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Jacksonville, FL 32207
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APPRAISAL REPORT



Interstate 95 Frontage Site
Fountains North
Saint Elizabeth Way
St Johns, Florida 32259

Prepared For: Ms. Ece Demirpence, CEO
Akfen Gayrimenkul Yatirim Ortakligi A.S.
Esentepe Mahallesi
Buyukdere Caddesi No: 201 K: 8
Sisli Istanbul, Turkey



March 21, 2025

Ms. Ece Demirpence, CEO
Akfen Gayrimenkul Yatirim Ortakligi A.S.
Esentepe Mahallesi
Buyukdere Caddesi No: 201 K: 8
Sisli Istanbul, Turkey

RE: Appraisal of:
Interstate 95 Frontage Site
Fountains North
Saint Elizabeth Way
St Johns, Florida 32259

File No: 2024-1642

Dear Ms. Demirpence:

As requested, the following is an Appraisal Report of the above-referenced property. The subject property is specifically described by both narrative and legal description contained within the attached Appraisal Report. Furthermore, the report describes the subject, its market area environment, and surrounding influences, including current market conditions, and the methods of approach to the valuation problem. It contains data gathered and analyzed in arriving at our conclusion of market value.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The purpose of this appraisal is to develop an opinion of the Market Value (Fee Simple Estate) for the highest and best use of the subject property "As Is". The following table conveys the final opinion of value that is developed in this appraisal:

MARKET VALUE CONCLUSION				
VALUATION SCENARIO	INTEREST APPRAISED	EXPOSURE TIME	EFFECTIVE DATE	VALUE
As-Is Market Value	Fee Simple Estate	12 Months	March 18, 2025	\$3,420,000

EXTRAORDINARY ASSUMPTIONS

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

- It is assumed that the subject site is of adequate size to develop a 9-story, 180-room hotel with adequate parking and on-site retention which is anticipated to have underground storage tanks beneath the parking lot (see the Highest and Best Use Section herein for more detail).

HYPOTHETICAL CONDITION

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A Hypothetical Condition is 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 the analysis.

- For use in this appraisal, we made the hypothetical assumption that the existing Ergisi Way has been extended to the subject site. According to Doug Smith, Ergisi Way is in the process of being extended to the subject site, but the completion timing is unknown.

If you have questions or comments, please contact the undersigned. Thank you for the opportunity to provide appraisal services.

Respectfully submitted,

MOODY WILLIAMS APPRAISAL GROUP, LLC



Michael Hotaling, MAI, ASA
Managing Partner
State-Certified General
Real Estate Appraiser RZ3226



Bolina Kol
Senior Appraiser/Analyst
State-Certified General
Real Estate Appraiser RZ2602



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EXECUTIVE SUMMARY

PROPERTY IDENTIFICATION		
Name	Fountains North Tract	
Property	Land	
Address	Saint Elizabeth Way	
City, State Zip	St Johns, Florida 32259	
County	St Johns County	
Market / Submarket	Jacksonville MSA / St. Johns County	
SITE DESCRIPTION		
Assessor Parcel Numbers	026270-0010	
Land Area	Square Feet	Acres
Upland	119,354	2.74
Gross	119,354	2.74
Zoning	Planned Unit Development (PUD)	
Shape	Rectangular	
Flood Zone	Zone X	
Condition	Wooded	
QUALITATIVE ANALYSIS		
Site Quality	Average	
Site Access	Average	
Site Exposure	Average	
Site Utility	Average	
HIGHEST & BEST USE		
As Is/Vacant	Hotel	
EXPOSURE & MARKETING TIME		
Exposure Time	12 Months	
Marketing Time	12 Months	
VALUE CONCLUSION		
VALUATION SCENARIOS		AS-IS MARKET VALUE
Interest		Fee Simple Estate
Exposure Time		12 Months
Effective Date		March 18, 2025
Sales Comparison Approach		\$3,420,000
FINAL VALUE CONCLUSION		\$3,420,000

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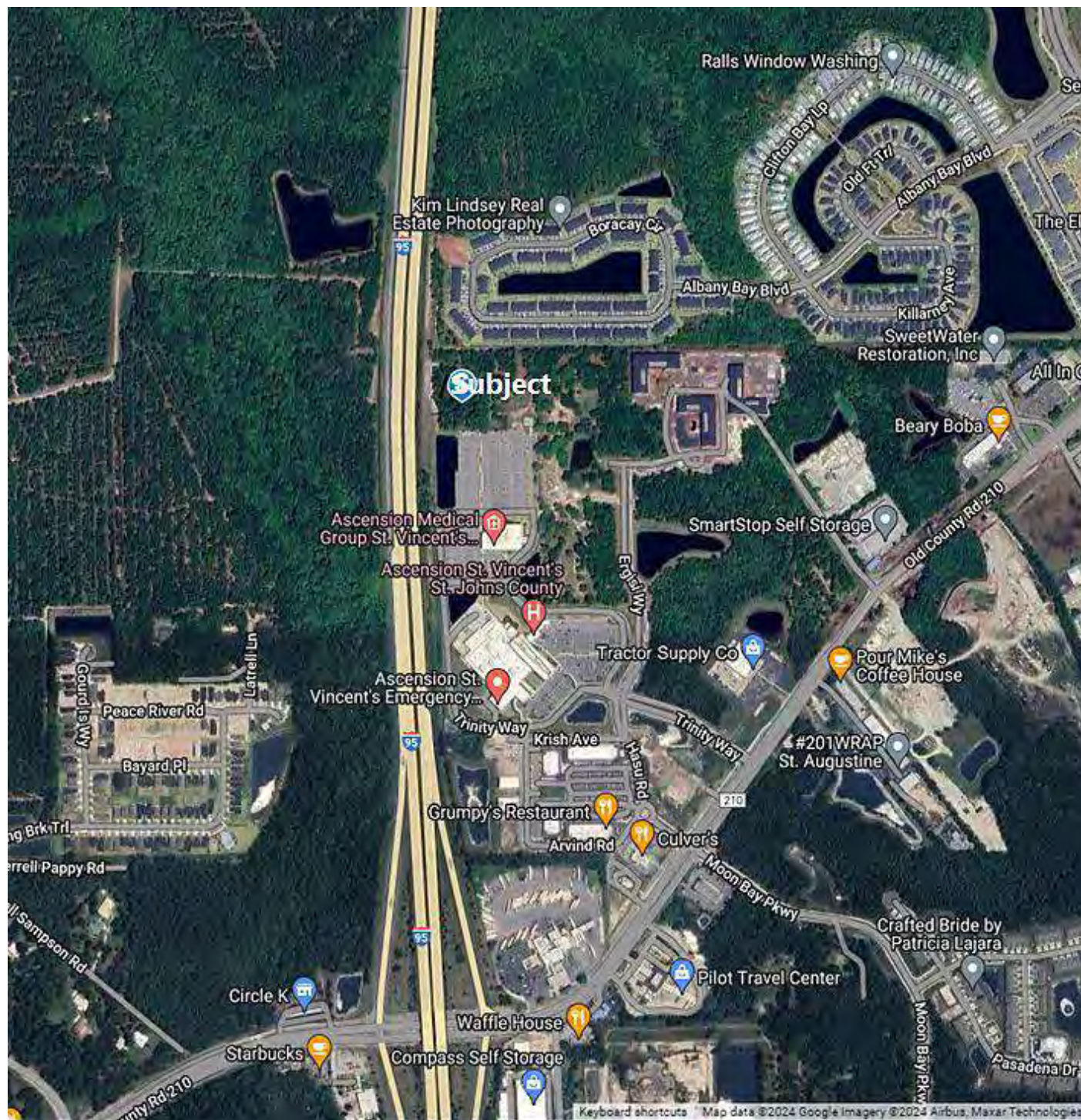
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- For use in this appraisal, we made the hypothetical assumption that the existing Ergisi Way has been extended to the subject site. According to Doug Smith, Ergisi Way is in the process of being extended to the subject site, but the completion timing is unknown.

AERIAL PHOTOGRAPH



IDENTIFICATION OF ASSIGNMENT

PROPERTY IDENTIFICATION

The subject of this appraisal represents 2.74± acres located within the mixed-use Fountains North PUD development, which is located within the northeast quadrant of Interstate 95 and County Road 210 in Saint Johns, Saint Johns County, Florida 32259. The subject is identified by the St. Johns County Property Appraiser as parcel identification number 026270-0010.

LEGAL DESCRIPTION

A PORTION OF GOVERNMENT LOT 7, SECTION 16, TOWNSHIP 5 SOUTH, RANGE 28 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE INTERSECTION OF THE OF THE NORTH LINE OF SAID SECTION 16 WITH THE SOUTHEASTERLY LINE OF SECTION 46 OF SAID TOWNSHIP 5 SOUTH, RANGE 28 EAST; THENCE SOUTH 89°55'30" EAST, ALONG SAID NORTH LINE OF SECTION 16, A DISTANCE OF 1,211.40 FEET TO A FOUND 5/8" REBAR IN A TREE STUMP AT THE NORTHEAST CORNER OF SAID GOVERNMENT LOT 7 AND SAID POINT ALSO BEING THE NORTHWEST CORNER OF THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 16; THENCE SOUTH 00°43'20" EAST, ALONG THE EASTERLY LINE OF SAID GOVERNMENT LOT 7, A DISTANCE OF 12.37 FEET TO THE NORTHEAST CORNER OF THOSE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 721, PAGE 1181 RECORDED IN THE PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 89°08'09" WEST, DEPARTING FROM SAID LINE AND ALONG THE NORTHERLY LINE OF SAID LANDS AND ALSO ALONG THE NORTHERLY LINE OF THOSE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 5590, PAGE 1993 OF SAID PUBLIC RECORDS, A DISTANCE OF 289.84 FEET TO THE NORTHWEST CORNER OF SAID LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 5590, PAGE 1993 AND SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE SOUTH 00°50'25" EAST ALONG THE WESTERLY LINE OF SAID LANDS, A DISTANCE OF 389.50 FEET; THENCE SOUTH 89°08'09" WEST, A DISTANCE OF 312.11 FEET TO THE INTERSECTION WITH THE EASTERLY RIGHT OF WAY LINE OF INTERSTATE 95 (A VARIABLE WIDTH RIGHT OF WAY, AS NOW ESTABLISHED) AND SAID LINE IS ALSO A CURVE CONCAVE EASTERLY AND A RADIUS OF 11,309.16 FEET AND A CENTRAL ANGLE OF 01°00'32"; THENCE NORTHERLY ALONG SAID CURVE AND RIGHT OF WAY LINE AN ARC DISTANCE OF 389.73 FEET AND SUBTENDED BY A CHORD BEARING OF NORTH 01°00'32" EAST AND A CHORD DISTANCE OF 389.71 FEET TO A POINT ON SAID CURVE AT THE INTERSECTION WITH THE NORTHERLY LINE OF SAID LANDS AS DESCRIBED IN EXHIBIT "A" OF OFFICIAL RECORDS BOOK 5569, PAGE 148 OF SAID PUBLIC RECORDS; THENCE NORTH 89°08'09" EAST, DEPARTING FROM SAID RIGHT OF WAY LINE AND ALSO ALONG SAID NORTHERLY LINE, A DISTANCE OF 299.54 FEET TO THE POINT OF BEGINNING. CONTAINING 2.74 ACRES, MORE OR LESS.

CLIENT IDENTIFICATION

The client of this assignment is Ms. Ece Demirpence, CEO of Akfen Gayrimenkul Yatirim Ortakligi A.S.

INTENDED USE & INTENDED USERS

The intended use of the appraisal is to assist the client (intended user) in potentially bringing in a new partner (Global Platform) to develop the subject site.

PERSONAL PROPERTY & BUSINESS INTANGIBLE

The subject is undeveloped land. There is no personal property (FF&E) included in this valuation.

APPRAISAL REPORT TYPE

This is an Appraisal Report described by the Uniform Standards of Professional Appraisal Practice (USPAP) under Standards Rule 2-2(a).

APPRAISAL REQUIREMENTS

This appraisal and report are intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP); and
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute

SALES HISTORY

The current owner of the subject is:

EA Fountains Square, LLC
13553 Atlantic Boulevard, Suite 201
Jacksonville Florida 32225

According to public records, the current owner, EA Fountains Square, LLC, purchased the subject property (026270-0010 or 2.74 acres) and Parcel Number 026250-0040 (18.33 acres) from Fountains East Investments One, LLC for a recorded price of \$3,856,900 (\$4.20 PSF) on May 2, 2023. This was not an arm's-length market transaction. These transactions are between related parties.

Fountains East Investments One, LLC purchased 5.26 acres, which comprises the subject property (2.74 acres) and the adjacent 2.53 acres, from St. Vincent's Health System, Inc. for \$5,590,000 (\$24.40 PSF) on April 20, 2022. It was recorded under Special Warranty Deed OR Book 5569, Page 108. Our research indicated that the grantee (Fountains East Investments One, LLC) sold Parcel Number 026250-0042 (5.59 acres) back to St. Vincent's Health System, Inc (grantor) for the same price (\$5,590,000) on the same closing date (April 20, 2022), which was recorded under Special Warranty Deed OR Book 5569, Page 105. Both of these transactions were not an arm's-length market transaction, as they were land swap transactions.

We are not aware of any other sale transactions, transfers, listings, pending, or recent contracts for sale that occurred within the last three years. This is based on our interview with the client, and a search utilizing LoopNet, CoStar, public records, MLS, and various other sources.

PURPOSE OF APPRAISAL

The purpose of this appraisal is to develop an opinion of the "As Is" Market Value (Fee Simple Estate) for the subject in accordance with the site's highest and best use.

DEFINITION OF MARKET VALUE

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming that the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;

3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

PROPERTY RIGHTS APPRAISED

The subject is currently vacant. Our opinion of the subject's market value represents a **Fee Simple interest**.

Fee Simple Interest

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.²

SCOPE OF WORK

The scope of work includes all steps taken in the development of the appraisal. These include:

1. The extent to which the subject property is identified,
2. The extent to which the subject property is inspected,
3. The type and extent of data researched,
4. The type and extent of analysis applied, and the type of appraisal report prepared. These items are discussed as follows:

In preparing this appraisal of the subject property, the appraisers:

- Gathered factual data on the subject property (zoning, land use, taxes, etc.).
- Reviewed the documents the client and property contact provided.
- Inspected the subject property (from the street).
 - o We relied heavily on aerial photographs, tax maps, etc.
 - o The size of the subject land was taken directly from a survey provided by our client.
- Used sources such as the St. Johns County Property Appraiser's website, CoStar website, FEMA website, etc., to identify subject info such as the address, aerial maps, tax maps, flood maps, etc.
- Considered the highest and best use of the subject property.
- Researched recent comparable sales located within the subject's immediate market area and similar competing areas within Northeast Florida.
- Analyzed comparable market data, comparing them to the subject.
- Prepared Sales Comparison Approach to provide appropriate indications of market value.
- Reconciled and formed our opinion of the market value of the subject property as of the effective date.

¹ Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C - Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

² The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022.

- Prepared this *Appraisal Report*, which presents the significant data gathered during our investigation for this assignment, in addition to the analysis and conclusions reached as a result of the appraisal process.

In developing our opinion of market value, consideration is given to the subject's zoning, surrounding improvements, and its development potential under the St. Johns County Comprehensive Plan. We also considered its location in relation to the commercial and residential growth within the subject's greater market area. Additional information obtained while completing this appraisal assignment is retained in the appraisal file and incorporated herein by reference.

DATE OF THE REPORT

The date of the report is March 21, 2025, which is the date the report is completed and transmitted to the client.

EFFECTIVE & INSPECTION DATE

The effective date of value is March 18, 2025, which is also the date of the site visit (inspection date).

TAXES & ASSESSMENT

The subject's assessed values and property taxes for the current year are summarized in detail in the following table.

ASSESSMENT & TAXES (2024)						
TAX RATE AREA						
ASSESSOR PARCEL #	LAND	IMPROVEMENT	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
026270-0010	\$4,861,280	\$0	\$4,861,280	\$0	\$4,861,280	\$60,968
Subtotal	\$4,861,280	\$0	\$4,861,280	\$0	\$4,861,280	\$60,968
Subtotal \$/SF	\$40.73 PSF	-	\$40.73 PSF	-	\$40.73 PSF	\$0.51 PSF
TOTAL BASE TAX			Millage Rate	12.54155		\$60,968

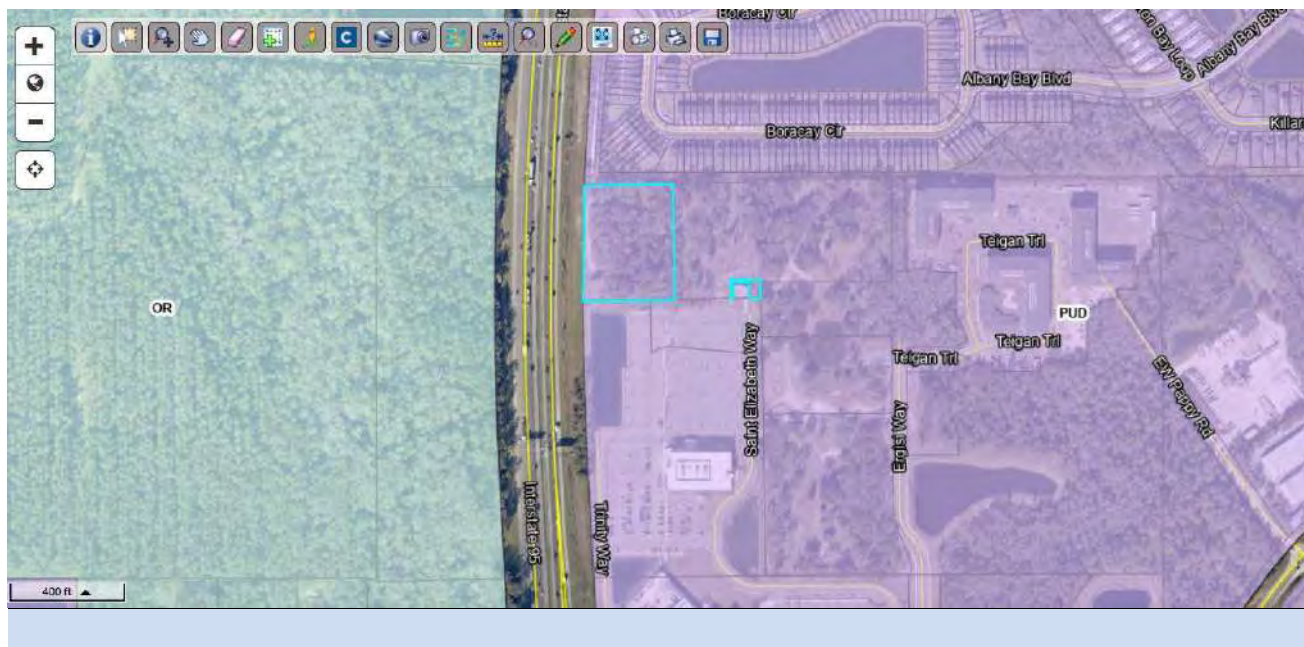
Source: St Johns County Assessment & Taxation

In Florida, commercial real estate is assessed at 100% of market value. In actual practice, assessments tend to range about 70% to 90% of market value to account for selling costs and to reduce the number of appeals.

The assessed value concluded by the St. Johns County Property Appraiser's Office is \$4,861,280 for the subject parcel. Based on the concluded opinion of market value contained within this report, the assessed value (\$40.73/SF) concluded by the St. Johns County Property Appraiser's Office for the subject is considerably higher than our opinion of market value.

Based on the comparable land sales provided in the Sales Comparison Approach section of this report, our opinion is that the County Assessor's Office did not fully consider the physical characteristics and development rights assigned to the subject site.

ZONING



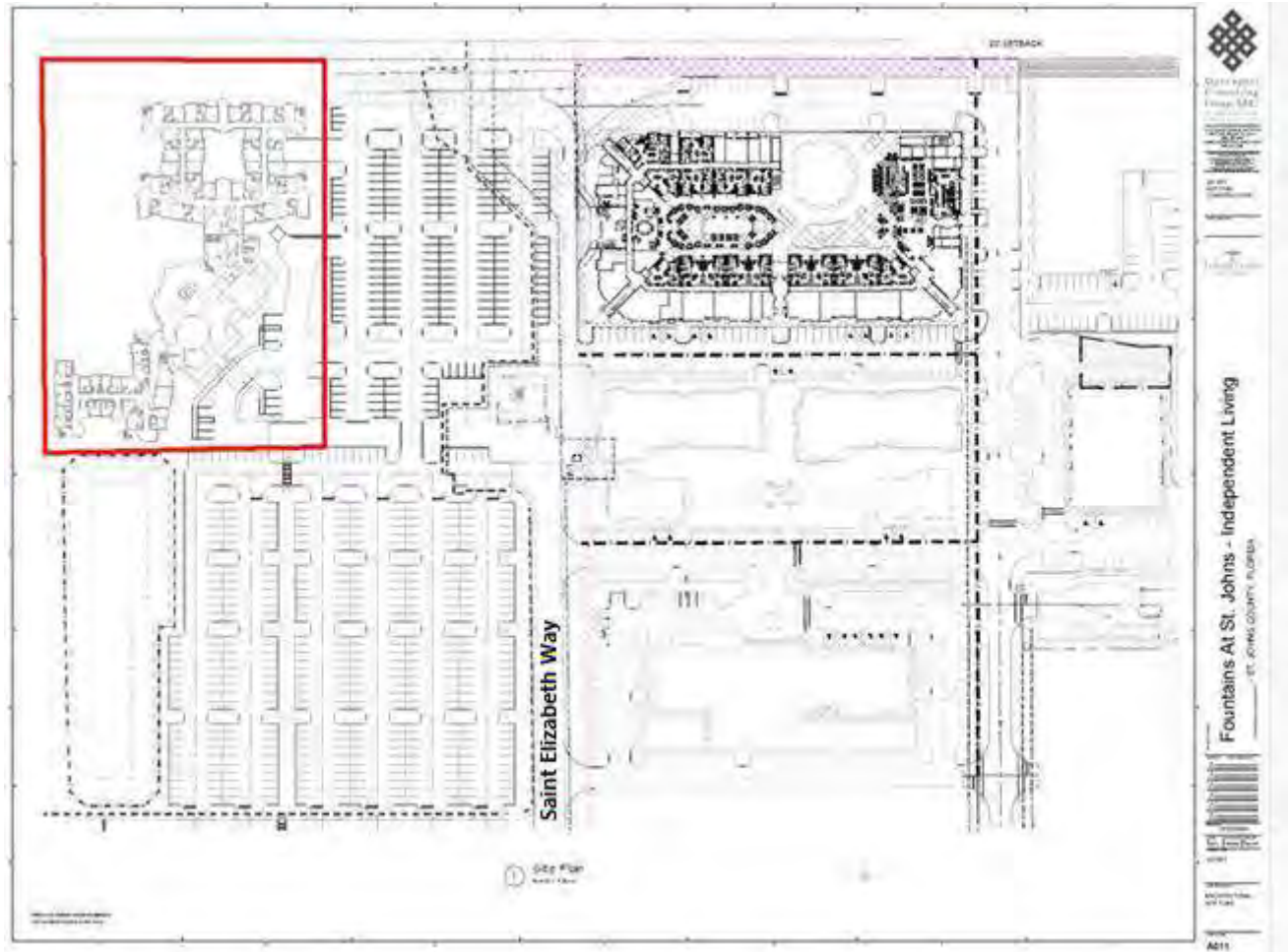
Zoning Jurisdiction	St. Johns County
Zoning Code	PUD (2021-58)
Zoning Description	Planned Unit Development Fountains North According to St. Johns County public records, the PUD, which encompassed the parent tract, is entitled/allowed for 50,000 square feet of retail/restaurant space, 230 hotel rooms, 130 special care housing (assisting living) units, and 180,000 square feet of professional office and/or medical space.
Future Land Use Designation	Mixed-Use District
Maximum ISR	75%
Maximum Floor Area Ratio (FAR)	70%
Parking	Shall meet LDC Section 6.05.02 for specific uses
Structure Setbacks:	
West	10 feet
South	10 feet
North	20 feet
East	10 feet
Maximum Height of Structures	120 feet (hospital) 90 feet (all other uses)

SITE DESCRIPTION



The following summarizes the salient characteristics of the subject site.

Assessor's Parcel ID	026270-0010	
Land Area	Square Feet	Acres
Upland	119,354	2.74
Wetland	None	None
Gross	119,354	2.74
Site Topography	Low land area	
Site Shape	Regular	
Site Quality	Average	
Site Exposure	Average	
Site Utility	Average	
Utilities	Public (See Extraordinary Assumption)	
Retention Pond	onsite	
Adjacent Properties		
North	Residential subdivision	
South	Hospital Parking lot	
East	Undeveloped commercial land	
West	Interstate 95	



Site Access

Adjacent parking lot to Saint Elizabeth Way

Easements/Encroachments:

A copy of title reports disclosing any encroachments or easements was not provided for this assignment. During the property inspection, no adverse easements or encumbrances were observed or noted. However, according to the site plan provided by and conversation with the property owner, the subject has an ingress & egress easement right across the adjacent properties. This appraisal assumes that no adverse easements are present. If questions arise, further research is advised.

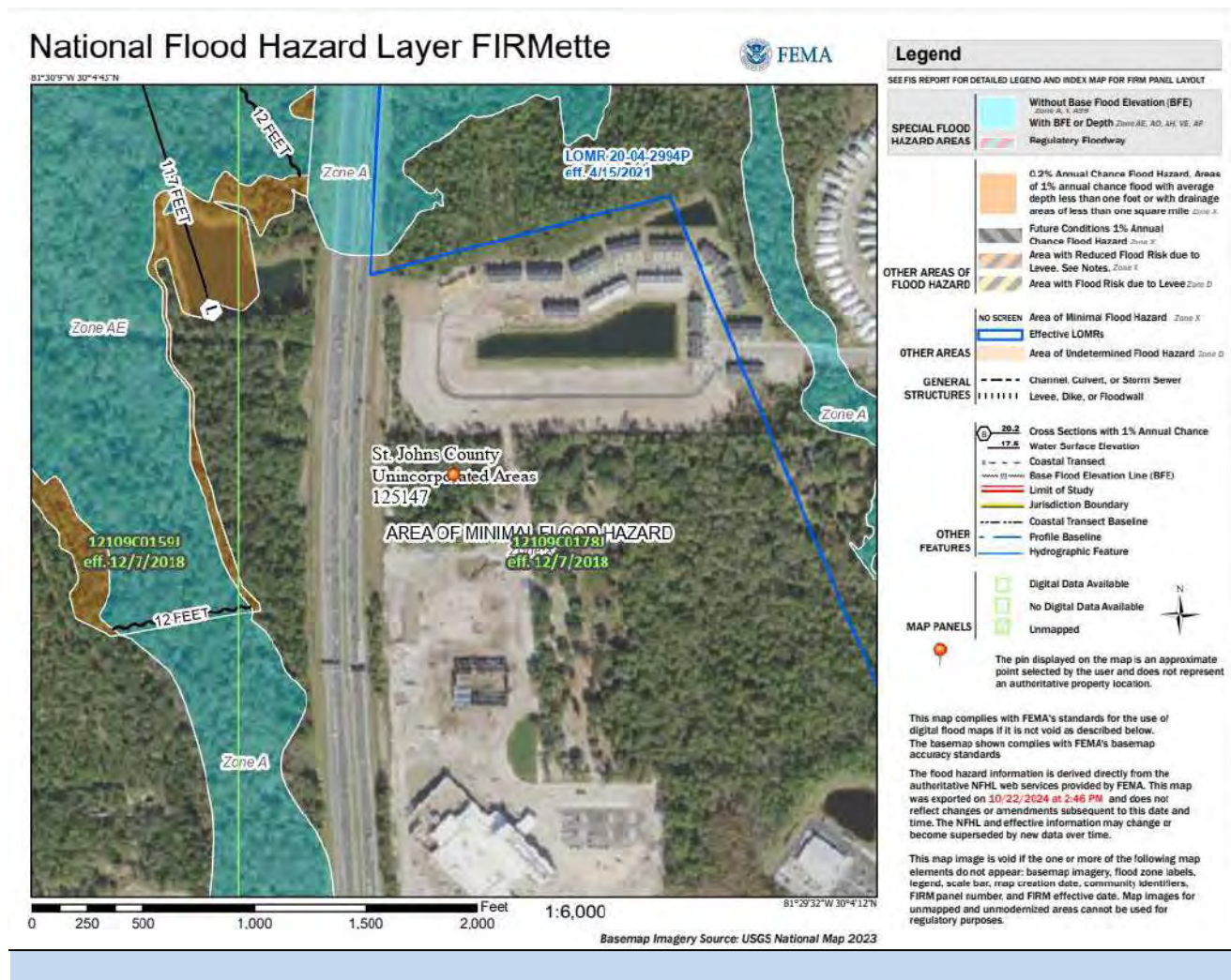
Soils

A detailed soil analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

Environmental Issues:

A copy of a current environmental/hazardous materials study was not provided for this assignment. Our value opinion was made under the assumption that the subject has no environmental conditions that would cause a loss in value.

FLOOD ZONE



FEMA Map Number 12109C0178J

FEMA Map Date 12/7/2018

Flood Zone Designation X

Flood Zone The subject property is under Flood Zone X, which is an area of minimal flood hazard from the principal source of flood in the area and determined to be outside the 0.2 percent annual chance floodplain.

Hazardous Waste

We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.



Improvement

On the day of our inspection, there was a billboard located on the southwest corner of the subject site. According to Mr. Doug Smith, this billboard is not encumbered by a lease and will be removed for the site's highest and best use.



Site Conclusion

Overall, the subject land appears to be low (topographical elevation) compared to the adjacent properties. However, the site's physical characteristics and size appear to be supportive of the subject's highest and best use.

SUBJECT PROPERTY PHOTOGRAPHS



Subject Property
(View from St Vincent's Health System Inc Parcel)



Subject Property
(View from the Retention Pond Area)



Subject Property
(View from the adjacent Parking Lot)



Subject Property
(Bill Board & Interstate 95)



Saint Elizabeth Way



Saint Elizabeth Way



AERIAL MAP

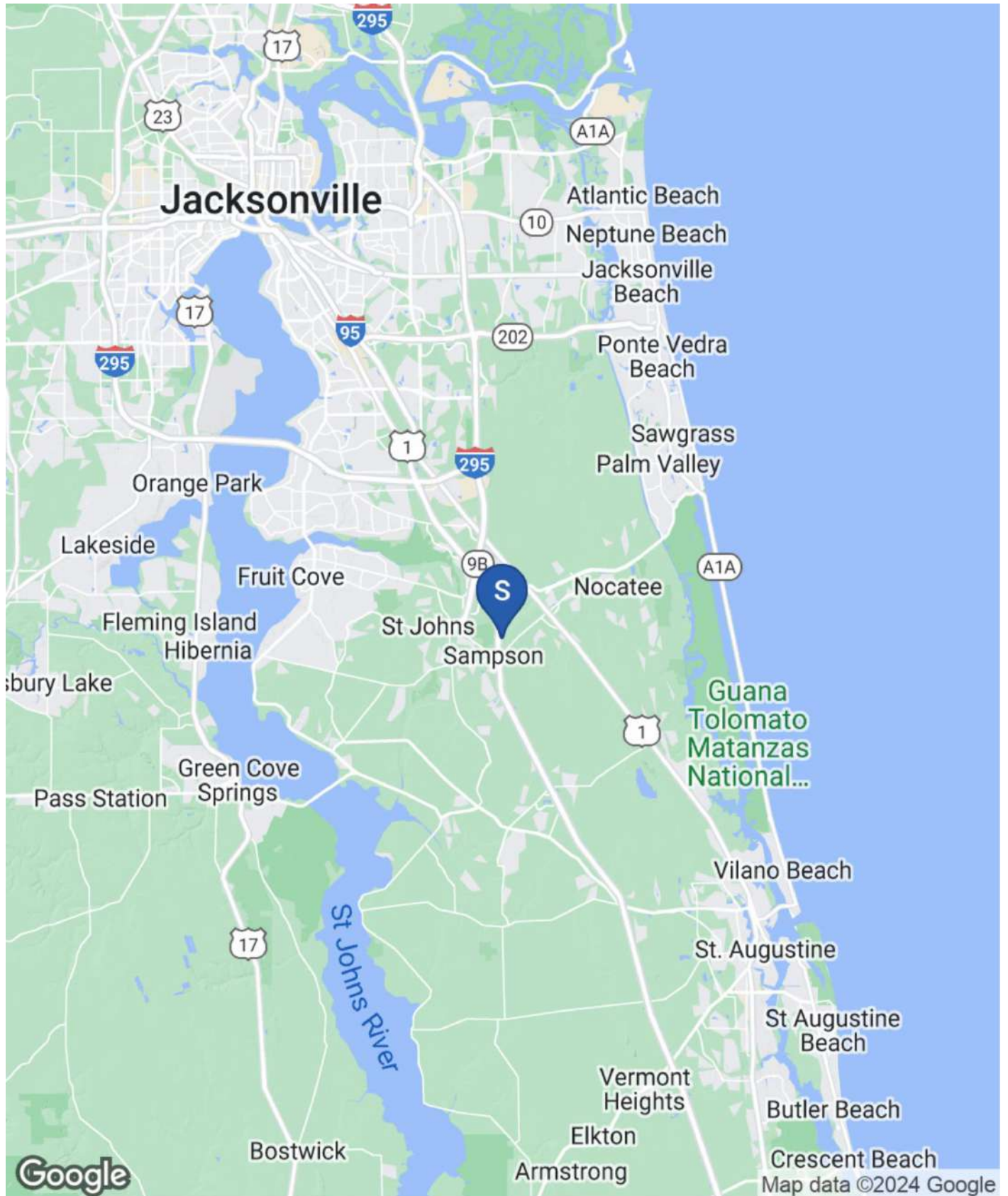


ZONING MAP





LOCATION MAP





MARKET AREA ANALYSIS

LOCATION

The subject property is located in northern St. Johns County within the St. Johns County/St. Augustine submarket.

The boundaries of the immediate market area are construed as follows.

North	St. Johns/Duval County Line
South	St. Johns/Flagler County Line
East	Atlantic Ocean
West	St. Johns River

ACCESS AND LINKAGES

Primary access routes serving the market area are as follows:

North/South Routes:

- Interstate 95 - A six to eight-lane federal highway that intersects with Interstate 10 west of the Central Business District (CBD) and extends north and south along the eastern seaboard.
- US Highway 1 is a major north-south US highway that serves the East Coast of the United States. It runs 2,370 miles, from Key West, Florida north to Fort Kent, Maine, at the Canadian border.

East/West Routes:

- County Road 210 – A two to four-lane road that runs from the St. Johns River to Ponte Vedra Beach, and also provides access to Interstate 95.
- State Road 16 (SR 16) runs from northwest to southeast between Raiford and St. Augustine. It passes through the towns of Starke and Green Cove Springs in addition to providing access to Camp Blanding.

The Jacksonville International Airport is located about 35 miles north of the property; travel time is about 35 - 45 minutes, depending on traffic conditions. The subject is located less than 30 minutes from Downtown Jacksonville via Interstate 95.



SURROUNDING AREA DEMOGRAPHICS

The following map and data show demographic trends within a 5-, 10-, and 15-mile radius of the subject property compared with the Jacksonville MSA and the State of Florida.

LOCAL AREA & MSA DEMOGRAPHICS									
DESCRIPTION	1 MILE	3 MILE	5 MILE	MSA	DESCRIPTION	1 MILE	3 MILE	5 MILE	MSA
POPULATION TOTAL					HOUSEHOLDS				
2010 Census	91	13,887	31,031	1,345,596	2010 Census	37	4,526	10,711	524,146
2020 Census	322	26,692	68,548	1,605,848	2020 Census	127	8,564	23,698	628,344
2024 Estimate	1,209	34,619	89,354	1,737,832	2024 Estimate	447	11,383	30,869	685,635
2029 Projection	1,664	43,049	107,874	1,855,859	2029 Projection	617	14,202	37,066	740,874
Δ 2010-2020	253.85%	92.21%	120.90%	19.34%	Δ 2010-2020	243.24%	89.22%	121.25%	19.88%
Δ 2020-2024	275.47%	29.70%	30.35%	8.22%	Δ 2020-2024	251.97%	32.92%	30.26%	9.12%
Δ 2024-2029	37.63%	24.35%	20.73%	6.79%	Δ 2024-2029	38.03%	24.77%	20.08%	8.06%
Total Daytime Population	1,544	27,989	74,558	1,736,953	HOUSEHOLDS BY INCOME (2024 ESTIMATE)				
HOUSING UNITS					< \$15,000	3.8%	3.0%	2.6%	6.7%
Total (2024 Estimate)	656	12,794	33,407	751,484	\$15,000 - \$24,999	1.3%	0.9%	1.2%	6.5%
Owner Occupied	57.5%	74.0%	71.7%	60.2%	\$25,000 - \$34,999	0.9%	1.1%	1.7%	6.2%
Renter Occupied	10.7%	15.0%	20.7%	31.0%	\$35,000 - \$49,999	1.3%	2.7%	4.3%	9.5%
Vacant Housing Units	31.9%	11.0%	7.6%	8.8%	\$50,000 - \$74,999	9.6%	9.5%	11.1%	15.8%
Total (2029 Projection)	848	15,554	39,582	810,078	\$75,000 - \$99,999	10.5%	13.3%	13.2%	14.3%
Owner Occupied	54.4%	71.6%	69.3%	61.6%	\$100,000 - \$149,999	32.4%	28.3%	26.3%	20.4%
Renter Occupied	18.4%	19.7%	24.4%	29.9%	\$150,000 - \$199,999	15.9%	18.1%	17.0%	10.5%
Vacant Housing Units	27.2%	8.7%	6.4%	8.5%	\$200,000+	23.9%	23.2%	22.5%	10.1%
AVERAGE HOUSEHOLD INCOME					AVERAGE HOUSEHOLD SIZE				
2024 Estimate	\$160,785	\$160,755	\$158,568	\$108,888	2024 Estimate	2.70	3.04	2.89	2.49
2029 Projection	\$180,972	\$181,664	\$180,131	\$126,915	2029 Projection	2.70	3.03	2.91	2.46
Δ 2024-2029	12.56%	13.01%	13.60%	16.56%	Δ 2024-2029	0.00%	(0.33%)	0.69%	(1.20%)
MEDIAN HOUSEHOLD INCOME					MEDIAN HOME VALUE				
2024 Estimate	\$128,672	\$129,284	\$124,421	\$82,603	2024 Estimate	\$511,986	\$472,182	\$474,828	\$378,437
2029 Projection	\$141,863	\$146,794	\$141,883	\$97,954	2029 Projection	\$572,867	\$514,028	\$515,264	\$446,033
Δ 2024-2029	10.25%	13.54%	14.03%	18.58%	Δ 2024-2029	11.89%	8.86%	8.52%	17.86%
PER CAPITA INCOME					AVERAGE HOME VALUE				
2024 Estimate	\$53,656	\$52,737	\$55,595	\$43,041	2024 Estimate	\$577,116	\$537,769	\$537,564	\$450,083
2029 Projection	\$60,646	\$59,563	\$62,933	\$50,741	2029 Projection	\$639,371	\$586,111	\$582,551	\$533,952
Δ 2024-2029	13.03%	12.94%	13.20%	17.89%	Δ 2024-2029	10.79%	8.99%	8.37%	18.63%

Source: Sites To Do Business Online

POPULATION

The estimate provided by ESRI for the current 2024 population within the subject neighborhood's 3-mile radius is 34,619 representing a 29.70% change since 2020. ESRI's 2020 population estimate for the subject's 5-mile radius is 89,354, which represents a 30.35% change since 2020. Looking forward, ESRI estimates that the population within the subject neighborhood's 3-mile radius is forecasted to change to 43,049 by the year 2029. As for the broader area, ESRI forecasts that the population within the subject's 5-mile radius will change to 107,874 over the next five years. The population estimates for the next five years within the subject's 5-mile radius represent a 20.73% change as well as a 37.63% change within the subject's 1-mile radius for the same period.

HOUSEHOLDS

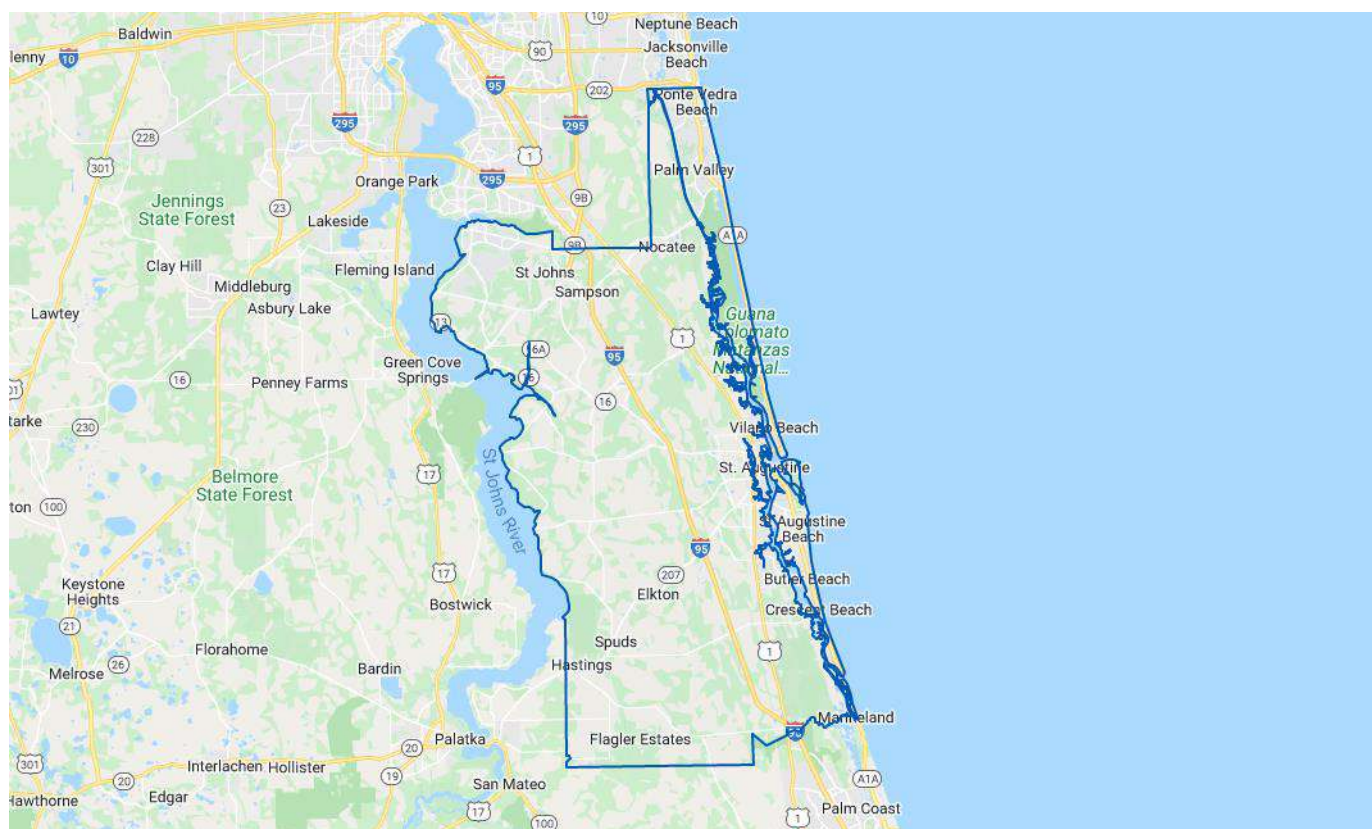
The estimates provided by ESRI indicate that the number of households within the subject neighborhood's 3-mile radius is 11,383, which is a 32.92% change since 2020. Within the subject's broader 5-mile radius, ESRI estimates that the number of households is 30,869, a 30.26% change over the same period. By the year 2029, the estimates provided by ESRI indicate that the number of households within the subject neighborhood's 3-mile radius will change by 24.77% to 14,202 households. Additionally, ESRI's estimate for total households

over the next five years within the subject's broader 5-mile radius indicates an expected change of 20.08% which will result in a total household estimate of 37,066. Looking back, the number of households in the subject neighborhood's 3-mile radius changed by 89.22% during the ten years from 2010 to 2020. Since then it has changed by 32.92%.

INCOME

Income estimates provided by ESRI for the subject neighborhood's 3-mile radius indicate that the median household income is \$129,284 and that the average household income is \$160,755. Further, the estimates provided by ESRI indicate that, for the subject's broader 5-mile radius the median household income is \$124,421, and the average household income is \$158,568. Given that there are reportedly 30,869 households in the subject's 5-mile radius.

SAINT AUGUSTINE MULTI-FAMILY SUBMARKET



According to CoStar, vacancy has declined by roughly 300 basis points in the last 12 months as renter demand in Saint Augustine continues to concentrate here, even as 1,300 new apartments were completed in that time. This area currently has approximately 10% of all vacant apartments in the metro area at approximately 1,700 units, a number that is up about 5% in the past year. Renter demand improved significantly during 2023 over the previous year, with approximately 1,300 units absorbed in that time, and the forecast calls for an even stronger rate of demand in 2024 that should pull supply and demand more in balance by the end of the year.

Elevated construction levels in Saint Augustine in the last few years have led to an inventory expansion here of nearly 50% since 2022. The area has only approximately 7% of the wider market's total inventory, yet it has more than 25% of all new apartment units currently under construction and has comprised more than 20% of all renter demand in the broader Jacksonville market in the last year. Also, roughly 25% of all units in the market were completed in the last year, and the 1,600 new units underway are set to expand inventory here by another 19.8%.



Asking rents in Saint Augustine now average \$1,750/month and rank as the highest in the broader Jacksonville market. Actual rent growth, however, has slowed significantly from the record high of 14.4% reached in 21Q4 and is now down markedly to a pace of -6.0% in year-over-year growth, the slowest in the Jacksonville area. The pace of rent growth is expected to remain under pressure for several more quarters as vacancy remains elevated and new units continue to deliver, although there is good potential for it to return to a range between 2% and 3% in the second half of 2025.

According to CoStar, having one of the smaller apartment inventories in the broader Jacksonville market, investment activity in Saint Augustine is infrequent. Before 23Q4, the last quarter when any notable activity took place was the final quarter of 2021; however, the trailing 12-month volume is comprised of only \$126 million following 5 separate transactions that closed in the past year. Many properties in this market have been recently delivered and are still working toward achieving stabilized occupancy, but as they do and the investment climate improves, there will be a greater chance for investment activity in the quarters ahead. While three of the past year's sales have been fairly insignificant, two prominent properties have traded in the last year.

- The 210-unit, 3-Star Camellia at World Commerce Center in the World Golf Village area was acquired in December by Lakewood, NJ-based private REIT Lightstone Value Plus REIT V, Inc. for \$53.3 million (\$253,800/unit) as part of a 1031 exchange. The seller was Jacksonville-based private developer Corner Lot Development, which wrapped up construction on the property in November 2022. The property was fully occupied at the time of the sale.
- More notably, Norfolk, VA-based Harbor Group International made a significant acquisition in May 2024 when it acquired the recently built, 350-unit Ascend Durbin Creek. The property was acquired from developer D.R. Horton for \$70.2 million (\$201/SF) and has been renamed Aria Durban Creek. A fast pace of leasing had it occupied at approximately 87% by the time of the sale.

FOUNTAINS ST. JOHNS

The subject is located within and part of Fountains St. Johns (exhibit on the next page). Cross Regions Group's the Fountains at St. Johns is a mixed-use medical and retail development. The development is located on nearly 100 acres at the northeast intersection of County Road 210 West and Interstate 95 in St. Johns County made up of three phases:

- Fountains South: The Fountains at St. Johns offers approximately 200,000 square feet of retail, restaurant, and medical/office space on 23 acres.
- Fountains North: Ascension St. Vincent's St. Johns County Hospital opened a 150,000-square-foot hospital and 82,500-square-foot medical office building on 33 acres in 2022. Ascension St. Vincent's has an additional 5.59 acres for further expansion as well as the ability to expand the current hospital building on the site. *The subject site is contained within Fountains North.*
- Fountains East: In process or under construction in Fountains East are a 137-room Home 2 Suites by Hilton hotel, 174 upscale apartments with 25,000 square feet of retail on the first floor, 276 apartments from Madison Capital, a 13,000-square-foot facility for a pre-school, and a Town Square with 35,000 square feet of retail and restaurants.³

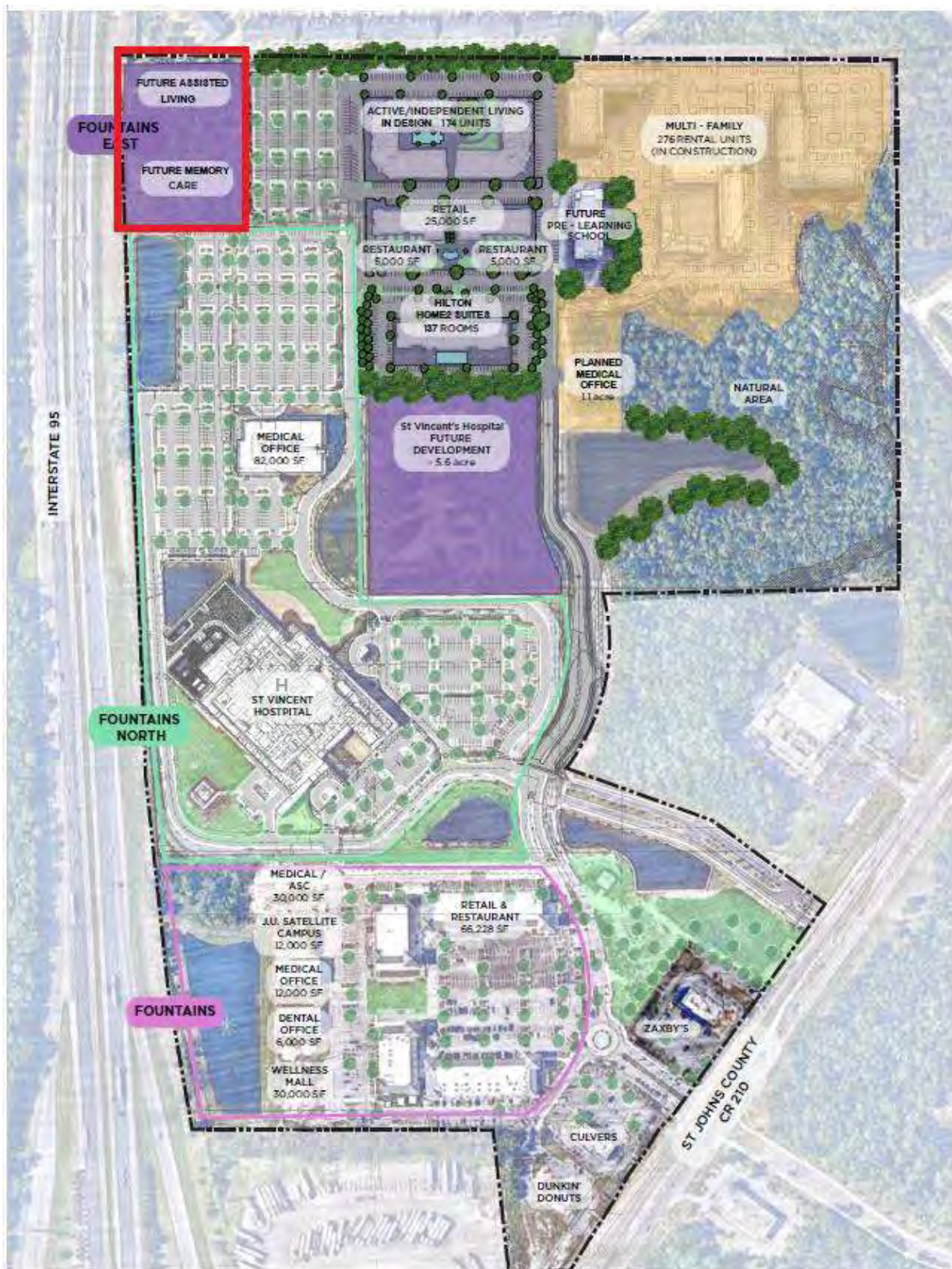
³ <https://crossregions.com/the-fountains-at-st-johns/>

Below is a summary of major activities that have occurred in the subject vicinity since the effective date (October 20, 2024) of our previous appraisal report:



- The Madison Fountains Apartment, which was under construction, has been completed.
- The hotel & retail sites adjacent to the hospital parking lot are being prepared for construction. According to Mr. Kenny McGill, the construction of the hotel and retail construction will also start in the next 3 months.
- A new ABC Liquor Store located along CR 210 at the intersection of Trinity Way and CR 210 is under construction.
- The proposed two-story (99,485-square-foot) Acadia Behavioral Health Hospital located at 132 Moon Bay Parkway is under construction.
- The expansion of CR 210 at the subject entrance is completed.

Overall, the subject is located within one of the prime development areas in Jacksonville MSA.



CROSS REGIONS[®]
GROUP
FOUNTAINS ST. JOHNS
OVERALL MASTER PLAN
0124, 2024





HIGHEST & BEST USE

Definition

The 7th Edition of The Dictionary of Real Estate Appraisal, (Chicago: Appraisal Institute, 2022), defines highest and best use as:

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

- **Legal Permissibility:** *"a property use that is either currently allowed or most probably allowable under zoning codes, building codes, environmental regulations, and other applicable laws and regulations that govern land use."*
- **Physical Possibility:** *"the parcel of land must be able to accommodate the construction of any building that would be a candidate for the ideal improvement."*
- **Financial Feasibility:** *"the capability of a physically possible and legal use of property to produce a positive return to the land after considering risk and all costs to create and maintain the use."*
- **Maximally Productive Use:** *"a specific land use must yield the highest value of all the physically possible, legally permissible, and financially feasible possible uses."*

These tests are performed sequentially, as it is irrelevant if a certain use is financially feasible when not physically possible or legally permissible. When identifying the highest and best use of an improved property these tests are performed first on the property under the hypothetical assumption it is vacant. If the highest and best use is to improve the property, then the ideal improvement is determined using these same four criteria. Then, the subject improvements are compared to the ideal improvement. A determination is then made on whether to maintain the existing improvement in its existing use or modify the improvement to conform more to the ideal.

HIGHEST AND BEST USE "AS VACANT"

LEGALLY PERMISSIBLE

The subject is zoned Planned Unit Development | Fountains North under Ordinance Number 2021-58, which is entitled/allowed for 50,000 square feet of retail/restaurant space, 230 hotel rooms, 130 special care housing (assisting living) units, and 180,000 square feet of professional office and/or medical space.

PHYSICALLY POSSIBLE

The physically possible uses for the subject are limited to the legally permissible uses, current zoning, and land use of the site mandates. Besides site size, the physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for any of the legally permissible uses.

Based on the comparable developments in the market and documents provided by and conversations with both Mr. David Ergisi and Mr. Doug Smith, Chief Operating Officer, the subject is considered to be physically possible for any of the legally permissible uses. Stormwater retention will likely need to be provided via underground storage tanks, which could be situated underneath the on-site parking lot.

FINANCIALLY FEASIBLE

Financially feasible uses for the subject parcel are governed by legally permissible uses and the physically possible uses for that site. Also, the influence of the surrounding market area considering commercial and residential uses and the economic and demographical growth within the market area and its effect on the subject must be considered. The primary determinant of financial feasibility is if a specific use is likely to produce a higher income level than the combined need to satisfy operating expenses, financial expenses, and capital amortization.

Considering the market condition for retail/restaurant space, hotel rooms, special care housing (assisting living) units, professional office, and medical space, the financially feasible uses for the subject are for either an assisting living & memory care facility or hotel after adjusted for the physical characteristic and access of the subject site.

MAXIMALLY PRODUCTIVE

Maximally productive uses are governed by the subject's legally permissible, physically possible, and financially feasible uses. The final criterion addresses the question of maximum productivity of the subject development, which would require consideration of alternate potential uses.

Based on the comparable hotel sites summarized below and a conversation with Mr. Doug Smith, Chief Operating Officer, the subject site (2.74 acres) is physically possible for a 9-story structure containing 180 hotel rooms (65.7 rooms per acre) with an underground stormwater retention system.

Location	Dev. Rights	Acres	Density
Gate Parkway	110 Rooms	2.09	52.6 Rooms Per Acre
Hodges Boulevard	176 Rooms	3.59	49.0 Rooms Per Acre
Ergisi Way	137 Rooms	2.49	55.0 Rooms Per Acre
8045 Paramore Road	124 Rooms	1.49	83.2 Rooms Per Acre
825 Dora Street	109 Rooms	0.96	113.5 Rooms Per Acre
Merrill Road	92 Rooms	0.33	277.1 Rooms Per Acre
704 1st Street North	110 Rooms	1.36	80.9 Rooms Per Acre
Magnolia St	135 Rooms	1.83	73.8 Rooms Per Acre
		Average	69.9 Rooms Per Acre

Based on comparisons with the other allowable uses, including assisting living & memory care use at 130 units, it is our opinion that hotel development is the maximally productive use of the property.

Considering the legally permissible, physically possible, financially feasible, and maximally productive uses, the highest and best use of the subject "as is / vacant" is for a hotel.

MOST PROBABLE BUYER/USER

Considering the size and design characteristics of the property, the likely buyer is a hotel investor/developer.

VALUATION METHODS

Three basic approaches may be applicable and utilized, then reconciled to arrive at an estimate of market value. An approach to value is included or eliminated based on its applicability to the property type being valued and the information available. The reliability of each approach depends on the availability and comparability of market data, as well as the motivation and thinking of purchasers. Applicable approaches and whether they were utilized are summarized below.

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

The Sales Comparison Approach involves the direct comparison of sales and listings of similar properties, adjusting for differences between the subject property and the comparable properties. This method can be useful for valuing general-purpose properties or vacant land. For improved properties, it is particularly applicable when there is an active sales market for the property type being appraised – either by owner-users or investors.

In the Income Capitalization Approach, the income-producing capacity of a property is estimated using contract rents on existing leases and estimating market rent from the rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss, and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

The subject property is vacant land; therefore, the Cost and Income Approaches were not considered applicable. The Sales Comparison Approach was fully utilized for our analysis.

SALES COMPARISON APPROACH

INTRODUCTION

This section values the subject site by comparing it with substitute land sales or listings within the local market area or in competitive areas throughout the region. Land value is influenced by several factors; most notably development and use potential. These factors, as well as others, are factored in the following analysis.

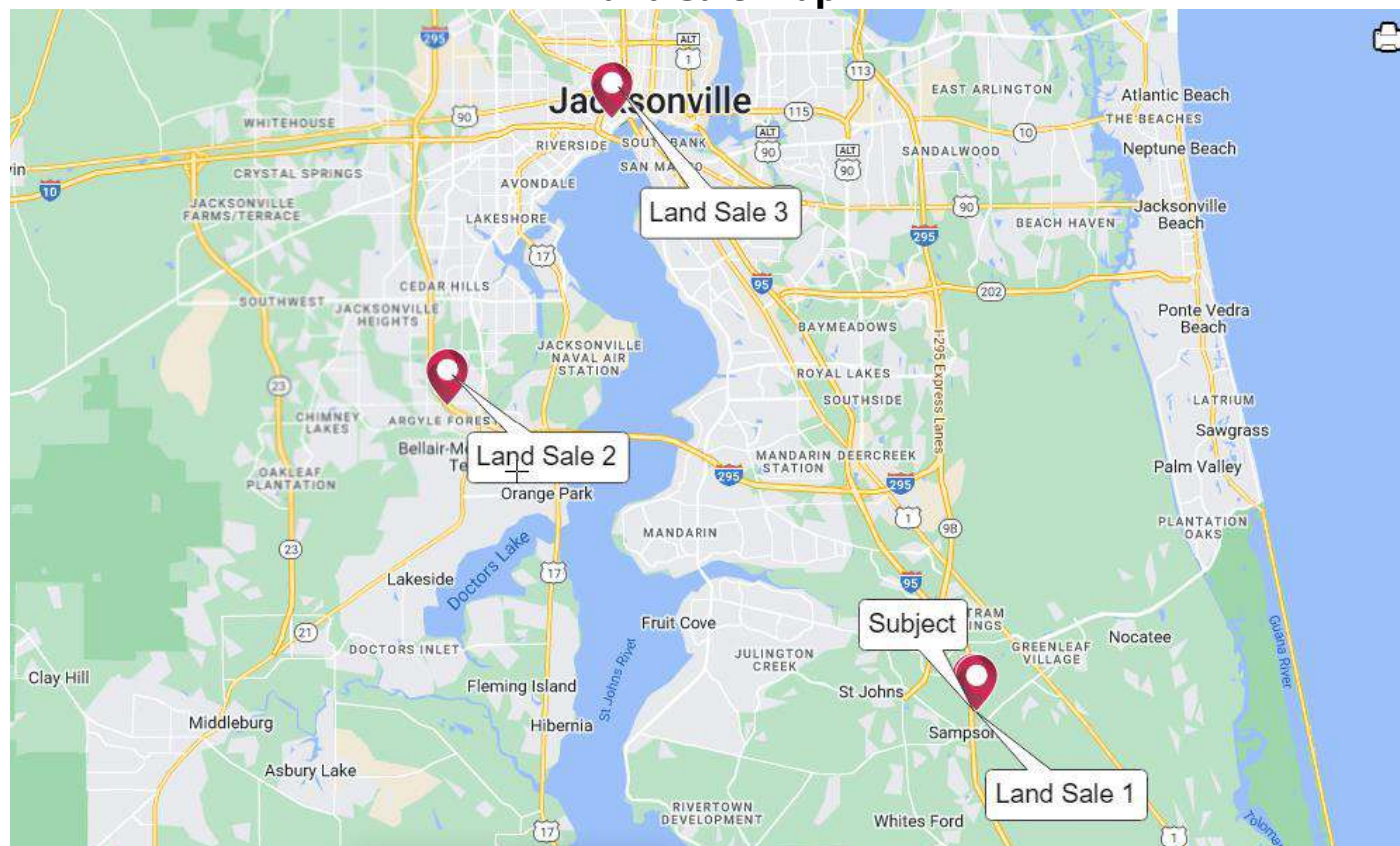
UNIT OF COMPARISON

The most relevant unit of comparison for competing land is the \$/allowed unit. All of the comparable sales presented in this section were reported on this basis.

Summary of Land Sales

No.	Location	Sale Date	Sale Price	Number of Rooms	Usable Acres	Price / Room	Price / Land SF
1	Ergisi Way	12/22/22	\$3,250,000	137	2.49	\$23,723	\$29.96
2	8045 Paramore Road	12/15/23	\$1,810,000	124	1.22	\$14,597	\$34.06
3	825 Dora Street	4/15/24	\$1,900,000	109	0.96	\$17,431	\$45.43

Land Sale Map



Land Sale No. 1



Property Identification

Record ID	8653
Property Type	Hotel Site
Address	Ergsi Way, St. Augustine, St. Johns County, Florida 32259
Location	Located in the Fountains, a mixed-use development in the NE quadrant of CR 210 and I-95
Tax ID	026250 0045

Sale Data

Grantor	Fountains East Investments One, LLC
Grantee	AEP Hospitality One, LLC
Sale Date	December 22, 2022
Deed Book/Page	5684/1907
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	December 12, 2023; Confirmed by Ben Ford
Sale Price	\$3,250,000



Land Sale No. 1 (Cont.)

Land Data

Zoning	PUD, Planned Unit Development
Topography	Level
Utilities	Available
Shape	Rectangular
Landscaping	Cleared
Flood Info	Flood Zone X

Land Size Information

Gross Land Size	2.61 Acres or 108,464 SF
Useable Size	2.49 Acres or 108,464 SF

Indicators

Sale Price/Gross SF	\$28.59
Sale Price/Usable SF	\$29.96
Sale Price/Planned Unit	\$23,723

Remarks

This is a commercial parcel in The Fountains, a mixed-use development in North St. Johns County. According to the updated site plan (July 2024), the grantee plans to develop 137-room Home2Suites by Hilton (4 floors 81,858 SF). The development is anchored by Ascension St. Vincent's Hospital.

Land Sale No. 2



Property Identification

Record ID	8861
Property Type	Hotel Site
Address	8045 Paramore Road, Jacksonville, Duval County, Florida 32244
Location	North side of Paramore Road across the street from Costco just south of Collins Road
Tax ID	016518 0340

Sale Data

Grantor	Harmony Farms of Jacksonville, LLC
Grantee	Jedi Hospitality
Sale Date	December 15, 2023
Deed Book/Page	20902/824
Property Rights	Fee Simple
Conditions of Sale	Arm's-length
Financing	Cash to Seller
Type	Special Warranty Deed
Verification	Drew Smith, Other sources: Public records, Confirmed by Bolina Kol
Sale Price	\$1,810,000



Land Sale No. 2 (Cont.)

Land Data

Zoning	PUD (2008-0778-E), Planned Special Development
Topography	Level
Utilities	Public
Shape	Regular
Landscaping	Cleared and leveled

Land Size Information

Gross Land Size	1.49 Acres or 64,904 SF
Uplands Land Size	1.22 Acres or 53,143 SF, 81.88%
Front Footage	546 ft Paramore Road; 546 ft Collins Road (no direct access);

Indicators

Sale Price/Gross SF	\$27.89
Sale Price/Uplands SF	\$34.06
Sale Price/Planned Unit	\$14,597

Remarks

This is an outparcel located within Collins Town Center anchored by Costco located within the southwest quadrant of Collins Road and Interstate 295. This site has a gross size of 1.49 acres. According to the flyer from Drew Smith, the usable area is 1.22 acres. The grantee purchased this site for a 124-unit extended-stay hotel by Marriott. This sale (\$1,810,000) is for land only. The grantee agreed to pay the grantor mobile fee credits for the 124-unit hotel. An exact amount was not disclosed. The project is estimated at \$9,900,000.

Land Sale No. 3



Property Identification

Record ID	8851
Property Type	Hotel Site
Address	825 Dora Street, Jacksonville, Duval County, Florida 32204
Location	Southeast & southwest quadrant of Dora Street and Oak Street
Tax ID	089231-0000, 089169-0000, 089248-0000, 089168-0000, 089232-0000, 089233-0010, 089167-0000, & 089233-0000

Sale Data

Grantor	Dedalaus RE Jax, LLC
Grantee	Jax - Lifestyle Hospitality, LLC
Sale Date	April 15, 2024
Deed Book/Page	21022/1946
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Other sources: CoStar, Public Record, Confirmed by John Timlin
Sale Price	\$1,900,000



Land Sale No. 3 (Cont.)

Land Data

Zoning	CCBD, Commercial Central Business District
Utilities	All Available
Shape	Rectangular
Landscaping	Minimal

Land Size Information

Gross Land Size	0.960 Acres or 41,818 SF
Usable Land Size	0.960 Acres or 41,818 SF, 100%
Planned Units	109
Front Footage	105 ft North side of Dora Street; 177 ft South side of Oak Street;

Indicators

Sale Price/Gross SF	\$45.44
Sale Price/Usable SF	\$45.43
Sale Price/Planned Unit	\$17,431

Remarks

The site contains six parcels that total approximately 0.96± acres of commercial land in downtown, Jacksonville, FL. The site was vacant at the time of sale and has been since December 2022. The buyer intends to raze the existing improvements as part of a redevelopment project. The buyer plans to construct a six-story 109-key hotel on the site which will be named "AC Hotel Jacksonville Downtown".

A minor environmental remediation issue occurred prior to the closing. The original sales price (\$2,000,000) was subsequently reduced by \$100,000 as a result of additional risk and a longer time frame required to resolve the issue.

ADJUSTMENTS

Adjustments to comparable sales were considered and made when warranted for expenditures after purchase, property rights transferred, conditions of sale, financing terms, and market conditions.

1. **Property Rights** - All of the comparable sales were fee simple sales reflecting the property rights appraised herein per the agreed-upon scope of work. No adjustment is warranted.
2. **Financing** - The sales all reflected typical cash equivalent, lender-financed transactions, and no adjustments were required for financing terms.
3. **Sale Conditions** - None of the comparables required a condition of sale adjustment, as all were confirmed to be arm's length transactions.
4. **Market Conditions (Time)** - Real estate values normally change over time. The rate of change fluctuates due to investors' perceptions of prevailing market conditions. This adjustment category reflects value changes, if any, which occurred between the date of the sale and the effective date of the appraisal. The market conditions within the subject's market and submarket have been improving since the earliest sale used in this analysis. Considering the activities in the subject area, we've made a 2% upward adjustment per year.

QUANTITATIVE ADJUSTMENT PROCESS

Quantitative percentage adjustments are also made for location and physical characteristics such as size, location quality, access, and exposure, as well as other applicable elements of comparison. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate the logic in deriving a value opinion for the subject property by the Land Sales Comparison Approach.

LAND SALES COMPARISON TABLE

	SUBJECT	COMP 1	COMP 2	COMP 3
Address	Saint Elizabeth Way	Ergisi Way	8045 Paramore Road	825 Dora Street
City	St Johns	St Johns	Jacksonville	Jacksonville
State	FL	FL	FL	FL

SALE INFORMATION

Transaction Price		\$3,250,000		\$1,810,000		\$1,900,000	
Transaction Price \$/Units		\$23,723		\$14,597		\$17,431	
Property Rights	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Financing	Cash to seller	Cash to seller		Cash to seller		Cash to seller	
Sale Conditions	Arm's length	Arm's length		Arm's length		Arm's length	
Market Conditions	3/18/25	12/22/22	4.5%	12/15/23	2.5%	4/15/24	1.8%
Total Transactional Adjustments		\$1,062	4.5%	\$367	2.5%	\$322	1.8%
Adjusted \$/Units		\$24,785		\$14,964		\$17,753	

PHYSICAL INFORMATION

Acres	2.74	2.49		1.22		0.96	
Allowed Units	180 Rooms	137 Rooms		124 Rooms		109 Rooms	
Density (Units/Us. Acre)	65.7 Units/Acre	55.0 Units/Acre	(3%)	101.6 Units/Acre	11%	113.5 Units/Acre	14%
Location & Access	Good	Inferior	5%	Inferior	35%	Inferior	20%
Economies of Scale	180 Units	137 Units	(3%)	124 Units	(4%)	109 Units	(5%)
Physical Characteristic	Average	Superior	(5%)	Superior	(5%)	Superior	(5%)
Retention Pond	On-site	Superior	(15%)	Superior	(15%)	Superior	(15%)
Total Physical Adjustments		(\$5,222)	(21%)	\$3,300	22%	\$1,708	10%
Adjusted \$/Units		\$19,563		\$18,264		\$19,461	

LAND SALES ADJUSTMENT DISCUSSION

The comparable land sales indicate an overall unadjusted value range from \$14,597/Unit to \$23,723/Unit. The adjustment process is described below.

Density (Units/Us. Acre)

The subject has a density of 65.7 units per acre.

- Sale 1 has 55.0 units per acre. It is superior compared to the subject. A downward adjustment is warranted.
- Sale 2 has 101.6 units per acre, which is inferior. An upward adjustment is warranted.
- Sale 3 has 113.5 units per acre, which is inferior. An upward adjustment is warranted.

Our adjustment reflects a 1.5% per 5 units difference in density when compared to the subject.

Location & Access

The subject is located adjacent to St. Vincent Hospital at the northernmost boundary of the Fountains at St. Johns Center.

- Sale 1 is located in the subject's neighborhood of the Fountains, but it has no visibility from Interstate 95. Overall, it is considered inferior with respect to visibility versus the subject site. An upward adjustment is warranted.

- Sale 2 is located along Paramore Road (interior access road) across the street from Costco Wholesale just south of Collins Road. Overall the site is considered to be inferior to the subject with respect to location (supporting uses and overall property values) when compared to the subject's area (Fountains St. Johns & St. Vincent's Hospital). An upward adjustment is warranted.
- Sale 3 is located within the southwest quadrant of Dora Street and Oak Street in the Riverside area of Jacksonville. Overall, it is inferior for interstate visibility. An upward adjustment is warranted.

Although our adjustments are subjective, they are supported by a variety of matched-pair analyses performed over the past several years.

Economies of Scale

The subject is assumed to be able to accommodate a 9-story hotel with 180 rooms. All of the comparable land sales have fewer rooms than the subject. Slight downward adjustments are warranted for economies of scale.

Physical Characteristic

Overall, the subject site represents wooded land that appeared to be low (topographical elevation) compared to the adjacent properties. However, the subject property has good shape and access to utility connections. Overall, downward adjustments are made to all of the comparable sales for having superior site characteristics when compared to the subject site.

Retention Pond

The subject will require an on-site underground retention pond. All of the comparable land sales have access to off-site retention ponds, which are superior when compared to the subject. Downward adjustments are warranted.

LAND VALUE CONCLUSION

The comparables indicate a unit value, based on a general bracketing analysis, between \$18,264/Unit and \$19,563/Unit. The Trump administration's tariffs on imported goods from Canada, Mexico, and China have and are expected to continue to drive up the cost of building materials. Furthermore, the reciprocal tariffs are scheduled to kick in on April 2, 2025. Today's market is influenced by tariff uncertainty.

- The federal fund rate, which impacts borrowing costs, investment decisions, and overall economic activity, is 4.33% compared to 4.83% as of the previous effective date (October 20, 2024), which equates to an 11.2% decrease or 2% per month since our previous appraisal assignment.
- The current inflation rate is 2.8% compared to 2.6% as of the previous effective date (October 20, 2024), which equates to a 7% increase or 1% increase per month since our previous appraisal assignment.

Although there are several development activities in the subject area, there have been no new comparable land sales since our previous appraisal (October 20, 2024). All of the land acquired for projects under construction was purchased years ago. Developers anticipate a challenge ahead and are motivated to complete the project. Considering all of the data presented, we reconciled to:

LAND SALES COMPARISON APPROACH CONCLUSION (UNITS)							
	TRANSACTION	ADJUSTMENT				NET	GROSS
	PRICE	TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL	ADJ	ADJ
1	\$23,723	4%	\$24,785	(21%)	\$19,563	(18%)	36%
2	\$14,597	3%	\$14,964	22%	\$18,264	25%	72%
3	\$17,431	2%	\$17,753	10%	\$19,461	12%	61%
HIGH	\$23,723	4%	\$24,785	22%	\$19,563	25%	72%
AVG	\$18,584	3%	\$19,167	4%	\$19,096	6%	56%
LOW	\$14,597	2%	\$14,964	(21%)	\$18,264	(18%)	36%
SUBJECT UNITS			\$ /UNIT		VALUE		
Allowed Hotel Rooms		180	x	\$19,000	=	\$3,420,000	
INDICATED VALUE (ROUNDED TO NEAREST \$10,000)			(\$28.65/ Land SF)		\$3,420,000		

¹Cumulative ²Additive

RECONCILIATION OF VALUE CONCLUSIONS

RECONCILIATION OF VALUES	
VALUATION SCENARIOS	AS-IS MARKET VALUE
Interest	Fee Simple Estate
Date	March 18, 2025
SALES COMPARISON APPROACH	
SALES COMPARISON APPROACH	
Sales Comparison Approach	\$3,420,000
FINAL VALUE CONCLUSION	
FINAL VALUE CONCLUSION	\$3,420,000
Per Land SF	\$28.65

EXTRAORDINARY ASSUMPTIONS

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

- It is assumed that the subject site is of adequate size to develop a 9-story, 180-room hotel with adequate parking and on-site retention (anticipated to be underground storage tanks below the parking lot. (See the Highest and Best Use Section of the report for more detail)

HYPOTHETICAL CONDITION

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A Hypothetical Condition is 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 the analysis.

- For use in this appraisal, we have made the hypothetical assumption that the existing Ergisi Way has been extended to the subject site. According to Doug Smith, Ergisi Way is in the process of being extended to the subject site, but the completion timing is unknown.

EXPOSURE TIME

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local residential market, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 12± months.

MARKETING TIME

Marketing time estimates the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As we foresee no significant changes in market conditions in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 12± months.



ASSUMPTIONS & LIMITING CONDITIONS

This appraisal is subject to the following limiting conditions:

- ▶ The effective date is March 18, 2025. The appraisers assume no responsibility for economic or physical factors occurring at some later date, which may affect the opinions stated herein.
- ▶ A legal description was provided by a representative of the owner. No responsibility for legal matters is assumed, although such matters may be discussed in the report. No opinion is rendered as to the title, which is assumed marketable and free and clear of all liens, encumbrances, easements, encroachments, and restrictions, except herein described. The property was appraised, assuming it is under responsible ownership and competent management and available for its highest and best use.
- ▶ Certain information in this report was furnished from sources believed reliable; however, such information is not guaranteed as to its accuracy, although it has been checked as far as possible and is believed to be correct.
- ▶ No encroachments are assumed to exist unless specifically mentioned in the report.
- ▶ No engineering test boring was made to determine soil-bearing qualities. The soil of the area under appraisal appears firm and solid unless otherwise stated. Subsidence in the area is unknown or uncommon, but the appraisers do not warrant against this condition or occurrence.
- ▶ In this assignment, the existence of toxic waste, including without limitation cyclodienes, petroleum leakage, or agricultural chemicals that may or may not be present, was not observed by, nor do the appraisers know the existence of any such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The existence of potentially hazardous waste materials may affect the value of the property.
- ▶ The appraisers, by reason of this report, are not required to give testimony in court regarding the property herein appraised, nor are the appraisers obligated to appear before any governmental body, board, agent, or representative for investigation questioning, depositions, conferences, or hearings unless specific arrangements were previously made therefore concerning time and fees.
- ▶ Any drawings, maps, or exhibits included in this report are for illustration only as an aid in visualizing the property and its surroundings. They may not be relied upon for any other purpose.
- ▶ A member of The Appraisal Institute signed this report. The Bylaws and Regulations of the Institute require each member to control the use and distribution of each appraisal report signed by such members. Therefore, no out-of-context quoting or partial reprinting of this report is authorized. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of media for public communication without the prior written consent of the signatory of this appraisal report. The Bylaws and Regulations of the Institute also provide for the review of appraisal reports by its duly authorized representatives in certain cases. No change of any item in the appraisal report shall be made by anyone other than the appraisers, and the appraisers shall have no responsibility for any such unauthorized change.
- ▶ This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.

- ▶ We inspected the subject on March 18, 2025. This appraisal is conditioned upon there being no hidden or unapparent conditions of the property, subsoil and no sinkholes, the existence of endangered species, nor any insect infestations or damages that were not visible to the appraisers during the inspection which, had such been observed, would be discussed herein.
- ▶ The highest and best use analysis of the subject and the valuation estimate of the analysis and report are subject to the continuing land uses identified herein, remaining in effect according to the St. Johns County Comprehensive Plan.
- ▶ We assumed full compliance with all applicable federal, state, and local environmental regulations and laws, and all zoning, and use regulations and restrictions of all types have been complied with (unless noncompliance is stated, defined, and considered in the appraisal report). It is further assumed that all licenses, consents, permits, or legislative or administrative authority required by any local, state, federal, and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimates.
- ▶ No claim is intended to be expressed for matters of expertise that require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
- ▶ This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the appraisal's contents without the express written consent of Moody Williams Appraisal Group, LLC, and the client. The client shall not include partners, affiliates, or relatives of the party addressed herein. The appraisers assume no obligation, liability, or accountability to any third party.
- ▶ The distribution of this report is at the sole discretion of the client. However, no third parties not listed as an intended user on the face of the appraisal or the engagement letter may rely upon the appraisal's contents. In no event shall the client give a third party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
- ▶ Unless otherwise noted in the body herein, this appraisal assumes the subject property does not fall within the areas where mandatory flood insurance is in place. Unless otherwise noted, we have not completed, nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraisers are not surveyors, we make no guarantees, express or implied, regarding this determination.
- ▶ This appraisal assumes all required licenses, consents, permits, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
- ▶ The size of the subject land was taken directly from a survey provided by our client. We reserve the right to use an alternative source of size and amend the analysis, narrative, and concluded values (at additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.

- ▶ The value of trade fixtures, furnishings, and other equipment or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
- ▶ No changes in any federal, state, or local laws, regulations, or codes (including, without limitation, the Internal Revenue Code) are anticipated unless specifically stated to the contrary.
- ▶ The data gathered in the course of this assignment shall remain the property of the appraisers. The client authorizes the appraisers to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraisers to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.
- ▶ Acceptance and/or use of this appraisal report constitutes acceptance of these general assumptions and limiting conditions.

CERTIFICATION

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

- ▶ The statements of fact contained in this report are true and correct.
- ▶ The reported analyses, opinions, and conclusions of the signers are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ▶ The signers of this report 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.
- ▶ Bolina Kol & Michael Hotaling, MAI, ASA have performed no services, specifically as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three years immediately preceding acceptance of this assignment.
- ▶ The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ▶ The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ▶ The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ▶ The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics* and *Standards of Professional Appraisal Practice* of the Appraisal Institute, and the *Uniform Standards of Professional Appraisal Practice*, as set forth by the Appraisal Standards Board of the Appraisal Foundation.
- ▶ Bolina Kol & Michael Hotaling, MAI, ASA inspected the property that is the subject of this report.
- ▶ No one provided significant real property appraisal assistance to the appraisers signing the certification.
- ▶ The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ▶ As of the date of this report, Michael Hotaling, MAI, ASA has completed the continuing education program for Designated Members of the Appraisal Institute.



Michael Hotaling, MAI, ASA
Managing Partner
State-Certified General
Real Estate Appraiser RZ3226



Bolina Kol
Senior Appraiser/Analyst
State-Certified General
Real Estate Appraiser RZ2602



ADDENDA



Qualifications of Michael Hotaling, MAI, ASA

Managing Partner

Moody Williams Appraisal Group, LLC

State Certifications

State of Florida

State-Certified General Real
Estate Appraiser RZ3226

State of Georgia

Certified General Real
Property Appraiser 334632

State of Tennessee

Certified General Real
Estate Appraiser 6647

Commonwealth of Virginia

Certified General Real
Estate Appraiser 4001018762

State of Alabama

Certified General Real
Estate Appraiser 3257

Education

Bachelor of Science
Business Administration & Finance
University of Central Florida

Contact Details

Moody Williams
Appraisal Group, LLC
1300 Riverplace Blvd, Ste 640
Jacksonville, FL 32207
Phone: 904-516-8900
Direct: 904-559-4136
Cell: 386-295-0295
Email: mhotaling@moodywilliams.com

Experience

- Moody Williams Appraisal Group, Managing Partner (2020-Present)
- Moody Appraisal Group, Senior Appraiser (December 2018-2019)
- JLL Valuation & Advisory – Senior Analyst (May 2017-October 2018)
- IRR-Jacksonville, formerly Crenshaw Williams Appraisal Company-Senior Analyst (August 2005 – May 2017)
- IRR-Orlando, Researcher (June 2005 – August 2005)

Prior to entering the appraisal field, Michael Hotaling, MAI, ASA spent 20 years in the automotive industry at both the dealership and auto auction positions and now specializes in dealership valuations with over 100 dealerships appraised.

Completed appraisal assignments in Florida, Georgia, South Carolina, North Carolina, Virginia, Maryland, Alabama, and the District of Columbia including Multi-family development, condominiums, residential subdivisions, downtown and suburban office buildings, general and medical offices, a wide variety of industrial properties including flex, manufacturing, refrigerated storage, and warehouses, mixed-use developments, shopping centers, and free-standing retail properties, all types of vacant land including islands and ground leases, and special use properties such as churches, funeral homes, sports complexes/stadiums, golf courses and child care centers.

Assignments in the Jacksonville Metropolitan area (Duval County) also include the surrounding counties of Clay, Nassau, St Johns, Baker, Flagler, and Putnam.

Professional Activities

Qualified Expert Witness in U.S. Bankruptcy Court – Middle District of Florida
The Florida Bar – Grievance Committee 4B – 2024-Current
Designated Member, Appraisal Institute – MAI (2021)
Designated Member, American Society of Appraisers – ASA (2023)
Chapter Director – 2025 to Present
Northeast Florida Chapter of the Appraisal Institute:
Candidate Advisor – 2024 to Present
Chapter Secretary – 2023
Chapter Treasurer – 2024
Chapter Vice President – Elected for 2025



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



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

FLORIDA REAL ESTATE APPRAISAL BD

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

HOTALING, MICHAEL BOWMAN

1300 RIVERPLACE BLVD SUITE 640
JACKSONVILLE FL 32207

LICENSE NUMBER: RZ3226

EXPIRATION DATE: NOVEMBER 30, 2026

Always verify licenses online at MyFloridaLicense.com

ISSUED: 11/13/2024

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Qualifications of Bolina Kol

Senior Appraiser

Moody Williams Appraisal Group, LLC.

State Certifications

State of Florida
State-Certified General
Real Estate Appraiser RZ2602

Education

Bachelor of Science Degree
Finance, FSU, 1995
Bachelor of Science Degree
Marketing, FSU, 1995

Contact Details

Moody Williams Appraisal Group,
LLC
1300 Riverplace Blvd, Ste 640
Jacksonville, FL 32207
Phone: 904/516-8900

bkol@moodywilliams.com

Appraisal Institute & Related Courses

Pre-certification education course AB1
Pre-certification education course AB2
Pre-certification education course AB3
Business Practices & Ethics
Report Writing & Valuation Analysis
15-Hour National USPAP Course
Advanced Income Capitalization
7-Hour National USPAP Course
Florida Core Law
Florida Supervisory Appraiser
Analyzing Distressed Real Estate
Feasibility, Market Value, Investment Timing: Option Value
Appraising and Analyzing Retail Shopping Centers for Mortgage
Underwriting
Nuts & Bolts of Green Building for Appraisers

Experience

Senior Appraiser

- o Broom, Moody, Johnson & Grainger, Inc., Jacksonville, Florida (1997 to 2013)
- o Valbridge Property Advisors | Broom, Moody, Johnson & Grainger, Inc. (2013 – 2014)
- o Florida Valuation (January 2015 – December 2015)
- o Moody Appraisal Group, LLC (2016-2019)
- o Moody Williams Appraisal Group, LLC (2020-Present)
- o **Experience appraising many types of Real Estate, including** Downtown & Suburban Buildings, Restaurants, Professional & Medical Office Buildings, Shopping Centers, Apartment & Condominium Projects, Manufacturing Facilities, Service Stations, Golf Courses, Luxury Car Garage Storage, Car Dealerships, Mobile Home Parks, Warehouses & Industrial Projects, Banks, Residential Subdivisions, Residential, Commercial and Industrial Land, Single Family and Multi-Family Homes, Restaurants, Churches, Hotels/Motels, & Market Analysis, Feasibility Studies, Marinas, Islands, Eminent Domain/Condemnation Appraisals, Appraising complex & stigma residential properties, And New Construction Essential Luxury Homes.



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



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KOL, BOLINA

1300 RIVERPLACE BLVD SUITE 640
JACKSONVILLE FL 32207

LICENSE NUMBER: RZ2602

EXPIRATION DATE: NOVEMBER 30, 2026

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ISSUED: 11/04/2024

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