

**CLOSING STATEMENT**

SELLER: 301 Capital Partners, LLC, a Florida limited liability company

BUYER: JEA, a body politic and corporate

PROPERTY: Approx. 1849.81 acres in Duval County, Florida

CLOSING

DATE: October 27, 2017

I. Charges to Buyer

A.	<u>Purchase Price</u>	\$18,313,119.00
B.	<u>Plus Buyer Closing Costs:</u>	
1	Record Deed (7 pages)	\$63.00
2	Survey	POC
3	Title Search	POC
4	Title Premium - owners policy	\$42,951.40
C.	<u>Less Earnest Money Deposit</u>	\$1,000.00
	Sum Due at Closing from Buyer	<u>\$18,355,133.40</u>

II. Seller's Net Proceeds

A.	<u>Purchase Price</u>	\$18,313,119.00
B.	<u>Less Seller Closing Costs:</u>	
1	2017 Pro-rated Taxes (RE# 000952-0000): \$33.81877 per day x 300 days =	\$10,145.63
2	2017 Pro-rated Taxes (RE#000974-0000): \$0.36982 per day x 300 days =	\$110.94
3	Record LLC Affidavit (5 pages)	\$46.00
4	Doc stamp taxes on deed	\$128,192.40
5	Commission fee to Colliers International Northeast Florida	\$682,524.76
6	Partial release fee to AGAMERICA AV1, LLC	\$5,000,000.00
7	Record Partial Release of Mortgage (7 pages)	\$63.00
	Net Proceeds to Seller	<u>\$12,492,036.27</u>

III. Accounting.

A.	<u>Receipts</u>	
1	Sum Due at Closing from Buyer	\$18,355,133.40
2	Earnest Money Deposit	\$1,000.00
	Total Receipts:	<u>\$18,356,133.40</u>
B.	<u>Disbursements</u>	
1	301 Capital Partners, LLC	\$12,492,036.27
2	Clerk of Circuit Court, Duval County	\$128,364.40
3	Tax Collector, Duval County	\$10,256.57
4	Colliers International Northeast Florida	\$682,524.76
5	Fidelity National Title Ins. Co./EC	\$42,951.40
6	AGAMERICA AV1, LLC	\$5,000,000.00
	Total Disbursements:	<u>\$18,356,133.40</u>

The undersigned hereby agree to the provisions of this Closing Statement, hereby authorize Edwards Cohen (the "Disbursing Agent") to make the disbursements set forth in this Closing Statement and release Disbursing Agent from any liability for the holding or disbursing of funds in accordance with this Closing Statement. This Closing Statement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute the same instrument.

**Buyer:**

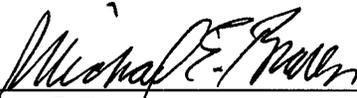
JEA, a body politic and corporate

By: Eileen M. Connolly  
Print: EILEEN M CONNOLLY  
Its: Real Estate Coordinator

**Seller:**

301 Capital Partners, LLC, a Florida limited liability company

By:   
Avery C. Roberts  
Manager

By:   
Michael E. Braren  
Manager

**APPRAISAL REPORT**

**Appraisal of 1,849.81 Acres Located along  
the South Side of I-10, North of the JEA  
Powerline and West of US 301 in  
Duval County, Florida; JEA Parcel**

**Prepared By: Lampe, Roy & Associates, Inc.  
1912 Hamilton Street, Suite 204  
Jacksonville, Florida 32210**

**For: Mr. Bryan L. Putnal  
Smith, Hulsey & Busey  
225 Water Street, Suite 1800  
Jacksonville, FL, 32202**

**Date of Value:  
October 26, 2017**

**Date of Report:  
January 31, 2018**

## LAMPE, ROY & ASSOCIATES, INC.

APPRAISERS-CONSULTANTS

1912 HAMILTON STREET, SUITE 204  
JACKSONVILLE, FLORIDA 32210  
(904) 588-7020  
FAX (904) 588-9298  
EMAIL [lra@lamperoy.net](mailto:lra@lamperoy.net)

January 31, 2018

Mr. Bryan L. Putnal  
Smith, Hulsey & Busey  
225 Water Street, Suite 1800  
Jacksonville, FL, 32202

Re: Appraisal of 1,849.81 Acres Located on  
the South Side of I-10, North of the JEA  
Powerline and West of US 301 in Duval  
County, Florida; Our File No. 4830

Dear Mr. Putnal:

This is in response to your request for an appraisal of the above referenced property. The subject of this appraisal analysis is 1,849.81 acres of land located on the south side of Interstate 10, north of the JEA powerline and west of US 301, in Duval County, Florida. A detailed discussion of the subject will be found in later sections of this appraisal report.

The following narrative report contains data gathered during our investigation of the subject property. This is to certify that we have no interest, contingent or otherwise, in this property and the fee for formulating our opinion of value is, in no way, contingent upon our value conclusions or final value estimates. Furthermore, the value conclusions and final value estimates reflected herein are not based upon minimum valuations, specific valuations or directed outcomes.

Value estimates are subject to the definition of market value as set forth in this report, as well as the General Assumptions and Limiting Conditions contained in the *Addendum* of this report. To the best of our knowledge, this report complies with the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation, the State of Florida and the Appraisal Institute.

After carefully studying and analyzing the data available as of the date of value, it is our opinion, the market value of the subject as of October 26, 2017 was:

**EIGHTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS**

**\$18,500,000**

LAMPE, ROY & ASSOCIATES, INC.  
APPRAISERS - CONSULTANTS

Mr. Bryan L. Putnal  
January 31, 2018  
Page Two

It should be specifically noted that the indications of value presented within this report and the final Market Value estimate reflected herein have been developed based upon the General Assumptions and Limiting Conditions contained in the *Addendum*.

USPAP defines an *Extraordinary Assumption* as “an assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis which, if found to be false could alter the appraiser’s opinions or conclusions.” For this report, the following *Extraordinary Assumption* has been incorporated in this analysis:

1. It is recognized that the Date of Value for this appraisal is October 26, 2017. The property was initially inspected in conjunction with this assignment on January 23, 2018. Thus, for purposes of this report, it is assumed that the condition of the subject as of the Date of Value was the same as on our date of inspection.

***SHOULD THE PRECEDING EXTRAORDINARY ASSUMPTION PROVE TO BE SUBSTANTIALLY INCORRECT, A COMPLETE RE-ANALYSIS MAY BE REQUIRED.***

USPAP defines a *Hypothetical Condition* as “a condition directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.” For this report, no *Hypothetical Conditions* have been incorporated in this analysis.

The above market value estimate for the subject property is based upon the following related time estimates:

Exposure Time:	One to two years
Marketing Time:	One to two years

Mr. Putnal, we trust the enclosed information is of sufficient detail so as to clearly explain and document our estimated value conclusions. However, if any additional information pertaining to this analysis is needed, or if we might be of any further

LAMPE, ROY & ASSOCIATES, INC.  
APPRAISERS - CONSULTANTS

Mr. Bryan L. Putnal  
January 31, 2018  
Page Three

assistance to you in this matter, please do not hesitate to call on us.

Respectfully Submitted,

**LAMPE, ROY & ASSOCIATES, INC.**

A handwritten signature in blue ink that reads "Michael C. Roy". The signature is written in a cursive style with a large, looping initial "M".

Michael C. Roy, MAI, SRA  
State Certified General Real  
Estate Appraiser No. RZ140

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**ADDENDUM**

Legal Description  
AGR (Agricultural) Future Land Use  
Assumptions and Limiting Conditions  
Appraiser's Qualifications  
Certificate of Appraisal

**SUMMARY OF SALIENT FACTS AND CONCLUSIONS**

<b><i>Owner of Record -</i></b>	301 Capital Partners LLC
<b><i>Subject Location -</i></b>	South Side of I-10, north of the JEA powerline and west of US 301 in <i>southwest</i> Duval County, Florida, approximately two miles south of the town of Baldwin.
<b><i>Census Tract # -</i></b>	017300
<b><i>Land Area -</i></b>	1,849.81 Acres
<b><i>Improvement Description -</i></b>	
<b><i>Minor Improvements -</i></b>	Foundation of old house and remnants of old barns.
<b><i>Site Improvements. -</i></b>	Timber trail roads and drainage ditches.
<b><i>Zoning Classification -</i></b>	Agricultural (AGR) Planned Unit Development-Satellite Community (PUD-SC)
<b><i>Land Use Designation -</i></b>	Agricultural (AGR II)
<b><i>Interest Appraised -</i></b>	Fee Simple Estate
<b><i>Date of Value -</i></b>	October 26, 2017
<b><i>Highest and Best Use -</i></b>	Agricultural/Recreational/Investment
<b><i>Market Value Indications -</i></b>	
<b><i>Cost Approach -</i></b>	N/A
<b><i>Income Approach -</i></b>	N/A
<b><i>Sales Comparison Approach -</i></b>	\$18,500,000
<b><i>Reconciled Value Estimate -</i></b>	<b>\$18,500,000</b>
<b><i>Exposure Time -</i></b>	One to two years
<b><i>Marketing Time -</i></b>	One to two years

For this report, the following ***Extraordinary Assumption*** has been incorporated in this analysis:

**SUMMARY OF SALIENT FACTS AND CONCLUSIONS**

*(Continued)*

1. It is recognized that the Date of Value for this appraisal is October 26, 2017. The property was initially inspected in conjunction with this assignment on January 23, 2018. Thus, for purposes of this report, it is assumed that the condition of the subject as of the Date of Value was the same as on our date of inspection.

***SHOULD THE PRECEDING EXTRAORDINARY ASSUMPTION PROVE TO BE SUBSTANTIALLY INCORRECT, A COMPLETE RE-ANALYSIS MAY BE REQUIRED.***

## **IDENTIFICATION OF SUBJECT PROPERTY**

The subject of this appraisal is 1,849.81 acres of land located on the south side of Interstate 10, north of the JEA powerline and west of US 301, in southwest Duval County, Florida approximately two miles south of the town of Baldwin. A more complete description of the subject will be provided in later sections of this report.

## **SCOPE OF THIS APPRAISAL**

**Standard 1 (Real Property Appraisal Development)** of the **Uniform Standards of Professional Appraisal Practice 2018-2019** states that:

*In developing a real property appraisal, an appraiser must identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analyses necessary to produce a credible appraisal.*

According to the **Uniform Standards of Professional Appraisal Practice 2018-2019**, the scope of work is defined as follows:

*The type and extent of research and analyses in an appraisal or appraisal review assignment.*

This has historically included, but is not limited to:

- *the extent to which the property is identified;*
- *the extent to which tangible property is inspected;*
- *the type and extent of data researched; and*
- *the type and extent of analyses applied to arrive at opinions or conclusions.*

The Scope of Services as it relates to this assignment included, but is not limited to:

1. Inspecting the subject.
2. Inspecting the surrounding neighborhood and the subject's competitive market area.
3. Gathering information concerning recent development trends that may influence the subject.
4. Research information concerning the subject, i.e. zoning, the availability of utilities, assessed value and taxes, etc.
5. Formulating an opinion of the subject's Highest and Best Use.

6. Gathering market data including, but not limited to land sales, rents, income and expense comparables, construction costs, improved sales, absorptions studies, turnover ratios, etc.
7. The preparation of an appraisal and other real estate-related services as requested.

The property was physically inspected by Michael C. Roy, MAI, SRA, State Certified General Real Estate Appraiser No. RZ140 on January 23, 2018. In addition, a search was made of the surrounding neighborhood in order to determine current land-use patterns and development trends. The public records of Duval County, Florida were referenced for information pertaining to the subject's assessed value and taxes, zoning/land use and availability of utilities.

A careful study of the surrounding areas was undertaken in order to formulate an opinion as to the highest and best use of the property. This information was then analyzed in order to formulate an opinion as to the property's highest and best use.

Once the preceding information had been gathered, the three approaches to value, i.e. *Cost*, *Income* and *Sales Comparison*, were each analyzed as they relate to the subject. The *Cost Approach*, as its name applies, relates to the reproduction or replacement cost new of the improvements less any loss value due to the deterioration and/or obsolescence plus land value. This approach is typically considered a good indicator of value when improvements are new or like new and develop the land to its Highest and Best Use. As has been previously noted, the subject consists of vacant land and, as such, the *Cost Approach* is not considered to be appropriate.

The *Income Approach* is based upon the economic premise the value is equal to the present worth of future rights to income and relates specifically to the income producing ability of the property itself. A study and analysis of the market reveals that lands of this type are seldom leased or bought and sold based on their capitalized leased value. Therefore, the *Income Approach* was not considered applicable or necessary in order to develop a credible indication of value for the subject and has therefore not been utilized.

The *Sales Comparison Approach*, also known as the *Market Data Approach*, is based upon the Principle of Substitution, which states that a knowledgeable purchaser/investor would be justified in paying no more for a property than the cost of acquiring a similar competitive property, which would afford similar investment alternatives and has similar physical features. This approach is considered to be a direct reflection of the actions and reactions of buyers and sellers in the open market. Therefore, the *Sales Comparison Approach* has been fully utilized in our analysis.

A search of the public records of Duval County did not reveal any sales in the last 12 months of similar size tracts of land although older transactions were located and will be

more fully discussed and later sections of this report. Therefore, the sales search was expanded to nearby counties where more recent land sales have occurred. These transactions were adjusted with respect to the subject and the resulting unit value range was utilized to estimate the subject's estimated market value.

A current valuation of the timber on the subject was not available for this appraisal. Timber valuation is a specialized discipline and is outside of the field of expertise of the appraiser. For this reason, I have not made an allocation between land and timber.

This analysis will be presented in an appraisal report format as defined in *Uniform Standards of Professional Appraisal Practice 2018-2019*.

### **PURPOSE OF THIS APPRAISAL**

The purpose of this appraisal is to estimate Market Value of the subject as of the date of value. Market Value, as utilized within this report, is defined as follows:

*"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."*

The preceding definition was taken from the *Dictionary of Real Estate Appraisal, Sixth Edition*, as published by the Appraisal Institute.

### **EXTRAORDINARY ASSUMPTION**

USPAP defines an *Extraordinary Assumption* as "an assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis which, if found to be false could alter the appraiser's opinions or conclusions." For this report, the following *Extraordinary Assumption* has been incorporated in this analysis:

1. It is recognized that the Date of Value for this appraisal is October 26, 2017. The property was initially inspected in conjunction with this assignment on January 23, 2018. Thus, for purposes of this report, it is assumed that the condition of the subject as of the Date of Value was the same as on our date of inspection.

***SHOULD THE PRECEDING EXTRAORDINARY ASSUMPTION PROVE TO BE SUBSTANTIALLY INCORRECT, A COMPLETE RE-ANALYSIS MAY BE REQUIRED.***

### **HYPOTHETICAL CONDITIONS**

USPAP defines a *Hypothetical Condition* “as a condition directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.” For this report, no *Hypothetical Conditions* have been incorporated in this analysis.

### **CLIENT'S NAME AND INTENDED USE**

This report is intended for use by the client, Smith, Hulsey & Busey. Is our understanding that this report may be utilized in conjunction with the resale of this property for tax purposes. Thus, a copy of this report may be provided to the Internal Revenue Service. Use of this report by others is not intended by the appraiser. This report is not intended for any other use.

### **PROPERTY RIGHTS APPRAISED**

The property rights appraised herein are those associated with a Fee Simple Estate, which is defined as follows:

*"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."*

The preceding definition was taken from the *Dictionary of Real Estate Appraisal, Sixth Edition*, as published by the Appraisal Institute.

### **DATE OF VALUE ESTIMATE**

It should be specifically understood that the date of value associated with this appraisal is October 26, 2017.

### **DATE OF REPORT**

The date of this report is January 31, 2018.

### **THREE YEAR SALES HISTORY**

On October 18, 2017, most of an ±11,366 acre tract of land assembled in 2006 by ICI Villages LLC was sold to 301 Capital Partners LLC for \$27,367,100 in an arm's length transaction. The buyer (301 Capital Partners) is a partnership of North Florida developers BHK Capital and Roberts Land & Timber Investments. The transfer was accomplished

with three Special Warranty Deeds and a Quit Claim Deed filed in the Duval County Public Records as follows:

Official Records Book 18162, beginning at Page 1077  
Official Records Book 18162, beginning at Page 1088  
Official Records Book 18162, beginning at Page 1110  
Official Records Book 18162, beginning at Page 1115

As of the Date of Value, October 26, 2017, 1,849.81 acres of the 301 Capital Partners LLC acquisition was under contract to be sold to JEA for \$18,313,119 in an arm's length transaction. The subject of this appraisal is the 1,849.81 acres which were acquired by JEA on October 27, 2017 and is recorded in OR Book 18171, beginning on Page 1757.

USPAP Standards Rule 1-5(b) requires the appraiser to "...analyze all sales of the subject property that occurred within the three (3) years prior to the effective date of the appraisal." The analysis of the sale of subject will be discussed in the Land Value section of the report along with the other comparable sales.

According to a cursory review of the public records of Duval County, there has been no other sale of the property within the prior three years.

### **EXPOSURE TIME**

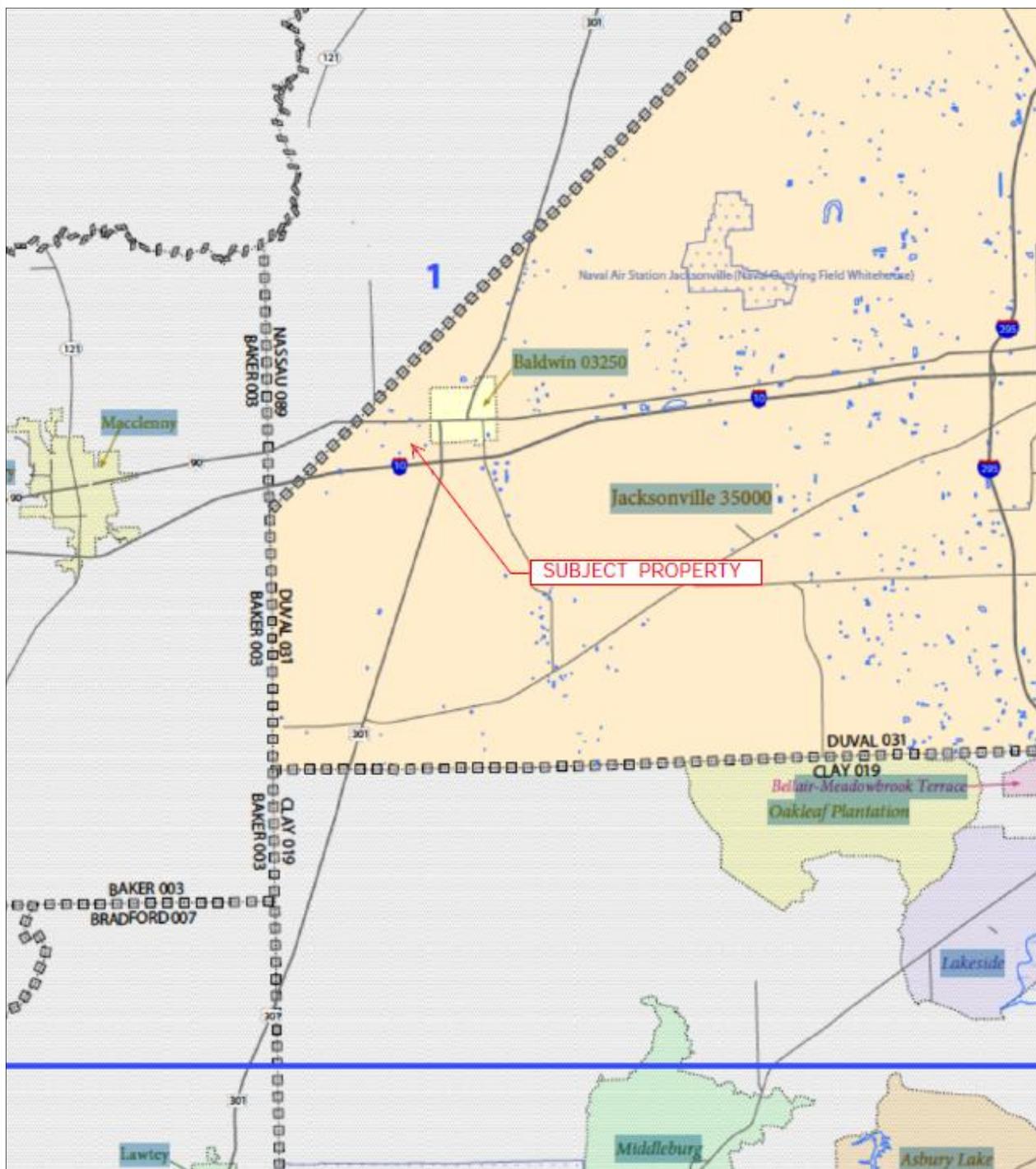
Exposure Time is defined as follows:

1. *The time a property remains on the market.*
2. *The estimated length of time that 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.*

*Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (USPAP, 2016-2017 ed.)*

The preceding definition was taken from the *Dictionary of Real Estate Appraisal, Sixth Edition*, as published by the Appraisal Institute.

Based on a study of the length of time the sales analyzed in conjunction with this report were on the market, the apparent supply and demand for this type property as well as discussion with brokers familiar with this market, an exposure time of one to two years is considered appropriate.



**MARKET AREA MAP**

### **MARKET AREA DATA AND ANALYSIS**

A property's market area is generally considered to be the area in which a prospective purchaser would search for alternative properties. This varies by property type. An analysis of this area included such items as recent development activity, demographic characteristics, public infrastructure, i.e., roads, utilities, school system, parks, etc., as well as future private and government sector projects.

The subject is located in the southwestern corner of Duval County in a largely rural area that forms the environs of the town of Baldwin. Baldwin is a small incorporated community about two miles north of where US Highway 301 intersects US Highway 90. The area abuts Nassau and Baker Counties with Clay County located approximately seven miles to the south while Bradford County is 10 miles to the south.

CSX Railroad maintains a large switching yard along the east side of US Highway 301 just south of I-10. Other significant influences in the vicinity include a heavy-mineral sand mining operation and the Trail Ridge Landfill with the Gerdau Ameristeel US Inc located adjacent to the CSX switching yard on the east side of US Highway 301. Gerdau focuses on long and special steel products such as rebar, beams and piling, merchant bar quality, special bar quality and wire rod. Much of the other land in the area is held for timber production.

The area is also served by several other roadways including US Highway 90 (Beaver Street) and Interstate 10, both of which are major east-west traffic corridors. US Highway 301 forms an outer belt loop that moves trucks and travelers away from the Jacksonville metropolitan area. It is also a popular route for those traveling from Interstate 95 to Interstate 75, the highway that serves the west coast of Florida. The section of this highway located north of Interstate 10 is currently being improved by the Florida Department of Transportation as an evacuation route from Nassau County to the north. This will include shifting traffic from State Road 200 just north of Baldwin to a section of highway located just west of the existing right-of-way that is being constructed and will tie into a new intersection being constructed at US 301 and I-10.

As result of this new construction activity, Love's Travel Stops & Country Stores is planning a new truck stop in the northwest corner of the new bypass and I-10. This facility will be constructed on a 17.21 acre site and is reported to have 190 parking spaces for regular, handicap, RV, bobtail and trailers. The convenience store and restaurant will contain 11,263 square feet and there will also be a 10,000 square-foot tire shop and canopy covering the pump stations. There will also be a trucker service center, truck repair and maintenance facility along with truck weighing facilities.

Currently located in this area is a concentration of commercial businesses that cater to travelers along US 301 and Interstate 10 which include fast food restaurants, service

stations and a large truck stop that has occupied the southwest corner of Interstate 10 and US 301. There is another concentration of commercial development to the north in the town of Baldwin where basic services and small retail establishments serve the local population. Goods and services above the basics require traveling to larger retail centers in Jacksonville or Macclenny.

Homes in the market area vary in age, size, quality, and condition. Most are concentrated north of Interstate 10 in the town of Baldwin or just outside the town limits. There are numerous mobile homes on individually owned sites as well as old mobile home parks. The traditional site-built single-family dwellings tend to be modest, but generally well-maintained. Mobile homes and site-built dwellings lie on small platted sites in the Town of Baldwin and on sites that generally range from one to five acres in size at the periphery of the town. There has been little, if any, new home development of any consequence for many years.

The most significant project planned for the area was the ICI Villages PUD. In 2006, a Central Florida developer assembled  $\pm 11,366$  acres of land in the southwest quadrant of Interstate 10 and US Highway 301 for the development of a large master planned community. The first phase of the project resulted in the rezoning of  $\pm 2,250$  acres of agriculture lands to PUD-SC District, an acronym for a Planned Unit Development-Satellite Community. The subject was part of the assembled land.

The ICI Villages PUD was approved and enabled with Duval County Ordinance 2006-1203. The approved site plan and written description envisioned the first phase of a rural village. The entitled land uses, density limits and developer obligations included:

- 2,800 single-family or multi-family homes; gross density limited to one unit per acre.
- 160,000 square feet of commercial space.
- 75,000 square feet of office space.
- Developer installs full urban services.
- Developer donates 75 acres to Duval County School Board for an elementary school.
- Developer donates three acres to City of Jacksonville for a public use.

Four years later, the development plans were expanded to encompass a total of 5,520 acres of the ICI assemblage lands. Additional lands were rezoned to PUD-SC in order to permit a larger rural community with an expanded scope of development. The rezoning and expanded scope of development was approved and enabled with Duval County Ordinance 2010-874.

The master plan for the rebranded ICI Rural Villages PUD envisioned multiple residential

villages connected directly to one or more neighborhood centers with a mix of civic and commercial uses. The new entitled land uses, density and developer obligations included:

- 11,250 single-family homes
- 3,750 multi-family units
- 750,000 square feet of commercial space.
- 300,000 square feet of office space.
- Approximately 25% of the project lands were to be dedicated to parklands, recreation areas, a golf course, conservations areas, trails and the project parkway.
- Developer installs full urban services.
- Developer donates land for a high school or middle school, including sports and recreation facilities
- Developer donates land for a fire/rescue station

Since the project's inception, there have been a number of changes in market forces and local development requirements. The market downturn in 2006 resulted in a long recession that sidelined many planned projects in Northeast Florida. The recovery has been anemic and selective. The scope of residential development projects in Northeast Florida has been scaled back considerably. Only a few large projects are active and prospering.

There was also a big change in the off-site development costs associated with transportation impact fees. In 2007, the ICI Villages PUD transportation assessment under the old Fair Share growth management fee structure would have been \$5,843,668 according to a study done for the City of Jacksonville and the North Florida Transportation Planning Organization (TPO) by Reynolds Smith & Hill. Under the new mobility fee methodology and transportation credit system, the ICI Villages project would be assessed \$39,471,792, an increase of 675%.

Public water and sewer service is available in the Town of Baldwin and a node of highway-tourist commercial development south of Interstate 10 on US Highway 301 near the subject. However, the utility system does not have the capacity for 15,000 new homes and more than 1 million square feet of office and commercial space. Developing the ICI Rural Villages PUD would require a substantial commitment by the developer to expand the utility system.

In addition to the ICI Rural Villages PUD there is a large project known as Baldwin Ranch which is located along the east and west sides of County Road 121 and fronts along the west side located along US 301. This proposed project has been approved for 74,000 square feet of retail space, a total of 4,467 residential units containing townhomes, alley lots ranging from 60 to 70 feet in width and single-family lots measuring 80 feet in width.

The plan also calls for 117 acres of recreation/parks. An additional 2,087 lots are also approved on the west side of County Road 121 with conceptual plans including a 3.5 acre aquatic center and 19 acres of active recreation.

Current market conditions do not appear to support near-term development of these large scale projects. As a result of this, these large tracts of rural or semi-rural property whose Highest and Best Use is no longer for long-term agriculture use are generally classified as “transition lands” and are owned as investments and traded at prices that will not justify agricultural endeavors as the primary motivation for investment. Agricultural uses, like active timber management, may serve as an interim use. But, location, access or proximity to highways, utilities and other infrastructure make transition lands potentially developable for more intense residential, commercial, industrial or institutional uses.

As explained previously, a property's market area is the competitive area in which a prospective purchaser would search for alternative properties. The subject is a large tract of land located at the periphery of the Jacksonville Metropolitan Area. Consequently, the market area of the subject would surround Jacksonville and encompass the rural and undeveloped lands at the periphery of existing developed areas in Northeast Florida.

Additionally, the location at the confluence of a number of important highways further defines the market area. Highway locations extending past Jacksonville’s periphery would also constitute competitive market areas. Highway visibility and access are value influencing characteristics of the subject property.

The sales activity associated with large tracts of land located at the periphery of Jacksonville can be separated into two general groups: (1) those properties purchased for agricultural use (like silviculture) with little to no foreseeable development potential, and (2) those properties purchased for higher and better uses or possessing location and proximity attributes that make them potentially developable. Those large tracts purchased for higher and better uses sold for more than those purchased for agricultural use.

The table below summarizes periphery properties purchased in the last five years for silviculture or conservation with little to no foreseeable development potential.

#### **Large Agriculture (Silviculture) Land Sales**

<b>Buyer</b>	<b>Sale Date</b>	<b>Acres</b>	<b>\$/Acre</b>	<b>HBU</b>
Sundown Forest	11/22/2016	4,494.000	\$969	Silviculture
United States of America	01/26/2017	3,070.270	\$1,270	Conservation
Heartwood Forestland Fund VII	03/19/2013	5,182.000	\$1,339	Silviculture
Three Steps Forest	09/24/2013	3,619.379	\$1,373	Silviculture
Three Steps Forest	06/27/2013	2,913.110	\$1,410	Silviculture
Rayonier, EPC Holdings, Terrapointe	04/22/2014	9,173.906	\$1,425	Silviculture
Rayonier Atlantic Timber Company	06/01/2015	3,413.100	\$1,465	Silviculture

Timberlands Holding Company Atlantic	02/20/2014	5,794.000	\$1,506	Silviculture
Sandricourt Farms LLC (Bill Agricola)	05/17/2016	3,853.490	\$1,639	Silviculture
Magic Dime Timber (Bill Agricola)	04/02/2015	4,173.200	\$1,670	Silviculture
Rayonier Atlantic Timber Company	04/10/2017	3,457.000	\$1,850	Silviculture
EPC Holdings 862 (Rayonier)	02/04/2016	6,937.000	\$2,033	Silviculture
Rainey Pastures	08/29/2014	5,953.680	\$2,041	Silviculture
<b>Average</b>		<b>4,771.860</b>	<b>\$1,538</b>	

These sale properties are located in Baker, Bradford, Columbia, Clay, Flagler, Nassau, St. Johns and Marion Counties, which are smaller and less populated Northeast Florida counties in proximity to the Jacksonville Metropolitan Area. The sellers were timber companies or investors that speculate on lands held for timber production. The buyers had the same motivations, except for the timberland sale purchased for conservation.

The following table summarizes large periphery properties purchased for higher and better uses or those possessing location and proximity attributes that make them potentially developable or usable for a more valuable activity now or in the foreseeable future.

#### Large Higher and Better Use Land Sales

Buyer	Sale Date	Acres	\$/Acre	HBU
Phillips Ranch LLC	03/01/2016	2,998.616	\$2,168	Ranch
Flagler County	04/24/2017	2,013.608	\$2,332	Park Land
E I Du Pont De Nemours	03/28/2012	2,725.580	\$2,507	Mining
301 Capital Partners	10/18/2017	10,024.390	\$2,730	Investment
Plum Creek Land Company	07/12/2016	3,640.600	\$3,100	Mitigation Bank
TGC Sundew Nochaway	10/01/2016	2,088.077	\$3,352	Mitigation Bank
IR RE Holdings (Iluka)	01/16/2015	7,907.130	\$3,414	Mining
White Oak Conservation Holdings	09/30/2015	2,416.030	\$3,650	Buffer
First Coast Land and Timber	12/01/2017	3,992.530	\$3,657	Investment
White Oak Conservation Holdings	04/02/2015	2,652.080	\$4,000	Buffer
<b>Average</b>		<b>4,045.86</b>	<b>\$3,091</b>	

These sale properties are located in Clay, Flagler, Nassau, and St. Johns Counties and are also smaller and less populated Northeast Florida counties in proximity to the Jacksonville Metropolitan Area. The sellers were timber companies or investors that speculate on large tracts of land held for timber production or mitigation banking. These properties had potential that was more valuable than timber production by virtue of location or property characteristics but were not ready for immediate development. The large land sales suitable for more valuable uses averaged \$3,091 per acre compared to those suited for timber production which averaged \$1,538 per acre.

Our research also uncovered some large rural properties that sold for significantly more. Florida Power & Light (FPL) as well as the JEA has been aggressively expanding their

capacity with renewable energy sources. FPL has eight solar power plants under construction in Central and South Florida, continuing one of the largest solar expansions in the eastern U.S. Three new land purchases by an FPL subsidiary suggest the probable sites for new solar farms in Northeast Florida near the subject market area. In every case, the properties that have been purchased by these power companies have sold for significantly more than comparable lands purchased for silviculture. With regards to tracts of land purchased for solar farms, proximity to a high-power transmission line or an electrical substation drives the purchase decision.

The JEA board of directors just approved a major solar-power program that will expand its use of solar panels for a power source. The JEA board also adopted a mandate that 30% of its fuel come from zero-carbon or carbon-neutral projects by 2030 - replacing a previous target that required the utility to invest more heavily in nuclear power.

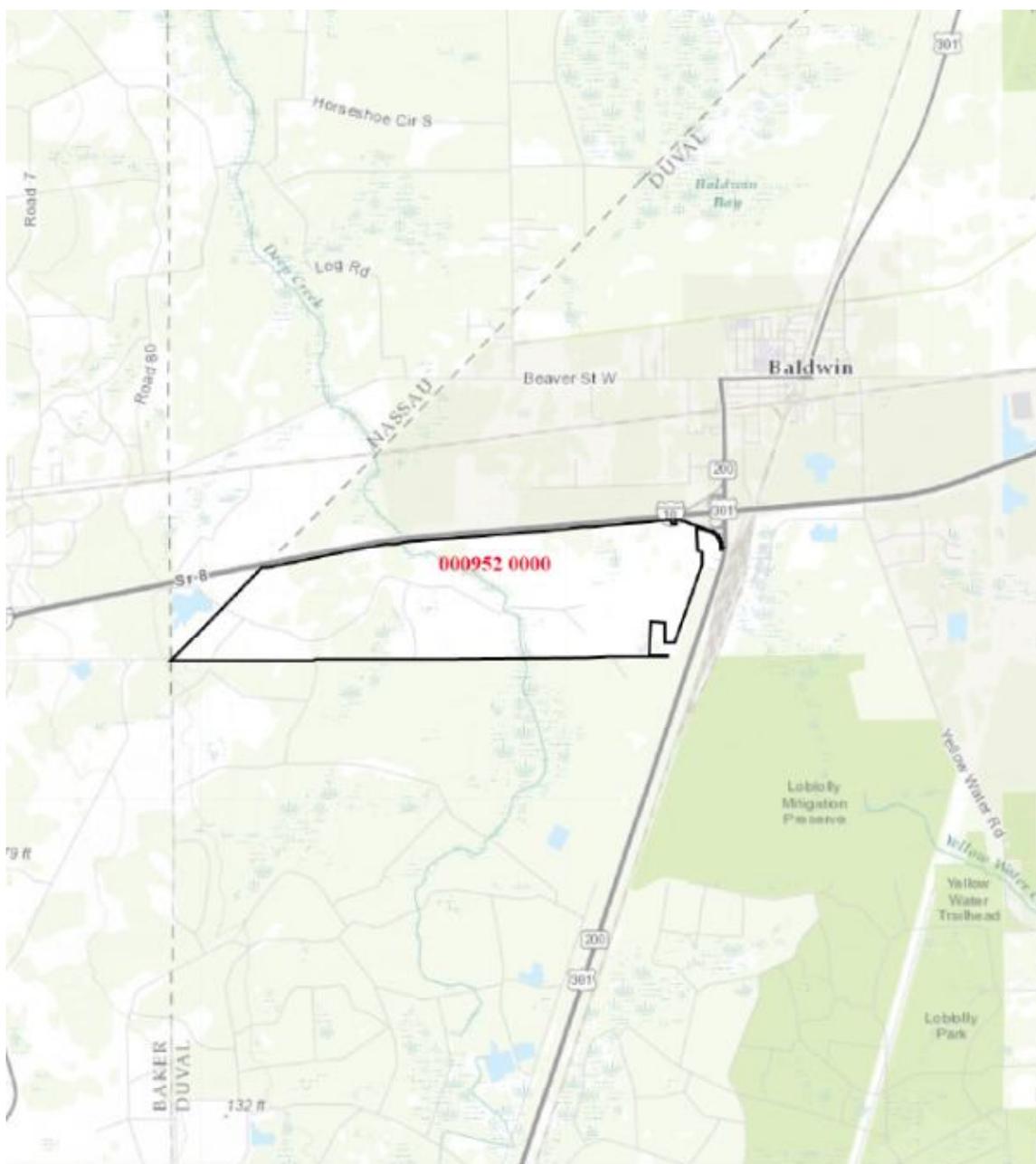
These decisions come on the heels of bad news about delays and cost overruns in two new nuclear reactors in Georgia. JEA has invested about \$12 million so far in those plants and is obligated to pay hundreds of millions more. JEA has been pursuing nuclear power as part of an effort to diversify its fuel mix beyond coal and natural gas.

### ***Summary and Conclusion***

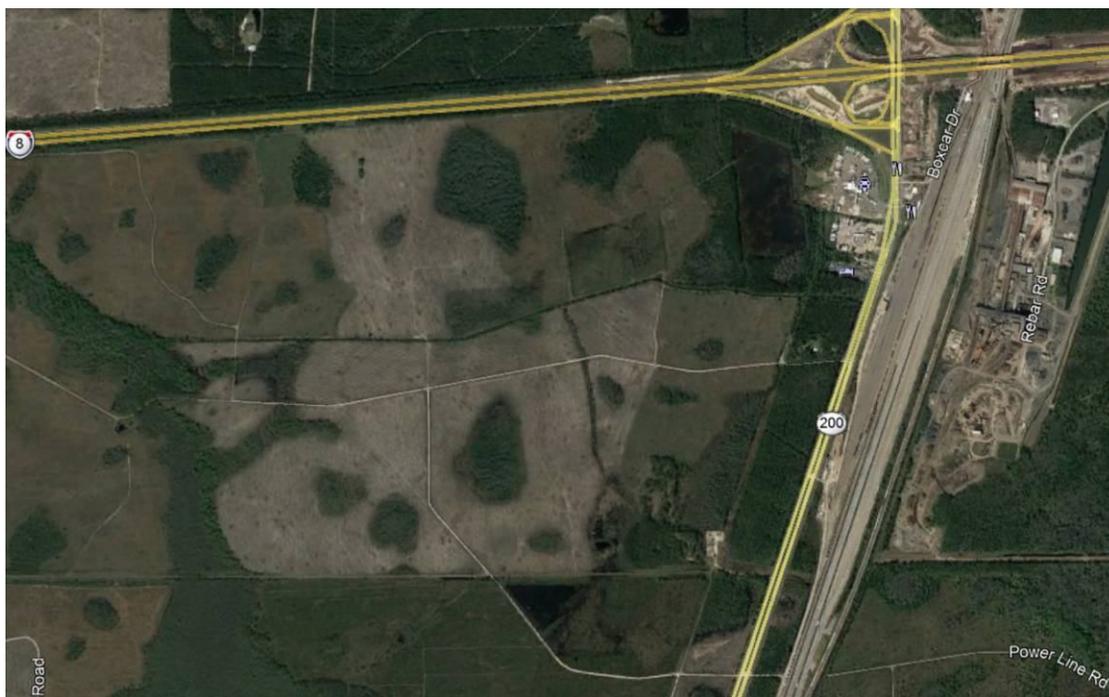
In 2010, Baldwin had a population of 1,425 people. No significant population growth has occurred in the past or is expected in the foreseeable future. Also, no change in existing land use patterns is expected. The ICI Rural Villages PUD planned for portions of the subject and the lands to the south have been on the drawing boards for over 10 years and, there are no other new residential developments planned in the Baldwin area. Current market conditions will make near-term large-scale development of the subject unlikely.

For the foreseeable future, the market area is not expected to experience any significant growth or change in value. Although there are areas in Northeast Florida that have grown, the subject market area has grown very little. Most of the new development has occurred in the eastern portion of Duval County in the area of the St. Johns Town Center and the recently completed I-295 Eastern Beltway and St. Johns and Nassau Counties near Interstate 95.

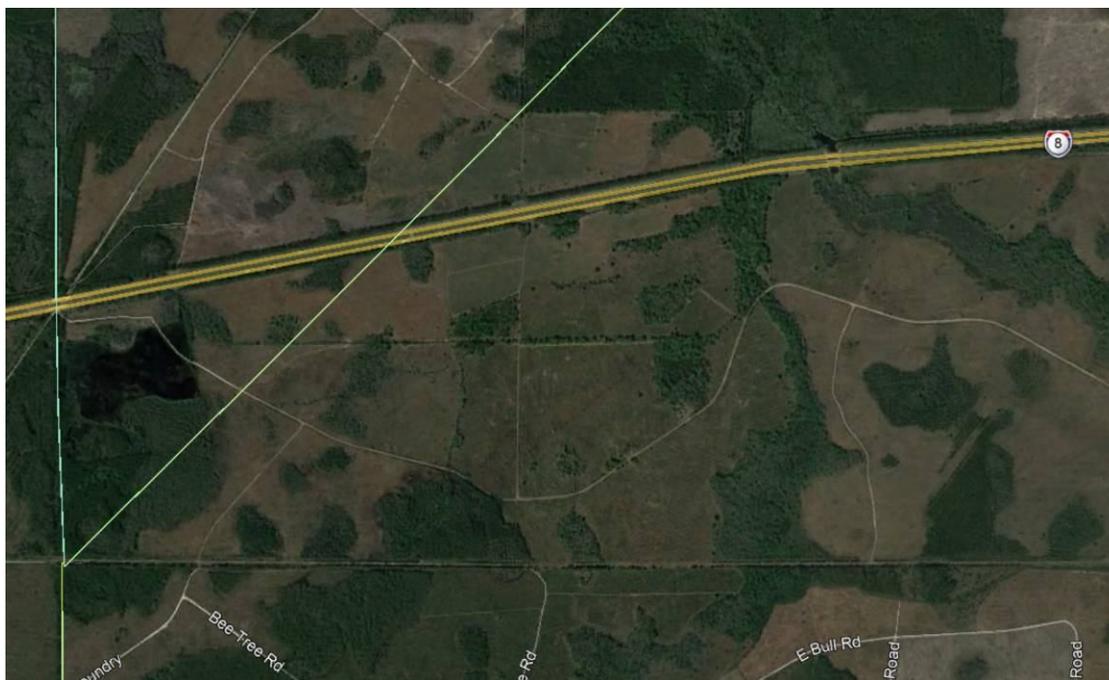
Even so, because the market area is located at the periphery of the Jacksonville Metropolitan Area at the confluence of a number of important highways, and the large amount of road construction currently underway in the area and to the east, it should have more demand than market areas further removed and properties without convenient access. Good highway visibility and access are among the value influencing characteristics of the market area.



*Location Map*



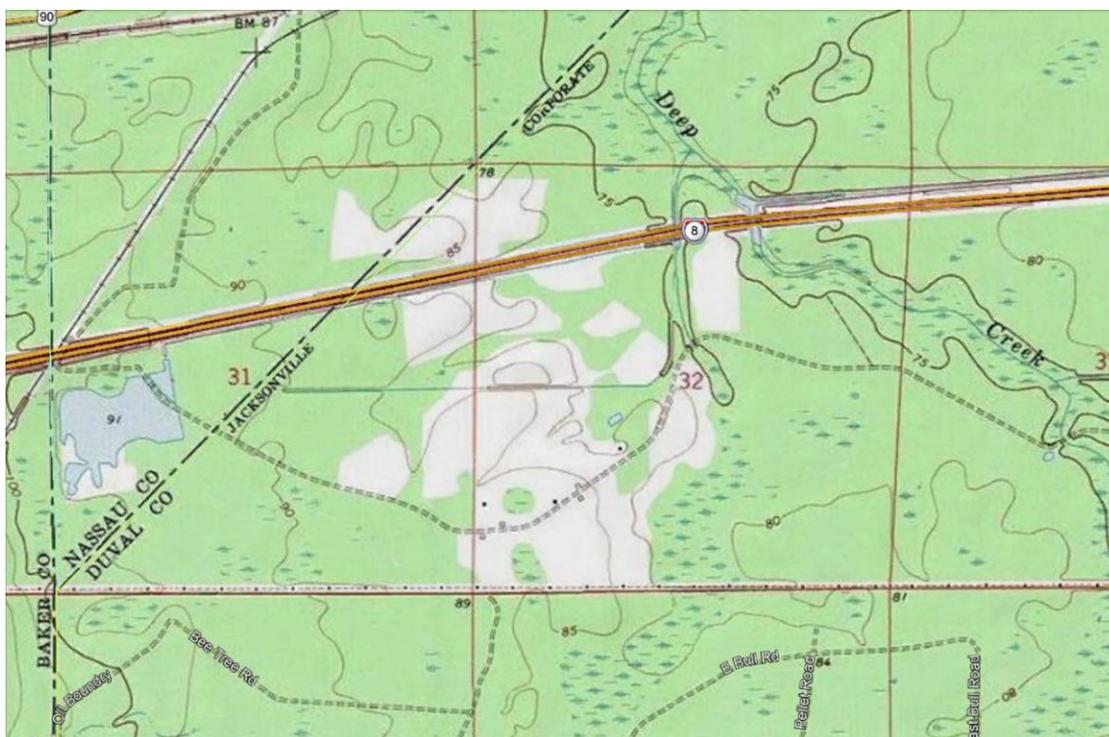
*Subject Aerial – East Side*



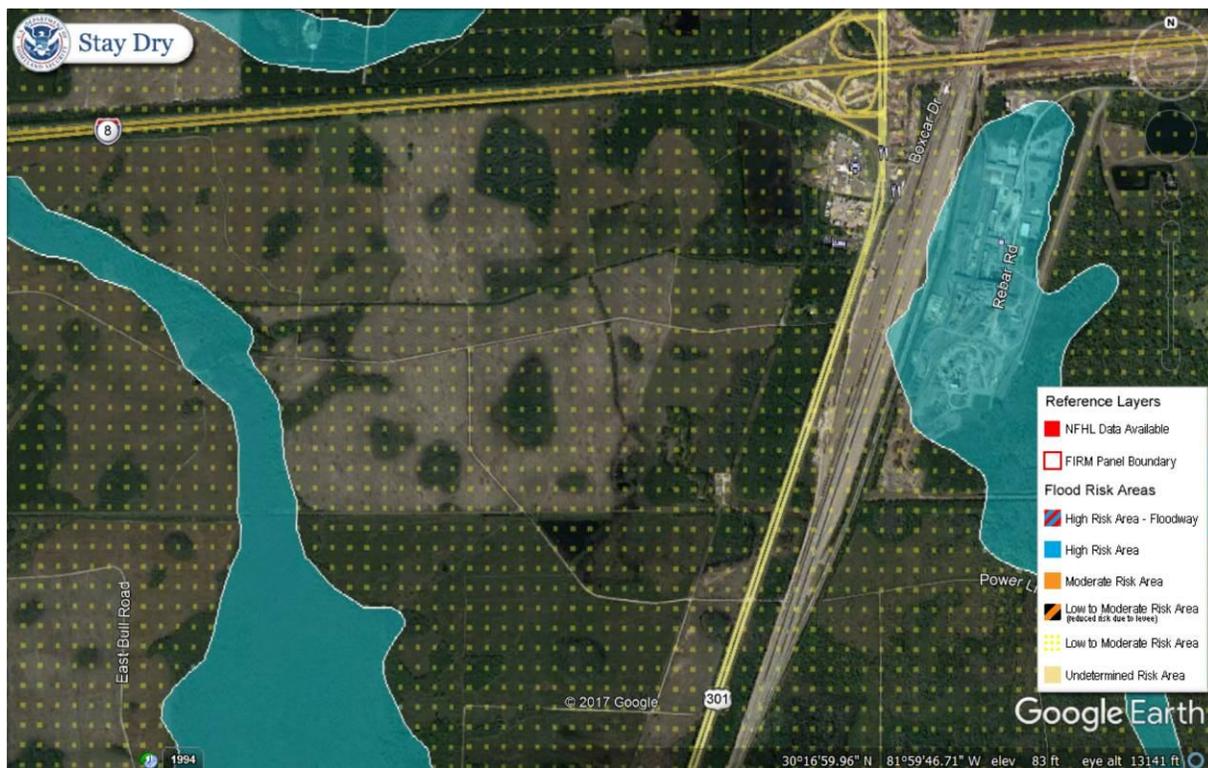
*Subject Aerial – West Side*



*USGS Quadrangle (Topography) Map – East Side*



*USGS Quadrangle (Topography) Map – West Side*



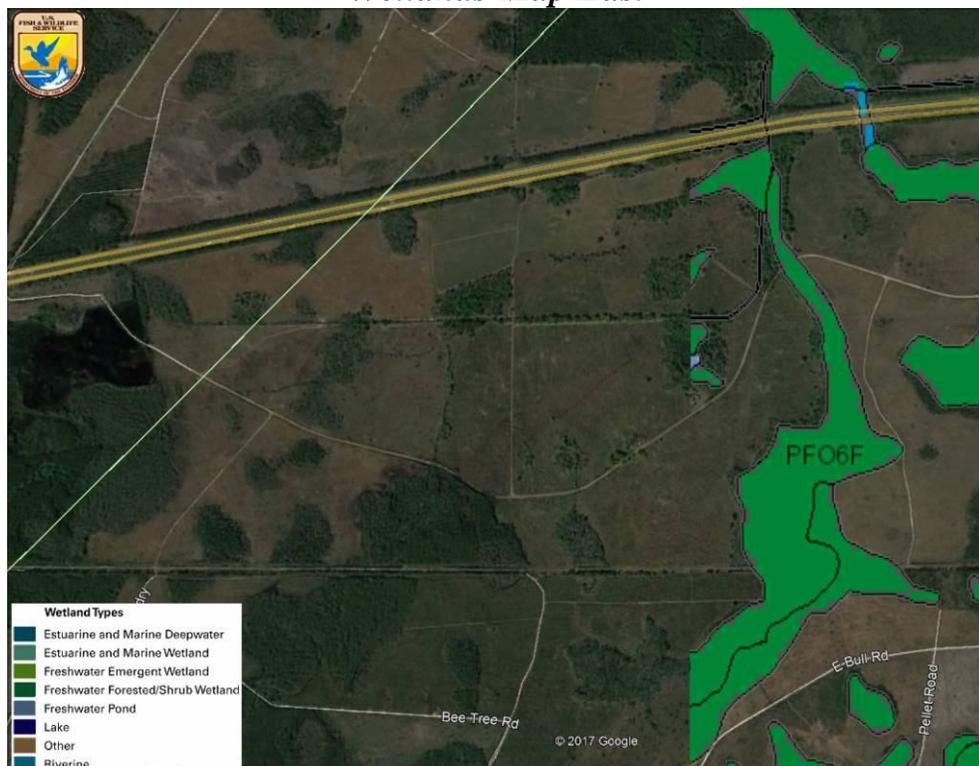
*Flood Zone Map East*



*Flood Zone Map West*



**Wetlands Map East**



**Wetlands Map West**



*Subject Photos*



*View of US 301, looking North from the Subject's frontage.*



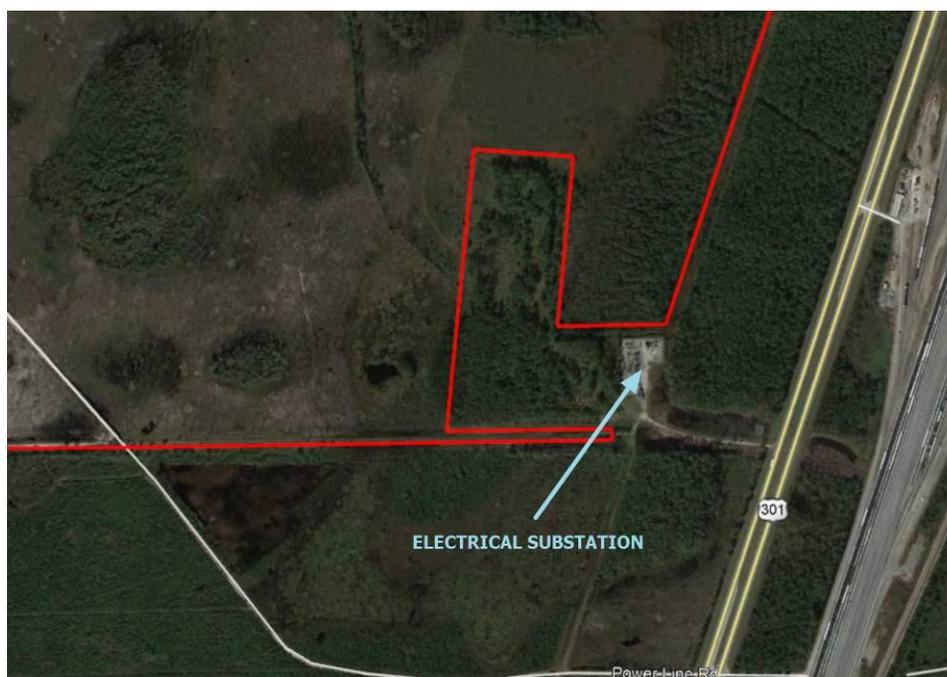
*View of US 301, looking South from the Subject's frontage.*



*View of Trail Road (Power Line Road) at SE Corner.*



*View of site conditions at the SE Corner.*



*Aerial View of the abutting electrical substation site.*



*View of the gate at the electrical substation site.*



*View of the power line at the electrical substation site.*



*View of the abutting electrical substation building.*

**LEGAL DESCRIPTION**

A copy of the legal description is provided in the *Addendum*. An abbreviated description of the subject property follows:

*"A detailed lengthy metes and bounds describing portions of Sections 31, 32, 33, and 34, Township 2 South, Range 23 East, in Duval County, Florida."*

**DESCRIPTION OF SUBJECT SITE**

Based upon a physical inspection of the subject as well as a survey and other public records, the following is a description of this property:

- Area -* 1,849.81 Acres (as per survey)
- Shape -* Irregular
- Dimensions -* Multiple:
  - A total of 15,220.71 feet of frontage on Interstate Highway 10.
  - A total of 1,162.14 feet of frontage on US Highway 301.
- Ingress/Egress -* Via  $\pm$ 1,200 feet of frontage on US Highway 301 at the southeast corner of the property, as well as an easement for ingress and egress on a forest trail road connecting with US 301 about 0.6 miles south of Interstate Highway 10. The Interstate Highway 10 frontage is not directly accessible.
- Topography -* Generally level
- Flood Plain Data -* According to FEMA Map No. 12031C04480H (effective date of December 17, 2010) there are some areas located in Flood Zone A, a special flood hazard area where there is a 1% chance of inundation each year. No base flood elevations have been determined. For the most part, the flood hazard areas appear to correspond with the meandering of Deep Creek through the property, as well as the borders of Deep Creek and its connected drains. The rest of the property appears to be located in Flood Zone X, a low risk area determined to be outside the 500-year flood plain.

*Soil Characteristics* - According to the USDA Soil Survey, the subject contains two general soil types: Sapelo-Plummer-Pelham (s1525) and Pelham-Goldhead-Chaires (s1529).

Sapelo series consists of very deep, somewhat poorly drained, moderately permeable soils that formed in unconsolidated Coastal Plain sediments. These soils are on nearly level broad flats, depressions and drainage ways. Slopes range from 0 to 2 percent.

Pelham series are also very deep, poorly drained, moderately permeable soils. Pelham soils are on nearly level broad flats, toe slopes, depressions and drainage ways. Slopes range from 0 to 5 percent. The dominant natural vegetation includes longleaf pine, loblolly pine, pond pine, blackgum, and water oak. Understory plants are gallberry, sawtooth palmetto, and dwarf huckleberry.

*Site Improvements* - The site is improved with an interior trail road system, drainage ditches and the debris and remnants of a few minor buildings. Aerial photos show remnants of some recently razed buildings.

*Timber* Pre-merchantable or prepped for planting

The subject property is a large irregular shaped tract of land and a wetlands survey was not provided. According to a study of various maps including Google Earth and the US Fish and Wildlife Service Wetlands Inventory Maps, areas of potential wetlands on the subject property were identified. Based upon the sources, we have estimated that there are approximately 400 acres of wetlands on the subject or approximately 22%% of the property. This estimate is subject to a formal wetland determination by a qualified environmental engineer.

According to the US Fish and Wildlife Service wetlands inventory maps, the wetlands on the property are palustrine system, forested/shrub, freshwater wetlands including deciduous and needle-leaved evergreens that are seasonally flooded. Soil characteristics (see above) also suggest these areas are probably not permanently wet.

The property has a connected system of forest trail roads that provide interior vehicular access adequate for silviculture or other potential agricultural pursuits. According to the survey, 50 feet of a 100 foot wide Florida Power & Light electric transmission right-of-way encumbers the southern boundary of the property. Powerline Road (a vehicular trail road) runs through the transmission easement beneath the towers. In addition, there is a

165 foot wide Florida Power & Light electric transmission right-of-way which parallels US 301 in the southeast corner of the property.

The property also has a drainage canal that extends through a 65' drainage easement in the east-central portion of the property, running between US Highway 301 and Deep Creek. The canal also appears to drain into a former borrow pit located behind the truck stop.

### **PUBLIC OR PRIVATE EASEMENTS OR RESTRICTIONS**

As explained above, there are two electrical transmission rights-of-way encumbering the subject along with a 65' drainage easement with a canal in the east-central portion of the property. There are also a few minor drainage easements on the northern boundary along Interstate 10. No other easements, encroachments, nor encumbrances are known for the subject.

### **ENVIRONMENTAL CONSIDERATIONS**

Unless otherwise stated in this report, the existence of hazardous substances, including, without limitations, asbestos, polychlorinated biphenyls, petroleum leakage or agricultural chemicals which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraisers become aware of such during the appraisers' inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test such substances or conditions. If the presence of such substances such as asbestos, urea formaldehyde foam insulation or other hazardous substances or environmental conditions may affect the value of the property, the value estimate is predicated on the assumption that there are no such conditions on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

In addition, it is noted that no wetland or wildlife studies relating to the subject were provided to the appraisers. For this reason, we have assumed that any such studies would not reveal any conditions which would negatively impact the use of the subject in conjunction with its estimated Highest and Best Use.

No archaeological or cultural resource surveys have been provided to the appraiser. The appraiser is not qualified to make such a survey. In the event that the presence of archaeologically significant findings is determined, the appraiser reserves the right to revise this appraisal accordingly.

**APPURTENANCES**

A search of the St. Johns River Water Management District web site did not reveal any applications for consumptive use permits or environmental resource permits.

## **ZONING/LAND USE DISTRICT**



According to Duval County public records, the subject is largely zoned AGR, which denotes an agriculture zoning district - the areas colored tan in the graphic to the left. A detailed explanation of the AGR zoning district can be found in the *Addendum* section of this report.

A small portion of the western region of the subject - the area colored green in the graphic to the left - is part of a PUD-SC District. A summary of the PUD is provided below.

A PUD-SC District zoning classification was obtained in 2010 for approximately 5,520-acre multi-use development project. The portion of the property shown in green in the map above is part of that PUD. The zoning was approved and enabled with Duval County Ordinance 2010-874. The approval was based upon a site plan with a written description of a large master planned project to be known as the ICI Rural Villages PUD

The master plan shows multiple residential villages connected directly to one or more neighborhood centers with a mix of civic and commercial uses. The ICI Rural Villages PUD development plan was approved with land use and density limits as well as certain developer obligations. A summary of the entitled land uses, density limits and developer obligations included:

- a. 11,250 single-family homes
- b. 3,750 multifamily units
- c. 750,000 square feet of commercial space.
- d. 300,000 square feet of office space.
- e. Approximately 25% of the project lands will be dedicated to parklands, recreation areas, a golf course, conservations areas, trails and the project parkway.
- f. Developer installs full urban services.
- g. Developer donates land for a high school or middle school, including sports and recreation facilities
- h. Developer donates land for a fire/rescue station
- d. 300,000 square feet of office space.
- e. Approximately 25% of the project lands will be dedicated to parklands, recreation areas, a golf course, conservations areas, trails and the project parkway.
- f. Developer installs full urban services.
- g. Developer donates land for a high school or middle school, including

- sports and recreation facilities
- h. Developer donates land for a fire/rescue station

A review of the Future Land Use Maps in the Comprehensive Land Use Plan shows the subject is located in an area largely planned for agriculture uses. Most of the land surrounding the subject is either designated AGR-I or AGR-II. The entire subject property is designated AGR-II on the Future Land Use Maps including the portion zoned PUD-SC.

**CONCURRENCY**

The Community Renewal Act (Florida Senate Bill 360) was enacted in 2009 and removed the state mandated transportation concurrency requirements from the Growth Management. In its place, the City established a mobility fee which is applied to new development. Since no specific plans have been developed for the subject, it is not possible to estimate the number of trips that would be required and thus the mobility fee cannot be estimated at this time.

**UTILITIES**

JEA provides sewer, water and electricity to the locale of subject property. JEA recently completed a voltage conversion project to standardize the electric equipment serving the Town of Baldwin and its environs. Telephone service is provided by AT&T with mobile service available via a number of providers.

**ASSESSED VALUATION AND REAL ESTATE TAXES**

According to the Duval County Property Appraiser’s office the subject is referred to as Parcel 000952-0000. The assessed value and taxes for 2017 are summarized as follows:

<b>Millage Rate</b>	18.2313
<b>Assessor's Market Value</b>	
Building Value	\$          0
Extra Features	1,479
Land Value (Market)	<u>11,281,171</u>
Just (Market) Value	\$11,282,650
<b>Assessed Value</b>	\$686,325
<b>Less Exemptions</b>	<u>          0</u>
<b>Total Taxable Value</b>	\$686,325
<b>Estimated Taxes Before Discount</b>	\$12,512.60

**Non-Ad Valorem Assessments**

Storm Water	0
<b>Total</b>	<u>\$12,512.60</u>

Information from the Tax Collector’s office indicates that there are no unpaid taxes.

**HIGHEST AND BEST USE ANALYSIS**

Highest and Best Use, as utilized in this report, is defined as follows:

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

The preceding definition was taken from the *Dictionary of Real Estate Appraisal, Sixth Edition*, as published by the Appraisal Institute. The criteria items should be considered sequentially, in that it makes no difference that a project is financially feasible to develop if it is physically impossible to construct. It is also noted that this definition is an economic concept and, as such, does not take into consideration any social benefits to the community or surrounding area generated by one use of a property versus another. In estimating the highest and best use for the subject, each of these criteria will be analyzed as of the date of value.

***Legally Permissible***

The first constraint on any property is dictated by the legal and governmental restrictions (i.e., any use of the site must conform to all federal, state and local laws). The most pertinent of these restrictions relates to local zoning regulations. As discussed in the “Zoning/Land Use” section of this report, most of the subject property is zoned AGR, which denotes an agriculture use zoning district. The intent of ***Agriculture*** zoning is:

*“...[to] allow agriculture and related uses such as farming, horticulture, forestry and logging, storage, processing and wholesale distribution of farm supplies and products and resource dependent uses such as conservation, recreation, and mining and single-family homes, mobile homes and supporting public facilities. Natural conservation areas are also permitted.”*

A detailed explanation of the AGR zoning district can be found in the *Addendum* section of this report. There are a variety of permitted uses under this district including rural and agricultural land uses, single-family dwellings and mobile homes. The density limitations for residential dwellings are summarized below:

- One dwelling unit per 100 acres of land for lots of record of 640 acres (section)

or more in size.

- One dwelling unit per 40 acres of land area for lots of record of 160 acres (one-quarter section) up to but not including 640 acres (section) in size.
- One dwelling unit per ten acres of land area for lots of record of 40 acres and up to but not exceeding 160 acres.
- One dwelling unit per two and one-half acres of land for lots of record up to but not including 40 acres.
- Family homestead partitions for construction of single-family dwellings or mobile home(s), shall be permitted on conforming lots for occupation by family member(s).

With regards to the portion of the subject zoned and part of the ICI Rural Villages PUD, it is unlikely that use of that area of the property, as per the PUD, would be permitted independent of the larger planned rural community. Permitted development in an approved PUD is tied to a specific property and specific development plans. Changes to a property require a rezoning application and a new development plan.

The Future Land Use Maps in the Comprehensive Land Use Plan shows the subject is located in an area largely planned for agriculture uses. Most of the land surrounding the subject is either designated AGR-I or AGR-II. The entire subject is designated AGR-II on the Future Land Use Maps including the portion zoned PUD-SC.

It is likely that the legally permissible use of the subject, without rezoning, will be limited to the uses permitted under the *Agriculture* zoning district or likely to be permitted under the Comprehensive Plan's AGR-II future land use designation, which is also largely agriculture and rural in character.

### ***Physically Possible***

The next constraint on the use of the property is dictated by its physical aspects. An inspection of the subject from the ground and observation of aerial surveys, as well as other information provided and collected for the appraisal indicate that the subject contains a total of 1,849.81 acres of land with approximately 400 acres (22%) of potential jurisdictional wetlands. The rest of the subject property appears to be usable and developable.

The land is generally level with dimensions, boundaries and a shape that should not hinder use. There are flood zones and possible jurisdictional wetlands that meander through the property in such a way as to create natural parcel separations. However, there are no significant physical barriers. Also, there are no isolated areas that will be difficult to utilize in an agricultural context or a large development plan in the future.

The easements that encumber the property are not considered to be significant

impediments to the utilization of the subject.

Access is adequate and available through 1,164 feet of frontage on US Highway 301 at the southeast corner of the property, as well as an easement for ingress and egress to a forest trail road connecting with US 301. I-10 is a limited access facility and, thus, not directly accessible. However, there is a full cloverleaf intersection with US 301 near the subject. The property also has a system of forest trail roads that provide interior vehicular access adequate for silviculture or other potential agricultural pursuits.

### ***Financially Feasible***

The use of the property and the adjacent property to the south as currently zoned does not appear to be feasible at the present time. Due to the lack of population growth over the past several years, the ICI Rural Villages PUD has not been pursued. Since the project's inception, there have been a number of changes in market forces and local development requirements.

In estimating the financial feasibility of developing the subject, the demand for properties in the area with similar physical and location characteristics as the subject was studied. Similar properties with the subject's topography and access have limited development potential for the time being and are generally purchased and held mainly for low intensity uses such as, timber, recreation, wetland mitigation, conservation or preservation purposes. Thus, low intensity uses along these lines are financially feasible at this time.

The subject's location and proximity to the edge of Jacksonville's suburbanization, however, impacts demand and the property's potential in the future. The proximity to major highways and access points also influences the property's potential for future development. There is significant truck and tourist traffic on US 301 and Interstate Highway 10 near the subject.

As a result of the lack of population growth and nearby development activity, a low intensity use not requiring large expenditures for infrastructure is considered to be financially feasible at this time. This would include such uses as timber production and, due to the property's proximity to a high-power transmission line and an electrical substation (both considered to be primary factors in locating solar facilities), use of the subject for a solar farm is also considered to be a feasible alternative.

### ***Maximally Productive***

There have been a number of recent land sales purchased for solar power farms and those properties have commanded a premium because of their proximity to the power lines and substations. Although low intensity uses such as, timber, recreation, wetland mitigation, conservation or preservation are feasible uses. It appears the greatest return (sale price)

would be achieved by using the subject property for a solar farm.

*Summary*

Based on the preceding information, it is our opinion the Highest and Best Use for the subject would be to develop the property for a solar farm.

**VALUATION PREMISE**

The premise under which the subject property is being appraised is that of market value. This assumes the property is exposed on the open market for a reasonable length to time in order to facilitate the meeting of a knowledgeable buyer and seller, thus acting without duress in their own best interest and each knowing the uses, which the property is best suited. This premise also assumes financing for the sale is typical for this type of property and locale.

For this report, the following *Extraordinary Assumption* has been incorporated in this analysis:

1. It is recognized that the Date of Value for this appraisal is October 26, 2017. The property was initially inspected in conjunction with this assignment on January 23, 2018. Thus, for purposes of this report, it is assumed that the condition of the subject as of the Date of Value was the same as on our date of inspection.

***SHOULD THE PRECEDING EXTRAORDINARY ASSUMPTION PROVE TO BE SUBSTANTIALLY INCORRECT, A COMPLETE RE-ANALYSIS MAY BE REQUIRED.***

**LAND VALUATION**

In developing this appraisal, a careful study the public records of Duval County and other sources was undertaken in order to locate sales of similar type vacant properties. Other than the recent purchase of the subject, no arms-length sales of similar size acreage tracts were found in Duval County in the last 12 month period.

Therefore, the search was expanded back in time and into neighboring counties and highway locations in order to locate recent sales on which to base a comparison. This search revealed one sale in the north-central Duval County, one in Nassau County, a sale in Suwannee County and a sale in Columbia County. Details relating to the sales will be found in the following pages with individual sale sheets. Also included is a location map depicting the geographical proximity of the subject to the comparables and a sales summary chart.

*Land Sales*

**LAND SALE NO. 1**



**Property Identification**

<b>Record ID</b>	3735
<b>Property Type</b>	Former Timberlands
<b>Property Name</b>	Nassau County Solar Farm Site
<b>Address</b>	Woods Lane, Callahan, Nassau County, Florida 32011
<b>Location</b>	West side of US 301 and CSX railroad, about 1,800 feet north of Crawford Road
<b>Tax ID</b>	Multiple - See Remarks
<b>Type Instrument</b>	Special Warranty Deed
<b>HBU @ DOS</b>	Industrial
<b>Motivation</b>	Investment, Speculation, Industrial
<b>Market Type</b>	Rural Industrial

**Sale Data**

<b>Grantor</b>	Terrapointe LLC
<b>Grantee</b>	Double Hook Realty LLC (FPL)
<b>Sale Date</b>	September 7, 2017

**LAND SALE NO. 1 (Cont'd.)**

<b>Deed Book/Page</b>	2145/132
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Arm's Length Transaction
<b>Financing</b>	Cash to seller, verified as having no effect on property's purchase price.
<b>Verification</b>	Kyle Sawicki (Grantor's representative), Confirmed by Michael C Roy, MAI, SRA
<b>Sale Price</b>	\$13,105,000

**Land Data**

<b>Zoning</b>	IP (Industrial Park)
<b>Topography</b>	Level
<b>Utilities</b>	No public water/sewer at site at time of sale.
<b>Dimensions</b>	Multiple
<b>Shape</b>	Irregular
<b>Photo Info</b>	GIS Aerial 2017
<b>Retention</b>	On-site.
<b>Encumbrances</b>	Covenants, easements, restrictions, etc. of record.

**Land Size Information**

<b>Gross Land Size</b>	1,310.50 Acres
<b>Uplands Land Size</b>	786.30 Acres, 60%
<b>Wetlands Land Size</b>	524.20 Acres, 40%
<b>Front Footage</b>	±400 feet on US Highway 301 ±3,200 feet on CSX Railroad ±1 mile on Woods Lane (Old Baldwin Road)

**Indicators**

<b>Sale Price/Gross Acre</b>	\$10,000
<b>Sale Price/Uplands Acre</b>	\$16,667

**Legal Description**

Detailed metes and bounds describing portions of Sections 2, 3, 4, 9, 10 and 11, Township 1 North, Range 24 East, Nassau County, Florida.

**Remarks**

This property is a highly irregular shaped tract of wooded land located in western Nassau County, about 4 miles south of Callahan. It is situated on the west side of US 301 and the CSX railroad, about 1,800 feet north of Crawford Road.

**LAND SALE NO. 1 (Cont'd.)**

Access to the south side of the property is via Woods Lane and Lemonwood Street. Both are county maintained unpaved roads that connect with (paved) Crawford Road. Access to the north side of the property is via Old Baldwin Road, an unpaved road which connects with (paved) Sandy Ford Road. Crawford Road and Sandy Ford Road both cross the CSX railroad to connect with US 301 at points that are about 1.3 miles apart. The property also has a network of timber roads that provide good internal access.

The property was predominantly timberland with most of the merchantable pine having been cut in the recent past and some has been recently replanted. According to the seller, the remaining timber had a contributory value of \$391 per acre overall, much of it pre-merchantable with a very young average age. The seller also reported that 62% of the property was plantable, 36% non-plantable and 2% was non-forest lands like roads.

No definite wetlands studies were available, however, based upon the seller's non-plantable land area estimate along with historical aerial photos, USFWS wetlands maps, and records from the county property appraiser, about 40% (approximately 524 acres) of the property are thought to be wetlands. Most are found in amorphous depressions in the southeast corner, the south side of the property and the northwest corner.

The property comprises 1,300 acres of the 1,800 Crawford Diamond Industrial Park. Crawford Diamond Industrial Park was Florida's second certified "mega-site" which is a designation meaning the property is ready for immediate development, without the normal delays associated with government approvals for large new industrial projects. In addition to being served by two Class I railroads (Norfolk Southern and CSX). There are also high voltage power lines suitable for heavy power use industries. The property's Industrial Park zoning allows a comprehensive list of potential industrial uses including heavy industries.

In a recent press release, Florida Power & Light (FPL) announced they crossed the halfway point in their "...plans to add another 2.5 million solar panels by early 2018 at eight new solar power plants across Florida." From 2016 to 2023, FPL plans to add more than 2,300 new megawatts of solar panels throughout Florida.

**LAND SALE NO. 2**



**Property Identification**

<b>Record ID</b>	3732
<b>Property Type</b>	Agriculture, Timberland
<b>Property Name</b>	Suwannee County Solar Farm Site
<b>Address</b>	Hogan Road and Miller Road, Live Oak, Suwannee County, Florida 32060
<b>Location</b>	North side of I-10; off of Hogan and Miller Roads; midway between the towns of Live Oak and White Springs
<b>Tax ID</b>	Multiple - See Remarks
<b>Type Instrument</b>	Warranty Deed
<b>HBU @ DOS</b>	Agriculture
<b>Market Type</b>	Rural Agriculture

**Sale Data**

<b>Grantor</b>	Suwannee 1564 LLC
<b>Grantee</b>	Double Hook Realty LLC (FPL)
<b>Sale Date</b>	March 21, 2017

**LAND SALE NO. 2 (Cont'd.)**

<b>Recorded Plat</b>	N/A
<b>Deed Book/Page</b>	1976/149
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Arm's Length Transaction
<b>Financing</b>	Cash to seller, verified as having no effect on property's purchase price.
<b>Motivation</b>	Construction of solar farm
<b>Verification</b>	Brian Carricarte (Grantor), Confirmed by Michael C. Roy, MAI, SRA
<b>Sale Price</b>	\$4,813,740

**Land Data**

<b>Zoning</b>	A-1 (Agriculture)
<b>Topography</b>	Rolling, wetlands along Rocky Creek and in southeast corner.
<b>Utilities</b>	Well, septic required, electricity and telephone in area.
<b>Dimensions</b>	Multiple
<b>Shape</b>	Irregular
<b>Photo Info</b>	GIS Aerial 2017
<b>Retention</b>	On-site
<b>Encumbrances</b>	Covenants, easements, restrictions, etc. of record

**Land Size Information**

<b>Gross Land Size</b>	800 Acres
<b>Uplands Land Size</b>	605 Acres, 76%
<b>Wetlands Land Size</b>	195 Acres, 24%
<b>Front Footage</b>	±2.1 miles of frontage on Interstate 10 (no access); ±1.6 miles on (paved) Hogan Road ±0.3 miles on (unpaved) Miller Road ±0.7 miles on Rocky Creek and abutting wetlands

**Indicators**

<b>Sale Price/Gross Acre</b>	\$6,017
<b>Sale Price/Uplands Acre</b>	\$7,957

**Legal Description**

A portion of Sections 24 and 25, Township 2 South, Range 14 East and a portion of Sections 19 and 30, Township 2 South, Range 15 East, Suwannee County, Florida.

**LAND SALE NO. 2 (Cont'd.)**

**Remarks**

This property is an irregularly shaped tract of land located in eastern Suwannee County, about midway between the towns of Live Oak and White Springs. It is situated on the north side of I-10, off of Hogan and Miller Roads.

The majority of the property is timberland. There appears to be 150± acres of standing timber at the time of sale. The balance of the land was either recently cut, recently planted in pine or wetlands. No definite wetlands studies were available. Historical aerial photos and USFWS wetlands maps suggest that about one-quarter of the property are wetlands. Most are abutting Rocky Creek which drains through the center of the tract. The rest are found in a depression in the southeast corner.

Access to the property is via Hogan and Miller Roads. Hogan Road is a paved county road that snakes through the property and crosses Interstate 10 on an overpass. The frontage along Interstate 10 is not accessible and Miller Road is unpaved.

The deed does not specifically identify any easements. The conveyance was subject to "easements and similar matters of record". Nonetheless, a high-voltage electric transmission line traverses the property in an east-west direction, from the southwest corner, through the southern regions of the land, exiting at a point on the east boundary line in the southeast corner of the property.

The land was zoned for agriculture use at the time of sale and appears to have been used for timber production for some time now. The surroundings and immediate area of influence are also largely agricultural in character with a combination of timber tracts, pastures, fields and rural home sites.

Although this property was acquired by Double Hook Realty, LLC, title was transferred one month later (April 17, 2017) via Warranty Deed to Florida Power & Light Company. This deed was recorded in OR Book 1982, Page 147 in the public records of Columbia County. Double Hook Realty LLC is a wholly owned subsidiary of Florida Power & Light Company.

Investigation reveals this sale included the following Real Estate Tax Parcel Nos: 19-02S-15E-0017900.0000, 24-02S-14E-0231600.0000, 25-02S-14E-0231800.0000, 25-02S-14E-0232200.1000 and 30-02S-15E-0025200.0000.

**LAND SALE NO. 3**



**Property Identification**

<b>Record ID</b>	3720
<b>Property Type</b>	Agriculture, Pasture & Former Irrigated Cropland
<b>Property Name</b>	Columbia County Solar Farm Site
<b>Address</b>	Adams Road, Lake City, Columbia County, Florida 32096
<b>Location</b>	Northwest corner of I-10 and I-75
<b>Tax ID</b>	Multiple - See Remarks
<b>Type Instrument</b>	Warranty Deed
<b>HBU @ DOS</b>	Agriculture
<b>Market Type</b>	Rural Agriculture

**Sale Data**

<b>Grantor</b>	Hunter Ketcham Livestock, LLC
<b>Grantee</b>	Double Hook Realty, LLC
<b>Sale Date</b>	January 17, 2017
<b>Deed Book/Page</b>	1329/514
<b>Recorded Plat</b>	N/A
<b>Property Rights</b>	Fee Simple Estate
<b>Marketing Time</b>	Not actively marketed.

**LAND SALE NO. 3 (Cont'd.)**

<b>Conditions of Sale</b>	Arm's Length Transaction
<b>Financing</b>	Cash to seller, verified as having no effect.
<b>Motivation</b>	Construction of solar facility
<b>Verification</b>	Avery Roberts (friend of grantor); (386) 496-3509, August 28, 2017; Hunter Ketchem (Grantor), 386-758-2485, September 21, 2017; Other sources: Public Records, Confirmed by Michael C. Roy, MAI, SRA
<b>Sale Price</b>	\$5,726,300

**Land Data**

<b>Zoning</b>	A-3, Agricultural-3
<b>Topography</b>	Rolling, scattered wetlands in southeast corner.
<b>Utilities</b>	Well, septic required, electricity and telephone in area.
<b>Dimensions</b>	Multiple
<b>Shape</b>	Irregular
<b>Flood Info</b>	Flood Zones A and X.
<b>Photo Info</b>	GIS Aerial
<b>Retention</b>	On-site
<b>Encumbrances</b>	Easements of record, estimated to have no effect.

**Land Size Information**

<b>Gross Land Size</b>	954.37 Acres
<b>Uplands Land Size</b>	654.37 Acres, 68%
<b>Wetlands Land Size</b>	±300 Acres, 31%
<b>Front Footage</b>	Adams Road; I-10 and I-75 (no access); NW Suwannee Valley Road

**Indicators**

<b>Sale Price/Gross Acre</b>	\$6,000
<b>Sale Price/Uplands Acre</b>	\$8,751

**Legal Description**

Portions of Sections 25, 26, 31, 35 and 36, Township 2 South, Range 15 East, Columbia County, Florida.

**Remarks**

This consists of a large irregular shaped vacant land parcel located in the northwest corner of I-10's intersection with I-75 in western Columbia County. The majority of the property consisted of pastureland; however, there was 464 acres of former irrigated cropland and a large wetland area in the southeast corner closest to the intersection of the two Interstates.

**LAND SALE NO. 3 (Cont'd.)**

There also were some on-site fencing, cattle pens, three center pivot irrigation systems along with three active wells (two 10 inch and one 4 inch) with permit for an additional 10 inch well and rights to withdraw 648,800 gallons per day for irrigation of 373 acres of corn/oats, peanuts/oats rotation along with 45,000 gallons of water for approximately 300 head of beef.

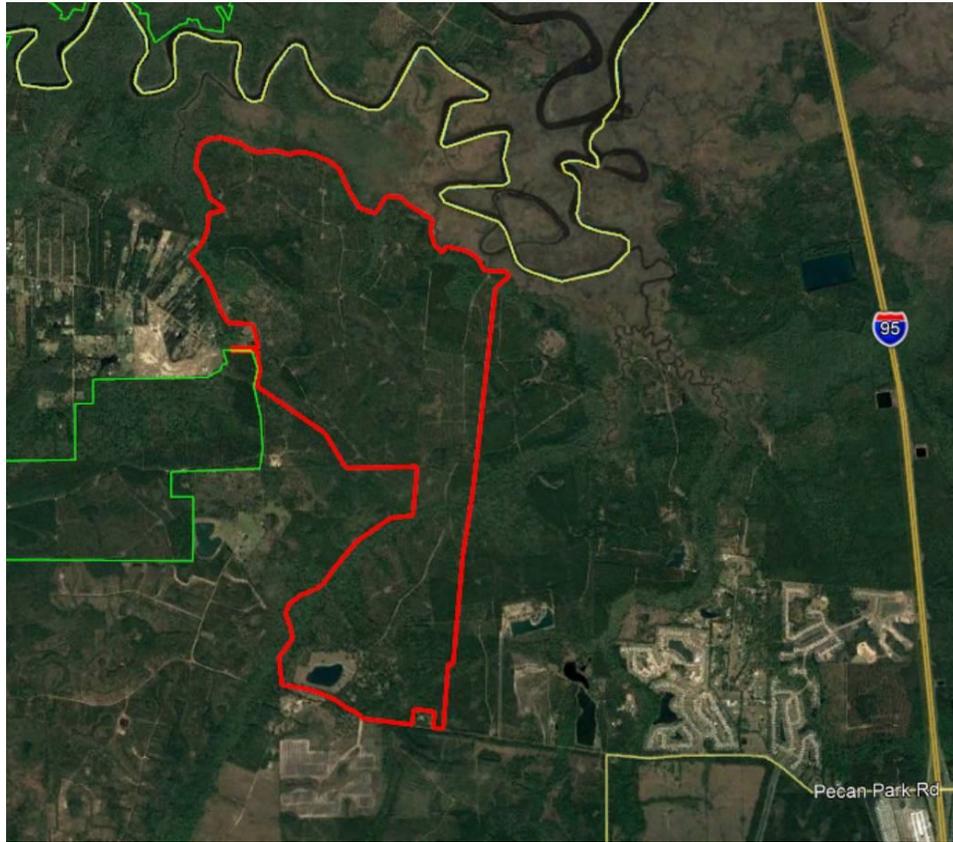
According to the grantor, he removed all of the existing site improvements prior to closing. Thus, these improvements obviously had no contributory value in this transaction. Additionally, the grantor stated that the property was never actively marketed for sale to the general public; he said the buyers approached him directly and he received his full asking price, which was based on \$6,000 per gross acre.

Although this property was acquired by Double Hook Realty, LLC, it was sold subsequently a short time later on April 4, 2017 via a Warranty Deed to Florida Power & Light for minimal stamps and is recorded in OR Book 1334, Page 729 in the public records of Columbia County.

Investigation reveals that this property was acquired for the construction of a solar farm. Investigation also reveals that 253.25 acres of this property had its land-use changed from Highway Interchange to Agriculture in order to construct a 74.5 megawatt solar array which will be constructed along the I-10 and Adams Road frontage. Upon completion in 2018, the facility will be capable of supplying power to up to 15,000 homes.

Additional investigation reveals this sale included the following Real Estate Tax Parcel Nos: 25-2S-15-00094-000, 26-2S-15-00098-000, 26-2S-15-00102-000, 31-2S-16-01793-002;35-2S-15-00109-000, 35-2S-15-00111-001, 35-2S-15-00111-099 and 36-2S-15-00115-000.

**LAND SALE NO. 4**



**Property Identification**

<b>Record ID</b>	3496
<b>Property Type</b>	Wooded land zoned for large residential development
<b>Property Name</b>	Wright-BHK Residential PUD Land
<b>Address</b>	Western terminus of (paved) Arnold Road, Jacksonville, Duval County, Florida
<b>Location</b>	Between Arnold Road and Thomas Creek (Nassau River), about 2 miles west of Interstate 95
<b>Tax ID</b>	019609-1000, 019577-0200 & 019576-0010
<b>Type Instrument</b>	Special Warranty Deeds
<b>HBU @ DOS</b>	Future mixed-use development
<b>Motivation</b>	Investment

**Sale Data**

<b>Grantors</b>	(1) William G Wright and Rebecca A. Wright (2) James M. Grice, Jr. and Jaci O. Grice (3) William G Wright and Rebecca A. Wright
<b>Grantee</b>	Walton Acquisitions FL LLC

**LAND SALE NO. 4 (Cont'd.)**

<b>Sale Date</b>	(1) August 11, 2015 (2) December 17, 2015 (3) December 17, 2015
<b>Deed Book/Page</b>	(1) OR 17269/547 (2) OR 17402/1339 (3) OR 17402/1719
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Arm's Length Transaction
<b>Financing</b>	The buyer received loans totaling \$4,660,500 from HSBC Bank Canada to fund the transaction. The seller received cash for the property; no effect on price.
<b>Motivation</b>	Investment
<b>Verification</b>	Public records, business news article, appraiser's files.
<b>Sale Price</b>	(1) \$5,411,200 (2) 200,000 (3) <u>3,909,800</u> \$9,521,000 (Assembled Sale Price)
<b><u>Land Data</u></b>	
<b>Zoning</b>	PUD
<b>Topography</b>	Level and wooded
<b>Utilities</b>	At the time of sale, public water and sewer lines were located about 0.7 miles to the east at Pecan Park Road.
<b>Dimensions</b>	Multiple
<b>Shape</b>	Irregular
<b>Photo Info</b>	GIS Aerial 2015
<b>Encumbrances</b>	Covenants, easements, restrictions, etc. of record.
<b><u>Land Size Information</u></b>	
<b>Gross Land Size</b>	(1) ±692 Acres (as per Deed) (2) 3.5 Acres (as per Deed) (3) <u>±581</u> Acres (as per Deed) 1,276.5 (Assembled Acres)
<b>Uplands Land Size</b>	645 Acres, 51% (See Remarks)
<b>Wetlands Land Size</b>	631.5 Acres, 49%
<b>Front Footage</b>	±0.3 miles of broken frontage on (paved) Arnold Road, ±0.3 miles on (unpaved) Lannie Road ±1.6 miles on the marshes of Thomas Creek
<b><u>Indicators</u></b>	
<b>Sale Price/Gross Acre</b>	\$ 7,459
<b>Sale Price/Uplands Acre</b>	\$14,761

**LAND SALE NO. 4 (Cont'd.)****Legal Description**

A portion of Section 42, Township 1 North, Range 26 East, and a portion of Sections 37, 38 and 46, Township 2 North, Range 26 East, Duval County, Florida.

**Remarks**

This is the purchase and assemblage of three contiguous properties located west of Interstate 95 and north of the Jacksonville International Airport on the Nassau County line in northern Duval County. Two of the properties (formerly owned by William and Rebecca Wright) comprise almost all of the land. The 581 acre tract (with frontage on Arnold Road) is improved with two homes constructed in the early 1990s and a screen-enclosed pool on a cleared home site with an 8± acre pond. The 692 acre tract abuts the north side of the Arnold Road tract and extends to the marshes of Thomas Creek. The small 3.5 acre site is also improved with a home (2595 Arnold Road) which was constructed in 1999 (formerly owned by James and Jaci Grice). The 581 acre tract surrounds the small site. These improvements did not contribute significantly to the sale price.

The primary access is via approximately 0.3 mile of paved road frontage on Arnold Road on the south side of the assembled property. The secondary access is via approximately 0.3 mile of unpaved road frontage on Lannie Road which meanders through the northwest corner of the property. Arnold and Lannie Roads do not meet but there are plans to connect them in the future. The property also has a network of timber roads that provide good internal access.

The property's northern boundary has about 1.6 miles of frontage on the marshes of Thomas Creek, a tributary that becomes the Nassau River. The northwest boundary has one mile of frontage on the marshes of Bear Branch Creek. Additionally, the property is located adjacent to Seaton Creek Preserve, a new 840-acre preservation park that offers three hiking trails, three creeks (one with a kayak landing) and access for hikers, off-road bicyclists and equestrians with parking for horse trailers.

The property was wooded and under the management of a Forester at the time of sale. The plantable area was estimated to encompass ±983 acres or about 77% of the total land area. Trees in the wooded areas include a combination of plantation pine as well as natural growth pine, hardwoods and cypress. The managing Forester estimated a timber value of \$665,000 at the time of sale.

Although held for timber production in the past, the property has been a development target for some time now. Approximately 919 acres of the property was part of a 1,760 acre multi-use project zoned PUD in 2009. That project was known as the Palmetto Bay

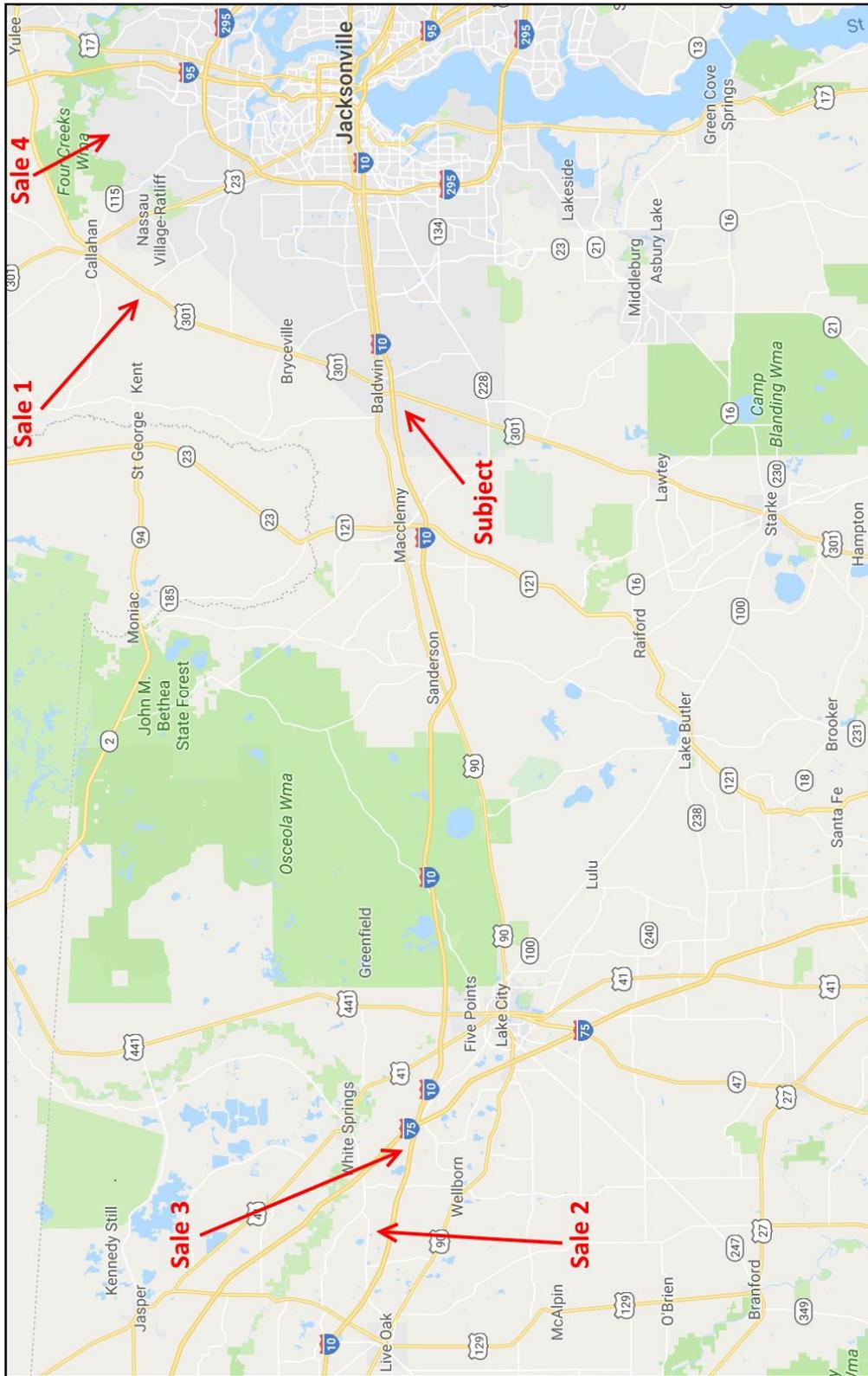
**LAND SALE NO. 4 (Cont'd.)**

Regional Activity Center PUD (Palmetto Bay) but was never developed.

In 2014, the Palmetto Bay portion of the property and an additional 392 acres were rezoned for a new project known as Wright-BHK Planned Unit Development. The Wright-BHK PUD is a residential community that permits up to 1,200 homes with a maximum gross density not to exceed one unit per acre. The homes were to be consolidated on about 645 acres leaving 570± acres of passive open space and 104± acres in public and private rights-of-way. Neighborhood parks, recreation areas and a kayak launch on Thomas Creek available to the public are part of the plans.

Neither Palmetto Bay nor the Wright-BHK PUD reached the point where permits were requested from the St Johns River Water Management District. Consequently, no authoritative wetlands area determinations appear to have been made. Nonetheless, the proximity and encroachment of creeks and their marshes are visible in aerial photography and suggests that there are a substantial amount of jurisdictional wetlands present in the property. The conceptual site plans submitted for rezoning estimates 645± acres will be allocated for the 1,200 homes. This is considered to be a more reliable indication of the usable land than the 983± plantable area estimate from the Forester.

According to Karen Brune Mathis, Managing Editor of the Financial News & Daily Record, the buyer was the Walton Group of Companies, a privately owned multinational real estate investment, planning and development group that concentrates on research, acquisition, administration planning and development in North America growth areas. Bob Sebesta, general manager of the Walton Group of Companies in Florida, confirmed the acquisition and reported the purchase was part of their "...continuing commitment to investing within Florida's northern and central regional marketplaces." Sebesta also stated there were no confirmed development plans or construction timelines at the time of sale.



*Land Sales Location Map*

***Land Sales Summary Chart***

<b>Sale No.</b>	<b>Subject</b>	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>4</u></b>
<b>OR Book-Page</b>		2145-0132	1976-0149	1329-154	17269-547
<b>County</b>	Duval	Nassau	Suwannee	Columbia	Duval
<b>Date of Sale</b>		09/07/17	03/21/17	01/17/17	08/11/15
<b>Grantor</b>		Terrapointe	Suwannee 1564	Ketcham Livestock	William G Wright
<b>Grantee</b>		Double Hook	Double Hook	Double Hook	Walton Acq.
<b>Location</b>		US 301	I-10	I-75 & I-10	I-95 Duval
<b>Sale Price</b>		\$13,105,000	\$4,813,740	\$5,726,300	\$9,521,000
<b>Land Size</b>					
Upland Acres	1,449.81	786.30	605.00	654.37	645.00
Wetland Acres	400	524.20	195.00	300.00	631.50
Gross Acres	1,849.81	1,310.50	800.00	954.37	1,276.50
% of Wetlands	22%	40%	24%	31%	49%
<b>Zoning</b>	PUD	Industrial	Agriculture	Agriculture	PUD
<b>Utilities</b>					
Sewer	Public	Septic	Septic	Septic	Public
Water	Public	Well	Well	Well	Public
<b>Unit of Comparison</b>					
\$/Gross Acre		\$10,000	\$6,017	\$6,000	\$7,459
<b>Elements of Comparison:</b>					
Property Rights		\$0	\$0	\$0	\$0
Financing		\$0	\$0	\$0	\$0
Conditions of Sale		\$0	\$0	\$0	\$0
Expenditures After Sale		\$0	\$0	\$0	\$0
Market Conditions		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Adjusted \$/Gross Acre</b>		\$10,000	\$6,017	\$6,000	\$7,459
<b>Adjustments for:</b>					
Location		\$0	\$4,031	\$4,020	\$0
Size		\$0	\$0	\$0	\$0
Wetlands		\$0	\$0	\$0	\$2,536
<b>Total</b>		\$0	\$4,031	\$4,020	\$2,536
<b>Adjusted \$/Gross Acre</b>		\$10,000	\$10,048	\$10,020	\$9,995

***Elements of Comparison***

The elements of comparison are the characteristics or attributes of properties in transactions that cause prices of real property to vary. The elements of comparison can be further broken down into adjustments for transactional items, location, physical attributes, economic characteristics and non-realty components of value. Each of these elements of comparison will be discussed as follows.

***Property Rights***

Each of these sales transferred fee simple interests and is similar to the subject in this regard. Therefore, no adjustment is required.

***Financing***

Each of these sales involved the seller receiving all cash. No adjustment for financing is necessary.

***Conditions of Sale***

Each of these sales was an arms-length transaction and thus, no adjustment is required.

***Expenditures after Sale***

Each of these sales is considered to be comparable to the subject in this regard and, thus, no adjustment is required.

***Market Conditions***

Each of these sales is considered to be a reflection of the current market for acreage tracts in peripheral locations in the northeast Florida area. Thus, no adjustment is required.

***Location***

Sales 2 and 3 are located several miles to the west between the small north-central Florida towns of Lake City and Live Oak. In comparison with the subject, both of these sales would be considered to be inferior in location as they are not close to the extensive amenities and major employment centers of the city of Jacksonville. Sale 1 is similar in location when compared with the subject property. In order to quantify this adjustment the following analysis was undertaken by comparing Sale 1 to 2 and Sales 1 to 3:

<b>Sale No.</b>	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>1</u></b>	<b><u>3</u></b>
<b>County</b>	Nassau	Suwannee	Nassau	Columbia
<b>Date of Sale</b>	09/07/17	03/21/17	09/07/17	01/17/17
<b>Sale Price</b>	\$13,105,000	\$4,813,740	\$13,105,000	\$5,726,300
\$/Gross Acre	\$10,000	\$6,017	\$10,000	\$6,000
<b>Adjustments for:</b>				
Market Conditions	\$0	\$0	\$0	\$0
Size	\$0	\$0	\$0	\$0
Wetlands	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Total</b>	\$0	\$0	\$0	\$0
<b>Adjusted \$/Gross Acre</b>	\$10,000	\$6,017	\$10,000	\$6,000
<b>Location Difference</b>	<b>66.2%</b>		<b>66.7%</b>	

In analyzing this information, the locations of Sale 1 (and the subject) are superior to the

locations of Sales 2 and 3, which mean that Sales 2 and 3 should be adjusted upward to reflect the value of the superior location of the subject.

Based on this information, Sales 2 and 3 were adjusted +67% for location.

***Size***

The four land sales range in size from 800 up to 1,310.5 gross acres. The subject site is estimated to contain 1,849.81 gross acres. The comparables are slightly smaller but considered to be generally similar in size to the subject. No adjustment for size is considered to be necessary.

***Wetlands***

Most large tracts of wooded land in Northeast Florida will have between 20% to 40% wetlands. The subject as well as Sales 1, 2 and 3 have wetlands proportions that fall within that normal range. No adjustments for wetlands in Sales 1, 2 or 3 are deemed to be warranted.

Sale 4, however, was estimated to have almost 50% wetlands while the subject has approximately 22% wetlands. A positive adjustment was made to compensate for this higher than normal wetland ratio. Sale 4 was adjusted +34% as suggested by the following comparison.

<b>Sale No.</b>	<b><u>1</u></b>	<b><u>4</u></b>
<b>County</b>	Nassau	Duval
<b>Date of Sale</b>	09/07/17	08/11/15
<b>Sale Price</b>	\$13,105,000	\$9,521,000
\$/Gross Acre	\$10,000	\$7,459
<b>Adjustments for:</b>		
Market Conditions	\$0	\$0
Size	\$0	\$0
Location	<u>\$0</u>	<u>\$0</u>
<b>Total</b>	\$0	\$0
<b>Adjusted \$/Gross Acre</b>	\$10,000	\$7,459
<b>Wetlands Difference</b>	<b>34.1%</b>	

***Correlation***

After adjustments, the following range of values is indicated:

***Adjusted Value***

<u>Sale No.</u>	<u>Per Gross Acre</u>
1	\$10,000
2	\$10,048
3	\$10,020
4	\$9,995

Sales 2 and 3 are located several miles to the west between the small north-central Florida towns of Lake City and Live Oak. Sale 1 is similar in location when compared with the subject property and the closest in proximity. Sale 4 is also located in the same sphere of influence as the subject.

Sales 1, 2 and 3 have wetlands proportions that fall within the same normal range as the subject. Sale 4, however, was estimated to have almost 50% wetlands and required an adjustment to compensate for its higher than normal wetland ratio.

***Subject Sale Analysis***

USPAP Standards Rule 1-5(b) requires the appraiser to “...analyze all sales of the subject property that occurred within the three (3) years prior to the effective date of the appraisal.” As of the date of value, October 26, 2017, the subject property (1,849.81 acres of the 301 Capital Partners LLC acquisition) was under contract to JEA for \$18,313,119 under terms consistent with an arm’s length transaction. This property subsequently closed on October 27, 2017 at the contract price. The contract and eventual sale price of the subject is equal to \$9,900 per acre.

Sale 1 was closest in proximity, the most similar with regards to other features and the best market value indicator. The best comparable sold for \$10,000 per gross acre. Consequently, the contract and sale price of the subject is considered to be reflective of and consistent with the comparable market data.

The unadjusted values of the four sales ranged from a low of \$6,000 upwards to \$10,000 per gross acre. The adjusted values ranged from a low of \$9,995 upwards to \$10,048 per gross acre. Sale 1 was closest in proximity and other features, and the best current value. For analysis purposes we have reconciled the value of the subject at \$10,000 per gross acre. The value of the subject is calculated as follows:

<b>1,849.81 Gross Acres @ \$10,000 per Gross Acre =</b>	<b>\$18,498,100</b>
	<b>Rounded to \$18,500,000</b>

A separate valuation of the timber was not provided. In the absence of this information, no allocation is made between value of the land and the timber of the subject property.

**MARKETING TIME**

Marketing Time is defined as follows:

*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.*

The preceding definition was taken from the *Dictionary of Real Estate Appraisal, Sixth Edition*, as published by the Appraisal Institute.

Based on a study of the length of time the sales analyzed in conjunction with this report were on the market, the apparent supply and demand for this type property as well as discussion with brokers familiar with this market and anticipated market conditions for the foreseeable future, a marketing time of one to two years is considered appropriate.

**ADDENDUM**

**LEGAL DESCRIPTION**

**Exhibit "A" continued**

A portion of Sections 31, 32, 33 and 34, Township 2 South, Range 23 East, together with a portion of Section 3, Township 3 South, Range 23 East, Duval County, Florida, also being a portion of those lands described and recorded in Official Records Book 13540, page 344, and in Official Records Book 12996, page 2274, of the current Public Records of said county, being more particularly described as follows:

For a Point of Reference, commence at the Southwesterly corner of said Section 31; thence South 89°08' 52" East, along the Southerly line of said Section 31, a distance of 500.00 feet; thence Due North, departing said Southerly line, 50.01 feet to the Point of Beginning.

From said Point of Beginning, the continue Due North, 438.28 feet to a point lying on the dividing line between said Duval County and Nassau County, Florida; thence North 46°06' 56" East, along said dividing line, 4337.89 feet to its intersection with the Southerly limited access right of way line of Interstate No. 10 (State Road No. 8), a public variable width limited access right of way per Florida Department of Transportation Right of Way Map Section No. 72270-2401; thence Northeasterly along said Southerly limited access right of way line the following 3 courses: Course 1, thence North 79°12' 10" East, departing said dividing line, 3473.85 feet to the point of curvature of a curve concave Southerly having a radius of 22768.31 feet; Course 2, thence Easterly along the arc of said curve, through a central angle of 06°33' 27"

, an arc length of 2605.83 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 82°28' 54" East, 2604.41 feet; Course 3, thence North 85°45' 37" East, 5264.97 feet to the Northwesterly corner of Parcel No. 117 as described and recorded in Official Records Book 17919, page 1710, of said current Public Records; thence along the boundary line of said Parcel No. 117 the following three courses: Course 1, thence South 04°14' 23" East, departing said Southerly limited access right of way line, 760.00 feet; Course 2, thence North 85°45' 37" East, 1060.00 feet; Course 3, thence North 04°14' 23" West, 760.00 feet to the Northeasterly corner thereof, said corner lying on said Southerly limited access right of way line of Interstate No. 10; thence North 85°45' 37" East, along said Southerly limited access right of way line, 3094.51 feet to the Northwesterly corner of Parcel C as described and recorded in Official Records Book 8307, page 890, of said current Public Records; thence along the boundary line of said Parcel C the following 5 courses: Course 1, thence South 04°14' 23" East, departing said Southerly limited access right of way line, 150.00 feet; Course 2, thence North 85°45' 37" East, 150.00 feet; Course 3, thence North 04°14' 23" West, 125.18 feet to a point on a curve concave Southerly having a radius of 1547.02 feet; Course 4, thence Easterly along the arc of said curve, through a central angle of 15°49' 51" , an arc length of 427.44 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 77°24' 18" East, 426.09 feet; Course 5, thence South 69°29' 23" East, 356.88 feet to its intersection with the Northerly prolongation of the Westerly line of Parcel A as described and recorded in Official Records Book 13815, page 2125, of said current Public Records; thence South 00°16' 14" West, along said Northerly prolongation and said Westerly line, 950.37 feet to the Southwesterly corner of said Parcel A; thence South 79°17' 29" East, along the Southerly line of said Parcel A, 231.98 feet to the Northwesterly corner of Parcel II as described and recorded in Official Records Book 10559, page 949, of said current Public Records; thence South 00°20' 58" West, along the Westerly line of said Parcel II, a distance of 501.92 feet to angle point in said Westerly line; thence South 18°54' 18" West, continuing along said Westerly line and along the Westerly line of Parcel D as described and recorded in said Official Records Book 8307, page 890, a distance of 3104.23 feet to a point lying on the boundary line of Parcel B as described and recorded in said Official Records Book 8307, page 890; thence along said boundary line the following 5 courses: Course 1, thence South 89°37' 14" West, departing said Westerly line of Parcel D, 411.48 feet; Course 2, thence North 00°43' 41" East, 793.64 feet; Course 3, thence North 82°39' 03" West, 534.53 feet; Course 4, thence South 03°15' 36" West, 1323.00 feet; Course 5, thence South 87°52' 57" East, 706.17 feet to the Southeasterly corner thereof, said corner lying on the Westerly line of those lands described and recorded in Official Records Volume 4179, page 570, of said current Public Records; thence South 00°21' 12" East, departing said boundary line and along said Westerly line, 98.55 feet to the Southwesterly corner thereof, said corner lying on the Southerly line of said Section 34; thence North 89°36' 51" East, along said Southerly line, 201.60 feet to the Northwesterly corner of Parcel B as described and recorded in Official Records Volume 4097, page 282, of said current Public Records; thence South 19°00' 51" West, departing said Southerly line and along the Westerly line of said Parcel B, 225.00 feet to the Southwesterly corner thereof; thence North 71°50' 35" East, along the Southeasterly line of said Parcel B, 695.33 feet to the Northeasterly corner thereof, said corner lying on the Northwesterly right of way line of U.S. Highway No. 301, a public variable width right of way as presently established; thence South 18°55' 48" West, along said Northwesterly right of way line, 1162.14 feet; thence South 89°27' 34" West, departing said Northwesterly right of way line, 771.07 feet; thence South 82°32' 56" West, 145.54 feet to the point of curvature of a curve concave Northerly having a radius of 1000.00 feet; thence Westerly along the arc of said curve, through a central angle of 13°01' 31" , an arc length of 227.33 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 89°03' 42" West, 226.84 feet; thence North 84°25' 33" West, 493.91 feet to the point of curvature of a curve concave Northeasterly having a radius of 520.00 feet; thence Northwesterly along the arc of said curve, through a central angle of 46°18' 27" , an arc length of 420.27 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 61°16' 20" West, 408.93 feet; thence North 38°07' 06" West, 849.24 feet; thence North 50°34' 45" West, 114.79 feet; thence North 29°17' 25" West, 198.21 feet; thence South 89°36' 51" West, along a line 50 feet Northerly of and parallel with said Southerly line of Section 34, a distance of 833.91 feet; thence North 89°47' 34" West, along a line 50 feet Northerly of and parallel with the Southerly line of said Section 33, a distance of 5252.38 feet; thence South 89°59' 13" West, along a line 50 feet Northerly of and parallel with the Southerly line of said Section 32, a distance of 5245.32 feet; thence North 89°08' 52" West, along a line 50 feet Northerly of and parallel with said Southerly line of Section 31, a distance of 4708.98 feet to the Point of Beginning.

Together with a non-exclusive easement parcel as set forth and described in Special Warranty Deed recorded in Official Records Book 7436, Page 330, Public Records of Duval County, Florida,

**AGR (AGRICULTURE) ZONING DISTRICT**

**Agriculture (AGR) District**

(a) Permitted uses and structures.

- (1) Agricultural, horticultural and forestry uses, including the keeping and raising of farm animals and poultry, if structures for animals and poultry are not located within 25 feet of a property line and if goats, sheep or swine are not kept or permitted within 200 feet of a property line.
- (2) Dude ranches, riding academies, or boarding stables, if structures for the housing of animals are not located within 100 feet of a property line, private camps, country clubs, golf courses, parks, camping grounds and recreational areas and travel trailer parks.
- (3) Game preserves, wildlife management areas, fish hatcheries and refuges.
- (4) Bird sanctuaries meeting the performance standards and development criteria set forth in Part 4.
- (5) Watersheds, water reservoirs, control structures and wells.
- (6) Essential services, including water, sewer, gas, telephone, radio and electric, meeting the performance standards and development criteria set forth in Part 4.
- (7) Roadside stands only for the sale of agricultural products grown on the premises.
- (8) Barns, greenhouses, stables and other uses customarily accessory to agricultural, horticultural or forestry activities.
- (9) Land application of grade I domestic sludge when applied utilizing a splash pan or equivalent device approved by the Director of the Duval County Health Department, and when applied pursuant to the requirements of F.A.C. 17-7.540(4), as may be amended or renumbered from time to time, is considered to be a normal accessory use in conjunction with a permitted farming operation subject to no more than six dry tons being applied per acre per year.
- (10) Land application of grade II domestic sludge and mixtures of grade I and grade II domestic sludge, when applied utilizing a splash pan or equivalent device approved by the Director of the Duval County Health Department is considered to be a normal accessory use in conjunction with a permitted farming operation. Application rates shall be those specified in the permit required under Section 474.103.
- (11) Animal hospitals, veterinary clinics, animal boarding places and dog kennels located on an individual and separate lot, provided all yards, area, frontage and other requirements of the Zoning Code are met for each structure within the zoning district of which it is a part, and fur farms, provided that no structures for the housing of animals shall be located within 200 feet of a property line unless in a soundproof building.
- (12) Marinas meeting the siting criteria of the Conservation/Coastal Management Element.
- (13) Cemeteries and mausoleums.
- (14) Single-family dwellings or mobile homes as follows:

- (i) One dwelling unit per 100 acres of land for lots of record of 640 acres (section) or more in size.
  - (ii) One dwelling unit per 40 acres of land area for lots of record of 160 acres (one-quarter section) up to but not including 640 acres (section) in size.
  - (iii) One dwelling unit per ten acres of land area for lots of record of 40 acres and up to but not exceeding 160 acres.
  - (iv) One dwelling unit per two and one-half acres of land for lots of record up to but not including 40 acres.
  - (v) Family homestead partitions for construction of single-family dwellings or mobile home(s), shall be permitted on a conforming lot for occupation by immediate family member(s).
- (15) Home occupation meeting the performance standards and development criteria set forth in Part 4.
- (16) The cultivation of Low-THC Cannabis for medicinal use by a State authorized Cultivation Facility pursuant to F.S. § 381.496, and Ch. 64-4, F.A.C., and meeting the performance standards and development criteria set forth in Part 4.
- (b) Permitted accessory uses and structures.
- (1) See Section 656.403.
  - (2) Temporary housing of farm labor on the premises of agricultural activities requiring this labor.
- (c) Permissible uses by exception.
- (1) Radio or television transmitters, antenna and line-of-sight relay devices.
  - (2) Airports, airparks, airstrips and airfields.
  - (3) Class II or Class III sanitary landfills and construction and demolition debris landfills or recycling facility only in conjunction with an aforementioned use; provided, however, that such landfills and recycling facilities must meet the performance standards and development criteria set forth in Part 4.
  - (4) Poultry and animal slaughtering and dressing and livestock auction facilities.
  - (5) Rifle, shotgun or pistol shooting ranges, field archery ranges, golf driving ranges and par-three golf courses.
  - (6) Race tracks for animals or vehicles.
  - (7) Columbariums and crematories.
  - (8) Sludge disposal or utilization site.
  - (9) Truck stops.
  - (10) Bed and breakfast establishments meeting the performance standards and development criteria set forth in Part 4.
  - (11) Churches, including a rectory and similar uses, meeting the performance standards and development criteria set forth in Part 4.
  - (12) Home occupations meeting the performance standards and

development criteria set forth in Part 4.

- (13) Essential services, including water, sewer, gas, telephone, radio and electric, meeting the performance standards and development criteria set forth in Part 4.
  - (14) Borrow pits, subject to the regulations contained in Part 9.
  - (15) Sale and service of alcoholic beverages for on-premises or off-premises consumption in conjunction with a permitted or permissible use.
  - (16) Sawmills.
  - (17) Bait and tackle shops, commercial hunting or fishing camps.
  - (18) Yard waste composting facility including the mulching process, meeting the performance standards and development criteria set forth in Part 4.
  - (19) School buses meeting the performance standards and development criteria set forth in Part 4.
  - (20) Retail outlets for live plants, fresh fruits and vegetables grown on premises, feed, fertilizer and other farm supplies. Retail outlets for live plants, fresh fruits and vegetables shall not be on lots or parcels having road frontage of less than 200 feet.
  - (21) Day care centers meeting the performance standards and development criteria set forth in Part 4.
- (d) Minimum lot requirements (width and area) for all uses are as follows except as may be herein modified herein by specific use performance standards and development criteria, or for residential uses.
- (1) Width—100 feet.
  - (2) Area—Two and one-half acres.
- (e) Maximum lot coverage by all buildings.  
Ten percent.
- (f) Minimum yard requirements.
- (1) Front—25 feet.
  - (2) Side—Ten feet, provided, that the combined side yards shall not be less than 25 feet.
  - (3) Rear—Ten feet.
- (g) Maximum height of structures.  
35 feet.

**ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal is made subject to the following:

Legal description and maps, as furnished to appraiser and as shown in this report, are assumed to be correct.

Property is assumed to be marketable, free and clear, under responsible ownership and competent management.

Any sketch or photo is approximate and merely intended to assist the client in visualizing the premises.

No obligation is assumed for accuracy of tax data and similar information supplied by others.

This report may be used only by the client and solely for purposes stated herein.

Survey exception: Any statement of facts an accurate survey might show.

Appraiser does not agree to give testimony in court relating to this appraisal except by previous arrangements.

All information provided the appraisers in relation to this assignment is true and accurate.

The subject property will, at all times, be under proper and professional management, aggressively marketed and adequately maintained.

Appraiser has no present or contemplated interest in subject property.

This report is not contingent upon any predetermined value or findings.

Valuation is made in conformity with rules and ethics of professional organizations, of which appraiser is a member.

No responsibility is assumed for matters, which are legal in character, nor is any opinion rendered as to title, which is assumed to be good and marketable. All existing liens have been disregarded and the property is appraised as free and clear under competent management.

Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the recipient without written consent of the appraiser.

**ASSUMPTIONS AND LIMITING CONDITIONS**  
*(Continued)*

The distribution of the total valuation between land and improvements, as shown in this report, applies only under the existing program of utilization. The separate valuation for the land and building must not be used in conjunction with any other appraisal and are invalid if so used. The appraiser assumes there are no hidden conditions of the property, soil or structure, which would render it more or less valuable.

The Market Value estimates reflected herein are forecasted based upon specific conditions and estimated events occurring during the near-term future. These value estimates are based upon current market conditions, past market activity, anticipated short-term economic supply and demand factors, as well as a continued reasonably stable economy. These forecasts are, therefore, subject to changes in future conditions, which cannot be accurately predicted or forecasted by the appraisers. It should also be noted that any changes in our forecasts, which are beyond the control of the appraisers, could dramatically affect our Market Value estimates and would, therefore, require reanalysis should they occur.

Unless otherwise stated in this report, the existence of hazardous substances including, without limitation, asbestos, polychlorinated biphenyls, petroleum leakage or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of, nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. The presence of such substances, such as asbestos, urea formaldehyde foam insulation or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there are no such conditions on or in the property, or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

No archaeological or cultural resource surveys have been provided to the appraiser. The appraiser is not qualified to make such a survey. In the event that the presence of archaeologically significant findings is determined, the appraiser reserves the right to revise this appraisal accordingly.

**ASSUMPTIONS AND LIMITING CONDITIONS**  
***(Continued)***

USPAP defines an *Extraordinary Assumption* as “an assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis which, if found to be false could alter the appraiser’s opinions or conclusions.” For this report, the following *Extraordinary Assumption* has been incorporated in this analysis:

1. It is recognized that the Date of Value for this appraisal is October 26, 2017. The property was initially inspected in conjunction with this assignment on January 23, 2018. Thus, for purposes of this report, it is assumed that the condition of the subject as of the Date of Value was the same as on our date of inspection.

***SHOULD THE PRECEDING EXTRAORDINARY ASSUMPTION PROVE TO BE SUBSTANTIALLY INCORRECT, A COMPLETE RE-ANALYSIS MAY BE REQUIRED.***

**QUALIFICATIONS OF MICHAEL C. ROY, MAI, SRA**

**EDUCATION:** B.S.B.A. Majors in Economics & Finance  
University of Central Florida

**PROFESSIONAL AFFILIATIONS:** FL Real Estate Appraisal Board Member (2014 to Present)  
Member, Appraisal Institute (MAI)  
Current on Voluntary Education for Appraisal Institute  
State-Certified General Real Estate Appraiser,  
State of Florida - License No. RZ140  
Associate, Jacksonville Board of Realtors  
Certified General Real Property Appraiser  
State of Georgia - License No. 215382

**PROFESSIONAL EDUCATION:**

**Seminars 2017**

Business Practices and Ethics  
General Appraiser Market Analysis & Highest & Best Use  
The Tough One: Mixed Use Properties  
2-4 Unit Small Residential Income Property Appraisals

**Seminars 2007-2016**

Unique and Complex Property Appraisal	2016
7-Hour Nat'l USPAP Update Course	2016
Florida Appraiser State Law Update Course	2016
That's Logistics – The Valuation of Warehouses	2014
7-Hour Using Spreadsheet Programs in RE Appraisals – The Basics	2014
7-Hour Nat'l USPAP Update Course	2014
Florida Appraiser Core Law	2014
Complex Litigation Appraisal Case Studies	2013
Business Practices & Ethics	2012
Marketability Studies: Six-Step Process & Basic Apps	2012
Knowledge Center for Instructors	2012
7-Hour Nat'l USPAP Update Course	2012
Florida Appraiser Core Law	2012
Candidate for Designation Program	2012
Fundamentals of Separating Real Property, Personal Property & Intangible Business Assets	2012
Lessons from Old Economy: Working in the New	2012
RE Industry Perspectives on Lease Accounting	2011
Effects of Environmental Contamination	2010

**QUALIFICATIONS OF MICHAEL C. ROY, MAI, SRA**  
***(Continued)***

Hotel Appraising – New Techniques	2010
Feasibility, MV, Invest Timing: Option Value	2010
Florida State Law for Real Estate Appraisers	2010
7-Hour National USPAP Update Course	2010
Valuation for Financial Reporting	2009
Business Practices and Ethics	2007

**Seminars (Taught)**

Business Practices and Ethics	2007
The Valuation of Wetlands	2007
Office Building Valuation	2007
Valuation of Wetlands	2008
Office Building Valuation	2008
Subdivision Valuation	2006
Appraisal Consulting	2003

***PROFESSIONAL  
EXPERIENCE:***

President, Lampe, Roy & Associates, Inc.  
(2015-Present)  
Vice President, Lampe, Roy & Associates, Inc.  
(1997-2014)  
Vice President, Walter M. Lampe, Inc. (1980-1996)  
Real Estate Appraiser For the Florida Department of  
Transportation (1974-1980)

***APPRAISAL  
EXPERIENCE:***

Have appraised various types of real estate including single-family residences, regional shopping centers, motels, professional offices, apartments, condominiums, utility plants, hospitals, warehouses, automobile dealerships and others.

Qualified as Expert Witness in numerous counties.

**CERTIFICATION**

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

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- 3) 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.
- 4) We have not provided services regarding the subject of this appraisal within the three-year period immediately preceding acceptance of this assignment. No other appraiser associated with the firm of Lampe, Roy & Associates has provided any services regarding the subject of this appraisal within the past three years.
- 5) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 6) Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 7) Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinions, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 8) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
- 9) Michael C. Roy, MAI, SRA, State Certified General Real Estate Appraiser No. RZ140, has made a personal inspection of the property that is the subject of this report.

**CERTIFICATION**  
***(Continued)***

- 10) Significant professional assistance was provided by Samuel J. Rogers, MAI, State Certified General Real Estate Appraiser No. RZ537 to the person signing this report.
- 11) As of this date, we are in compliance with the continuing education requirements of the *Appraisal Institute* and of the *Florida Real Estate Appraisal Board*.
- 12) The use of this report is subject to the requirements of the *Appraisal Institute* relating to review by its duly authorized representatives and those of the *Florida Real Estate Appraisal Board*.
- 13) Neither all, nor any part, of the contents of this report shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the undersigned.

**LAMPE, ROY & ASSOCIATES, INC.**



Michael C. Roy, MAI, SRA  
State Certified General Real  
Estate Appraiser No. RZ140

**301 Capital Partners LLC**  
**Fair Market Value Balance Sheet**  
**December 31, 2021**

	FMV
ASSETS	
Current Assets	
Checking/Savings	
11000 · TD BANK 3297	12,956.79
Total Checking/Savings	12,956.79
Accounts Receivable	
11001 Accounts Receivable	115.50
Total Accounts Receivable	115.50
Total Current Assets	13,072.29
Other Assets	
13000 · Land	
Total 13000 · Land	189,859,800.00
13500 · Timber	889,330.52
Total Other Assets	190,749,130.52
TOTAL ASSETS	190,762,202.81
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Total Long Term Liabilities	11,997,232.85
Total Liabilities	11,997,232.85
Equity	
Total Equity	178,764,969.96
TOTAL LIABILITIES & EQUITY	190,762,202.81
	-

Land

Gross Acres	9,492.99
Value per useable acre	20,000
Total value	<u>189,859,800.00</u>

Current Debt	11,997,232.85
Fair market value of land	189,859,800.00
Loan to value ratio	6%



## MBS CAPITAL MARKETS, LLC

January 13, 2022

Robert Kennelly, CPA  
President, First Coast Regional Utilities, Inc  
Post Office Box 238  
Lake Butler, Florida 32054

**RE:** First Coast Regional Utilities, Inc,

Dear Mr. Kennelly,

MBS Capital Markets, LLC appreciates the opportunity to assist First Coast Regional Utilities, Inc. (“FCRU”) with the financing needs for its water and wastewater utility facilities. Our firm is the leading underwriter in the State of Florida in land-secured tax-exempt financing for mixed-use residential and commercial projects. This past year our firm underwrote or privately placed bonds for 61 transactions with a par amount of \$613,371,000. We have particular expertise in financing utilities, a significant amount of our transactions in 2021 had a utility financing component.

Since the time that we have first began discussing this transaction, the bond market has improved significantly for borrowers in the non-rated tax-exempt market sector. We believe, based upon our understanding of the residential & commercial project and the related FCRU planned utility, that indicative rate of interest for a 30-year non-rated tax-exempt bond is approximately 3.30% to 3.50%. Further, as we have done in other recently concluded successful transactions, we may be able to structure the financing under more favorable terms with a shorter maturity on the debt to account for the startup of the FCRU utility. Of course, interest rates are subject to fluctuation based on market conditions on the date of sale, however, for planning purposes a 3.50% interest rate is reasonable.

Should you have any questions or comments concerning the above, please do not hesitate to contact me at (813) 784-2945.

Sincerely

*Edwin Bulleit*

Edwin M Bulleit  
Managing Partner