.
5. It is assumed any improvements have been, or will be, constructed according to approved architectural plans and specifications in conformance with recommendations contained in or based on any soil report(s). Unless otherwise noted, PVS has not retained independent engineer(s) or architect(s) about the report and therefore, makes no representations relative to conformance with approved architectural plans, specifications, or recommendations contained in or based on any soil(s) report.
6. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner are accurate and correct unless otherwise specifically noted in the report. I do not guarantee the correctness of such data, although as far as is reasonably possible, the data has been checked and believed to be correct. Information and data referred to in this paragraph may include but is not limited to information relative to the subject of the report regarding numerical street addresses, lot and block numbers, assessor parcel numbers, land dimensions, square footage area of land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, budgets, historic operating expenses, and related data. Information utilized regarding market data, comparable verification, and other data is assumed factual as confirmed and the source(s) reliable. Any material errors in gathered data could have a substantial impact on the conclusions reported. Thus, PVS reserves the right to amend conclusions reported if made aware of such an error.
7. Unless otherwise noted in the body of the report, it is assumed that there are no mineral or sub-surface rights of value involved in the report and there are no other development rights of value that may be transferred. Subsurface rights, minerals, and oils were not considered in making this report unless otherwise stated.
8. Any riparian and/or littoral rights identified by survey or plat are assumed to go with the property unless easements and/or deeds of record were found by the appraiser to the contrary.
9. It is assumed that there is full compliance with all federal, state, and local environmental regulations and laws, unless non-compliance is stated, defined, and considered in the report.
10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless the non-conformity has been stated, defined, and considered in the report. Unless otherwise noted, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape, are being considered.
11. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization has been, or can be, obtained or renewed for any use on which the value opinion contained in the report is based.
12. Unless otherwise stated in the report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such material on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated ground water, or other potentially hazardous materials may affect the value of the property. The value opinion is predicated upon the assumption that there is no such material on or in the property that would cause loss in value or affect its marketability. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field if desired.
13. The soil of the area which is the subject of the report appears to be firm and solid. Unless otherwise stated, subsidence in the area is unknown or uncommon, but PVS does not warrant this condition and/or occurrence.

## Provident Valuation Services

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14. It is assumed that the utilization of the land and improvements is within the boundaries or property lines as described in the report, and there is no encroachment or trespass, unless noted.
15. The date of value of which the opinions in the report apply is set forth in the body of the report. PVS assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions stated in the report.
16. Unless specifically noted in the body of this report, it is assumed that the property or properties described are structurally sound, seismically safe, and that all building systems (mechanical, electrical, HVAC, elevator, plumbing, etc.) are, or will be upon completion, in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion from the elements; that the property or properties have been engineered in such a manner that it/they will withstand any known elements such as wind storm, flooding, or similar natural occurrences; and that the improvements as currently constituted conform to all applicable local, state, and federal building codes and ordinances. PVS's professionals are not engineers and are not competent to judge matters of an engineering nature, nor has PVS retained independent structural, mechanical, electrical, or civil engineers concerning the report. As such, PVS makes no representations relative to the condition of the improvements. Unless otherwise noted in the report, no problems were brought to the attention of PVS's professionals by ownership or management. Unless otherwise noted, PVS's professionals inspected less than 100% of the entire interior and exterior portions of the improvements. If questions regarding engineering studies are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. If engineers and consultants retained should report negative factors of a material nature or if such are later discussed relative to the condition of the improvements, such information could have a substantial negative impact on the conclusions reported. Accordingly, if negative findings are reported by engineering consultants, PVS reserves the right to amend the report conclusions.
17. Unless otherwise specifically noted, this report is not being prepared for use in conjunction with litigation. Accordingly, no rights to expert testimony, pretrial or other conferences, disposition, or related services are included in this appraisal. If because of this undertaking, PVS or any its officers, professionals, and/or consultants are requested or required to provide any of the foregoing services, such shall be subject to the availability of PVS's professionals or consultants at the time and shall further be subject to the party or parties requesting or requiring such services paying the then applicable professional fees and expenses.
18. Neither all nor any of the contents of the report shall be conveyed to the public through advertising, public relations, news, sales, or other media without written consent and approval of PVS, particularly as to the valuation conclusions, the identity of the professionals or firm, or any reference to the Appraisal Institute, the MAI designation, or certification by the State of Florida. Exempt from restrictions relative to the transmittal of this report to third parties is duplication for internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom the report was prepared, providing that the report and/or its contents shall not be published, in whole or in part in any public document without the express written consent of PVS or its principals, which consent PVS reserves the right to deny. The report should not be advertised to the public or otherwise used to induce a third party to purchase the property. Any third party not covered by the exemptions herein who may possess this report is advised that he should rely on his own independently secured advice for any decision in conjunction with the property. PVS professionals and/or principals shall have no accountability or responsibility to any such third party.
19. Unless specifically set forth in the body of the report, nothing contained therein shall be construed to represent any direct or indirect recommendation to buy, sell, or hold the property(s) at the value(s), or development scenario as stated. Such decisions involve a substantial investment strategy and must be specifically addressed via consultation.
20. The distribution of the total valuation between land and improvements applies only to this report. Any separate valuations for land and buildings must not be used in conjunction with any other report and are invalid if so used.
21. The forecasts, projections, and/or operating estimates contained herein are based on current market conditions, anticipated (though recognizably short term) supply and demand factors, and a continued stable economy, unless otherwise stated. Any forecasts are therefore subject to changes in future conditions.
22. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. PVS has not made a specific compliance survey and analysis of this property to determine whether 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 PVS has 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.
23. The replacement cost new of the improvements for insurance purposes is obtained from the Marshall & Swift cost manual. Appraisers are not contractors or insurance estimators. Thus, the appraisers assume no liability for, and do not guarantee that any insurable value estimate would warrant the subject being fully insured for loss. Replacement cost new may not be a

## **Provident Valuation Services**

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reliable indication of replacement cost for any date other than the effective date of this appraisal due to changes in costs of labor and materials, building codes, governmental regulations and requirements, and economic/environmental conditions.

### **Extraordinary Assumptions**

- We assume that the proposed improvements will be completed on time, in a workmanlike manner using first grade materials in accordance with any entity having jurisdiction, governmental or otherwise.
- We were not provided with building plans or specifications. We were provided with a verbal description of the proposed buildings, along with a site plan and construction budget. We assume that the proposed improvements will be completed in the way verbally described to us.

### **Hypothetical Conditions**

- None

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## **DEFINITIONS**

### **Definition of Market Value<sup>1</sup>**

Market Value means the most probable price which a property should bring in a competitive and open market under 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. Buyers and sellers 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.

<sup>1</sup> Definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC and in the Interagency Appraisal and Evaluation Guidelines, dated December 2, 2010.

### **Client**

The party or parties who engage an appraiser (by employment or contract) in a specific assignment.

### **Assignment**

A valuation service provided due to an agreement between an appraiser and a client.

### **Intended Use**

The use or uses of an appraiser's reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

### **Intended User**

The client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser based on communication with the client at the time of the assignment.



### **Marketing Time**

The reasonable marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded Market Value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. In this instance, we have determined that the appropriate marketing time for the subject was 12-months.

### **Exposure Time**

Reasonable exposure time is one of a series of conditions in most Market Value definitions. Exposure time is always presumed to precede the effective date of the appraisal.

Exposure time may be defined as follows: the length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at Market Value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Exposure time is different for various types of property and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time; but also, adequate, sufficient, and reasonable effort. This statement focuses on the time component.

The fact that exposure time is always presumed to occur prior to the effective date of the appraisal is substantiated by related facts in the appraisal process: supply/demand conditions as of the effective date of the appraisal; the use of current cost information; the analysis of historical sales information (sold after exposure and after completion of negotiations between the seller and buyer); and the analysis of future income expectancy projected from the effective date of the appraisal.

**Source: Standards 6 (SMT-6) *Uniform Standards of Professional Appraisal Practice*, 2024-2025 Edition, published by the Appraisal Standards Board of the Appraisal Foundation**

Exposure period can be based on statistical information about days on market; information gathered through sales verification and interviews of market participants. In this instance, we have determined a 12-month exposure time for the subject.

The Market Value of the property appraised in this report is determined as of the date shown in the Certification. Constantly changing economic conditions have varying effects upon real property values. Even after the passage of a relatively short period of time, property values may change substantially.

## **Provident Valuation Services**

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### **Extraordinary Assumption**

An assumption related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

The definition of “extraordinary assumption” builds upon the definition of “assumption”. Therefore, the first thing to acknowledge regarding an extraordinary assumption is that we really believe an extraordinary assumption to be true. Second, we acknowledge that if we found that the extraordinary assumption was not true, then our value opinion could be impacted as a result. This is what makes it extraordinary, because it is so relevant to our appraisal or value opinion. Therefore SR 2-1(a) requires that all extraordinary assumptions be disclosed, so that everyone knows that the value opinion depends upon the extraordinary assumption being true.

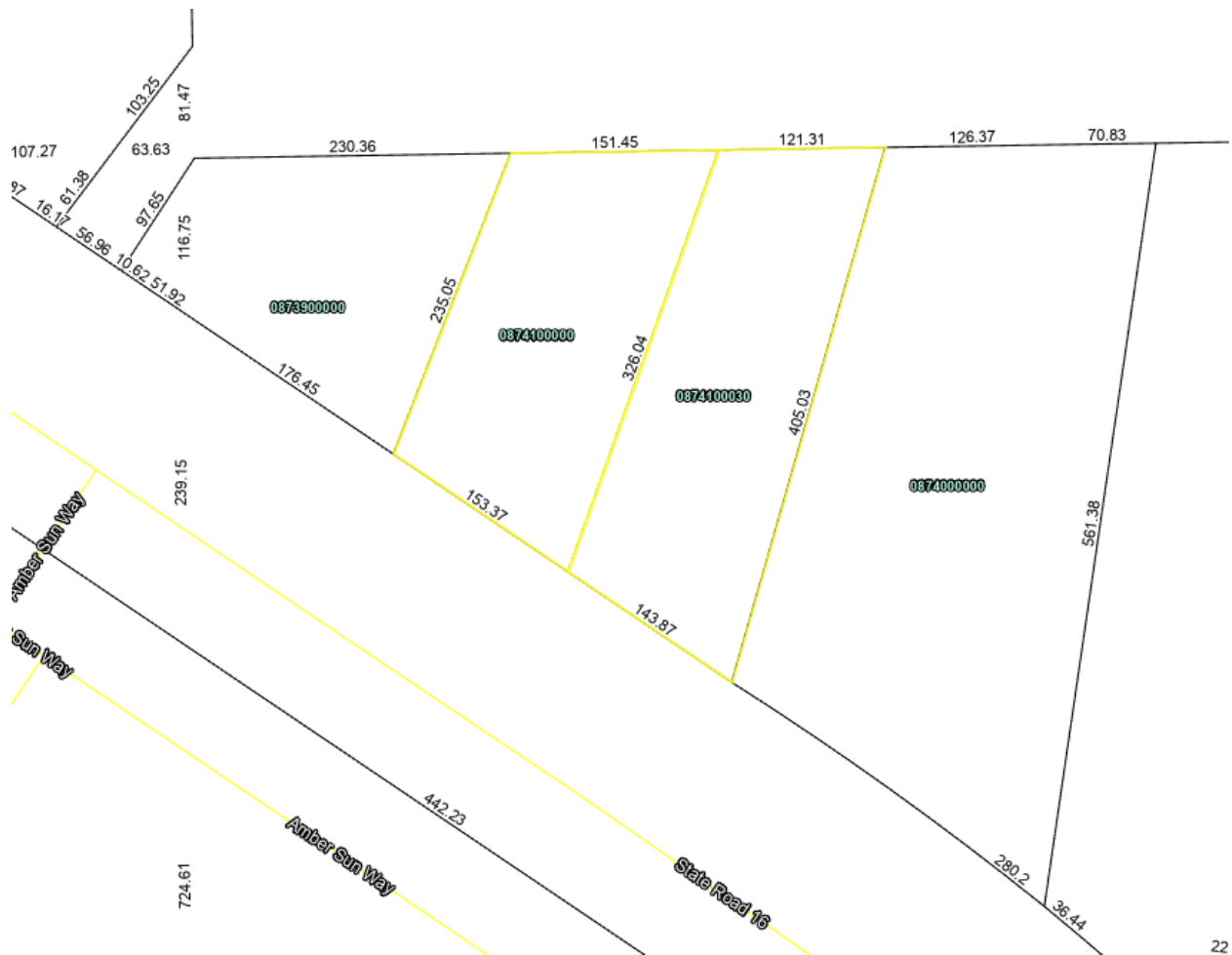
### **Hypothetical Condition**

That which is contrary to what exists but is supposed for the purpose of analysis.

### **Extraordinary Assumptions Compared to Hypothetical Conditions**

The best way to distinguish between an extraordinary assumption and a hypothetical condition is as follows. If a condition is known to be false as of the date of value; then the condition is hypothetical. If the fact of the condition is unknown; but it is reasonable to believe that the condition is true; or will be true as the date of value; then, the condition is an extraordinary assumption.

## Plat Map



### Legal Description

#### Legal Description

##### PARCEL ONE:

A PARCEL OF LAND IN ST. JOHNS COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF GOVERNMENT LOT 4, SECTION 6, TOWNSHIP 7 SOUTH, RANGE 29 EAST; THENCE SOUTH 33 DEGREES 05 MINUTES WEST, ALONG THE LINE OF PROPERTY OF BARRA, 227.5 FEET TO THE CENTERLINE OF STATE ROAD NO. 16; THENCE SOUTH 56 DEGREES 55 MINUTES EAST, ON SAID CENTER LINE, 300 FEET; THENCE NORTH 22 DEGREES 10 MINUTES 51 SECONDS EAST 132.39 FEET TO THE POINT OF BEGINNING AT THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING NORTH 22 DEGREES 10 MINUTES 51 SECONDS EAST 262.44 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 6, A DISTANCE OF 275 FEET EASTERLY FROM THE NORTHEAST CORNER OF SAID GOVERNMENT LOT 4; THENCE NORTH 88 DEGREES 04 MINUTES 04 SECONDS EAST, ON SAID NORTH LINE OF SECTION 6, A DISTANCE OF 115 FEET; THENCE SOUTH 16 DEGREES 13 MINUTES 04 SECONDS WEST 344.81 FEET; THENCE NORTH 56 DEGREES 55 MINUTES WEST, ON THE NORTHERLY RIGHT OF WAY LINE OF STATE ROAD NO. 16, SAID RIGHT OF WAY LINE BEING 130 FEET, AS MEASURED PERPENDICULARLY, FROM THE CENTER LINE OF SAID STATE ROAD, 140.63 FEET TO THE POINT OF BEGINNING.

##### PARCEL TWO:

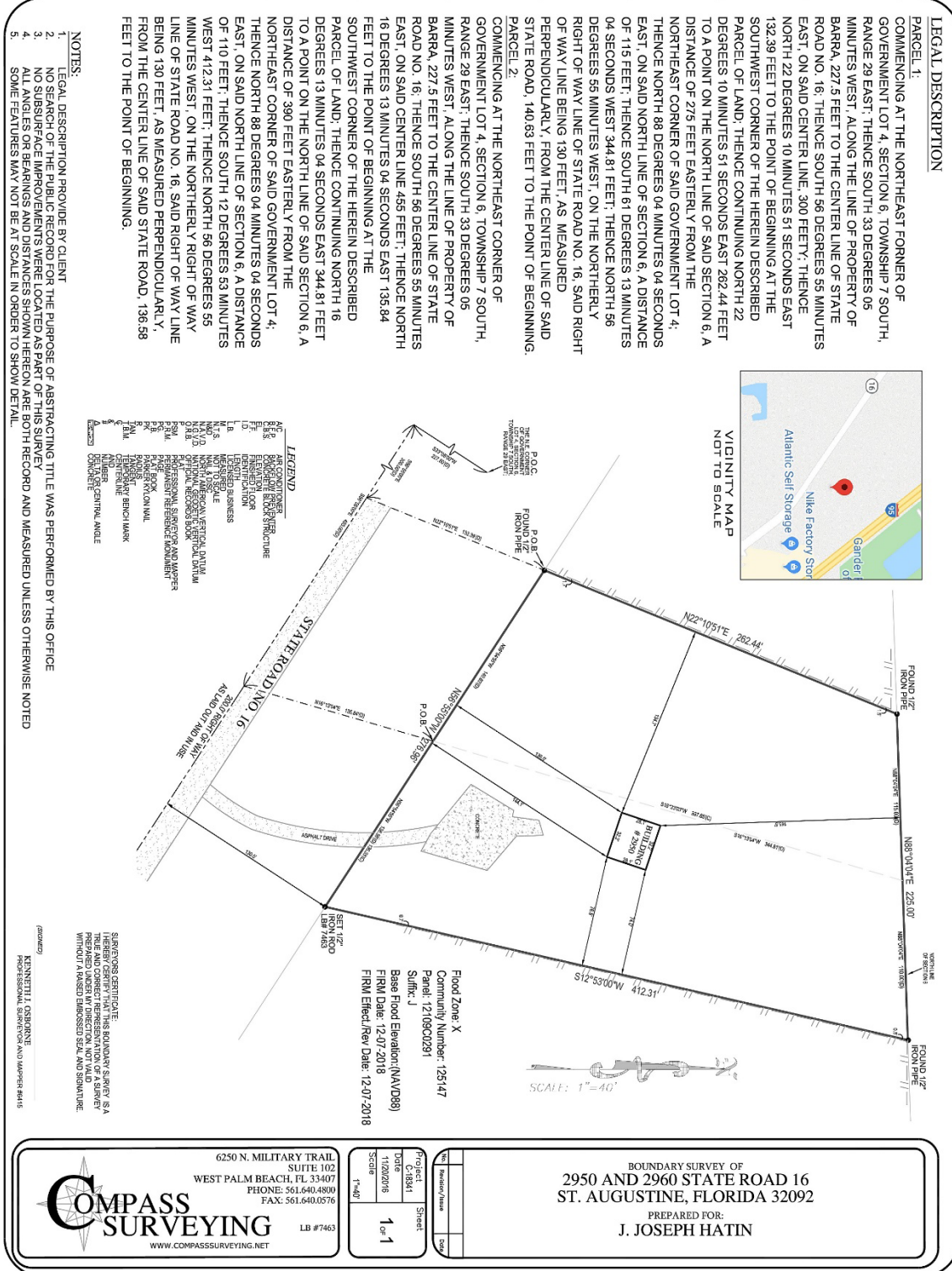
A PARCEL OF LAND IN ST. JOHNS COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF GOVERNMENT LOT 4, SECTION 6, TOWNSHIP 7 SOUTH, RANGE 29 EAST; THENCE SOUTH 33 DEGREES 05 MINUTES WEST, ALONG THE LINE OF PROPERTY OF BARRA, 227.5 FEET TO THE CENTER LINE OF STATE ROAD NO. 16; THENCE SOUTH 56 DEGREES 55 MINUTES EAST, ON SAID CENTER LINE, 455 FEET; THENCE NORTH 16 DEGREES 13 MINUTES 04 SECONDS EAST 135.84 FEET TO THE POINT OF BEGINNING AT THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING NORTH 16 DEGREES 13 MINUTES 04 SECONDS EAST 344.81 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 6, A DISTANCE OF 390 FEET EASTERLY FROM THE NORTHEAST CORNER OF SAID GOVERNMENT LOT 4; THENCE NORTH 88 DEGREES 04 MINUTES 04 SECONDS EAST, ON SAID NORTH LINE OF SECTION 6, A DISTANCE OF 110 FEET; THENCE SOUTH 12 DEGREES 53 MINUTES WEST 412.31 FEET; THENCE NORTH 56 DEGREES 55 MINUTES WEST, ON THE NORTHERLY RIGHT OF WAY LINE OF STATE ROAD NO. 16, SAID RIGHT OF WAY LINE BEING 130 FEET, AS MEASURED PERPENDICULARLY, FROM THE CENTER LINE OF SAID STATE ROAD, 136.58 FEET TO THE POINT OF BEGINNING.

Commonly known as: 2950 State Road 16 and 2960 State Road 16, St. Augustine, FL 32092

Parcel Identification Number: 087410-0030 and 087410-0000

## Survey Map





# Provident Valuation Services

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01/22/2025

Robert Hornbuckle  
Provident Valuation Services  
7643 Gate Parkway Suite 104-67  
Jacksonville, Florida 32256

## RE: Engagement Letter

Dear Robert Hornbuckle:

In response to our communication regarding the real estate Commercial Appraisal request to prepare a Appraisal Report for the property listed below, please accept this letter as confirmation of the mutually agreed upon appraisal assignment under the terms listed in this letter.

Applicable documents, if any, were available at the time of Bid Confirmation. If documents are not provided and you need additional information, please contact Rae Ann Dees at (229) 616-6117 immediately.

The final appraisal report must be uploaded no later than 02/05/2025. The fee for appraisal services rendered will not exceed \$1,900. We reserve the right to furnish a copy of the appraisal report to our customer. You may be requested to meet with us to discuss this report and address any inadequacies identified during appraisal review. The date of valuation must be within (30) days of the date of delivery.

The content should abide by *USPAP*, *FIRREA*, and the *Interagency Guidelines*. The appraisal must be written and contain sufficient information and analysis to support the opinion of the value expressed. The appraisal must analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, or tract developments with unsold units. Valuation of proposed properties should be based on approved plans and specifications. If, during the course of the engagement, you detect that the subject property is income producing, please complete the income approach. Finally, the appraisal must be based on the regulation's definition of market value.

Appraiser is required to make initial contact with the property representative within 48 hours of engagement. If unable to make contact, please provide comment within YouConnect.

The engaged appraiser must be a signatory of the submitted appraisal report, unless prior approval is granted at the time of the engagement. For approval to be granted, the alternate signatory of the report must also be on our "approved" list prior to the acceptance of the engagement.

An "allocated" insurable value and/or replacement cost for **each individual building** located on the subject site must be included in the appraisal. If not, the appraisal will be rejected and sent back to the appraiser for revision.

"Insurable Value is defined as the cost of replacement of all improvements to a property which could conceivably be destroyed. An insurable value estimate considers the reconstruction value of the improvements as-is with like-kind material, and with no consideration of depreciation and the exclusion of the underlying land value."

If the property is a mobile home with land please include the site value in the appraisal.

Please Note: If there are any delays associated with receiving requested information or communicating with noted property contact, please reach out to the Valuation Services Dept. immediately via a comment through YouConnect. This is essential in making sure delays are not attributable to the vendor/appraiser of record, which could negatively impact the vendor's grade.

Delivery extensions must be approved in advance of the delivery date. Failure to deliver or extend the report by the agreed upon date could result in a reduction of the agreed-upon fee.

Below is the penalty clause that will go into effective immediately.

5% of fee from 1-7 calendar days late

10% of fee from 8-29 calendar days late

Cancel with no fee at 30 calendar days late





Additionally, Ameris Bank requires the completed report to be uploaded in **PDF Format** and a copy of the engagement letter herein should also be included within the addenda of the report.

*\*Due to concerns with changing market conditions and trends, your reporting analysis should consider the following regarding commercial and residential property types:*

Commercial Properties:

- **Market Commentary** - Discussions with real estate market participants (Buyers, Sellers, Property Managers, Real Estate Agents/Brokers). Reference these discussions within the report, and report and analyze the most pertinent comments and how they impact value.
- **Comparable Listings** - In addition to consummated comparable sales and leases, listings should also be considered, with the most pertinent items reported, analyzed, and incorporated within your analysis.

Residential Properties:

- Please include one comparable listing and/or pending sale, if available.

*(New Construction):*

- Please provide lot sales data if available. Otherwise, please describe the method utilized for allocation of site value.
- Please provide one of following: a sale from outside the subdivision, a recent resale, or a sale from different builder.

File Number:	50530
Location/Address:	2950, 2960 State Road 16, St Augustine, Florida, 32092
Client/Borrower:	Veles Logistics
Property Contact:	Gleb Trushkin, (904) 679-1615,
Year Built:	
Parcel/Folio #:	0874100030;0874100000
Property Type:	Showroom/Office/Warehouse
Flood Zone:	<b>(Please include the insurable value on all appraisals)</b>
Legal Description:	Parcel ID 0874100030: 3-3 PART OF GOVT LOT 3 LYING N OF SR 16 136.58FT ON RD OR5327/1598 *The Description above is not to be used on legal documents. 3-2 PART OF GOVT LOT 3 LYING NE OF SR 16 140.63FT ON RD OR5327/1598 *The Description above is not to be used on legal documents. Parcel ID 0874100000:
Site Comments:	
Building Comments:	

## Provident Valuation Services

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**Square Feet:** 2

**Occupied By:** Owner Occupied

**Loan Type:** Commercial

**Request Purpose:** New Loan

**Scope of Work:**

**Comments:**  
Robert Hornbuckle Jan 22, 2025  
Thank you for the bid request.

**Report Format:** Appraisal Report

**Interest Valued:** Fee Simple

**Value Type:** As Is & As Completed Value

**Approach To Value:** All Applicable Approaches, Insurable Value

(A minimum of two approaches to value are required unless approval is granted prior to the delivery of the report)

**Value Date Type:** Current, Prospective

**Appraisal Fee:** \$1,900

**Report Due Date:** 02/05/2025

**Intended User:** Ameris Bank  
U.S. SMALL BUSINESS ADMINISTRATION FLORIDA BUSINESS DEVELOPMENT CORPORATION.

**Address Reports To:** Ameris Bank  
3490 Piedmont Road NE Suite 750  
Atlanta, GA 30305

Please call if there are questions regarding the specific requirements, the fees or the time frame.  
Your prompt response is appreciated.

Sincerely,



Rae Ann Dees  
(229) 616-6117  
raeann.dees@amerisbank.com

## **Provident Valuation Services**

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### **QUALIFICATIONS**

Robert E. Hornbuckle, MAI

Principal

Provident Valuation Services LLC

Direct: 904-710-7554

Email: [robert@providentvaluationservices.com](mailto:robert@providentvaluationservices.com)

### **PROFESSIONAL LICENSES, DESIGNATIONS, & AFFILIATIONS:**

State-Certified General Appraiser, Florida License # RZ3515

Designated Member of the Appraisal Institute (MAI)

Member of the Northeast Florida Chapter of the Appraisal Institute

### **APPRAISAL EDUCATION:**

(All through the Appraisal Institute)

General Applications

Basic Income Capitalization I

USPAP 15-hour course

Statistics and Financial Modeling

Site Valuation and the Cost Approach

Market Analysis and Highest and Best Use Analysis

Sales Comparison Approach

Income Capitalization II

Advanced Income Capitalization III

Case Studies and Report Writing

Advanced Concepts & Case Studies

Capstone Demonstration Report

7-hour USPAP Updates

3-hour Florida Law Updates

Georgia Institute of Technology, Bachelor of Science

### **PROFESSIONAL EXPERIENCE:**

Provident Valuation Services (2017 – present)

Florida Valuation (2016)

Wagand & Associates, Inc. (2007-2015, 2017)



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

**HORNBUCKLE, ROBERT EARL**  
12276 SAN JOSE BOULEVARD SUITE 518  
JACKSONVILLE FL 32223

**LICENSE NUMBER: RZ3515**

**EXPIRATION DATE: NOVEMBER 30, 2026**

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

ISSUED: 11/22/2024

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## Provident Valuation Services

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### Qualifications of John Miles, MAI

#### Principal

#### Provident Valuation Services

7643 Gate Parkway, Suite 104-67

Jacksonville, Florida 32256

Cell: 904-716-1241

Email: [john@providentvaluationservices.com](mailto:john@providentvaluationservices.com)

#### State Certifications

Florida State-Certified General Real Estate Appraiser License # RZ3723

#### Education

University of Florida, Bachelor of Science, Business Administration

(Economics)

#### Membership/Affiliation

Member, Appraisal Institute

#### Specialized Education

- Business Practices & Ethics
- Financial Modeling and Statistics – Appraisal Institute
- Report Writing – Appraisal Institute
- Advanced Market Analysis & Highest and Best Use – Appraisal Institute
- Advanced Concepts & Case Studies – Appraisal Institute
- Advanced Income Capitalization – Appraisal Institute
- Advanced Sales Comparison – Appraisal Institute
- Advanced Site Analysis & Cost Approach
- Quantitative Analysis – Appraisal Institute
- National USPAP
- Florida Appraiser Core Law
- Florida Supervisory Appraiser

#### Professional Experience:

Appraisal/valuation and consulting assignments include: existing and proposed retail buildings and shopping centers; office buildings; industrial buildings; religious and special purpose properties and vacant industrial, commercial and residential land.

Provident Valuation Services, Jacksonville, Florida (2019 – Present) Principal

Florida Valuation, Jacksonville, Florida (2016 – 2019) Senior Appraiser

Buzz Wagand & Associates Inc., Jacksonville, Florida (2006 – 2016) Appraiser

Wachovia Bank, Jacksonville, Florida (2004 – 2006) Bank Officer

Merrill Lynch, Jacksonville, Florida (1998 – 2004) Analyst, Advisor





Ron DeSantis, Governor

Melanie S. Griffin, Secretary



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**DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BD**

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PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

**MILES, JOHN HARRISON**  
7643 GATE PARKWAY SUITE 104-67  
JACKSONVILLE FL 32256

**LICENSE NUMBER: RZ3723**  
**EXPIRATION DATE: NOVEMBER 30, 2026**  
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