

**CITY OF WILLISTON, FLORIDA
CITY COUNCIL MEETING
AGENDA**

DATE: TUESDAY, FEBRUARY 4, 2020
TIME: 6:00 P.M.
PLACE: WILLISTON CITY COUNCIL CHAMBER

CALL TO ORDER

ROLL CALL

MEMBERS:

Mayor Jerry Robinson
President Nancy Winger
Vice-President Marguerite Robinson
Councilman Charles Goodman
Councilman Justin Head
Councilman Elihu Ross

OTHERS:

City Manager Scott Lippmann
City Clerk Latricia Wright
City Attorney Fred Koberlein
Finance Director Stephen Bloom

OPENING PRAYER AND PLEDGE OF ALLEGIANCE TO THE FLAG

ITEM – 1 – ADDITIONS, DELETIONS, CHANGES AND APPROVAL OF THE AGENDA

ITEM – 2 – PUBLIC PARTICIPATION

ITEM – 3 – MAYOR’S STUDENT OF THE MONTH (pp 4-5)

ITEM – 4 – CONSENT AGENDA

- A. MINUTES: JANUARY 21, 2020 REGULAR CITY COUNCIL MEETING (pp 6-10)

ITEM – 5 – OLD BUSINESS

- A. STAFF AND BOARD UPDATES

ITEM – 6 – NEW BUSINESS

- A. DISCUSSION WITH POSSIBLE ACTION: THE OLD WINN DIXIE- MAYOR ROBINSON (pp 11-23)
- B. DISCUSSION WITH POSSIBLE ACTION: RICK CLOUTIER/FORMER BONNER PROPERTY LIEN REDUCTION (pp 24-40)
- C. DISCUSSION: REVIEW OF FY2019 FINANCIAL REPORT (UNAUDITED) AND REVIEW OF DECEMBER 2019 FINANCIAL REPORT-FINANCE DIRECTOR STEPHEN BLOOM (pp 41-83)

CITY OF WILLISTON, FLORIDA
CITY COUNCIL MEETING

- D. RESOLUTION 2020-06 AUTHORIZING A BUDGET AMENDMENT TO TRANSFER \$15,000 FROM THE GENERAL FUND RESERVE TO PAY V.E. WHITEHURST AND SONS INC. FOR THE PAVING OF THE N.W. MAIN ST. FROM N.W. 1ST AVE TO N.W. SECOND AVE., TO INCLUDE 4 PARKING AREAS WITHIN HERITAGE PARK- UTILITY DIRECTOR CJ ZIMOSKI (pp 84-86)
- E. RESOLUTION 2020-07 AMENDING THE LEASE BETWEEN THE CITY OF WILLISTON AND WELL BILT INDUSTRIES AND PROVIDING AN EFFECTIVE DATE.- CITY MANAGER SCOTT LIPPMANN pp 87-183)
- F. DISCUSSION WITH POSSIBLE ACTION: REPAIR OR PURCHASE OF A JOHN DEERE WHEEL LOADER – UTILITY DIRECTOR CJ ZIMOSKI (pp 184-187)

ITEM – 7 – PUBLIC PARTICIPATION

ITEM – 8 – ANNOUNCEMENTS

ITEM – 9 – ADJOURNMENT

Council Meeting Procedures for members of the Public

1. All cell phones to be turned off when entering the Council Chambers;
 2. Once the audience has taken their seat and the meeting begins, there will be no talking between audience members during the course of the Council meeting. If anyone continues to talk within the audience and is called down 3 times during the course of the meeting, on the third time that person will be escorted out of the Council meeting;
 3. The audience must be recognized by the President before being allowed to address the Council;
 4. The member of the audience that is recognized will proceed to the podium, state their name and then proceed with their comments;
 5. The audience member will be limited to not more than 5 minutes to speak based on Resolution 2003-14;
 6. There will be no personal attacks made by any member in the audience toward a sitting Councilperson, and likewise for any sitting Councilperson;
 7. There will be no conversation between a member of the audience that has been recognized and any other member of the audience when speaking while at the podium;
 8. If an audience member wants to speak more than the allotted 5 minutes allowed then that person should make a request to City Hall so that the item may be placed on the agenda.
-

CITY OF WILLISTON, FLORIDA
CITY COUNCIL MEETING

Minutes of the City Council meeting may be obtained from the City Clerk's office. The minutes are recorded, but not transcribed verbatim. Persons requiring a verbatim transcript may make arrangements with the City Clerk to duplicate the recordings, or arrange to have a court reporter present at the meeting. The cost of duplication and/or court reporter will be borne by the requesting party.

In accordance with Section 286.0105, Florida Statutes, notice is given that if a person wishes to appeal a decision made by the City Council with respect to any matter considered at this meeting they will need a record of the proceedings, and for such purpose may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is based.

In accordance with Section 286.26, Florida Statutes, persons with disabilities needing special accommodations to participate in this meeting should contact the Mayor through the City Clerk's office no later than 5:00 P.M. on the day prior to the meeting.

Date: FEBRUARY 4, 2020

COUNCIL AGENDA ITEM

TOPIC:

REQUESTED BY: MAYOR ROBINSON

PREPARED BY: LATRICIA WRIGHT

BACKGROUND / DESCRIPTION: STUDENTS OF THE MONTH

LEGAL REVIEW:

FISCAL IMPACTS:

RECOMMENDED ACTION: Approve

ATTACHMENTS: X

COMMISSION ACTION:

APPROVED

DISAPPROVED

FEBRUARY'S MAYOR STUDENT OF THE MONTH

Joyce Bullock Elementary School:

Remington Cooper

2nd Grade

Parent(s):

Jennifer and Ronnie Cooper

Nominated by: Monica Cooper who made the following comments:

Remington is an amazing young man! He is incredibly sweet and kind towards all of his teachers and classmates. He always uses good manners and is willing to help others. Along with having a kind heart he is also a very hard worker and an incredible thinker. He is so bright and always strives to go above and beyond the expectation. He has so much potential and I know he will accomplish many great things.

Williston Elementary School:

Victoria Torres

5th Grade

Parent(s):

Ivonne Perez

Nominated by: Rikki Richardson who made the following comments:

Victoria Torres is a quiet, sweet, and caring student. She has been a joy to teach this year. She is a hard worker, who gives every assignment her best effort. Victoria sets a great example for her peers not only academically but also behaviorally. She is always on task and actively participating in class discussions and activities. Victoria has earned January's Student of the Month for my class.

Williston Central Christian Academy:

Morgan West

5th Grade

Parent(s):

Duane and Megan West

Nominated by: Tammy Davis who made the following comments:

Morgan is an exceptional young man with many wonderful characteristics. He is always willing to help me or a fellow student in our classroom. He is kind and has a servant's heart. He goes above and beyond his duty as a safety patrol. He will greet students with a friendly smile in the morning or a "Have a nice day in the afternoon". He does amazing in all academic areas. I am truly blessed to have Morgan in my class.

FEBRUARY'S MAYOR STUDENT OF THE MONTH

Williston Middle High School:

Katie Conger

6th Grade

Parent(s):

Annette Moore

Nominated by: Katie West and Amber Philpot who made the following comments:

Katie is a very conscientious student. She works to do her very best and is kind to others. She is also willing to help whenever she can. She remains calm no matter what's going on around her. She is a great citizen as she is always willing to clean up messes that don't even belong to her, especially in the café.

Williston Middle High School:

Nolan Benton

10th Grade

Parent(s):

Charon Croft

Nominated by: Austin Skipper who made the following comments:

Nolan is always prepared for class. He is always well mannered young man that treats his peers with as much respect as his teachers. Nolan is active in extra curriculums including baseball and FFA, while also making sure to stay on top of his academics. Nolan is an outstanding role model to other students at Williston Middle High School.

**CITY OF WILLISTON
CITY COUNCIL MEETING
MINUTES**

DATE: TUESDAY, JANUARY 21, 2020
TIME: 6:00 P.M.
PLACE: WILLISTON CITY COUNCIL ROOM

CALL TO ORDER

ROLL CALL

MEMBERS:

Mayor Jerry Robinson - absent
President Nancy Winger
Vice President Marguerite Robinson - absent
Council Member Charles Goodman
Council Member Justin Head
Council Member Elihu Ross

OTHERS:

City Manager Scott Lippmann
City Clerk Latricia Wright - absent
City Attorney Fred Koberlein

OPENING PRAYER AND PLEDGE OF ALLEGIANCE TO THE FLAG

ITEM 1. ADDITIONS, DELETIONS, CHANGES AND APPROVAL OF THE AGENDA

Council Member Head moved to accept the agenda as presented. Second by Council Member Goodman. Motion passed 4-0.

ITEM 2 - PUBLIC PARTICIPATION

There was no public participation from the audience.

ITEM 3 – CONSENT AGENDA

Council Member Goodman moved to approve the consent agenda. Second by Council Member Ross. Motion passed 4-0.

ITEM 4 – OLD BUSINESS

STAFF AND BOARD UPDATES

Responding to a question at an earlier Council meeting, Mr. Lippmann confirmed that commercial utility deposits are held in a non-interest-bearing bank account.

Mr. Lippmann informed the Council that a revised holiday schedule has been published changing the observed Independence Day holiday to Monday, July 6, 2020. The annual Independence Day celebration

events are scheduled to be held on Friday, July 3, 2020. The change will give employees a full three-day holiday weekend.

The AirSign project is progressing. AirSign, the City and Passero Associates met in St. Augustine last week and Passero is in the process of preparing initial design and cost information, at no cost to the City. This information will help the City determine the size of utilities and other services required at the site and will guide us seeking grants to cover the costs of providing them.

Ms. Wright is at a City Clerk training conference all this week.

The City has received proposed utility rates from Duke Energy through 2025. A large rate increase is proposed beginning in 2022. We are examining alternatives to determine our best course of action in keeping rates to our citizens as low as we can.

Debra Jones, chair of the Planning and Zoning Board, informed the Council that P&Z sitting as the Historic Preservation Board will be looking at ways to acknowledge aspects of the City's history through historic markers and other means. In addition, she told the Board that P&Z member Bob Schmidt chose not to be re-appointed for another term, and that P&Z had received a new application for membership which the Council would consider later in the agenda. With those changes, the P&Z Board still needs one more member to have all seats filled. The next P&Z meeting is scheduled for Tuesday, January 28, 2020.

RESCHEDULING A WORKSHOP FOR CITY MANAGER DUTIES

The consensus of the Council was that a workshop was not necessary. President Wininger strongly encouraged each member of the Council to communicate individually with the City Manager to discuss their expectations and concerns.

Council Member Goodman stated that when the compiled evaluations were discussed and accepted at a Council meeting, that there is always an opportunity given for the evaluated person to comment and discuss the results.

Council Member Goodman, responding to a question by Council Member Head, stated that any Council Member wishing to discuss changes to charter officer compensation can bring it to the full Council as an agenda item.

APPROVAL OF ORDINANCE 674, CAMELIA PLANTATION (LAUREL OAKS) LAND USE CHANGE – SECOND AND FINAL READING

This is the second and final reading of Ordinance 674. A public hearing was opened, and those representing the City and the petitioner were sworn in. Ms. Gorman stated that no changes have occurred since the first reading of the ordinance. She presented the original staff report for the record.

Johnny Sims, representing the petitioners, thanked the Council for their consideration. Council Member Goodman expressed his concern, based on past experience, that the homeowners' association bylaws specifically address the long-term maintenance of the subdivision, and continuation of the HOA in perpetuity. Mr. Ken Boyer, petitioner, said that their attorney is researching HOA language to ensure that Mr. Goodman's concerns are met. Ms. Jackie Gorman, Planning Director, told the Council that the HOA language would be reviewed as a part of the plat review process. She said that the City Attorney and Council would both see it before approval. Ms. Carolyn Ten Broeck, Williston Pioneer, asked what the second use would be on the property, other than residential. Mr. Boyer said it would be commercial –

some sort of service business – perhaps a coffee shop, insurance office, etc., and that it would be located along U.S. 41 on the east end of the property.

Council Member Head moved to approve Ordinance 674, seconded by Council Member Goodman, and the ordinance was read by title only. Motion passed 4-0.

APPROVAL OF ORDINANCE 675, CAMELIA PLANTATION (LAUREL OAKS) ZONING CHANGE – SECOND AND FINAL READING

This is the second and final reading of Ordinance 675. A public hearing was opened, and those representing the City and the petitioner were sworn in. Ms. Gorman stated that no changes have occurred since the first reading of the ordinance. She presented the original staff report for the record.

Johnny Sims again thanked the Council for their consideration.

Council Member Goodman moved to approve Ordinance 675, seconded by Council Member Ross. The ordinance was read by title only. Motion passed 4-0.

APPROVAL OF ORDINANCE 676, WILLISTON SHOPPING CENTER PARTNERS LAND USE CHANGE – SECOND AND FINAL READING

This is the second and final reading of Ordinance 676. A public hearing was opened, and those representing the City and the petitioner were sworn in. Ms. Gorman stated that no changes have occurred since the first reading of the ordinance. She presented the original staff report for the record.

Council Member Head asked for confirmation that two separate parcels, each with a different land use, were both being changed to Commercial. Ms. Gorman confirmed it.

Joe Schuemann, petitioner, thanked the Council for their efforts, and promised a quality development that the City will be proud of.

Council Member Head moved to approve Ordinance 676, seconded by Council Member Goodman. The ordinance was read by title only. Motion approved 4-0.

APPROVAL OF ORDINANCE 677, WILLISTON SHOPPING CENTER PARTNERS ZONING CHANGE – SECOND AND FINAL READING

This is the second and final reading of Ordinance 676. A public hearing was opened, and those representing the City and the petitioner were sworn in. Ms. Gorman stated that no changes have occurred since the first reading of the ordinance. She presented the original staff report for the record.

Council Member Head asked Heather Koons, petitioner what the use of the smaller parcel adjoining Joyce Bullock Elementary School would be. Ms. Koons and Mr. Schuemann said they are willing to work with any interested party to determine the final use for the parcel.

Council Member Goodman moved to approve Ordinance 677, seconded by Council Member Head. The ordinance was read by title only. Motion approved 4-0.

RESOLUTION 2020-02, APPOINTING MICHAEL COX TO PLANNING AND ZONING BOARD

Council Member Goodman moved to approve Resolution 2020-02 appointing Mr. Cox, seconded by Council Member Ross. Motion passed 4-0.

RESOLUTION 2020-03, CREATING A BUILDING PERMIT TECHNICIAN POSITION

Ms. Gorman told the Council that this position will handle the building permit process and business licensing. They will be the “face of permitting” to our customers. The tech will be at the front desk and will be able to assist customer service with answering phones, etc., when not engaged in permitting or licensing activities.

Council Member Head asked about the stated pay scale. Ms. Gorman said that the stated pay scale assumed a candidate who had experience and training. If the candidate does not have experience and training, the pay scale will be lower.

Council Member Goodman clarified that the technician will be helping the customer service department at the front desk as time allows. Ms. Gorman confirmed that they would. Council Member Goodman also asked if Finance Director Bloom had reviewed and approved this change. Ms. Gorman said he had, and that Mr. Bloom had prepared an appropriate budget amendment which the Council would consider next if Resolution 2020-03 is approved. Council Member also asked Ms. Gorman to look at what the final job title might be to fully describe all the varied duties of this position. Ms. Gorman agreed to look at options.

Ms. Gorman also clarified the position will be paid entirely from additional permitting revenues and the general fund.

Motion to approve Resolution 2020-03 by Council Member Head, seconded by Council Member Goodman. Motion passed 4-0.

RESOLUTION 2020-04, AMENDING 2019-20 BUDGETS

Finance Director Bloom prepared budget amendments for the General and Utility Funds to accommodate the addition of a Building Permit Technician position to Planning.

Council Member Head moved to approve Resolution 2020-04, seconded by Council Member Goodman. Motion passed 4-0.

RESOLUTION 2020-05, APPROVING A CONSTRUCTION MANAGER AT RISK CONTRACT WITH WHARTON SMITH

Mr. Dennis Davis, Wright Pierce Engineering (an engineer of record), presented a recap of information about the phased Wastewater Treatment Plant upgrades being funded by CDBG and Springs grants. He also introduced the concept of Construction Manager at Risk (CMAR) to the Council. CMAR is a methodology which involves a chosen construction firm in the entire scope of a project from engineering to project completion. The primary result of this method is that the City will receive a Guaranteed Maximum Price (GMP) for the project which should correspond to the amount of available funding. Mr. Davis said that the City of Gainesville has used this methodology on several wastewater projects under \$2 million total cost. Gainesville undertook a full bid process which resulted in them choosing Wharton Smith. City Attorney Koberlein has reviewed the documentation from the City of Gainesville bidding

process and determined that the City of Williston can “piggyback” on the Gainesville contract with Wharton Smith.

Council Member Goodman asked Ms. Caroline Bonaventura, Wharton Smith representative, if they are a licensed general contractor. She confirmed that they are, and that they have done multiple wastewater projects for the City of Gainesville and other jurisdictions in the state. Mr. Davis confirmed to Council Member Goodman that all the fees and charges will be paid by grant funds, and that no out of pocket expenses will need to be paid by the City.

Ms. Bonaventura also assured Council that the City is under no obligation to use Wharton Smith for construction, although the City would then have to bid out the construction portion of the project to comply with state law. She also said that if the GMP is under budget, the scope of the project can be increased to use the full budget amount. Likewise, if the GMP is over budget, the scope can be narrowed accordingly.

Council Member Goodman moved to approve Resolution 2020-05, seconded by Council Member Ross. The motion passed 4-0.

REVIEW OF HUMAN RESOURCE DIRECTOR DUTIES

Council Member Goodman asked for clarification regarding the role and responsibilities of the recently created HR position. A consensus of Council agreed that they intended that the HR position would be responsible for all day-to-day human resources functions and would report to the City Manager.

PUBLIC PARTICIPATION

A group of Boy Scouts who are pursuing a communications badge were recognized in the audience. One of the requirements to achieve the badge is to attend a public meeting and report on it.

Ms. Debra Jones, Council Member elect, 547 NW 2nd Avenue, requested a work order to address gas leaks at her home. She said the leaks are near the utility meter boxes on the outside wall of her house. A work order will be issued first thing in the morning, per Mr. Lippmann. Ms. Jones also said that reminders for the City Council meeting that appear on Twitter are showing the incorrect starting time for the meetings. Mr. Lippmann will ask Ms. Wright to look into this and correct it.

Council Member Head also requested that Ms. Wright check the Community Calendar on the City website to ensure that the correct meeting time is shown there as well.

Council Member Ross reported a large pothole on SW 6th Avenue which needs attention. It is possible that it is a County maintained road. Public Works will either fix the pothole or notify the County Road Department as appropriate.

With no further business, Council President Wininger adjourned the meeting at 7:49 p.m.

Date: FEBRUARY 4, 2020

COUNCIL AGENDA ITEM

TOPIC: DISCUSSION WITH POSSIBLE ACTION: OLD WINN DIXIE PROPERTY

REQUESTED BY: MAYOR ROBINSON

PREPARED BY: LATRICIA WRIGHT

BACKGROUND / DESCRIPTION:

LEGAL REVIEW:

FISCAL IMPACTS:

RECOMMENDED ACTION: Approve

ATTACHMENTS: X

COMMISSION ACTION:

APPROVED

DISAPPROVED



1050 NE 6th Blvd, Richardson Property Remains in Non Compliance.



1050 NE 6th Blvd, Richardson Property Remains in Non Compliance.



1050 NE 6th Blvd, Richardson Property Remains in Non Compliance.



1050 NE 6th Blvd, Richardson Property Remains in Non Compliance.



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1050 NE 6th Blvd, Richardson Property Remains in Non Compliance.



1050 NE 6th Blvd, Richardson Property Remains in Non Compliance.



1050 NE 6th Blvd, Richardson Property Remains in Non Compliance.

**BOARD OF ADJUSTMENTS AND CODE ENFORCEMENT
OF THE CITY OF WILLISTON, FLORIDA**

CITY OF WILLISTON, FLORIDA

vs.

Case No. CV14-53

Diane and Richard Richardson
131 Zelma St.
Orlando, FL 32803

Respondent
_____ /

ORDER IMPOSING ADMINISTRATIVE FINE/LIEN

This CAUSE came on for public hearing before the Board on August 17, 2015, pursuant to Chapter 46, of the City of Williston Code of Ordinances. After due notice to the Respondent(s), and the Board, having heard testimony under oath, received evidence, and heard argument of the code enforcement officer or land development regulations administrator and thereupon issued its Findings of Fact and Conclusion of Law and Order, which was reduced to writing and furnished to the Respondent.

By Order dated August 17, 2015, Respondent(s) was required to correct the violation(s) located at 1050 NE 6th Blvd, Williston, FL 32696 by September 18, 2015 or be assessed a fine. On November 16, 2015, a Non-Compliance hearing was held because corrective action was not taken by the date ordered.

At the November 16, 2015 hearing, evidence by the Code Enforcement Officer presented that corrective action had not been taken for the violation of Chapter 46, Article VII of the City of Williston Code of Ordinances.

In accord with the Order of the Board, it is hereby imposed upon Diane and Richard Richardson, an administrative fine in the amount of Fifty Dollars (\$50.00) per day, beginning September 18, 2015, for each day the violation(s) continue(s), which shall continue to accrue daily unless and until the violation(s) is (are) cleared, commencement of a foreclosure action or until extinguished by law.

This Order may be recorded in the public records of Levy County, pursuant to law. Such recording shall establish this Order as a lien against any real or personal property owned jointly and severally by the Respondent.



CITY OF WILLISTON
50 NW MAIN ST
WILLISTON, FL 32696

DONE AND ORDERED THIS 19 day of November 2015, at Williston, Levy County, Florida.

BOARD OF ADJUSTMENT AND CODE ENFORCEMENT OF THE CITY OF WILLISTON, FLORIDA

Sharon Brannan
Sharon Brannan, Chairperson

Liz Florence
WITNESS Liz Florence

Latricia Wright
WITNESS Latricia Wright



Unofficial Copy

(STATE OF FLORIDA)
(COUNTY OF LEVY)

The foregoing instrument was acknowledged before me this 27 day of April ²⁰¹⁶/₂₀₁₅ by Sharon Brannan Chairperson of the City of Williston, Board of Adjustment and Code Enforcement, and who being personally known to me.

Latricia Faison Wright
Notary Public

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the above and foregoing Order Imposing Administrative Fine/Lien has been furnished by certified mail to the Respondent(s), Diane and Richard Richardson, 131 Zelma St. Orlando, FL 32803, this 19 day of November 2015.

Latricia Wright
Latricia Wright, Board Secretary

RICHARDSON	2015	2016	2017	2018	2019	2020	TOTAL
JANUARY		\$1,550	\$1,550	\$1,550	\$1,550	\$1,550	
FEBRUARY		\$1,450	\$1,450	\$1,450	\$1,450		
MARCH		\$1,550	\$1,550	\$1,550	\$1,550		
APRIL		\$1,500	\$1,500	\$1,500	\$1,500		
MAY		\$1,550	\$1,550	\$1,550	\$1,550		
JUNE		\$1,500	\$1,500	\$1,500	\$1,500		
JULY		\$1,550	\$1,550	\$1,550	\$1,550		
AUGUST		\$1,550	\$1,550	\$1,550	\$1,550		
SEPTEMBER	650	\$1,500	\$1,500	\$1,500	\$1,500		
OCTOBER	1,550	\$1,550	\$1,550	\$1,550	\$1,550		
NOVEMBER	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500		
DECEMBER	\$1,550	\$1,550	\$1,550	\$1,550	\$1,550		
	5,250	\$18,300	\$18,300	\$18,300	\$18,300	\$1,550	80,000

Date: FEBRUARY 4, 2020

COUNCIL AGENDA ITEM

TOPIC: DISCUSSION WITH POSSIBLE ACTION: LIEN REDUCTION

REQUESTED BY: RICK CLOUTIER

PREPARED BY: LATRICIA WRIGHT

BACKGROUND / DESCRIPTION:

LEGAL REVIEW:

FISCAL IMPACTS:

RECOMMENDED ACTION: Approve

ATTACHMENTS: X

COMMISSION ACTION:

APPROVED

DISAPPROVED



DANNY J. SHIPP
 LEVY COUNTY
 CLERK OF CIRCUIT COURT LEVY COUNTY
 355 S. COURT STREET, BRONSON, FL 32621

TO: **Lien Holder**
 CITY OF WILLISTON
 BOARD OF ADJUSTMENTS AND CODE ENFORCEMENT
 50 NW MAIN STREET
 WILLISTON, FL 32696

CASE NO: 2019-1655TD

NOTICE OF APPLICATION FOR TAX DEED

NOTICE IS HEREBY GIVEN: FORAY INVESTMENT GROUP LLC, the holder of the following certificate has filed said certificate for a tax deed to be issued thereon. The certificate number and year of issuance, the description of the property, and the names in which it was assessed are as follows:

Certificate No.: 1656-14	Year of Issuance:	May 29, 2014	Parcel ID: 04769-000-00
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Description of Property:
 COMMENCE WHERE THE EAST LINE OF WILLIS STREET INTERSECTS THE NORTH LINE OF WASHINGTON AVENUE IN THE CITY OF WILLISTON, FLORIDA, RUN THENCE NORTHERLY ALONG THE EAST RIGHT OF WAY LINE OF SAID WILLIS STREET A DISTANCE OF 110 FEET TO ESTABLISH THE POINT OF BEGINNING, FROM SAID POINT OF BEGINNING RUN THENCE EASTERLY PARALLEL WITH THE NORTH LINE OF WASHINGTON AVENUE, IF WASHINGTON AVENUE BE EXTENDED EASTWARD, A DISTANCE OF 132 FEET, RUN THENCE NORTH 50 FEET, PARALLEL WITH EAST LINE OF WILLIS STREET, RUN THENCE WESTERLY A DISTANCE OF 132 FEET, RUN SOUTHERLY ALONG THE EAST LINE OF WILLIS STREET A DISTANCE OF 50 FEET TO THE POINT OF BEGINNING, LYING AND BEING IN THE SW 1/4 OF THE SE 1/4 OF SECTION 31, TOWNSHIP 12 SOUTH, RANGE 19 EAST, ALSO BEING KNOWN AS LOT 10 OF BLOCK 3 OF CENTRAL PARK SUBDIVISION, AN UNRECORDED PLAT.

Name in which assessed:
 KINCH D BONNER - ESTATE, KINCH D BONNER - ESTATE A/K/A KINCH DUANE BONNER A/K/A KINCH BONNER
 All of said property being in the County of Levy, State of Florida.

Unless said certificate shall be redeemed according to Law, the Property described in such Certificate shall be sold to the highest bidder, in the LEVY County Courthouse in the lobby on the 9th day of December, 2019 at 10:00 AM.

Dated this 15th day of October, 2019
 DANNY J. SHIPP
 Clerk of Circuit Court Levy County
 LEVY County, FLORIDA

By: Melissa Allen
 Melissa Allen, Deputy Clerk



WARNING!

THERE ARE UNPAID TAXES ON PROPERTY WHICH YOU OWN OR IN WHICH YOU HAVE A LEGAL INTEREST. THE PROPERTY WILL BE SOLD AT PUBLIC AUCTION ON THE 9th day of December, 2019 AT 10:00 AM UNLESS THE BACK TAXES ARE PAID IN THE AMOUNT OF \$6,580.14. TO RECEIVE FURTHER INFORMATION, CONTACT THE CLERK OF THE CIRCUIT COURT IMMEDIATELY AT 355 S. COURT STREET, BRONSON, FL 32621 ATTN: TAX DEEDS, OR CALL (352) 486-5266 X 1235, or TAX COLLECTOR'S OFFICE at (352) 486-5176.

**PLEASE MAKE PAYMENTS PAYABLE TO:
 LINDA FUGATE, TAX COLLECTOR
 -Payable By Certified Funds ONLY-**

**MAIL CHECK TO: DANNY J. SHIPP, CLERK OF THE CIRCUIT COURT
 355 S. COURT STREET, BRONSON, FL 32621 ATTN: TAX DEEDS**

18-th rec
10 1100

12/30/2004 12:10PM
Filed & Recorded in Official Records of
LEVY COUNTY Danny J. Shipp



LT1-2-439070-1

Prepared by and return to:

Norm D. Fugate, P.A.
P. O. Box 98
Williston, FL 32696
352-528-0019

Return to
Geraldine Sarver
329 NE 2nd Street
Williston, FL 32696

R



LT2-922-465-2

12/30/2004 12:10PM
DEED STAMPS CL: CAS

\$0.70

[Space Above This Line For Recording Data]

Warranty Deed

This Warranty Deed made this 30th day of December, 2004 between Kinch D. Bonner, a married man whose post office address is 13151 NE 75th Place, Bronson, FL 32621, grantor, and Kinch D. Bonner and Geraldine Sarver, joint tenants with rights of survivorship whose post office address is 329 NE 2nd Street, Williston, FL 32696, grantee:

(Whenever used herein the terms "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives, and assigns of individuals, and the successors and assigns of corporations, trusts and trustees)

Witnesseth, that said grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in Levy County, Florida to-wit:

Commence where the East line of Willis Street intersects the North line of Washington Avenue in the City of Williston, Florida, run thence northerly along the East right of way line of said Willis Street a distance of 110 feet to establish the point of beginning, from said point of beginning run thence easterly parallel with the North line of Washington Avenue, if Washington Avenue be extended eastward, a distance of 132 feet, run thence North 50 feet, parallel with East line of Willis Street, run thence westerly a distance of 132 feet, run southerly along the East line of Willis Street a distance of 50 feet to the point of beginning, lying and being in the SW ¼ of the SE ¼ of Section 31, Township 12 South, Range 19 East, also being known as Lot 10 of Block 3 of Central Park Subdivision, an unrecorded plat.

Parcel Identification Number: 04769-000-00

Grantor warrants that at the time of this conveyance, the subject property is not the Grantor's homestead within the meaning set forth in the constitution of the state of Florida, nor is it contiguous to or a part of homestead property. Grantor's residence and homestead address is: 13151 NE 75th Place, Bronson, Florida 32621.

The preparer has not examined the legal description or the title to the lands conveyed and assumes no liability therefor.

Together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining,

To Have and to Hold, the same in fee simple forever.

And the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing subsequent to December 31, 2004.

In Witness Whereof, grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

State of Florida
County of Levy

The foregoing instrument was acknowledged before me this 30th day of December, 2004 by Kinch D Bonner, who is personally known or has produced a driver's license as identification.

[Notary Seal]



Lori Munden
Notary Public

Printed Name: Lori Munden

My Commission Expires: April 27, 2008

Unofficial Copy

BOARD OF ADJUSTMENTS AND CODE ENFORCEMENT
OF THE CITY OF WILLISTON, FLORIDA

CITY OF WILLISTON, FLORIDA

vs.

Case No. CV17-15

Geraldine Sarver
510 NW 29th Ave.
Gainesville, FL 32609

Respondent

Certificate of Secretary

I hereby certify that this is a true and correct copy of the original

Order Imposing Administrative Fine/Lien
as executed by the Chairman of the City of Williston Code Enforcement Board

Latricia Wright
Latricia Wright

Deputy Clerk MBASS

Instrument # 638522
OR BK: 1456 PG: 527-2pg(s)
REC: 5/17/2018 11:06 AM
Danny J. Shipp, Levy County Clerk, Florida
Rec: \$18.50

ORDER IMPOSING ADMINISTRATIVE FINE/LIEN

This CAUSE came on for public hearing before the Board on November 27, 2017, pursuant to Chapter 46, of the City of Williston Code of Ordinances. After due notice to the Respondent(s), and the Board, having heard testimony under oath, received evidence, and heard argument of the code enforcement officer or land development regulations administrator and thereupon issued its Findings of Fact and Conclusion of Law and Order, which was reduced to writing and furnished to the Respondent.

By Order dated **July 24, 2017** Respondent(s) was required to correct the violation(s) located at 329 NE 2nd St. Williston, FL 32696 by **August 25, 2017** or be assessed a fine. On **November 27, 2017**, a Non-Compliance hearing was held because corrective action was not taken by the date ordered.

At the **November 27, 2017** hearing, evidence by the Code Enforcement Officer presented that corrective action had not been taken for the violation of Chapter 46, Article VII of the City of Williston Code of Ordinances.

In accord with the Order of the Board, it is hereby imposed upon Geraldine Sarver, an administrative fine in the amount of Fifty Dollars (\$50.00) per day, plus Administrative fee in the amount of \$250.00 beginning Nov 27 2017, for each day the violation(s) continue(s), which shall continue to accrue daily unless and until the violation(s) is (are) cleared, commencement of a foreclosure action or until extinguished by law.

This Order may be recorded in the public records of Levy County, pursuant to law. Such recording shall establish this Order as a lien against any real or personal property owned jointly and severally by the Respondent.

DONE AND ORDERED THIS 27th day of November 2017, at Williston, Levy County, Florida.

BOARD OF ADJUSTMENT AND CODE ENFORCEMENT OF THE CITY OF WILLISTON, FLORIDA

Sharon Brannan
Sharon Brannan, Chairperson

pu

Joan Gold
WITNESS

Latricia Faison Wright
WITNESS



(STATE OF FLORIDA)
(COUNTY OF LEVY)

The foregoing instrument was acknowledged before me this 27th day of November 2017, by Sharon Brannan Chairperson of the City of Williston, Board of Adjustment and Code Enforcement, and who being personally known to me.

Latricia Faison Wright
Notary Public

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the above and foregoing Order Imposing Administrative Fine/Lien has been furnished by certified mail to the Respondent(s), Geraldine Sarver 510 NW 29th Ave. Gainesville, FL 32609, this 27th day of November 2017.

Latricia Wright
Latricia Wright, Board Secretary

BONNER/SARVER	2017	2018	2019	2020 TOTAL
JANUARY		\$1,550	\$1,550	\$1,550
FEBRUARY		\$1,450	\$1,450	
MARCH		\$1,550	\$1,550	
APRIL		\$1,500	\$1,500	
MAY		\$1,550	\$1,550	
JUNE		\$1,500	\$1,500	
JULY		\$1,550	\$1,550	
AUGUST		\$1,550	\$1,550	
SEPTEMBER		\$1,500	\$1,500	
OCTOBER	300	\$1,550	\$1,550	
NOVEMBER	\$1,500	\$1,500	\$1,500	
DECEMBER	\$1,550	\$1,550	\$1,550	
	3,350	\$18,300	\$18,300	39,950

BONNER PROPERTY
NOVEMBER 22, 2019









**CLOUTIER PROPERTY
(FORMERLY BONNER)
JANUARY 3, 2020**









Date: February 4, 2020

COUNCIL AGENDA ITEM

AGENDA ITEM: REVIEW OF FY2019 FINANCIAL REPORT (UNAUDITED)

REQUESTED BY: FINANCE DIRECTOR **PREPARED BY:** FINANCE DIRECTOR

BACKGROUND / DESCRIPTION: Enclosed in this agenda item is the FY2019 unaudited financial report. Also included (before the financial report) are PowerPoint slides. These slides are designed to provide a high-level overview of the City's current financial position.

Included in the financial report is the following information:

- Balance Sheet for all Funds - *(Page 1)*
- Summary of Year-to-date Fund Statements - *(Pages 2 – 12)*

LEGAL: REVIEW: N/A

FISCAL IMPACTS: N/A

RECOMMENDED ACTION: Acceptance of FY2019 Financial Report

ATTACHMENTS: CONTRACT RESOLUTION OTHER

COUNCIL ACTION: APPROVED DISAPPROVED



CITY OF WILLISTON, FL

SEPTEMBER 2019 FINANCIAL PERFORMANCE

Meeting Date: February 4, 2020

GENERAL FUND

Overview

Key Performance Indicator	YTD Actuals	YTD Budget	Variance Fav (UnFav)	% of Annual Budget	Performance
Revenue / Other Sources	\$2,909,580	\$2,898,302	\$11,278	100.4%	✓
Expenditures / Other Uses	\$2,896,557	\$3,045,237	\$48,681	98.4%	✓
Current Year Surplus / (Deficit)	(\$86,976)	(\$146,935)	\$59,959	59.2%	✓
Available Reserves	\$751,751	\$745,122	\$6,629	25.2%	✓

Chart 1: Revenues - % of Budget Collected

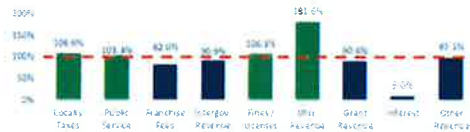


Chart 2: Expenditures - % of Budget Spent



Financial Highlights

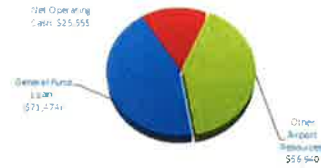
- Property Taxes – 99.3% Collected.
- Unanticipated Expenditures include:
 - Pay-out for retired Police officer,
 - Holiday overtime pay,
 - Legal invoices,
 - Fire Salaries.

AIRPORT FUND

Overview

Key Performance Indicator	YTD Actuals	YTD Budget	Variance Fav (UnFav)	% of Annual Budget	Performance
Revenue / Other Sources	\$2,248,038	\$2,434,853	(\$186,815)	92.3%	✘
Expenditures / Other Uses	\$2,347,291	\$2,542,722	\$195,431	92.3%	✔
Current Year Surplus / (Deficit)	(\$99,254)	(\$107,869)	\$8,615	92.0%	✔
Available Reserves	\$21,020	\$414,436	(\$393,416)	1.3%	✘

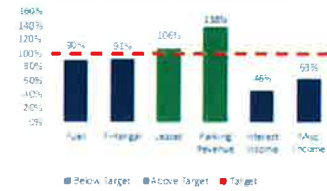
Chart 3: Airport Fund - Fund Balance



Financial Highlights

- > Year over year fuel sales increased by .7% or \$7.3K.
- > All other operating revenue increased by 6% or \$18.8K.
- > \$806.8K in airport improvements. Of that 99.8% was reimbursed by grants.
- > Tractor purchased - \$90.5K
- > Unanticipated expenditures:
 - Ground Power Unit
 - City Match on Bulk Hangar Project

Chart 4: Revenues - % of Budget Collected



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CRA FUND

Overview

Key Performance Indicator	YTD Actuals	YTD Budget	Variance Fav (UnFav)	% of Annual Budget	Performance
Revenue / Other Sources	\$222,418	\$210,464	\$11,954	105.7%	✔
Expenditures / Other Uses	\$363,499	\$670,874	\$307,375	54.2%	✔
Current Year Surplus / (Deficit)	(\$141,081)	(\$460,410)	\$319,329	30.6%	✔
Available Reserves	\$328,597	\$167,719	\$158,879	48.7%	✔

Financial Highlights

- > County distribution of tax revenue was \$131.1K.
- > \$293.3K in capital spending for Heritage Park and Veteran's Memorial.

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UTILITY FUND

Overview

Key Performance Indicator	YTD Actuals	YTD Budget	Variance Fav (UnFav)	% of Annual Budget	Performance
Revenue / Other Sources	\$5,645,312	\$5,690,990	(\$45,678)	99.2%	✘
Expenditures / Other Uses	\$5,690,245	\$6,041,990	\$351,745	94.2%	✔
Current Year Surplus / (Deficit)	(\$44,934)	(\$351,000)	\$306,066	n/a	✘
Available Reserves	\$3,016,342	\$1,427,123	\$1,589,220	52.8%	✔



Financial Highlights

- Without an estimated \$418.0 thousand of depreciation expense (non-cash transaction) which was recorded, the fund would have generated a surplus of \$373.0 thousand for the fiscal year.
- Electric and water services had a positive operating income. Only electric had a positive net income after subtracting the allocation of the transfer to the General Fund and CIP Fund. [See chart on next slide for more details]

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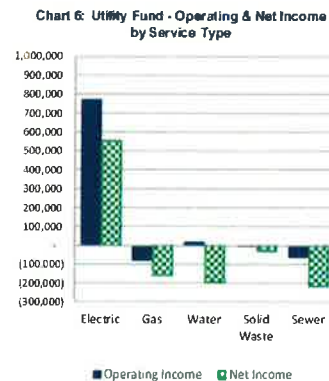
City of Williston, Florida

September 2019 Financial Report

UTILITY FUND

Breakdown by Utility Service

	Electric	Gas	Water	Solid Waste	Sewer	Total
Operating Revenue						
Service Charges	3,524.5	424.8	498.1	559.6	574.7	5,581.8
Other	38.7	4.7	5.5	6.1	6.3	61.3
Total	3,563.1	429.5	503.6	565.8	581.1	5,643.1
Operating Expenses						
Department Costs	2,572.4	444.6	337.7	547.7	474.1	4,376.5
Administrative Alloc	130.9	15.8	18.5	20.8	21.3	207.2
Depreciation	89.5	48.8	131.7	-	146.5	416.5
Total	2,792.7	509.2	487.9	568.5	642.0	5,000.2
Operating Income	770.4	(79.7)	15.7	(2.7)	(60.9)	642.8
Non-operating income / (expenses)						
Interest Income	1.4	0.2	0.2	0.2	0.2	2.2
Transfer to GF / CIP	(218.6)	(78.0)	(211.1)	(29.1)	(153.2)	(690.0)
Total	(217.2)	(77.9)	(210.9)	(28.9)	(153.0)	(687.8)
Net Income	553.2	(157.6)	(195.1)	(31.6)	(213.9)	(44.9)



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City of Williston, Florida

September 2019 Financial Report

CAPITAL PROJECTS / SPENDING

Capital Purchase	Budgeted Amount	Amount Spent to Date	Variance	Funding Source
General Fund				
GIS Mapping	\$ 7,500	\$ 1,594	\$ 5,906	Fund Balance (reserves)
LDC update	41,000	39,420	1,580	Fund Balance (reserves)
Competitive Partnership Grant - Phase II	40,000	40,000	-	Grant
Animal Shelter	10,870	11,870	(1,000)	Fund Balance (reserves)
Police Dept Building Repairs	8,900	8,900	-	Fund Balance (reserves)
Vehicle Purchases	105,000	51,990	53,010	Fund Balance / Insurance / Donations
Street Improvements	45,500	45,448	53	Fund Balance (reserves)
Watershed Management Plan	20,500	13,029	7,471	Fund Balance (reserves) / Grant
Park Improvements	7,750	7,750	-	Fund Balance (reserves)
Police Evidence Rehab Project	14,976	14,976	-	JAG grant
Police Body Camera Upgrade	25,125	25,125	-	JAG grant
Equipment	9,899	8,011	1,888	Fund Balance (reserves) / Grant
Building Permit Module (ADG)	10,000	9,670	330	Fund Balance (reserves)
Subtotal	347,020	277,782	69,238	

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City of Williston, Florida

September 2019 Financial Report

CAPITAL PROJECTS / SPENDING

Capital Purchase	Budgeted Amount	Amount Spent to Date	Variance	Funding Source
Utility Fund				
Sewer Improvements	700,000	19,403	680,598	Retained Earnings (reserves) / Grant
Bucket Truck	-	193,774	(193,774)	Retained Earnings (reserves)
Excavator	70,000	53,206	16,794	Retained Earnings (reserves)
2019 Ford 250	30,000	24,366	5,634	Retained Earnings (reserves)
Radio / Chargers	-	9,772	(9,772)	Grant
Rotary Cutter	26,000	20,097	5,903	Retained Earnings (reserves)
Air Burners	28,000	28,000	-	Retained Earnings (reserves)
Expansion Bearings / Shafts	-	24,138	(24,138)	Retained Earnings (reserves)
Hydromatic Sub Pump	-	13,680	(13,680)	Retained Earnings (reserves)
Software Purchase	22,500	13,561	8,939	Retained Earnings (reserves)
Subtotal	876,500	399,995	476,505	

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City of Williston, Florida

September 2019 Financial Report

City of Williston



Financial Report

September 30, 2019

(unaudited)

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Balance Sheet - All Funds

September 30, 2019

Description	General Fund	Airport Fund	CRA Fund	Utility Fund	CIP Fund	Total
ASSETS						
Petty Cash	\$ 500	\$ 100	\$ -	\$ 200	\$ -	\$ 800
Cash & Cash Equivalents	992,913	25,455	302,512	3,383,257	(1,188,200)	3,515,937
Investments	8,844	-	-	359,233	-	368,077
Accounts Receivable	11,790	56,893	-	845,675	-	914,358
Note Receivable	71,474	-	-	-	-	71,474
Due from Other Funds	-	-	27,477	198,075	-	225,552
Due from Other Governmental Units	123,871	20,836	-	-	45,101	189,809
Prepaid Expenses	-	14,799	-	-	-	14,799
Inventory	-	32,272	-	251,440	-	283,712
Net Pension Assets	-	-	-	248,202	-	248,202
Net Capital Assets	-	-	-	7,692,817	-	7,692,817
TOTAL ASSETS	1,209,393	150,354	329,989	12,978,899	(1,143,098)	13,525,537
DEFERRED OUTFLOW OF RESOURCES						
Pension Related - Deferred Outflow	-	-	-	474,252	-	474,252
TOTAL DEFERRED OUTFLOW OF RESOURCES	-	-	-	474,252	-	474,252
LIABILITIES						
Accounts Payable	\$ 64,043	\$ 49,341	\$ 2,521	\$ 250,228	\$ 31,530	\$ 397,662
Accrued Expenses	74,209	5,264	871	15,943	219	96,505
Sales Tax Payable	20	2,072	-	18,001	-	20,093
Payroll Liabilities	-	-	-	64,212	-	64,212
Other Liabilities	6,140	-	-	-	-	6,140
Due to other Funds	225,236	-	-	316	-	225,552
Due to Other Governmental Units	-	-	-	547	-	547
Deposits	-	-	-	293,303	-	293,303
City Hall Loan	-	-	-	1,245,540	-	1,245,540
Notes Payable	-	71,474	-	-	-	71,474
Deferred Revenue	15,836	5,633	-	-	-	21,470
Power Cost Adjustment - Electric	-	-	-	132,914	-	132,914
Accum Absences/ OPEB Obligation	-	-	-	128,990	-	128,990
TOTAL LIABILITIES	385,485	133,784	3,391	2,149,993	31,748	2,704,401
DEFERRED INFLOW OF RESOURCES						
Pension Related - Deferred Inflow	-	-	-	292,569	-	292,569
TOTAL DEFERRED INFLOW OF RESOURCES	-	-	-	292,569	-	292,569
FUND BALANCES						
Reserve for:						
Law Enforcement	1,595	-	-	-	-	1,595
Community Redevelopment	-	-	326,597	-	-	326,597
Unreserved, Reported in:						
General Fund	822,313	-	-	-	-	822,313
Special Revenue Airport	-	16,570	-	-	-	16,570
Capital Improvement Fund	-	-	-	-	(1,174,847)	(1,174,847)
Utility Fund	-	-	-	11,010,589	-	11,010,589
TOTAL FUND BALANCES	823,908	16,570	326,597	11,010,589	(1,174,847)	11,002,818
TOTAL LIABILITIES & FUND BALANCES	1,209,393	150,354	329,989	12,978,899	(1,143,098)	13,525,537

General Fund - Summary of Revenues and Expenditures

September 30, 2019

(100% Yr Complete)

Description	Amended Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Sep-18	Variance Fav (unfav)
REVENUES						
Locally Levied Taxes	\$ 1,061,946	\$ 1,131,788	\$ 69,842	106.6%	\$ 978,878	152,910
Public Service Taxes	362,000	373,899	11,899	103.3%	337,196	36,703
Franchise Fees	95,230	78,049	(17,181)	82.0%	93,128	(15,079)
Intergovernmental Revenues	538,622	489,511	(49,111)	90.9%	524,445	(34,935)
Fines & Forfeitures	19,035	9,678	(9,357)	50.8%	13,801	(4,123)
License & Permits	68,550	83,423	14,873	121.7%	64,223	19,200
Miscellaneous	23,800	43,225	19,425	181.6%	26,927	16,298
Interest Income	12,000	1,081	(10,919)	9.0%	2,494	(1,413)
Grant	4,250	3,850	(400)	90.6%	19,244	(15,394)
Non-Operating	712,869	695,078	(17,791)	97.5%	690,537	4,541
Use of Fund Balance	146,935	-	(146,935)	0.0%	-	-
TOTAL REVENUES	3,045,237	2,909,580	(135,657)	95.5%	2,750,872	158,708
EXPENSES						
Total City Council	37,632	36,849	783	97.9%	30,888	(5,961)
Total Legal Services	66,000	55,241	10,759	83.7%	38,827	(16,415)
Total Administration	283,255	307,793	(24,538)	108.7%	328,533	20,740
Total Planning & Zoning	75,799	34,955	40,844	46.1%	64,806	29,851
Total Building Permits	24,142	68,920	(44,778)	285.5%	30,439	(38,480)
Total Police Department	1,152,592	1,171,928	(19,336)	101.7%	1,013,231	(158,697)
Total Police Communications	223,840	222,721	1,119	99.5%	228,216	5,495
Total Health/Animal Control	55,281	53,294	1,987	96.4%	54,291	997
Total Fire Department	594,155	592,533	1,622	99.7%	521,977	(70,557)
Total Public Works	338,019	325,157	12,862	96.2%	311,174	(13,982)
Total Recreation / Athletics	11,877	10,123	1,754	85.2%	19,412	9,289
Total Library Department	8,082	6,794	1,288	84.1%	6,759	(36)
Total Special Events	13,300	15,273	(1,973)	114.8%	12,942	(2,331)
Total Non-Departmental	161,263	94,975	66,288	58.9%	408,229	313,255
TOTAL EXPENDITURES	3,045,237	2,996,557	48,681	98.4%	3,069,724	73,168
REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ (86,976)	\$ (86,976)	n/a	\$ (318,852)	\$ 231,876

Airport Fund - Summary of Revenues and Expenditures

September 30, 2019

(100% Yr Complete)

Description	Adopted Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Sep-18	Variance Fav (unfav)
REVENUES						
Operating Revenue	\$ 1,545,785	\$ 1,437,460	\$ (108,325)	93.0%	1,406,419	31,042
Interest Income	1,600	740	(860)	46.2%	772	(32)
Other Miscellaneous Income	20,360	12,892	(7,468)	63.3%	17,801	(4,909)
Use of Fund Balance	107,869	-	(107,869)	0.0%	-	-
TOTAL REVENUES	1,675,614	1,451,092	(224,522)	86.6%	1,424,992	26,100
EXPENSES						
Personal Services	264,829	205,864	58,965	77.7%	202,292	(3,572)
Operating Expenditures	1,302,916	1,235,582	67,334	94.8%	1,252,242	16,660
Non-Operating Expenditures	17,869	-	17,869	0.0%	-	-
TOTAL EXPENSES	1,585,614	1,441,446	144,168	90.9%	1,454,534	13,088
OPERATING REVENUES OVER (UNDER) EXPENSES	90,000	9,646	(80,354)	10.7%	(29,542)	39,188
NON-OPERATING REVENUE (EXPENSES)						
Capital Improvements - (Grants)	(867,108)	(806,798)	60,310	93.0%	(762,433)	(44,365)
JPA Revenue (Grants)	867,108	796,946	(70,162)	91.9%	762,432	34,514
Capital Outlay - Equipment	(90,000)	(99,048)	(9,048)	110.1%	-	(99,048)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(90,000)	(108,899)	(18,899)	121.0%	(1)	(108,898)
TOTAL REVENUES OVER (UNDER) EXPENSES	-	(99,254)	(99,254)	n/a	\$ (29,543)	\$ (69,711)

CRA Fund - Summary of Revenues and Expenditures

September 30, 2019

(100% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Sep-18	Variance Fav (unfav)
REVENUES						
Tax Incremental Revenue - City	\$ 85,424	\$ 91,068	\$ 5,644	106.6%	\$ 81,322	9,746
Tax Incremental Revenue - County	124,840	131,137	6,297	105.0%	124,840	6,298
Interest Income	200	213	13	106.7%	190	23
Other Financing Sources	460,410	-	(460,410)	0.0%	-	-
TOTAL REVENUES	670,874	222,418	(448,456)	33.2%	206,352	16,066
EXPENDITURES						
Personal Services	64,874	50,597	14,277	78.0%	62,537	11,940
Operating Expenditures	86,852	19,573	67,279	22.5%	49,936	30,363
Capital Outlay	509,148	293,330	215,818	57.6%	25,000	(268,330)
Non-Operating Expenditures	10,000	-	10,000	0.0%	6,125	6,125
TOTAL EXPENDITURES	670,874	363,499	307,375	54.2%	143,597	(219,902)
REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ (141,081)	\$ (141,081)	n/a	\$ 62,755	\$ (203,836)

Utility Fund (All Services) - Summary of Revenues and Expenses

September 30, 2019

(100% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Sep-18	Variance Fav (unfav)
REVENUES						
Electric Utility	\$ 3,746,935	\$ 3,524,457	\$ (222,478)	94.1%	\$ 3,669,335	\$ (144,878)
Gas Utility	285,465	424,805	139,340	148.8%	431,591	(6,786)
Water Utility	447,704	498,139	50,435	111.3%	456,470	41,669
Solid Waste Income	559,550	559,645	95	100.0%	522,206	37,439
Sewer Utility	539,709	574,749	35,040	106.5%	542,585	32,165
Interest Income	15,000	2,240	(12,760)	14.9%	13,087	(10,847)
Other Miscellaneous Income	96,627	61,277	(35,350)	63.4%	87,959	(26,683)
Grant Revenue	-	-	-	n/a	36,406	(36,406)
TOTAL REVENUES	6,041,990	5,645,312	(396,678)	93.4%	5,759,640	(114,328)
EXPENSES						
Total Administration Department	193,066	207,247	(14,181)	107.3%	175,205	(32,042)
Total Electric Department	3,298,681	2,880,486	418,195	87.3%	2,983,798	103,311
Total Gas Department	630,553	571,447	59,106	90.6%	608,689	37,242
Total Water Department	690,729	680,432	10,297	98.5%	737,285	56,853
Total Solid Waste Department	593,739	576,814	16,925	97.1%	600,466	23,652
Total Sewer Collection / Treatment	635,222	773,818	(138,596)	121.8%	873,299	99,481
TOTAL EXPENSES	6,041,990	5,690,245	351,745	94.2%	5,978,742	288,497
REVENUES OVER (UNDER) EXPENSES	\$ -	\$ (44,934)	\$ (44,934)	n/a	\$ (219,102)	\$ 174,169

Utility Fund (Admin) - Summary of Revenues and Expenses

September 30, 2019

(100% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Sep-18	Variance Fav (unfav)
REVENUES						
Other Miscellaneous Income	\$ 96,627	\$ 61,277	\$ (35,350)	63.4%	\$ 87,959	\$ (26,683)
Interest Income	15,000	2,240	(12,760)	14.9%	13,087	(10,847)
Use of Retained Earnings	17,500	-	(17,500)	0.0%	-	-
TOTAL REVENUES	129,127	63,517	(65,610)	49.2%	101,047	(37,530)
EXPENSES						
Operating Expenditures	193,066	207,247	(14,181)	107.3%	175,205	(32,042)
TOTAL EXPENSES	193,066	207,247	(14,181)	107.3%	175,205	(32,042)
REVENUES OVER (UNDER) EXPENSES	(63,939)	\$ (143,731)	\$ (79,792)	225%	\$ (74,159)	\$ (69,572)

Utility Fund (Electric Services) - Summary of Revenues and Expenses

September 30, 2019

(100% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Sep-18	Variance Fav (unfav)
REVENUES						
Electric Utility	\$ 1,415,073	\$ 1,336,359	\$ (78,714)	94.4%	\$ 1,380,850	\$ (44,491)
Electric Utility - Power Cost Adj	2,326,862	2,183,447	(143,415)	93.8%	2,280,206	(96,759)
New Electric Service	4,000	360	(3,640)	9.0%	780	(420)
Electric Overhead / Underground	1,000	4,291	3,291	429.1%	7,500	(3,209)
Use of Retained Earnings	77,875	-	(77,875)	0.0%	-	-
TOTAL REVENUES	3,824,810	3,524,457	(300,353)	92.1%	3,669,335	(144,878)
EXPENSES						
Personal Services	383,069	270,434	112,635	70.6%	282,594	12,160
Operating Expenditures	2,619,128	2,391,443	227,685	91.3%	2,482,594	91,151
Non-Operating Expenditures	296,484	218,609	77,875	73.7%	218,609	-
TOTAL EXPENSES	3,298,681	2,880,486	418,195	87.3%	2,983,798	103,311
REVENUES OVER (UNDER) EXPENSES	526,129	\$ 643,971	\$ 117,842	122%	\$ 685,538	\$ (41,567)

Utility Fund (Gas Services) - Summary of Revenues and Expenses

September 30, 2019

(100% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Sep-18	Variance Fav (unfav)
REVENUES						
Gas Utility	\$ 283,965	\$ 422,995	\$ 139,030	149.0%	\$ 423,058	\$ (63)
Gas Meter Connection/Reconnection	1,000	1,510	510	151.0%	2,164	(654)
New Gas Service	500	300	(200)	60.0%	6,369	(6,069)
Use of Retained Earnings	124,875	-	(124,875)	0.0%	-	-
TOTAL REVENUES	410,340	424,805	14,465	103.5%	431,591	(6,786)
EXPENSES						
Personal Services	201,708	197,472	4,236	97.9%	179,582	(17,890)
Operating Expenditures	225,935	295,940	(70,005)	131.0%	351,072	55,131
Non-Operating Expenditures	202,910	78,035	124,875	38.5%	78,035	-
TOTAL EXPENSES	630,553	571,447	59,106	90.6%	608,689	37,242
REVENUES OVER (UNDER) EXPENSES	\$ (220,213)	\$ (146,642)	\$ 73,571	67%	\$ (177,097)	\$ 30,455

Utility Fund (Water Services) - Summary of Revenues and Expenses

September 30, 2019

(100% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Sep-18	Variance Fav (unfav)
REVENUES						
Water Utility	\$ 436,704	\$ 490,639	\$ 53,935	112.4%	\$ 446,130	\$ 44,509
Water Meter Connection/Reconn	6,000	4,440	(1,560)	74.0%	4,220	220
New Water Service	5,000	3,060	(1,940)	61.2%	6,120	(3,060)
Use of Retained Earnings	97,875	-	(97,875)	0.0%	-	-
TOTAL REVENUES	545,579	498,139	(47,440)	91.3%	456,470	41,669
EXPENSES						
Personal Services	192,049	177,666	14,383	92.5%	154,046	(23,620)
Operating Expenditures	123,407	289,173	(165,766)	234.3%	366,311	77,138
Debt Service	66,332	2,527	63,805	3.8%	5,861	3,334
Non-Operating Expenditures	308,941	211,066	97,875	68.3%	211,066	-
TOTAL EXPENSES	690,729	680,432	10,297	98.5%	737,285	56,853
REVENUES OVER (UNDER) EXPENSES	\$ (145,150)	\$ (182,293)	\$ (37,143)	126%	\$ (280,815)	\$ 98,522

Utility Fund (Waste Collection) - Summary of Revenues and Expenses

September 30, 2019

(100% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Sep-18	Variance Fav (unfav)
REVENUES						
Solid Waste Income	\$ 559,550	\$ 559,645	\$ 95	100.0%	\$ 522,206	\$ 37,439
TOTAL REVENUES	559,550	559,645	95	100.0%	522,206	37,439
EXPENSES						
Personal Services	18,466	21,743	(3,277)	117.7%	10,578	(11,166)
Operating Expenditures	546,173	525,971	20,202	96.3%	560,789	34,818
Non-Operating Expenditures	29,100	29,100	-	100.0%	29,100	-
TOTAL EXPENSES	593,739	576,814	16,925	314.0%	600,466	23,652
REVENUES OVER (UNDER) EXPENSES	\$ (34,189)	\$ (17,169)	\$ 17,020	50%	\$ (78,260)	\$ 61,091

Utility Fund (Sewer Services) - Summary of Revenues and Expenses

September 30, 2019

(100% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Sep-18	Variance Fav (unfav)
REVENUES						
Sewer Utility	\$ 534,709	\$ 570,549	\$ 35,840	106.7%	\$ 536,585	\$ 33,965
Sewer Connection	5,000	4,200	(800)	84.0%	6,000	(1,800)
Use of Retained Earnings	32,875	-	(32,875)	0.0%	-	-
Grant Revenue	-	-	-	n/a	36,406	(36,406)
TOTAL REVENUES	572,584	574,749	2,165	100.4%	578,991	(4,242)
EXPENSES						
Sewer Collection						
Personal Services	131,137	139,162	(8,025)	106.1%	71,008	(68,154)
Operating Expenditures	68,681	151,277	(82,596)	220.3%	327,869	176,591
Total Sewer Collection	199,818	290,440	(90,622)	145.4%	398,877	108,437
Sewer Treatment						
Personal Services	133,559	138,506	(4,947)	103.7%	98,073	(40,433)
Operating Expenditures	115,779	191,683	(75,904)	165.6%	223,160	31,477
Total Sewer Treatment	249,338	330,189	(80,851)	132.4%	321,233	(8,956)
Non-Departmental						
Transfer To General Fund	153,191	153,190	1	100.0%	153,190	-
Transfer to Capital Improvement Fund	32,875	-	32,875	0.0%	-	-
Total Sewer Collection	186,066	153,190	32,876	82.3%	153,190	-
TOTAL EXPENSES	635,222	773,818	(138,596)	121.8%	873,299	99,481
REVENUES OVER (UNDER) EXPENSES	\$ (62,638)	\$ (199,069)	\$ (136,431)	317.8%	\$ (294,309)	\$ 95,239

CIP Fund - Summary of Revenues and Expenses

September 30, 2019

(100% Yr Complete)

Description	Amended Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Sep-18	Variance Fav (unfav)
REVENUES						
Grant Revenue - CDGB	\$ 700,000	\$ 5,000	\$ (695,000)	0.7%	\$ -	5,000
Grant Revenue - USDA	84,500	76,688	(7,812)	90.8%	311,013	(234,324)
Insurance Reimbursement	15,135	15,135	-	100.0%	-	15,135
Donations	5,000	5,000	-	100.0%	-	5,000
Transfer From General Fund	64,750	-	(64,750)	0.0%	312,113	(312,113)
Transfer From Utility Fund	351,000	-	(351,000)	0.0%	-	-
Use of Fund Balance	177,635	-	(177,635)	0.0%	-	-
TOTAL REVENUES	1,398,020	101,823	(1,296,197)	7.3%	623,125	(521,302)
EXPENDITURES						
GIS Mapping	15,000	1,594	13,406	10.6%	1,500	(94)
City Hall Improvements	-	758,122	(758,122)	n/a	-	(758,122)
Police Building Improvements	8,900	8,900	-	100.0%	-	(8,900)
Animal Shelter	10,870	11,870	(1,000)	109.2%	5,000	(6,870)
City Planning Projects	81,000	79,420	1,580	98.0%	-	(79,420)
Vehicle Purchases	135,000	76,356	58,644	56.6%	506,733	430,377
Equipment Purchases	50,000	48,112	1,888	96.2%	86,865	38,753
Software Purchases	32,500	23,230	9,270	71.5%	-	(23,230)
Heavy Equipment Purchases	124,000	342,666	(218,666)	276.3%	-	(342,666)
Meter Replacement Program	82,000	-	82,000	0.0%	-	-
Fire Hydrant / Emergency Safety Program	10,000	-	10,000	0.0%	-	-
Park Improvements	7,750	7,750	-	100.0%	-	(7,750)
Sewer Improvements	700,000	19,403	680,598	2.8%	-	(19,403)
Street Improvements	45,500	45,448	53	99.9%	-	(45,448)
Stormwater Improvements	20,500	13,029	7,471	63.6%	7,595	(5,434)
Gas Improvements	75,000	-	75,000	0.0%	-	-
TOTAL EXPENDITURES	1,398,020	1,435,900	(37,880)	102.7%	607,694	(828,206)
REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ (1,334,077)	\$ (1,334,077)	n/a	\$ 15,431	\$ (1,349,508)

Date: February 4, 2020

COUNCIL AGENDA ITEM

AGENDA ITEM: REVIEW OF DECEMBER 2019 FINANCIAL REPORT

REQUESTED BY: FINANCE DIRECTOR **PREPARED BY:** FINANCE DIRECTOR

BACKGROUND / DESCRIPTION: Enclosed in this agenda item is the December 2019 YTD financial report. Also included (before the financial reports) are PowerPoint slides. These slides are designed to provide a high-level overview of the City's current financial position.

Included in the financial report is the following information:

- Balance Sheet for all Funds - *(Page 1)*
- Summary of Year-to-date Fund Statements - *(Pages 2 – 13)*
- Summary of capital projects and purchases - *(Pages 14 - 15)*
- Summary of outstanding debt - *(Page 16)*

LEGAL: REVIEW: N/A

FISCAL IMPACTS: N/A

RECOMMENDED ACTION: Acceptance of December 2019 Financial Report

ATTACHMENTS: CONTRACT RESOLUTION OTHER

COUNCIL ACTION: APPROVED DISAPPROVED



CITY OF WILLISTON, FL

DECEMBER 2019 FINANCIAL REPORT - OVERVIEW

Meeting Date: February 4, 2020

FINANCIAL OVERVIEW – (CITY-WIDE)

Breakdown by Fund

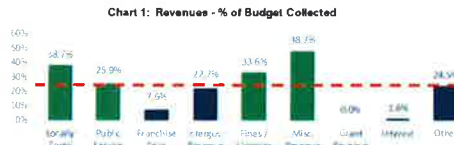
(25% of Year complete)

Fund	YTD Revenue	YTD Expenses	Surplus / (Deficit)	Performance
General Fund - Operations	\$913,554	\$782,902	\$130,652	✓
General Fund - CIP	\$38,376	\$28,376	\$10,000	✓
Airport Fund	\$372,712	\$345,646	\$27,066	✓
CRA Fund	\$23,251	\$122,441	(\$99,190)	✗
Utility Fund - Operations	\$1,349,867	\$1,359,196	(\$9,329)	✗
Utility Fund - CIP	\$56,363	\$56,363	\$0	✓
Total	\$2,754,122	\$2,694,924	\$59,198	✓

GENERAL FUND

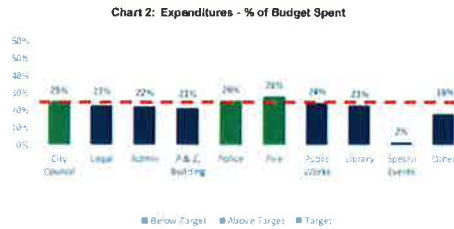
Overview

Key Performance Indicator	YTD Actuals	YTD Budget	Variance Fav (UnFav)	% of Annual Budget	Performance
Revenue / Other Sources	\$913,554	\$790,519	\$123,035	28.9%	✓
Expenditures / Other Uses	\$782,902	\$790,519	\$7,616	24.8%	✓
Current Year Surplus / (Deficit)	\$130,652	\$0	\$130,652	n/a	✓
Available Reserves	\$851,839	\$747,369	\$104,470	28.5%	✓



Financial Highlights

- Property Taxes – 55.4% Collected.
- Received \$10 thousand from County for Fire vehicle.
- All Departments (except Fire) are at the budget or very close to it.
- Transferred \$28 thousand to Capital Project fund (CIP).



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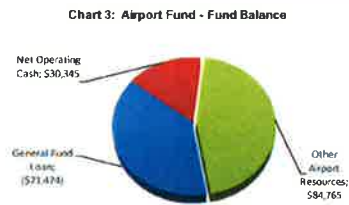
City of Williston, Florida

December 2019 Financial Report

AIRPORT FUND

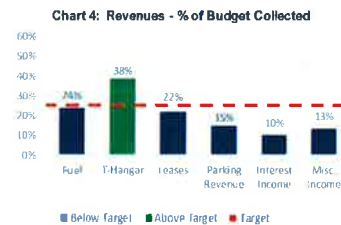
Overview

Key Performance Indicator	YTD Actuals	YTD Budget	Variance Fav (UnFav)	% of Annual Budget	Performance
Revenue / Other Sources	\$372,712	\$501,703	(\$128,992)	18.6%	✗
Expenditures / Other Uses	\$345,646	\$501,703	\$156,057	17.2%	✓
Current Year Surplus / (Deficit)	\$27,066	\$0	\$27,066	n/a	✓
Available Reserves	\$43,636	\$385,284	(\$341,648)	2.8%	✗



Financial Highlights

- Year over year fuel sales decreased by 6.3% - \$18.6K.
- All other operating revenue increased by 21% - \$16.7K.
- Zero capital projects / spending through December.



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City of Williston, Florida

December 2019 Financial Report

CRA FUND

Overview

Key Performance Indicator	YTD Actuals	YTD Budget	Variance Fav (UnFav)	% of Annual Budget	Performance
Revenue / Other Sources	\$23,251	\$134,111	(\$110,860)	4.3%	✘
Expenditures / Other Uses	\$122,441	\$134,111	\$11,670	22.8%	✔
Current Year Surplus / (Deficit)	(\$99,190)	\$0	(\$99,190)	n/a	✘
Available Reserves	\$227,408	\$134,111	\$93,297	42.4%	✔

Financial Highlights

- County distribution of tax revenue expected in January - \$135K.
- Property purchased - \$96K

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City of Williston, Florida

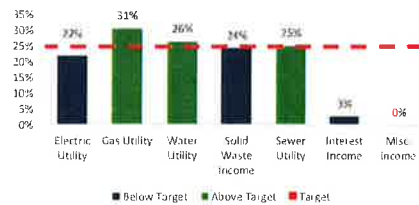
December 2019 Financial Report

UTILITY FUND

Overview

Key Performance Indicator	YTD Actuals	YTD Budget	Variance Fav (UnFav)	% of Annual Budget	Performance
Revenue / Other Sources	\$1,349,867	\$1,482,224	(\$132,357)	22.8%	✘
Expenditures / Other Uses	\$1,359,196	\$1,482,224	\$123,028	22.8%	✔
Current Year Surplus / (Deficit)	(\$9,329)	\$0	(\$9,329)	n/a	✘
Available Reserves	\$3,093,460	\$1,454,724	\$1,638,736	53.2%	✔

Chart 5: Revenue - % of Budget Collected



Financial Highlights

- Without an estimated \$104.5 thousand of depreciation expense (non-cash transaction) which was recorded, the fund would have generated a surplus of \$95.2 thousand for the fiscal year.
- Electric and gas services had a positive operating income. Only electric had a positive net income after subtracting the allocation of the transfer to the General Fund and CIP Fund. [See Exhibit 1 on next slide for more details]
- Transferred \$14.3K to Capital Project fund (CIP).

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City of Williston, Florida

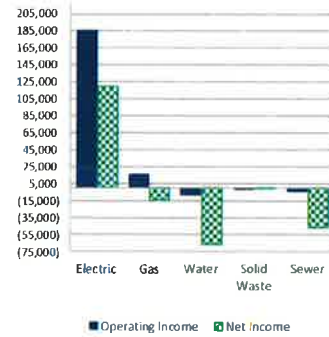
December 2019 Financial Report

UTILITY FUND

Breakdown by Utility Service

	Electric	Gas	Water	Solid Waste	Sewer	Total
Operating Revenue						
Service Charges	813.1	121.9	127.8	136.1	143.2	1,342.1
Other	4.5	0.7	0.7	0.7	0.8	7.4
Total	817.6	122.5	128.5	136.9	144.0	1,349.5
Operating Expenses						
Department Costs	586.9	90.7	99.6	134.5	107.2	1,018.8
Administrative Alloc	23.1	3.5	3.6	3.9	4.1	38.2
Depreciation	22.4	12.2	32.9	-	36.6	104.1
Total	632.4	106.4	136.1	138.4	147.9	1,161.1
Operating Income	185.2	16.1	(7.7)	(1.5)	(3.9)	188.3
Non-operating Income / (expenses)						
Interest income	0.2	0.0	0.0	0.0	0.0	0.4
Transfer to GF / CIP	(66.6)	(30.2)	(58.7)	-	(42.6)	(198.1)
Total	(66.4)	(30.1)	(58.6)	0.0	(42.5)	(197.7)
Net Income	118.8	(14.0)	(68.3)	(1.4)	(46.4)	(9.3)

Chart 8: Utility Fund - Operating & Net Income by Service Type



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City of Williston, Florida

December 2019 Financial Report

CAPITAL PROJECTS

Current Projects	Status	Estimated Project Cost	Anticipated Revenue	City Match	Amount Spent to Date	Amount Remaining to Spend
General Fund						
Animal Shelter	In Progress	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 75,000
	Subtotal	75,000	75,000	-	-	75,000
Airport Fund						
Refurbish of Existing GA Apron	In Progress	465,678	465,678	-	-	465,678
	Subtotal	465,678	465,678	-	-	465,678
Utility Fund						
Upgrade Sewer Plant	In Progress	426,400	426,400	-	47,048	379,352
Water main on SW 4th Ave		10,000	-	10,000	-	10,000
Gas Projects	In Progress	-	-	8,469	-	-
	Subtotal	436,400	426,400	18,469	47,048	389,352
CRA Fund						
Heritage Park Phase II Block 0		26,197	-	26,197	-	26,197
Downtown Redevelopment Project	In Progress	362,535	-	362,535	96,010	266,524
	Subtotal	388,732	-	388,732	96,010	292,721
Total		\$ 1,368,810	\$ 967,078	\$ 407,201	\$ 143,058	\$ 1,222,751

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City of Williston, Florida

December 2019 Financial Report

CAPITAL SPENDING

Capital Purchase	Budgeted Amount	Amount Spent to Date	Amount Remaining	Funding Source
Police/Fire				
Computer Back-up System	\$ 11,200	\$ 5,492	\$ 5,708	Fund Balance (reserves)
Dodge Chargers (2)	71,400	-	71,400	Fund Balance (reserves) / USDA grant
Fire Vehicle	50,000	-	50,000	Fund Balance (reserves) / County
Animal Control Pick-up Truck	25,000	23,630	1,370	Fund Balance (reserves) / USDA grant
Subtotal	157,600	29,122	128,478	
Utility Fund				
New Radio / Software for Meter Reading	20,000	-	20,000	Retained Earnings (reserves)
Tracked Skid Steer	80,000	-	80,000	Retained Earnings (reserves)
Padmounted Transformer	-	5,100	(5,100)	Retained Earnings (reserves)
Subtotal	100,000	5,100	94,900	
Total	\$ 257,600	\$ 34,222	\$ 223,378	

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City of Williston, Florida

December 2019 Financial Report

OUTSTANDING DEBT

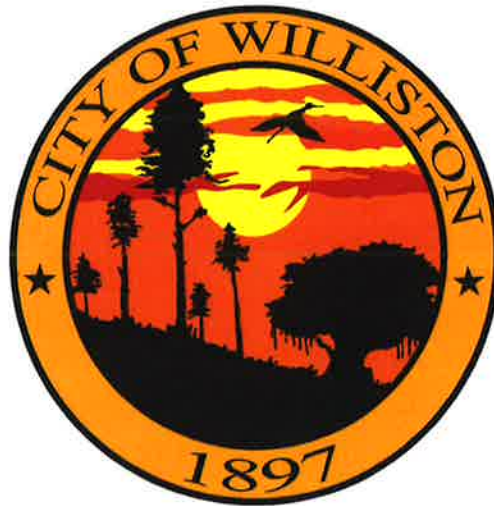
Description	Original Amount	Amount Paid to Date	Amount Remaining	Funding Source
Bank Loans				
Purchase of Fire Truck	\$ 150,000	\$ 80,512	\$ 69,488	County Fire revenue
Construction of New City Hall	1,263,530	17,991	1,245,540	General / Utility Fund (50% / 50%)
Subtotal	1,413,530	98,503	1,315,028	
Interfund Loans				
Purchase of Fire Engine	208,500	10,425	198,075	Due to Utility Fund from General Fund
Construction of New City Hall	753,657	-	753,657	Due to Utility Fund from General Fund
Airport - Water Well	102,637	31,163	71,474	Due to General Fund from Airport Fund
Subtotal	1,064,794	41,588	1,023,206	
Total	\$ 2,478,324	\$ 140,090	\$ 2,338,234	

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City of Williston, Florida

December 2019 Financial Report

City of Williston



Financial Report

December 31, 2019

(unaudited)

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Balance Sheet - All Funds

December 31, 2019

Description	General Fund	Airport Fund	CRA Fund	Utility Fund	Total
ASSETS					
Petty Cash	\$ 500	\$ 100	\$ -	\$ 200	\$ 800
Cash & Cash Equivalents	706,357	30,345	199,815	2,914,656	3,851,174
Investments	8,844	-	-	86,717	95,561
Accounts Receivable	4,340	64,909	1,225	821,302	891,777
Note Receivable	71,474	-	-	-	71,474
Due from Other Funds	-	-	27,029	198,075	225,104
Due from Other Governmental Units	93,961	20,836	-	22,192	136,989
Prepaid Expenses	27,143	19,519	-	17,332	63,993
Inventory	-	29,521	-	252,152	281,673
Net Pension Assets	-	-	-	248,202	248,202
Net Capital Assets	-	-	-	7,588,327	7,588,327
	912,619	165,230	228,069	12,149,156	13,455,075
DEFERRED OUTFLOW OF RESOURCES					
Pension Related - Deferred Outflow	-	-	-	474,252	474,252
TOTAL DEFERRED OUTFLOW OF RESOURCES	-	-	-	474,252	474,252
LIABILITIES					
Accounts Payable	\$ 18,802	\$ 24,275	\$ -	\$ 38,291	\$ 81,368
Accrued Expenses	8,418	21,782	662	230,658	261,519
Sales Tax Payable	(40)	(459)	-	10,425	9,925
Payroll Liabilities	-	-	-	114,791	114,791
Other Liabilities	6,458	-	-	-	6,458
Due to other Funds	25,550	-	-	1,479	27,029
Due to Utility Fund (loan)	198,075	-	-	-	198,075
Due to Other Governmental Units	-	-	-	547	547
Deposits	-	-	-	294,728	294,728
City Hall Loan	-	-	-	1,245,540	1,245,540
Notes Payable	-	71,474	-	-	71,474
Deferred Revenue	-	4,523	-	-	4,523
Power Cost Adjustment - Electric	-	-	-	129,775	129,775
Accum Absences/ OPEB Obligation	-	-	-	128,990	128,990
TOTAL LIABILITIES	257,261	121,594	662	2,195,223	2,574,741
DEFERRED INFLOW OF RESOURCES					
Pension Related - Deferred Inflow	-	-	-	292,569	292,569
TOTAL DEFERRED INFLOW OF RESOURCES	-	-	-	292,569	292,569
FUND BALANCES					
Reserve for:					
Law Enforcement	1,595	-	-	-	1,595
Community Redevelopment	-	-	227,408	-	227,408
Unreserved, Reported in:					
General Fund	653,762	-	-	-	653,762
Special Revenue Airport	-	43,636	-	-	43,636
Utility Fund	-	-	-	10,135,616	10,135,616
TOTAL FUND BALANCES	655,357	43,636	227,408	10,135,616	11,062,017
TOTAL LIABILITIES & FUND BALANCES	912,619	165,230	228,069	12,149,156	13,455,075

General Fund (Operations) - Summary of Revenues and Expenditures

December 31, 2019

(25% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Dec-18	Variance Fav (unfav)
REVENUES						
Locally Levied Taxes	\$ 1,208,708	\$ 467,848	\$ (740,860)	38.7%	\$ 437,403	30,445
Public Service Taxes	364,500	94,574	(269,926)	25.9%	95,465	(891)
Franchise Fees	97,230	7,401	(89,829)	7.6%	13,442	(6,041)
Intergovernmental Revenues	495,502	112,325	(383,177)	22.7%	111,338	987
Fines & Forfeitures	19,035	1,076	(17,959)	5.7%	2,466	(1,390)
License & Permits	73,150	29,894	(43,256)	40.9%	28,635	1,259
Miscellaneous	33,900	16,496	(17,404)	48.7%	6,441	10,055
Interest Income	12,000	187	(11,813)	1.6%	187	(0)
Grant	6,550	-	(6,550)	0.0%	(4,979)	4,979
Non-Operating	751,500	183,753	(567,747)	24.5%	173,777	9,976
Use of Fund Balance	100,000	-	(100,000)	0.0%	-	-
TOTAL REVENUES	3,162,075	913,554	(2,248,521)	28.9%	864,175	49,378
EXPENSES						
Total City Council	37,594	9,500	28,094	25.3%	7,105	(2,396)
Total Legal Services	41,000	9,498	31,502	23.2%	9,952	453
Total Administration	268,314	61,414	206,900	22.9%	52,760	(8,654)
Total Purchasing	5,300	56	5,244	1.1%	-	(56)
Total Planning & Zoning	89,500	19,841	69,659	22.2%	10,274	(9,567)
Total Building Permits	42,718	8,266	34,452	19.3%	7,202	(1,064)
Total Police Department	1,163,724	303,526	860,197	26.1%	282,555	(20,971)
Total Police Communications	247,103	60,571	186,532	24.5%	58,313	(2,258)
Total Health/Animal Control	51,159	13,396	37,763	26.2%	13,713	317
Total Fire Department	577,622	162,128	415,494	28.1%	123,231	(38,898)
Total Public Works	324,641	81,358	243,283	25.1%	75,360	(5,998)
Total Recreation / Athletics	7,736	19	7,716	0.2%	2,049	2,030
Total Library Department	6,970	1,608	5,362	23.1%	1,439	(169)
Total Special Events	13,300	204	13,096	1.5%	763	560
Total Non-Departmental	285,394	51,517	233,877	18.1%	23,141	(28,376)
TOTAL EXPENDITURES	3,162,075	782,902	2,379,172	24.8%	667,856	(115,046)
REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ 130,652	\$ 130,652	n/a	\$ 196,319	\$ (65,667)

General Fund (CIP) - Summary of Revenues and Expenses

December 31, 2019

(25% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Dec-18	Variance Fav (unfav)
REVENUES						
Grant Revenue	\$ 50,000	\$ -	\$ (50,000)	0.0%	\$ -	-
County Contribution	10,000	10,000	-	100.0%	-	10,000
Transfer From General Fund	172,600	28,376	(144,224)	16.4%	-	28,376
TOTAL REVENUES	232,600	38,376	(194,224)	16.5%	-	38,376
EXPENDITURES						
Animal Shelter	75,000	-	75,000	0.0%	-	-
City Planning Projects	-	-	-	n/a	19,000	19,000
Vehicle Purchases	146,400	23,630	122,770	16.1%	-	(23,630)
Equipment Purchases	11,200	4,746	6,454	42.4%	-	(4,746)
Software Purchases	-	-	-	n/a	-	-
Park Improvements	-	-	-	n/a	7,750	7,750
Street Improvements	-	-	-	n/a	-	-
Stormwater Improvements	-	-	-	n/a	-	-
TOTAL EXPENDITURES	232,600	28,376	204,224	12.2%	26,750	(1,626)
REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ 10,000	\$ 10,000	n/a	\$ (26,750)	\$ 36,750

Airport Fund - Summary of Revenues and Expenditures

December 31, 2019

(25% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Dec-18	Variance Fav (unfav)
REVENUES						
Operating Revenue	\$ 1,523,175	\$ 370,361	\$ (1,152,814)	24.3%	561,239	(190,878)
Interest Income	1,600	160	(1,440)	10.0%	193	(33)
Other Miscellaneous Income	16,360	2,191	(14,170)	13.4%	3,842	(1,652)
Use of Fund Balance	-	-	-	n/a	-	-
TOTAL REVENUES	1,541,135	372,712	(1,168,423)	24.2%	565,274	(192,563)
EXPENSES						
Personal Services	256,191	57,546	198,645	22.5%	49,633	(7,913)
Operating Expenditures	1,274,944	288,100	986,844	22.6%	319,851	31,750
Non-Operating Expenditures	10,000	-	10,000	0.0%	-	-
TOTAL EXPENSES	1,541,135	345,646	1,195,489	22.4%	369,483	23,837
OPERATING REVENUES OVER (UNDER) EXPENSES	-	27,066	27,066	n/a	195,791	(168,725)
NON-OPERATING REVENUE (EXPENSES)						
Capital Improvements - (Grants)	(465,678)	-	465,678	0.0%	(78,113)	78,113
JPA Revenue (Grants)	465,678	-	(465,678)	0.0%	78,113	(78,113)
Capital Outlay - Equipment	-	-	-	n/a	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	-	-	n/a	-	-
TOTAL REVENUES OVER (UNDER) EXPENSES	-	27,066	27,066	n/a	\$ 195,791	\$ (168,725)

CRA Fund - Summary of Revenues and Expenditures

December 31, 2019

(25% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Dec-18	Variance Fav (unfav)
REVENUES						
Tax Incremental Revenue - City	\$ 93,907	\$ 22,767	\$ (71,140)	24.2%	\$ 22,767	(0)
Tax Incremental Revenue - County	135,225	-	(135,225)	0.0%	131,137	(131,137)
Interest Income	200	34	(166)	17.0%	57	(23)
Special Events	-	450	450	n/a	-	450
Other Financing Sources	307,110	-	(307,110)	0.0%	-	-
TOTAL REVENUES	536,442	23,251	(513,191)	4.3%	153,962	(130,711)
EXPENDITURES						
Personal Services	61,345	18,161	43,184	29.6%	12,240	(5,921)
Operating Expenditures	74,661	8,270	66,391	11.1%	8,069	(201)
Capital Outlay	390,436	96,010	294,426	24.6%	-	(96,010)
Non-Operating Expenditures	10,000	-	10,000	0.0%	-	-
TOTAL EXPENDITURES	536,442	122,441	414,001	22.8%	20,309	(102,132)
REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ (99,190)	\$ (99,190)	n/a	\$ 133,652	\$ (232,842)

Utility Fund (All Services) - Summary of Revenues and Expenses

December 31, 2019

(25% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Dec-18	Variance Fav (unfav)
REVENUES						
Electric Utility	\$ 3,698,849	\$ 813,136	\$ (2,885,714)	22.0%	\$ 887,834	\$ (74,698)
Gas Utility	397,750	121,866	(275,884)	30.6%	153,029	(31,163)
Water Utility	482,426	127,757	(354,669)	26.5%	112,781	14,976
Solid Waste Income	558,179	136,141	(422,037)	24.4%	139,908	(3,767)
Sewer Utility	568,066	143,216	(424,851)	25.2%	132,887	10,328
Interest Income	15,000	399	(14,601)	2.7%	737	(338)
Other Miscellaneous Income	98,627	7,352	(91,275)	7.5%	10,179	(2,827)
Use of Retained Earnings	110,000	-	(110,000)	0.0%	-	-
TOTAL REVENUES	5,928,897	1,349,867	(4,579,030)	22.8%	1,437,356	(87,489)
EXPENSES						
Total Administration Department	188,021	38,191	149,830	20.3%	24,831	(13,360)
Total Electric Department	3,185,235	675,856	2,509,379	21.2%	728,701	52,846
Total Gas Department	600,133	133,091	467,042	22.2%	142,732	9,642
Total Water Department	661,277	191,184	470,093	28.9%	160,222	(30,963)
Total Solid Waste Department	546,639	134,490	412,149	24.6%	146,265	11,775
Total Sewer Collection / Treatment	747,591	186,384	561,207	24.9%	172,823	(13,561)
TOTAL EXPENSES	5,928,897	1,359,196	4,569,701	22.9%	1,375,574	16,378
REVENUES OVER (UNDER) EXPENSES	\$ -	\$ (9,329)	\$ (9,329)	n/a	\$ 61,783	\$ (71,112)

Utility Fund (Admin) - Summary of Revenues and Expenses

December 31, 2019

(25% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Dec-18	Variance Fav (unfav)
REVENUES						
Other Miscellaneous Income	\$ 98,627	\$ 7,352	\$ (91,275)	7.5%	\$ 10,179	\$ (2,827)
Interest Income	15,000	399	(14,601)	2.7%	737	(338)
Use of Retained Earnings	110,000	-	(110,000)	0.0%	-	-
TOTAL REVENUES	223,627	7,751	(215,875)	3.5%	10,917	(3,166)
EXPENSES						
Operating Expenditures	188,021	38,191	149,830	20.3%	24,831	(13,360)
TOTAL EXPENSES	188,021	38,191	149,830	20.3%	24,831	(13,360)
REVENUES OVER (UNDER) EXPENSES	35,605	\$ (30,440)	\$ (66,045)	-85%	\$ (13,914)	\$ (16,526)

Utility Fund (Electric Services) - Summary of Revenues and Expenses

December 31, 2019

(25% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Dec-18	Variance Fav (unfav)
REVENUES						
Electric Utility	\$ 1,385,418	\$ 320,897	\$ (1,064,521)	23.2%	\$ 330,262	\$ (9,365)
Electric Utility - Power Cost Adj	2,306,931	485,965	(1,820,966)	21.1%	557,452	(71,487)
New Electric Service	4,000	480	(3,520)	12.0%	120	360
Electric Overhead / Underground	2,500	5,794	3,294	231.8%	-	5,794
Use of Retained Earnings	-	-	-	n/a	-	-
TOTAL REVENUES	3,698,849	813,136	(2,885,714)	22.0%	887,834	(74,698)
EXPENSES						
Personal Services	426,573	67,456	359,118	15.8%	68,937	1,481
Operating Expenditures	2,490,543	541,775	1,948,768	21.8%	605,112	63,338
Non-Operating Expenditures	268,119	66,626	201,493	24.8%	54,652	(11,974)
TOTAL EXPENSES	3,185,235	675,856	2,509,379	21.2%	728,701	52,846
REVENUES OVER (UNDER) EXPENSES	513,614	\$ 137,280	\$ (376,335)	27%	\$ 159,133	\$ (21,853)

Utility Fund (Gas Services) - Summary of Revenues and Expenses

December 31, 2019

(25% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Dec-18	Variance Fav (unfav)
REVENUES						
Gas Utility	\$ 365,000	\$ 121,201	\$ (243,799)	33.2%	\$ 183,904	\$ (62,703)
Gas Meter Connection/Reconnection	1,000	365	(635)	36.5%	375	(10)
New Gas Service	500	300	(200)	60.0%	-	300
Infrastructure Reimbursement	31,250	-	(31,250)	0.0%	(31,250)	31,250
Use of Retained Earnings	-	-	-	n/a	-	-
TOTAL REVENUES	397,750	121,866	(275,884)	30.6%	153,029	(31,163)
EXPENSES						
Personal Services	217,902	44,664	173,238	20.5%	43,081	(1,583)
Operating Expenditures	270,446	58,261	212,185	21.5%	80,142	21,881
Non-Operating Expenditures	111,785	30,165	81,619	27.0%	19,509	(10,657)
TOTAL EXPENSES	600,133	133,091	467,042	22.2%	142,732	9,642
REVENUES OVER (UNDER) EXPENSES	\$ (202,383)	\$ (11,225)	\$ 191,158	6%	\$ 10,296	\$ (21,521)

Utility Fund (Water Services) - Summary of Revenues and Expenses

December 31, 2019

(25% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Dec-18	Variance Fav (unfav)
REVENUES						
Water Utility	\$ 472,426	\$ 124,217	\$ (348,209)	26.3%	\$ 110,561	\$ 13,656
Water Meter Connection/Reconn	5,000	990	(4,010)	19.8%	1,200	(210)
New Water Service	5,000	2,550	(2,450)	51.0%	1,020	1,530
TOTAL REVENUES	482,426	127,757	(354,669)	26.5%	112,781	14,976
EXPENSES						
Personal Services	204,304	49,949	154,355	24.4%	40,190	(9,759)
Operating Expenditures	187,243	82,553	104,690	44.1%	66,084	(16,469)
Debt Service	-	-	-	n/a	1,182	1,182
Non-Operating Expenditures	269,730	58,682	211,048	21.8%	52,767	(5,916)
TOTAL EXPENSES	661,277	191,184	470,093	28.9%	160,222	(30,963)
REVENUES OVER (UNDER) EXPENSES	\$ (178,851)	\$ (63,427)	\$ 115,424	35%	\$ (47,440)	\$ (15,987)

Utility Fund (Waste Collection) - Summary of Revenues and Expenses

December 31, 2019

(25% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Dec-18	Variance Fav (unfav)
REVENUES						
Solid Waste Income	\$ 558,179	\$ 136,141	\$ (422,037)	24.4%	\$ 139,908	\$ (3,767)
TOTAL REVENUES	558,179	136,141	(422,037)	24.4%	139,908	(3,767)
EXPENSES						
Personal Services	16,981	4,396	12,585	25.9%	4,743	347
Operating Expenditures	529,659	130,094	399,565	24.6%	134,247	4,153
Non-Operating Expenditures	-	-	-	n/a	7,275	7,275
TOTAL EXPENSES	546,639	134,490	412,149	50.5%	146,265	11,775
REVENUES OVER (UNDER) EXPENSES	\$ 11,539	\$ 1,651	\$ (9,888)	14%	\$ (6,357)	\$ 8,008

Utility Fund (Sewer Services) - Summary of Revenues and Expenses

December 31, 2019

(25% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Dec-18	Variance Fav (unfav)
REVENUES						
Sewer Utility	\$ 563,066	\$ 140,216	\$ (422,851)	24.9%	\$ 132,887	\$ 7,328
Sewer Connection	5,000	3,000	(2,000)	60.0%	-	3,000
Use of Retained Earnings	-	-	-	n/a	-	-
Grant Revenue	-	-	-	n/a	-	-
TOTAL REVENUES	568,066	143,216	(424,851)	25.2%	132,887	10,328
EXPENSES						
Sewer Collection						
Personal Services	157,104	30,766	126,339	19.6%	31,268	503
Operating Expenditures	70,620	45,986	24,634	65.1%	34,131	(11,855)
Total Sewer Collection	227,724	76,752	150,973	33.7%	65,399	(11,353)
Sewer Treatment						
Personal Services	159,527	31,778	127,748	19.9%	31,449	(329)
Operating Expenditures	164,974	35,263	129,711	21.4%	37,677	2,414
Total Sewer Treatment	324,501	67,041	257,460	20.7%	69,126	2,086
Non-Departmental						
Transfer To General Fund	170,366	42,592	127,775	25.0%	38,297	(4,294)
Transfer to Capital Improvement Fund	25,000	-	25,000	0.0%	-	-
Total Sewer Collection	195,366	42,592	152,775	21.8%	38,297	(4,294)
TOTAL EXPENSES	747,591	186,384	561,207	24.9%	172,823	(13,561)
REVENUES OVER (UNDER) EXPENSES	\$ (179,525)	\$ (43,169)	\$ 136,356	24.0%	\$ (39,936)	\$ (3,233)

Utility Fund (CIP) - Summary of Revenues and Expenses

December 31, 2019

(25% Yr Complete)

Description	Annual Budget	Year to Date Actual	Variance Fav (unfav)	% of Budget	PRIOR YEAR	
					Year to Date Dec-18	Variance Fav (unfav)
REVENUES						
Grant Revenue - CDGB	\$ 426,400	\$ 42,048	\$ (384,352)	9.9%	\$ -	42,048
Transfer From Utility Fund	110,000	14,315	(95,685)	13.0%	-	14,315
TOTAL REVENUES	536,400	56,363	(480,037)	10.5%	-	56,363
EXPENDITURES						
City Hall Improvements	-	-	-	n/a	271,153	271,153
Software Purchases	20,000	-	20,000	0.0%	-	-
Heavy Equipment Purchases	80,000	5,846	74,154	7.3%	67,126	61,280
Water Improvements	10,000	-	10,000	0.0%	-	-
Sewer Improvements	426,400	42,048	384,352	9.9%	4,280	(37,768)
Gas Improvements	-	8,469	(8,469)	n/a	-	(8,469)
TOTAL EXPENDITURES	536,400	56,363	480,037	10.5%	342,559	286,196
REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	\$ -	n/a	\$ (342,559)	\$ 342,559

Capital Projects - Spending Report

December 31, 2019

<u>Current Projects</u>	<u>Status</u>	<u>Estimated Project Cost</u>	<u>Anticipated Revenue</u>	<u>City Match</u>	<u>Amount Spent to Date</u>	<u>Amount Remaining to Spend</u>
<u>General Fund</u>						
Animal Shelter	In Progress	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 75,000
	Subtotal	75,000	75,000	-	-	75,000
<u>Airport Fund</u>						
Refurbish of Existing GA Apron	In Progress	465,678	465,678	-	-	465,678
	Subtotal	465,678	465,678	-	-	465,678
<u>Utility Fund</u>						
Upgrade Sewer Plant	In Progress	426,400	426,400	-	47,048	379,352
Water main on SW 4th Ave		10,000	-	10,000	-	10,000
Gas Projects	In Progress	-	-	8,469	-	-
	Subtotal	436,400	426,400	18,469	47,048	389,352
<u>CRA Fund</u>						
Heritage Park Phase II Block 0		26,197	-	26,197	-	26,197
Downtown Redevelopment Project	In Progress	362,535	-	362,535	96,010	266,524
	Subtotal	388,732	-	388,732	96,010	292,721

Capital Purchases - Spending Report

December 31, 2019

<u>Capital Purchase</u>	<u>Budgeted Amount</u>	<u>Amount Spent to Date</u>	<u>Amount Remaining</u>	<u>Funding Source</u>
<u>Police/Fire</u>				
Computer Back-up System	\$ 11,200	\$ 5,492	\$ 5,708	Fund Balance (reserves)
Dodge Chargers (2)	71,400	-	71,400	Fund Balance (reserves) / USDA grant
Fire Vehicle	50,000	-	50,000	Fund Balance (reserves) / County
Animal Control Pick-up Truck	25,000	23,630	1,370	Fund Balance (reserves) / USDA grant
Subtotal	157,600	29,122	128,478	
<u>Utility Fund</u>				
New Radio / Software for Meter Reading	20,000	-	20,000	Retained Earnings (reserves)
Tracked Skid Steer	80,000	-	80,000	Retained Earnings (reserves)
Padmounted Transformer	-	5,100	(5,100)	Retained Earnings (reserves)
Subtotal	100,000	5,100	94,900	
Total	\$ 257,600	\$ 34,222	\$ 223,378	

Outstanding Debt

December 31, 2019

Description	Original Amount	Amount Paid to Date	Amount Remaining	Funding Source
Bank Loans				
Purchase of Fire Truck	\$ 150,000	\$ 80,512	\$ 69,488	County Fire revenue
Construction of New City Hall	1,263,530	17,991	1,245,540	General / Utility Fund (50% / 50%)
Subtotal	1,413,530	98,503	1,315,028	
Interfund Loans				
Purchase of Fire Engine	208,500	10,425	198,075	Due to Utility Fund from General Fund
Construction of New City Hall	753,657	-	753,657	Due to Utility Fund from General Fund
Airport - Water Well	102,637	31,163	71,474	Due to General Fund from Airport Fund
Subtotal	1,064,794	41,588	1,023,206	
Total	\$ 2,478,324	\$ 140,090	\$ 2,338,234	

Date: FEBRUARY 4, 2020

COUNCIL AGENDA ITEM

RESOLUTION 2020-06 AUTHORIZING A BUDGET AMENDMENT TO TRANSFER \$15,000 FROM THE GENERAL FUND RESERVE TO PAY V.E. WHITEHURST AND SONS INC. FOR THE PAVING OF N.W. MAIN ST. FROM N.W. 1ST AVE TO N.W. SECOND AVE, TO INCLUDE 4 PARKING AREAS WITHIN HERITAGE PARK

REQUESTED BY: CJ ZIMOSKI PUBLIC WORKS/UTILITY MANAGER
PREPARED BY: CJ ZIMOSKI PUBLIC WORKS/ UTILITY MANAGER

BACKGROUND / DESCRIPTION: Staff is requesting a budget amendment in the amount of \$15,000 from the General Fund reserve to CIP for the purpose of cost sharing the paving of the 100 block of NW Main Street plus several parking areas in Heritage Park. The project was funded in last year's CIP, but the project was deferred, and the funding did not carry over into this year's CIP funding. The total cost will be shared with the CRA, which has committed \$12,000.

The paving of NW Main Street was approved by Council previously when the City signed a unit cost contract with V.E. Whitehurst for citywide paving services. The additional cost of paving the four parking areas within the park was part of the Heritage Park improvements plan.

The paving of the 100 block of NW Main Street will include reshaping the road to direct storm water more effectively and to raise the level of the road to its proper height along the curb on the east side of the street. This project has been pending as a part of the overall Heritage Park improvements and construction of the Veterans Memorial.

LEGAL REVIEW: NONE

FISCAL IMPACTS: \$15,000. TRANSFER FROM GENERAL FUND RESERVES INTO THE CIP FUND

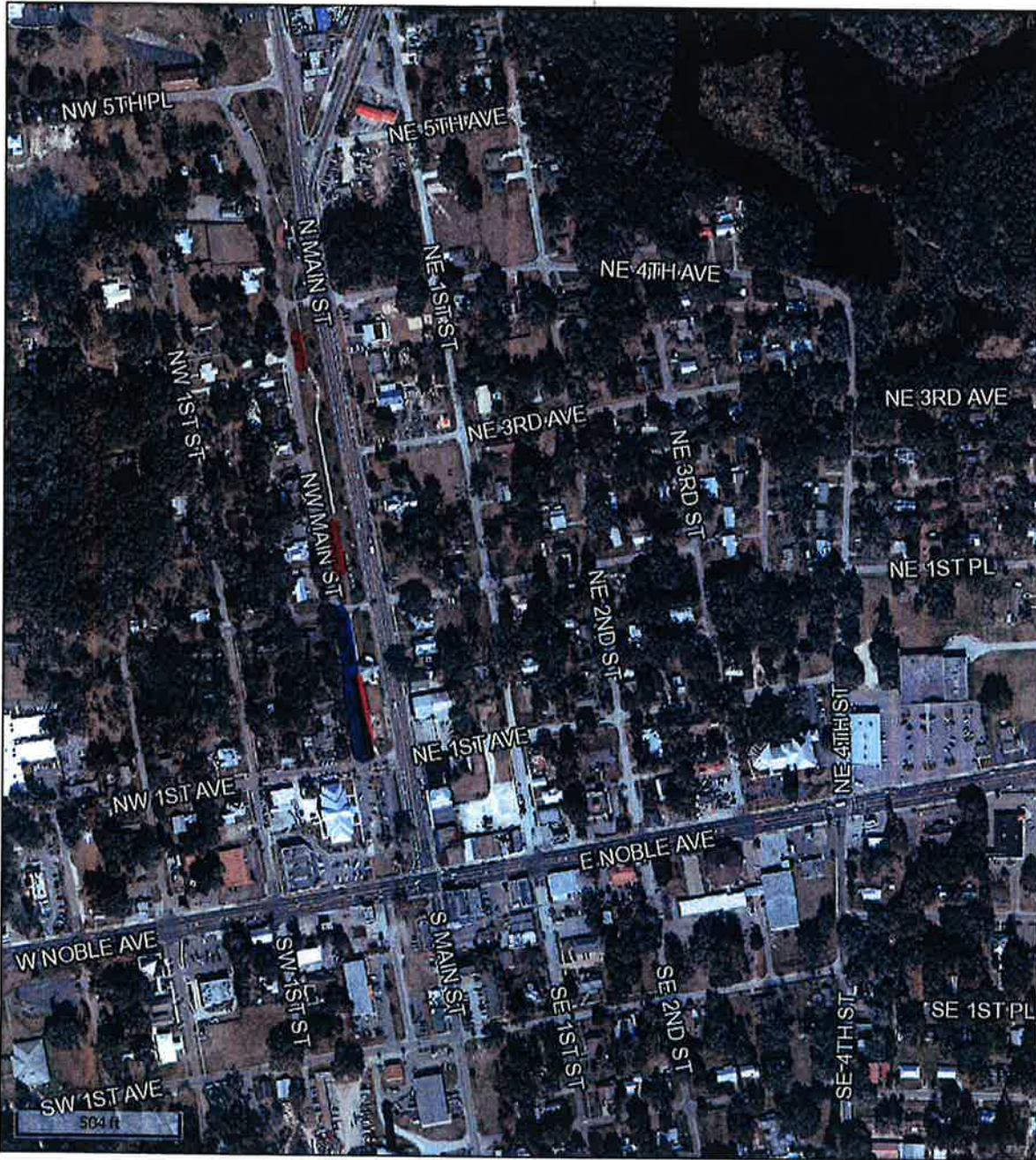
RECOMMENDED ACTION: Staff recommends approval.

ATTACHMENTS:

____ CONTRACT ____ RESOLUTION _____ MAP __X__ LEASE
____ OTHER DOCUMENTS

COUNCIL ACTION:

____ APPROVED
____ DENIED



Overview



Legend

- Roads
- City Labels

Date created: 1/28/2020
Last Data Uploaded: 1/27/2020 5:12:41 PM

Developed by  **Schneider**
GEOSPATIAL

- CRA Portion
- City Portion

RESOLUTION NUMBER 2020-06

Amending Budget

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLISTON, FLORIDA
AMENDING THE FISCAL YEAR 2019-2020 GENERAL FUND AND CAPITAL
IMPROVEMENT PROJECTS BUDGETS AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, the City of Williston adopted a plan of improvements for Heritage Park; and,

WHEREAS, those plans included reshaping and repaving the 100 block of NW Main Street;
and,

WHEREAS, the funding for the NW Main Street project were not included in the 2019-2020
CIP budget.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Williston,
Florida that:

SECTION 1. The above recitals are true and accurate and are made a part of this resolution.

SECTION 2. The City Council hereby amends the 2019-2020 budget of the City of Williston to
move \$15,000 from General Fund reserves to the Capital Improvement Projects (CIP) budget.

SECTION 3. This resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED at a meeting of the City Council this 4th day of February, 2020.

CITY OF WILLISTON, FLORIDA

BY: _____
Nancy Wininger, City Council President

ATTEST:

Latricia Wright, City Clerk

APPROVED AS TO FORM AND LEGALITY:

By: _____
Fred L. Koberlein, Jr., City Attorney

Date: February 4, 2020

COUNCIL AGENDA ITEM

TOPIC: Amendment to Well Bilt lease

REQUESTED BY: SCOTT LIPPMANN

PREPARED BY: SCOTT LIPPMANN

BACKGROUND / DESCRIPTION:

Carol Bilt, the owner of the Well Bilt building in the airport industrial park, has requested an amendment to her lease allowing her to obtain short term financing on her property.

We have granted such requests to other tenants such as Monterey Boats.

LEGAL REVIEW:

FISCAL IMPACTS: none to the City

RECOMMENDED ACTION: Approve

ATTACHMENTS:

COMMISSION ACTION:

APPROVED

DISAPPROVED

Recording Fee: _____
Documentary Stamp Tax: _____

Prepared by
Record and Return to
Lawrence C. Callaway, III
Klein and Klein, LLC
40 SE 11th Ave.
Ocala, FL 34471

Parcel Identification Number:

**LEASEHOLD MORTGAGE
AND SECURITY AGREEMENT**

THIS LEASEHOLD MORTGAGE AND SECURITY AGREEMENT ("Mortgage"), made this _____ day of January, 2020, by and **M. BILT ENTERPRISES, INC., a Florida corporation**, whose address is P.O. Box 273945, Boca Raton, Florida 33427 (hereinafter called "Mortgagor"), and **ALLSTATE SERVICING, INC. a Florida corporation**, whose address is P.O. Box 4737, Ocala, Florida 34478 (hereinafter called "Mortgagee").

WHEREAS, the City of Williston (hereinafter called "Lessor" or "Ground Lessor") entered into a certain Lease with Mortgagor, as Lessee, dated November 1, 1990 (hereinafter as heretofore amended called "Ground Lease" and more particularly described in Exhibit "A" attached hereto and made a part hereof), covering the Mortgaged Property (as hereinafter defined); and

WHEREAS, the Mortgagor has borrowed from and is indebted to the Mortgagee in the sum of **ONE HUNDRED FIFTY THOUSAND DOLLARS AND NO/100 (\$150,000.00)** lawful money of the United States of America, with interest thereon as stated therein, to be paid according to the terms and conditions of that certain Promissory Note of even date herewith (hereinafter called "Promissory Note" or "Note") executed by Mortgagor and delivered to and accepted by Mortgagee.

NOW, THEREFORE, to secure the payment of any and all indebtedness now existing or which may hereafter arise by reason of the Note, this Mortgage or any other security documents which may be delivered by the Mortgagor to the Mortgagee in connection with the Note or this Mortgage, or any renewals, extensions, modifications, replacements or substitutions thereof, or any future or additional advances as may be made by the Mortgagee in accordance with Article 28 hereof, and, in addition thereto, all interest thereon (all collectively hereafter called the "Indebtedness"), the Mortgagor hereby mortgages to the Mortgagee:

Article I.

1. All of the Mortgagor's right, title and interest in, to and under the Ground Lease, and the leasehold estate created thereby, in and to those certain premises, lots, pieces or parcels of land, together with the buildings, structures and improvements now or hereafter erected thereon, situated, lying and being in the County of Levy and State of Florida, described in Exhibit "B" attached hereto and made a part hereof; together with:

A. The appurtenances and all the estate and rights of the Mortgagor of, in and to the Mortgaged Property under and by virtue of the Ground Lease.

B. The tenements, hereditaments, easements, riparian and other rights and appurtenances belonging or in anywise appertaining to the Mortgaged Property, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

C. All right, title and interest of the Mortgagor, if any, now or hereafter acquired, in any land lying in the bed of any street, road or avenue, parking area and access ways, open or proposed, in front of or adjoining said land to the centerline thereof.

D. All right, title and interest of the Mortgagor, if any, now or hereafter acquired, in any and all sidewalks and alleys, and all strips and gores of land, lakes, streams, canals and bodies of water adjacent to or used in connection with the Mortgaged Property.

2. All right, title and interest, if any, of the Mortgagor, now owned or hereafter acquired, in and to any and all buildings, structures and improvements now or at any time hereafter erected, constructed or situated upon the Mortgaged Property or any part thereof and all apparatus, fixtures and articles of personal property attached now or hereafter attached to or used or procured for use in connection with the operation or maintenance of any such building, structure or other improvement, including, but without limiting the generality of the foregoing, all engines, furnaces, boilers, pumps, heaters, tanks, dynamos, motors, generators, switchboards, electrical equipment, heating, plumbing, lifting and ventilating apparatus, air-cooling and air-conditioning apparatus, gas and electric fixtures, elevators, escalators, fittings and machinery, and all other equipment of every kind and description, used or procured for use in the operation of the building standing on said premises (except apparatus, fixtures or articles of personal property belonging to sublessees or other occupants of said buildings or to persons other than the Mortgagor, unless the same be abandoned by any such sublessee or other occupant or person, and except operating supplies), together with any and all replacements thereof and additions thereto. (The apparatus, fixtures and articles of personal property above described are hereinafter called "Equipment".)

3. All right, title and interest of the Mortgagor, if any, in and to (A) all modifications, extensions and renewals of the Ground Lease and in and to all rights to renew or extend the term of the Ground Lease or to purchase fee simple title to the Mortgaged Property; and (B) all credits, deposits, options, privileges and rights of the Mortgagor, as Lessee under the Ground Lease; and (C) to the extent not prohibited by or inconsistent with the terms of the Ground Lease, all awards heretofore made or hereafter to be made for the taking by eminent domain of the whole or any part of the Mortgaged Property, or any estate or easement therein, including any awards for change of grade of streets, all of which awards are hereby assigned the Mortgagee, who is hereby authorized to collect and receive the proceeds of such awards and to give proper receipts and acquittances therefor and to apply the same in accordance with the provisions of the Ground Lease and in case thereafter there shall be any excess of such proceeds the Mortgagee shall have the right and option to apply such towards the payment of any sum owing on account of this Mortgage and the Note and the Indebtedness secured hereby, notwithstanding the fact that such sum may not then be due and payable.

4. All the right, title and interest of the Mortgagor in and to any and all present and future subleases of space in the building erected upon the Mortgaged Property demised under the Ground Lease, together with all the right or privilege of the Mortgagor to cancel any present or future sublease, to accept prepayment of more than one periodic installment of rent payable thereunder, to accept the term thereof or the rental payable thereunder or to change any renewal privileges therein contained, without the written consent of the Mortgagee.

ALL of the foregoing described property, rights, privileges, interest and franchises described in Paragraphs 1 through 4, inclusive, which are hereby granted, released, assigned, transferred, mortgaged, pledged and set over, or intended so to be (hereinafter collectively called "Mortgaged Property").

TO HAVE AND TO HOLD the Mortgaged Property unto the Mortgagee, its successors and assigns for and during all the rest, residue and remainder of the term of years yet to come and unexpired as in the Ground Lease and in the renewals therein provided for, subject, nevertheless, to the rents, terms, covenants, conditions, reservations and provisions in the Ground Lease set forth.

Article II.

THE MORTGAGOR represents, covenants and warrants to and with the Mortgagee:

1. That, as against the Mortgagee, the Mortgaged Property now is free and clear of all encumbrances whatsoever, except as stated in that certain Title Insurance Commitment No. 2076-4593437, issued by First American

Title Insurance Company, dated January 13, 2020, and that the Mortgagor has good right and lawful authority to mortgage and convey the same in the manner and form hereby mortgaged and conveyed.

2. That (A) the Ground Lease is a valid and subsisting lease of the property therein described and purported to be demised thereby for the term therein set forth and is in full force and effect in accordance with the terms thereof and has not been modified, except as disclosed in writing to Mortgagee, and there are no existing defaults by the Ground Lessor or by the Mortgagor, as Lessee, thereunder, and (B) the Mortgagor is the owner and holder of the Ground Lease and of the leasehold estate created thereby.

3. That each sublease, if any, is a valid and subsisting lease of space in the buildings presently erected upon the Mortgaged Property demised under the Ground Lease and constituting a portion of the Mortgaged Property, and that there is no existing default on the part of the Mortgagor, as sublessor, or on the part of any sublessee, under any such sublease.

Article III.

The Mortgagor further covenants and agrees with the Mortgagee as follows:

1. PAYMENT OF INDEBTEDNESS

To make all payments of principal, interest and other sums of money constituting the Indebtedness promptly on the days the same severally come due. Both principal and interest on the Promissory Note secured hereunder are payable in lawful money of the United States of America, without deduction for or on account of any present or future taxes, duties or other charges levied or imposed on the Promissory Note or the proceeds thereof, or upon the maker or holder thereof by any government, or any instrumentality, authority or political subdivision thereof. The Mortgagor agrees, upon the request of the Mortgagee, to pay all such taxes, duties and other charges in addition to principal and interest on the Promissory Note, exclusive of United States income taxes and Florida income taxes. Failure to do so shall constitute a default under the terms of this Mortgage.

2. PAYMENT OF GROUND RENT, TAXES, ETC.

That the Mortgagor will pay, or cause to be paid, not later than the day the same become due and payable by the Mortgagor pursuant to the provisions of the Ground Lease, (A) all rent, additional rent and other payments required to be paid by the Lessee under the Ground Lease, and (B) all real estate taxes, sales taxes, intangible taxes, assessments, water and sewer rates and charges, and all other governmental levies and charges (hereinafter called "Impositions") of every kind and nature whatsoever, general and special, ordinary and extraordinary, unforeseen as well as foreseen, which shall be assessed, levied, confirmed, imposed or become a lien upon or against the Mortgaged Property or any portion thereof, or which shall become payable with respect thereto immediately upon the payment thereof. The Mortgagor shall deliver to the Mortgagee the original or a photostatic copy of the official receipt evidencing such payment or other proof of payment satisfactory to the Mortgagee. To the extent that the Ground Lease shall grant to the Mortgagor, as Lessee thereunder, the privilege to postpone or defer the payment of any such Imposition, or any additional rent or other payment other than basic rent, the failure of the Mortgagor to pay the same shall not constitute a default hereunder, if and so long as the Mortgagor shall faithfully comply with all of the conditions and other requirements of the Ground Lease with respect to the exercise of such privilege.

3. MAINTENANCE AND REPAIRS

That the Mortgagor will keep and maintain, or cause to be kept and maintained, all structures, buildings, building service equipment and other improvements now or at any time hereafter erected upon or constituting any portion of the Mortgaged Property, and the sidewalks and curbs and ways abutting the same, in good order and condition and in a rentable and tenable state of repair, and will make, or cause to be made, as and when the same shall become necessary, all structural and non-structural exterior and interior, ordinary and extraordinary, foreseen and unforeseen, repairs, renewals and replacements necessary to that end. In the event that the Mortgaged Property shall be damaged or destroyed, in whole or in part, by fire or any other casualty, or in the event of a taking of a portion of the Mortgaged

Premises as a result of any exercise of the power of eminent domain (hereinafter in this Mortgage called a "Condemnation Proceeding") which shall not result in a termination of the Ground Lease pursuant to its terms, the Mortgagor shall promptly restore, replace, rebuild or alter the same as nearly as possible to the condition they were in immediately prior to such fire, other casualty or taking, and in accordance with all the terms, covenants, conditions and any other requirements of the Ground Lease applicable in the event of such damage, destruction or taking. The failure of the Mortgagor to restore, replace, rebuild or alter the Mortgaged Property as hereinabove provided shall constitute a default hereunder. The Mortgagor covenants that it will give to the Mortgagee prompt written notice of any damage or injury to the Mortgaged Property in excess of Fifteen Thousand Dollars (\$15,000.00) and will give like notice to the Mortgagee of the commencement of any condemnation proceeding affecting the whole or any portion of Mortgaged Property. The Mortgagee shall have the right, at any time and from time to time, to remove and dispose of Equipment which may have become obsolete or unfit for use or which is no longer useful in the operation of the buildings now or hereafter constituting a portion of the Mortgaged Property. The Mortgagor agrees promptly to replace with other Equipment, free of superior title, liens or claims, of at least equal usefulness and quality, any such Equipment so removed or disposed of.

4. COMPLIANCE WITH LAWS

That the Mortgagor will promptly comply or cause compliance with all present and future laws, ordinances, rules, regulations and other requirements of all governmental authorities having jurisdiction of or with respect to the Mortgaged Property or any portion thereof or the use or occupation thereof; provided, however, that the Mortgagor may postpone such compliance if and so long as the validity or legality of any such governmental requirement shall be contested by the Mortgagor or the Ground Lessor or any sublessee or other occupant of the building, with diligence and in good faith, by appropriate legal proceedings and in full compliance with all of the requirements of the Ground Lease with respect to such contests. Mortgagor shall ensure that the Mortgaged Property and the improvements thereon shall at all times during the term of this Mortgage be in compliance with all environmental laws, zoning ordinances, building codes, and all other applicable statutes, ordinances and administrative rules applicable to the Mortgaged Property, including, but not limited to, all applicable building codes and statutes of the State of Florida.

5. INSURANCE

A. That the Mortgagor will at all times keep all buildings, structures, Equipment and other improvements now or hereafter placed on the Mortgaged Property insured for the mutual benefit of the Mortgagee, the Ground Lessor and the Mortgagor, as their respective interests may appear, in amounts sufficient to prevent the Mortgagor or the Mortgagee from becoming a co-insurer, within the terms of the applicable policies, under policies of all-risk and public liability insurance (which shall include, but not be limited to, fire, flood extended coverage, plate glass coverage and vandalism) placed with companies and agents approved by the Mortgagee and such insurance shall be carried in amounts which the Mortgagee may deem sufficient for its complete protection, but in no event less than the full insurable replacement cost of the Mortgaged Property less the value of the land and no less than those amounts set forth in the Ground Lease. In addition, during all construction, Mortgagor shall provide builders' all-risk extended coverage insurance on a completed value, non-reporting form, in amounts approved by the Mortgagee, but not less than one hundred percent (100%) of the full insurable replacement cost of the Mortgaged Property without regard for depreciation and with an "inflation guard" endorsement. The premiums for all such insurance shall be paid by the Mortgagor not later than fifteen (15) days before the same are due. The original of such policy or policies shall be delivered to and held by the Mortgagee and shall be made payable to the Mortgagee by having attached or contained in the policy or policies a Standard Mortgagee Clause without contribution and shall be subject to all other provisions of this Mortgage and of the Ground Lease. No additional parties shall appear in the mortgagee clause without Mortgagee's prior written consent. All policies of insurance shall provide that they may not be cancelled, even for nonpayment of premium, or materially changed without at least thirty (30) days prior written notice to the Mortgagee.

B. All insurance monies, if any, recovered under any of the policies of insurance provided for in the Ground Lease shall be applied, and by its acceptance of this Mortgage, the Mortgagee agrees that any such insurance monies received by the Mortgagee shall be applied by the Mortgagee, in accordance with the provisions of the Ground Lease; provided, however, that any unexpended balance of such monies remaining after such application shall, at the option of the Mortgagee, be applied in reduction of the then outstanding Indebtedness.

C. If the Mortgagee shall by any manner acquire title to the Mortgaged Property, it shall thereupon become the sole and absolute owner of all insurance policies held by or required hereunder to be delivered to the Mortgagee, with the sole right to collect and retain all unearned premiums thereon, and the Mortgagor shall only be entitled to a credit, in reduction of the then outstanding Indebtedness, in the amount of the short rate cancellation refund.

D. Whenever and so long as the Mortgagor shall procure and maintain any policy or policies of rent insurance with respect to any building constituting a portion of the Mortgaged Property, each such policy shall be payable to the Mortgagee, as its interest may appear, pursuant to a standard mortgagee clause in non-contributing form, and the original or a copy of each such policy shall be delivered to the Mortgagee. All proceeds of any such rent insurance, when received by the Mortgagee, shall be applied, first, to the payment of all then due and unpaid installments of rent, additional rent, impositions and other charges and payments required to be paid pursuant to the provisions of the Ground Lease, second, to the payment of any then due and unpaid portion of the Indebtedness, and, third, to cure any default of the Mortgagor in the performance or observance of any of its obligations hereunder or under the Ground Lease and, thereafter, any remaining balance of such proceeds shall be paid over to the Mortgagor.

6. ALTERATIONS, DEMOLITION

That no building presently or hereafter constituting a portion of the Mortgaged Property shall be removed or demolished without the prior written consent of the Mortgagee. The Mortgagor further covenants that it will not make, authorize or permit to be made any changes or alterations in or to any such building other than changes and alterations (hereafter called "Permitted Alterations") of the character expressly permitted by the provisions of the Ground Lease and that all such made by the Mortgagor shall be performed in the manner and subject to all of the conditions set forth in the Ground Lease, and subject to the further conditions, to wit: (A) that no single structural change or alteration involving an estimated cost in excess of Twenty-Five Thousand Dollars (\$25,000.00) shall be undertaken without the prior written consent of the Mortgagee; and (B) any bond, for the completion or payment of any such alteration, furnished to or for the benefit of the Lessor under and pursuant to the Ground Lease, shall also name the Mortgagee as an obligee, or a similar bond shall be furnished to and for the benefit of the Mortgagee.

7. DISPOSITION OF GROUND LEASE AND SUBLEASES

That except in the manner hereinafter permitted, the Mortgagor will not (A) sell, assign, transfer, mortgage, pledge or otherwise dispose of or encumber, whether by operation of law or otherwise, any sublease of space in any building now or hereafter constituting a portion of the Mortgaged Property, or any rents, issues or profits issuing from the Mortgaged Property, (B) place a subordinate mortgage on the Ground Lease without the prior written consent of the Mortgagee, or (C) sell, assign or transfer the Ground Lease.

8. PRIORITY OF LIEN - AFTER-ACQUIRED PROPERTY - NO MERGER

A. That this Mortgage is and will be maintained as a valid first mortgage lien on the Mortgaged Property and that the Mortgagor will not, directly or indirectly, create or suffer or permit to be created, or to stand, against the Mortgaged Property or any portion thereof, or against the rents, issues and profits therefrom any lien or charge prior to or upon a parity with the lien of this Mortgage.

B. The Mortgagor will keep and maintain the Mortgaged Property free and clear of all liens and persons supplying labor and materials entering into the construction, modification or repair of any and all buildings now or hereafter erected on the Mortgaged Property. If any such liens shall be filed against the Mortgaged Property, the Mortgagor agrees to discharge the same of record within the time limits set forth in the Ground Lease or within twenty (20) days, whichever shall be less.

C. In no event shall the Mortgagor do or permit to be done, or omit to do or permit the omission of, any act or thing, the doing of, or omission to do, which would impair the security of this Mortgage, or would constitute grounds for the termination of the Ground Lease, or would entitle the Lessor hereunder to declare a forfeiture of the Ground Lease, or to reenter the Mortgaged Property covered thereby. The Mortgagor will not release, surrender or

terminate the Ground Lease without the prior written consent of the Mortgagee, nor without similar consent will the Mortgagor modify the Ground Lease so as to reduce the term thereof, or to increase the rentals payable thereunder, or to alter those provisions relating to grace periods, notices to be given to the Mortgagee, construction, use, reconstruction or demolition of the buildings on the Mortgaged Property, payment of Impositions, renewal privileges, options to purchase, if any, or in any other manner which would impair the security of this Mortgage.

D. The Mortgagor further covenants and agrees that there shall be no merger of the Ground Lease, or of the leasehold estate created thereby, or (except as provided in the Ground Lease) of any buildings, structures, Equipment or other improvements now or hereafter constituting a portion of the Mortgaged Property, with the fee estate of the owner or owners of the land and Mortgaged Property described in the Ground Lease, by reason of the fact that the Ground Lease or the leasehold interest created thereby, or any interest in any such buildings, structures, Equipment or other improvements, may be held by or for the account of any person or persons who shall be the owner or owners of such fee estate in the land and Mortgaged Property, unless and until all persons at the time having an interest in the fee estate in the land and Mortgaged Property and all persons, including the Mortgagee, at the time having an interest in the Ground Lease, leasehold estate, buildings, structures, Equipment and improvements, shall join in a written instrument effecting such merger and shall duly record the same.

E. All property of every kind acquired by the Mortgagor after the date hereof which, by the terms hereof, if required or intended to be subjected to the lien of this Mortgage shall, immediately, upon the acquisition thereof by the Mortgagor, and without any further mortgage, conveyance, assignment or transfer become subject to the lien of this mortgage, subject, however, to the provisions of the Ground Lease. Nevertheless, the Mortgagor will do, execute, acknowledge and deliver all and every such further acts, conveyances, mortgages and assurances as the Mortgagee shall reasonably require for accomplishing the purposes of this Mortgage.

F. If any action or proceeding shall be instituted to evict the Mortgagor or recover possession of the Mortgaged Property or for the foreclosure of any subordinate mortgage or for any other purpose affecting the Ground Lease or this Mortgage, the Mortgagor will immediately, upon service thereof, on or by the Mortgagor, deliver to the Mortgagee a true copy of each precept, petition, summons, complaint, notice of motion, order to show cause, and all other process, pleadings and papers however designated served in such action or proceeding and in any such action or proceeding.

9. MECHANICS'/MATERIALMEN'S LIENS

The Mortgagor shall not permit any mechanics', materialmen's or laborers' liens to stand against the Mortgaged Property. If any such lien shall at any time be recorded against the Mortgaged Property, then the Mortgagor shall (A) give written notice thereof promptly to Mortgagee, and (B) cause the same to be discharged of record within fifteen (15) days after the date of recording of the same either by payment, deposit or bond; provided that if the Ground Lease provides for a lesser period of grace than is contained in this Mortgage, then the lesser period of grace contained in the Ground Lease shall prevail. If Mortgagor fails to discharge any such lien within such applicable grace period, then Mortgagee, in addition to any other right or remedy hereunder, shall have the option (but not the obligation) to procure the discharge of such lien either by depositing the amount claimed to be due in court or by bonding. Any amount paid or deposited by Mortgagee to discharge such lien, and all costs and other expenses, including all reasonable attorneys' fees and paralegals' fees, including any sales or service tax due and payable upon the attorneys' fees and paralegals' fees, incurred in defending any action to foreclose such lien, shall be deemed to be a part of the Indebtedness and shall be due and payable, with interest at the highest non-usurious rate permitted by the laws of the State of Florida or the applicable laws of the United States of America, whichever shall be higher, without demand, immediately.

10. CONDEMNATION

That in the event the Ground Lease shall be terminated in whole or in part as a result of any condemnation proceeding, the Mortgagee shall be entitled to and shall receive the total of all awards made or allowed to the Mortgagor, as Lessee under the Ground Lease, with respect to all right, title and interest of the Mortgagor in and to the Mortgaged Property or the portion or portions thereof taken or affected by such condemnation proceeding (hereinafter called "Mortgagor's Award"); provided, however, that to the extent that the Mortgagor's Award so received by the Mortgagee

shall exceed the amount required to satisfy in full the total Indebtedness then outstanding, the Mortgagee shall pay over to the Mortgagor the amount of such excess, and provided, further, that until the actual vesting of title in such proceeding the obligations of the Mortgagor to perform the terms, covenants and conditions of the Ground Lease and this Mortgage shall continue unimpaired. In the event of a taking of a portion of the Mortgaged Property in any such proceeding, which taking shall not result in a termination of the Ground Lease pursuant to its terms, the Mortgagor shall promptly proceed with the restoration of the remaining portion of the Mortgaged Property in accordance with the provisions of the Ground Lease and shall continue to perform and observe all of the terms, conditions and provisions of the Ground Lease and of this Mortgage, throughout any period of restoration or reconstruction, and until the Indebtedness is paid. Upon the completion of the restoration of the buildings upon the Mortgaged Property, and upon the receipt by the Mortgagor from the lessor named in the Ground Lease of any condemnation proceeds not used for the cost of the restoration of the buildings, the Mortgagor shall promptly pay over any unused proceeds to the Mortgagee and such proceeds shall, at the option of the Mortgagee, be applied in reducing the Indebtedness; provided, however, that, to the extent that the Mortgagor's Award so received by the Mortgagee shall exceed the amount required to satisfy in full the then total Indebtedness, the Mortgagee shall pay over to the Mortgagor the amount of such excess. In no event shall the Mortgagee be required to satisfy this Mortgage until the Indebtedness is fully paid and the Mortgagor shall not be required to release from the lien of this Mortgage any portion of the Mortgaged Property so taken until the Mortgagee receives the entire award for the portion so taken to which it and the Mortgagor are entitled hereunder and under the Ground Lease. The provisions of this paragraph shall control in the event of the condemnation of the Mortgaged Property or any part thereof, but only to the extent not prohibited by or inconsistent with the terms, covenants and conditions of the Ground Lease. In the case of any conflict between the provisions of this paragraph and the provisions of the Ground Lease, the provisions of the Ground Lease shall prevail. The Mortgagor will not enter into any agreement for the taking of the Mortgaged Property, or any part thereof, with anyone authorized to acquire the same by condemnation without the prior written consent of the Mortgagee.

11. PERFORMANCE OF GROUND LEASE

The Mortgagor covenants that, in addition to the payment of all rent, additional rent, Impositions (as defined herein), and other payments and charges required to be paid by the Mortgagor, as Lessee, under and pursuant to the provisions of the Ground Lease, the Mortgagor:

A. will diligently perform and observe all of the terms, covenants and conditions of the Ground Lease required to be performed and observed by the Mortgagor, as such Lessee, to the end that all things shall be done which are necessary to keep unimpaired the Mortgagor's rights as Lessee under the Ground Lease;

B. will promptly notify the Mortgagee in writing of any default by the Ground Lessor in the performance or observance of any of the terms, covenants or conditions on the part of the Ground Lessor to be performed or observed, or of the occurrence of any event, regardless of lapse of time, of the character specified in Paragraph 17 hereof;

C. will promptly (1) advise the Mortgagee in writing of any notice given by the Ground Lessor to the Mortgagor, as Lessee, of any default by the Mortgagor in the performance or observance of any terms, covenants or conditions of the Ground Lease, and (2) deliver to the Mortgagee a true copy of each such notice;

D. will, at least six (6) months prior to the last day upon which the Mortgagor, as such Lessee, may validly exercise any option to renew or extend the term of the Ground Lease: (1) exercise such option in such manner as will cause the term of the Ground Lease to be effectively renewed or extended for the period provided by such option; and (2) give immediate written notice thereof to the Mortgagee. In the event Mortgagor fails to give notice as is required by subsection (2) hereof, the Mortgagee shall have, and is hereby granted, the irrevocable right to exercise any such option either in the name and behalf of a designee or nominee of the Mortgagee or in the name and behalf of the Mortgagor, as the Mortgagee shall in its sole discretion determine; provided, however, that if the Mortgagor shall prepay the Indebtedness in full at least six (6) months prior to the last day upon which the Mortgagor, as such Lessee, may validly exercise any option to renew or extend the term of the Ground Lease, the Mortgagor will not be obliged to exercise any such option of renewal or extension, nor will the Mortgagee have any right to exercise any such option;

E. will, promptly after the execution and delivery of this Mortgage or of any instrument or agreement supplemental thereto or executed in connection herewith, notify the Ground Lessor in writing of the execution and delivery thereof and deliver to the Ground Lessor a copy of each such instrument or agreement;

F. will promptly notify the Mortgagee in writing in the event any arbitration proceeding is initiated under and pursuant to the provisions of the Ground Lease. It is expressly agreed that if the Mortgagor is in default in the performance or observance of any term, covenant, condition, or other requirement hereof, or of the Ground Lease, at the time any such arbitration proceeding is initiated, the Mortgagee shall have the sole and exclusive right to designate and appoint the arbitrator to be appointed in such arbitration proceeding;

G. will, within five (5) days after written demand by the Mortgagee, execute, in such form as shall be required by the Mortgagee, an estoppel certificate, duly acknowledged, setting forth the amount of principal and interest unpaid under the Promissory Note and the general status of this Mortgage, including, without limitation, whether any offsets or defenses exist against payment of the Indebtedness;

H. hereby grants to the Mortgagee the irrevocable right to exercise any purchase option contained in the Ground Lease, either in Mortgagee's own name and behalf of a designee or nominee of the Mortgagee or in the name and behalf of the Mortgagor, as the Mortgagee shall, in its sole discretion, determine; provided, however, that (1) if the Mortgagor shall not be in default under this Mortgage or the Note or under the Ground Lease, the Mortgagee shall not exercise any such option to purchase, and (2) if the Mortgagor shall be in default, but shall prepay the Indebtedness in full within the time limitations and grace periods provided in this Mortgage and the Note, the Mortgagee will not exercise such option to purchase. The Mortgagor shall not exercise any such option to purchase without the prior written consent of the Mortgagee.

12. LATE CHARGE

That the Mortgagee may collect a "late charge" not to exceed FIVE CENTS (\$.05) for each dollar of each payment due hereunder made more than fifteen (15) days in arrears to cover the extra expense involved in handling delinquent payments.

13. RECORDED INSTRUMENTS

That the Mortgagor will promptly perform and observe, or cause to be performed or observed, all of the terms, covenants and conditions of all instruments of record affecting the Mortgaged Property, noncompliance with which shall affect the security of this Mortgage, or shall impose any duty or obligation upon the Mortgagor or any sublessee or other occupant of the Mortgaged Property or any part thereof, and the Mortgagor shall do, or cause to be done, all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and rights in favor of or constituting any portion of the Mortgaged Property, whether or not the same are of record.

14. MORTGAGEE MAY CURE MORTGAGOR'S DEFAULTS

That if the Mortgagor shall fail to: (A) pay any installment of rent or additional rent reserved under the Ground Lease; (B) or to pay any real estate tax, assessment or other governmental levy or charge or any Imposition; (C) to make any other payment required to be paid by the Mortgagor, as Lessee under the Ground Lease, at the time and in the manner provided in the Ground Lease; (D) to perform or observe any other term, covenant, condition or obligation required to be performed or observed by the Mortgagor under the Ground Lease or under any sublease, then, without limiting the generality of any other provision of this Mortgage and without waiving or releasing the Mortgagor from any of its obligations hereunder, the Mortgagee shall have the right, but not the obligation, to pay any such installment of rent or additional rent and/or any such tax, assessment, levy, charge, Imposition or other payment, and may perform any other act or take such action as may be appropriate to cause such other term, covenant, condition or obligation to be promptly performed or observed on behalf of the Mortgagor, to the end that the Mortgagor's rights in, to and under the Ground Lease and each such sublease shall be kept unimpaired and free from default. If the Mortgagee will give to the Mortgagor written notice of the making of any such payment, the performance of any such act or the taking of any such action.

Subject to the rights of sublessees and other occupants, in any such event, the Mortgagee and any person designated by the Mortgagee shall have, and is hereby granted, the right to enter upon the Mortgaged Property at any time and from time to time for the purpose of taking any such action, and all monies expended by the Mortgagee in connection therewith (including, but not limited to, legal expenses and disbursements), together with interest thereon at the highest non-usurious rate permitted by the laws of the State of Florida or of the applicable laws of the United States of America, whichever shall be higher from the date of each such expenditure, shall be paid by the Mortgagor to the Mortgagee forthwith upon demand by the Mortgagee, and shall be secured by this Mortgage, and the Mortgagee shall have, in addition to any other right of remedy of the Mortgagee, the same rights and remedies in the event of nonpayment of any such sums by the Mortgagor as in the case of a default by the Mortgagor in the payment of any installment of principal due and payable hereunder. If, pursuant to the Ground Lease, the Ground Lessor shall deliver to the Mortgagee a duplicate copy of any notice, of the character referred to in the Ground Lease, given by the Ground Lessor to the Mortgagor, as Lessee under the Ground Lease, such notice shall constitute full protection to the Mortgagee for any action taken or omitted to be taken by the Mortgagee, in good faith, in reliance thereon.

15. SUBLEASES

A. That the Mortgagor will not, without the prior written consent of the Mortgagee:

1. sublet to any person or entity, except for actual occupancy by such person or entity, all, or substantially all, of the space in any buildings or structures now or hereafter constituting a portion of the Mortgaged Property;

2. cancel, terminate or accept a surrender or suffer or permit any cancellation, termination or surrender of any sublease;

3. modify any sublease so as to reduce the term thereof or the rent payable thereunder or to change any renewal provisions therein contained;

4. commence any summary proceeding or other action to recover possession of any space leased pursuant to any sublease, other than a proceeding brought in good faith by reason of a default of any sublessee;

5. receive or collect, or permit the receipt or collection of, any rental payment of more than one periodic installment of rent under any sublease in advance of the due dates of such rental payments, except that the Mortgagor may, at the time of the execution of any such sublease, require any sublessee thereunder to make a rent security deposit, or an advance payment of rent, for the initial rental period of such sublease, in an amount not exceeding one periodic installment of the rent reserved under such sublease; or

6. request any sublessee to subordinate any sublease to the lien of any fee mortgage on the Mortgaged Property demised under the Ground Lease or any subordinate leasehold mortgage on the Mortgaged Property.

B. The Mortgagor will perform and observe all of the terms, covenants and conditions required to be performed and observed by the Mortgagor, as Lessor, under each sublease, unless such performance shall have been waived or not required by the sublessee thereunder, to the end that all matters shall be done which are necessary to keep the Mortgagor's rights as Lessor unimpaired under each sublease. The Mortgagor shall promptly notify the Mortgagee of: (1) the commencement of any action or proceeding by any sublessee, the purpose of which shall be the cancellation of any sublease or a diminution of the rent payable thereunder; (2) the interposition by any sublessee of any defense in any action or proceeding brought by the Mortgagor against such sublessee; or (3) of a written notice received by the Mortgagor from any sublessee claiming constructive eviction, and will cause a copy of any process, pleading or notice received by the Mortgagor in reference to any such action, defense or claim to be promptly delivered to the Mortgagee.

C. For the further and additional securing of the Indebtedness, the Mortgagor shall, upon demand of the Mortgagee, assign to the Mortgagee all the right, title and interest of the Mortgagor, as Lessor of each such

sublease, as the Mortgagee may from time to time require. Each such instrument of assignment shall provide, among other things, that the assignor shall be permitted to collect the rents payable under the subleases, as such rents become due, so long as there is no default under this Mortgage or the Ground Lease, and shall specifically assign and transfer to the Mortgagee any and all right or privilege of the Mortgagor to cancel or terminate any assigned sublease, to accept prepayment of more than one installment of rent thereunder prior to its due date, to accept a surrender thereof, or to modify any assigned sublease so as to reduce the term thereof or the rental payable thereunder or to change any renewal provisions therein contained without the prior written consent of the Mortgagee.

16. CHANGE IN LAWS FOR TAXATION OF MORTGAGES

That in the event of the passage, after the date of this Mortgage, of any law deducting from the value of land for the purposes of taxation any lien thereon, or imposing upon the Mortgagee the obligation to pay the whole, or any part, of the taxes or assessments or charges or liens herein required to be paid by the Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts as to affect this Mortgage or the Indebtedness, the entire unpaid balance of all sums secured hereby shall, at the option of the Mortgagee, after thirty (30) days written notice to the Mortgagor, become due and payable.

17. ACCELERATION OF PRINCIPAL

A. The whole of the Indebtedness shall become due and payable, at the option of the Mortgagee, and the Mortgagee may foreclose this Mortgage as provided by law in the event Mortgagor is in default in the payment of any installment of principal or interest, for thirty (30) days, or after default in the payment of: (1) any rent, additional rent or other payment required to be paid under the Ground Lease; (2) any real estate tax, assessment, water or sewer rate or charge; or (3) any other governmental levy or charge (hereinafter collectively called "Impositions") for thirty (30) days after any of the payments described in subparagraphs A(1), A(2) and A(3) above become due and payable pursuant to the provisions of the Ground Lease, but in no event later than the date or dates beyond which a default would occur under the Ground Lease.

B. The Mortgagor further covenants that the whole of the Indebtedness shall become due, at the option of the Mortgagee, and the Mortgagee may foreclose this Mortgage as provide by law if any of the following events shall occur:

1. If the Mortgagor shall: (a) apply for, or consent in writing to, the appointment of a receiver, trustee or liquidator of the Mortgagor or of all or substantially all of its assets; (b) file a voluntary petition in bankruptcy or admit in writing its inability to pay its debts as they become due; (c) make a general assignment for the benefit of creditors; (d) file a petition or an answer seeking a reorganization (other than a reorganization not involving the liabilities of the Mortgagor) or an arrangement with creditors or take advantage of any insolvency law; (e) file an answer admitting the material allegations of a petition filed against the Mortgagor in any bankruptcy, reorganization or insolvency proceedings; (f) as a corporation, be dissolved as the result of an adversary suit or proceedings; or (g) if any execution or attachment shall be levied against the Ground Lease and such execution or attachment shall not be set aside or discharged within sixty (60) days after the same shall have been levied or if an order, judgment or decree shall be entered by any court of competent jurisdiction on the application of a creditor adjudicating the Mortgagor a bankrupt or insolvent, or approving a petition seeking reorganization of the Mortgagor (other than a reorganization not involving the liabilities of the Mortgagor) or appointment of a receiver, trustee or liquidator of the Mortgagor, or of all or substantially all of its assets, and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) days, or if the Ground Lessor shall give to the Mortgagor, as Lessee under the Ground Lease, a notice, as provided in the Ground Lease, of its intention to terminate the Ground Lease. Notwithstanding the foregoing provisions of this subparagraph 1, the Mortgagee shall not have the right to declare a default hereunder in the event a receiver or trustee is appointed for the Mortgagor or any of its assets in circumstances other than those set forth in the foregoing clause (a) of this subparagraph 1 so long as: (i) the basic rent and all items of additional rent continue to be paid in accordance with the terms of the Ground Lease and the Ground Lease is not otherwise in default; and (ii) the Mortgagor continues to pay the installments of principal and interest secured by this Mortgage as they become due and performs all the other terms hereof;

2. If, pursuant to the Ground Lease, the Ground Lessor gives to the Mortgagor, as such Lessee, notice of any default and the Mortgagor shall not immediately cure such default or otherwise to correct or remedy the matter complained of or referred to in such notice and, in any event, to complete the same prior to the time when the Ground Lessor would be entitled to give to the Mortgagor, as such Lessee, notice of intention to end the Ground Lease, as provided in the Ground Lease;

3. If the Mortgagor shall, at any time, fail to maintain in full force and effect any insurance required hereunder to be maintained by the Mortgagor for the benefit of the Mortgagee and/or the Ground Lessor;

4. If, upon the application of the Mortgagee, two or more fire insurance companies shall refuse to issue policies insuring any building or buildings constituting a portion of the Mortgaged Property;

5. If the Mortgagor shall suffer or permit, or shall undertake or attempt or threaten to undertake, any demolition or removal, or any change or alternation (other than such changes and alterations as are specifically permitted hereunder) of any buildings now or hereafter constituting a portion of the Mortgaged Property;

6. If the Mortgagor shall, or shall attempt to, sell, assign or transfer or to mortgage, pledge, or otherwise encumber, except in the manner and to the extent expressly permitted in this Mortgage, the whole or any portion of its rights, title or interests in, under or to the Ground Lease or the leasehold estate created thereby or in, under or to any sublease or any rentals payable under any sublease;

7. If the Mortgagor shall cancel, terminate, modify or accept a surrender of any sublease or refuse to assign to the Mortgagee all its right, title and interest in any substance as hereinabove provided;

8. If the Mortgagor shall modify any sublease so as to reduce the term thereof or the rent payable thereunder or to change any renewal provision therein contained;

9. If the Mortgagor shall demand or collect, in advance, payment of more than one periodic installment of rent under any sublease, except as and to the extent expressly permitted hereunder;

10. If the Mortgagor shall sublet to any person, except for actual occupancy by such person, all or substantially all of the space in any buildings now or hereafter constituting a portion of the Mortgaged Property;

11. If the Mortgagor shall request any sublessee of space in the building constituting a portion of the Mortgaged Property to subordinate any such sublease to the lien of any fee mortgage on the Mortgaged Property demised under the Ground Lease or any subordinate leasehold mortgage upon the Mortgaged Property;

12. If the Mortgagor shall fail to perform or observe, or cause to be performed or observed, any other term, covenant, condition or obligation of this Mortgage, on the part of the Mortgagor to be performed or observed, for ten (10) days after notice and demand.

C. The Mortgagee shall give the Ground Lessor written notice of the occurrence of any of the foregoing defaults and the Ground Lessor shall have the right, but shall not be obligated to cure any such default at any time which by the terms of this Mortgage or pursuant to the provisions of applicable law, the Mortgagee has the right to cure such default.

18. APPOINTMENT OF RECEIVER

That the Mortgagee, in any action to foreclose this Mortgage, shall be entitled, without notice or demand and without regard to the adequacy of any security for the Indebtedness or the solvency or insolvency of any person liable for the payment thereof, to the appointment of a receiver of the rents, issues and profits of the Mortgaged Property; and in the event of any default or defaults in the payment of any installment of principal or interest or in the payment of any taxes,

assessments, water rates, sewer rents, or other governmental levies, charges or Impositions, or of any premium on insurance, or of any breach or violation of any other covenant or condition contained herein, including, but not limited to, any default by the Mortgagor, as Lessee under the Ground Lease, in the performance or observance of any of the terms, covenants or conditions of the Ground Lease on the part of the Mortgagor, as such Lessee, to be performed or observed, such rents, issues and profits and the value of the use and occupation of the Mortgaged Property are hereby assigned to the Mortgagee as further security for the payment of the Indebtedness.

19. TRANSFER OF MORTGAGED PREMISES

A. The Mortgagor and Mortgagee recognize that the Mortgagee is not relying solely on the Mortgaged Property as security for the loan, but is relying also upon the "know how" and business acumen of the principals of the Mortgagor. The responsibility for development, management or administration of the Mortgaged Property may not be passed on to a subsequent purchaser of the Mortgaged Property. The parties agree that a transfer of the Mortgaged Property by the Mortgagor would result in the impairment of the Mortgagee's security interest, because the Mortgagee would no longer be able to rely on the Mortgagor being in possession and control of the Mortgaged Property. Moreover, Mortgagor recognizes that Mortgagee is entitled to keep its loan portfolio at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchased by a party other than the original Mortgagor.

B. In accordance with the foregoing, Mortgagor agrees that any sale, conveyance, assignment, further encumbrance or other transfer of title to the Mortgaged Property or any interest therein, whether voluntary or by operation of law, without the Mortgagee's prior written consent, shall be an event of Default hereunder. For purposes of and without limiting the generality of the foregoing, the occurrence at any time of any one of the following events shall be deemed to be an unpermitted transfer of title to the Mortgaged Property and, therefore, an event of Default hereunder:

1. any sale, conveyance, assignment, installment, agreement or other transfer of all or any part of the Mortgaged Property;
2. any sublease for a term in excess of three (3) years and covering the entire Mortgaged Property;
3. any termination by Mortgagor of its role as Lessee of the Mortgaged Property; or
4. a voluntary transfer by any shareholder of a corporate Mortgagor or of the corporate managing general partner of the Mortgagor (if the Mortgagor is a limited partnership), which transfer would reduce such shareholder's controlling interest in the corporation or the corporate managing general partner to less than fifty-one percent (51%).

Any consent by the Mortgagee, or any waiver of an event of Default under this Paragraph 19, shall not constitute a consent to, or a waiver of, any right, remedy or power of the Mortgagee upon a subsequent event of Default under this Paragraph. Mortgagor covenants and agrees not to seek or secure subordinate financing secured by the Mortgaged Property without the written approval and consent of Mortgagee.

20. RIGHTS TO INSPECT

That the Mortgagee and its authorized representatives shall have the right (subject to the rights of sublessees and other occupants and reasonable restrictions of sublessees having regard to the character of the business of such sublessees conducted in the Mortgaged Property). upon reasonable notice and at all reasonable times during usual business hours, to enter upon and inspect all portions of the Mortgaged Property.

21. MORTGAGEE'S RIGHT OF POSSESSION

That if default be made hereunder or in any payment required to be made under the Note or obligation secured hereby, at the time specified for payment thereof as extended by any applicable period of grace specified herein or in the

Note or obligation, the Mortgagee shall have, and by the execution hereof the Mortgagor hereby irrevocably grants to the Mortgagee to the full extent permitted by law, the right forthwith after any such default to enter upon and take possession of the Mortgaged Property and to let the same and receive all the rents, issues and profits thereof, overdue, due or to become due, and to apply the same, after payment of all necessary charges and expenses, on account of the Indebtedness.

For such purpose, the rents, issues and profits, and all subleases and other documents evidencing such rents, issues and profits, and any and all deposits which shall be held by the Mortgagor as security under such subleases, to the extent permitted by law, are hereby assigned to the Mortgagee subject to the rights of sublessees thereto, as further security for the payment of the Indebtedness. At the option of the Mortgagee, such entry and taking of possession of the Mortgaged Property shall be accomplished either by actual entry and possession or by written notice served personally upon or sent by registered mail to the Mortgagor last appearing on the records of the Mortgagee. Any sublessee which shall default in the payment to the Mortgagee of any rent payable by such sublessee may be dispossessed by the usual summary proceedings. In the event that the Mortgagor shall physically occupy the Mortgaged Property or any part thereof, the Mortgagor agrees to surrender possession thereof to the Mortgagee immediately upon any such default hereunder or in any payment required to be made under the Note or obligation secured thereby. If the Mortgagor shall remain in physical possession of the Mortgaged Property or any portion thereof after any such default, such possession shall be as tenant of the Mortgagee, and the Mortgagor agrees to pay to the Mortgagee, after any such default, a reasonable monthly rental for the Mortgaged Property or the portion thereof so occupied by the Mortgagor to be applied as provided in the first sentence of this Paragraph and to be paid in advance on the first day of each calendar month, and, in default of so doing, may be dispossessed by the usual summary proceedings. In the event the Mortgagor shall so remain in possession of all or any portion of the Mortgaged Property, and "reasonable monthly rental" shall be not less than that portion of the amount equal to one-twelfth (1/12) of the sum of the annual principal and interest payments required to be paid under the Note or obligation secured hereby, plus one-twelfth (1/12) of the sum of the annual rent payable under the Ground Lease and the annual real estate taxes, assessment, water rates, and other impositions and insurance premiums payable with respect to the Mortgaged Property (as indicated by the records of the Mortgagee), which the portion of the rentable space so occupied by the Mortgagor shall bear to the total rentable space of the Mortgaged Property. This covenant shall be effective irrespective of whether any foreclosure proceeding shall have been instituted and irrespective of any application for or appointment of a receiver.

22. LEGAL EXPENSES

That if any action or proceeding be commenced, including any action to foreclose this Mortgage, to which action or proceeding the Mortgagee is made a party, or in which it becomes necessary to defend or uphold the lien of this Mortgage, all sums paid by the Mortgagee to prosecute, defend or settle by negotiations the rights and lien created by this Mortgage (including reasonable counsel fees and paralegals' fees, including any sales or service tax on such fees) shall be paid by the Mortgagor (through all trial and appellate levels, including post-judgment and administrative proceedings), together with interest thereon at the highest non-usurious rate permitted by Florida law or the applicable laws of the United States of America, whichever shall be higher, and any such sum and interest thereon shall be a lien on the Mortgaged Property, prior to any right to title to, interest in or claim upon the Mortgaged Property attaching or accruing subsequent to the lien of this Mortgage, and shall be deemed to be secured by this Mortgage. In any action or proceeding to foreclose this Mortgage, or to recover or collect the Indebtedness, the provisions of law respecting the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant.

23. INTEREST ON OVERDUE PAYMENTS - USURY

Any provisions of this Mortgage which provides, in substance, that any advance, expense or other payment by Mortgagee shall bear interest at the maximum rate permitted by applicable law shall be deemed to mean the maximum non-usurious rate of interest which may be contracted for under the laws of the State of Florida or the applicable laws of the United States of America, whichever shall be higher. Neither the provisions of this Mortgage nor the Note secured hereby shall have the effect of or be construed as requiring or permitting the Mortgagor to pay interest on the Indebtedness in excess of the highest rate per annum allowed by the laws of the State of Florida or the United States of America, whichever shall be higher. If, under any circumstances, the Mortgagee shall ever receive, as interest, an amount which would exceed such highest non-usurious rate, such amount which would be excessive interest shall, ipso facto, be applied to the reduction of the unpaid principal balance due under the Note and not to the payment of interest.

24. TAX ON NOTE OR GROUND LEASE

That in the event that hereafter it is claimed by any governmental agency that any tax or other governmental charge or imposition is due, unpaid and payable by the Mortgagor or the Mortgagee upon the Note hereby secured or upon the Ground Lease, the Mortgagor will forthwith either (A) pay such and, within a reasonable time thereafter, deliver to the Mortgagee satisfactory proof of payment thereof; or (B) deposit with the Mortgagee the amount of such claimed tax, together with interest and penalties thereon, pending an application for a review of the claim for such tax and, within a reasonable time, deliver to the Mortgagee either (1) evidence satisfactory to the Mortgagee that such claim of taxability has been withdrawn or defeated, in which event any such deposit shall be returned to the Mortgagor, or (2) a direction from the Mortgagor to the Mortgagee to pay the same out of the deposit above mentioned, directly to the taxing authority and any excess of such deposit over such payment by the Mortgagee to be returned to the Mortgagor. Upon the failure of the Mortgagor to comply with the provisions of this Article, the whole of the principal sum and interest secured by this Mortgage shall, at the option of the Mortgagee, become due and payable. If liability for such tax is asserted against the Mortgagee, the Mortgagee will give to the Mortgagor prompt notice of such claim, and the Mortgagor, upon complying with the provisions of this Article, shall have full right and authority to contest such claim of taxability.

25. NO WAIVER

That a waiver of one or more instances of any of the terms, covenants or conditions or provisions hereof, or of the Note or obligation secured hereby, shall apply to the particular instance or instances and at the particular time or times only, and no such waiver shall be deemed a continuing waiver, but all of the terms, covenants, conditions and other provisions of this Mortgage and of the Note or obligation secured hereby shall survive and continue to remain in full force and effect.

26. MODIFICATION

That no extension of the time or modification of the terms of payment of the Promissory Note and no release of any part or parts of the Mortgaged Property by the Mortgagee shall release, relieve or discharge the Mortgagor from the payment of any of the Indebtedness, but, in such event, the Mortgagor shall nevertheless be liable to pay the Indebtedness according to the terms of such extension or modification unless specifically released and discharged in writing by the Mortgagee. Any acceptance by the Mortgagee of part payment of any installment of principal or interest, or both, or of part performance of any covenant, or delay by the Mortgagee for any period of time in exercising the option to accelerate the Indebtedness shall not operate as a waiver of the right to exercise such option to accelerate the Indebtedness.

27. NOTICES

All notices, demands and requests given or required to be given by either party hereto to the other party shall be in writing. All notices, demands and requests by the Mortgagee to the Mortgagor shall be deemed to have been properly given if sent by U.S. registered or certified mail, postage prepaid, addressed to the Mortgagor at the address set forth at the head of this Mortgage or at such other address as the Mortgagor may from time to time designate by written notice to the Mortgagee given as herein required. All notices, demands and requests by the Mortgagor to the Mortgagee at the address set forth at the head of this Mortgage or to such other address as the Mortgagee may from time to time designate by written notice to the Mortgagee given as herein required. Notices, demands and requests given in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder three (3) days after such notice, demand or request shall be postmarked.

28. FUTURE ADVANCES

That it is the intent hereof to secure payment of the Promissory Note whether the full amount(s) thereof shall have been advanced to the Mortgagor at the date hereof or at a later date, and the Mortgagee may, at the sole option of the Mortgagee, from time to time make future advances to the Mortgagor, which advances shall be secured by this Mortgage; provided, however, that the total principal sum secured hereby and remaining unpaid, including any such advances, shall not at any time exceed twice the original principal amount of the Promissory Note, plus interest thereon, and any disbursements made for the payment of attorneys' fees and paralegals' fees, including any sales or service tax due

and payable upon the attorneys' fees and paralegals' fees, through all collection, trial, appellate and administrative procedures, taxes, levies and insurance on the property covered by the lien of this Mortgage, with interest thereon (or such other maximum amount as may from time to time be permitted by law). All such future advances shall be made within twenty (20) years from the date hereof or such longer period of time as may be authorized by Florida law for making valid future advances with interest, and all indebtedness created by virtue of such future advances shall be and are secured hereby. All provisions of this Mortgage shall apply to any future advances made pursuant to the provisions of this Paragraph. It shall be a default under this Mortgage if the Mortgagor shall file among the Public Records a notice limiting the maximum amount which may be secured by this Mortgage pursuant to F.S. 697.04(1)(b) or otherwise if the effect of the filing of such notice would in any way prohibit the Mortgagee from making any future advances to be secured by this Mortgage. Nothing herein contained shall limit the amount secured by this Mortgage if such amount is increased by advances made by the Mortgagee as herein elsewhere provided and authorized for the protection of the security of the Mortgagee. At the request and option of the Mortgagee, the Mortgagor shall execute and cause to be recorded a Notice of Advance evidencing each such future advance and shall pay all of the Mortgagee's reasonable costs and expenses incurred in the making of such future advance, including, without limitation, attorneys' fees and paralegals' fees, including any sales or service tax due and payable upon the attorneys' fees and paralegals' fees, documentary and intangible taxes, if any, recording charges, abstract continuations and title insurance endorsements, if any.

29. SECURITY AGREEMENT

A. Mortgagor and Mortgagee agree: (1) that this Mortgage shall constitute a Security Agreement within the meaning of the Uniform Commercial Code (hereafter called "Code") of the State of Florida with respect to all sums on deposit with the Mortgagee (hereinafter called "Deposits") and with respect to any property included in the definition herein of the word "Mortgaged Property", to the extent that such property does not, or may not be deemed to, form a part of the real estate described in Exhibit "A" or may not constitute a "fixture" (within the meaning of Section 9-313 of the Code, Section 679.313, Florida Statutes), and all replacements of such property, and the proceeds thereof (the property, replacements, substitutions, additions and the proceeds thereof being sometimes hereafter collectively called "Collateral"); (2) that a security interest in and to the Collateral and the Deposits is hereby granted to the Mortgagee; and (3) that the Deposits and all of Mortgagor's right, title and interest therein are hereby assigned to the Mortgagee, all to secure payment of the Indebtedness and to secure performance by the Mortgagor of the terms, covenants and provisions hereof.

B. Upon an event of Default under this Mortgage, the Mortgagee, pursuant to the appropriate provisions of the Code, shall have an option to proceed with respect to (1) the real property and/or the Ground Lease and Collateral in accordance with its rights, powers and remedies with respect to the real property and the Ground Lease, in which event the default provisions of the Code shall not apply; or (2) the Collateral separately from the real property and/or the Ground Lease, in which event the Code shall apply, and twenty (20) days notice of the sale of the Collateral shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by the Mortgagee shall include, but not be limited to, reasonable attorneys' fees and paralegals' fees, including any sales or service tax due and payable upon the attorneys' fees and paralegals' fees, and legal expenses incurred by Mortgagee. The Mortgagor agrees that, without the written consent of the Mortgagee, the Mortgagor will not remove or permit to be removed from the Mortgaged Property any material portion of the Collateral, except that, so long as the Mortgagor is not in default hereunder or under the Ground Lease, Mortgagor shall be permitted to sell or otherwise dispose of the Collateral when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Mortgaged Property, but only upon replacing the same or substituting for the same other Collateral at least equal in value and utility to the initial value and utility of that disposed of and in such a manner that the replacement or substituted Collateral shall be subject to the security interest created hereby and that the security interest of the Mortgagee shall be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the Collateral shall be and become immediately subject to the security interest of this Mortgage and covered hereby.

C. The Mortgagor shall, from time to time, on request of the Mortgagee, deliver to the Mortgagee, at Mortgagor's expense: (1) such further financing statements and security documents and assurances as Mortgagee may require, to the end that the liens and security interests created hereby shall be and remain perfected and protected in accordance with the requirements of any present or future law; and (2) an inventory of the Collateral in reasonable detail. The Mortgagor covenants and represents that all Collateral now is, and that all replacements thereof,

substitutions therefor or additions thereto, unless the Mortgagee otherwise consents, will be free and clear of liens, encumbrances, title retention devices and security interests of others.

D. The Mortgagor and Mortgagee agree, to the extent permitted by law, that: (1) all of the goods described within the definition of the word "Mortgaged Property" herein are, or are to become, fixtures on the land described in Exhibit "A"; (2) this instrument, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture filing" within the meaning of Sections 9-313 and 9-402 of the Code (Section 679.313 and Section 679.402, Florida Statutes); (3) a carbon, photographic or other reproduction of this instrument, or of any financing statement relating hereto, shall be sufficient for filing purposes.

E. If the Collateral is sold in connection with a sale of the Mortgaged Property, Mortgagor shall notify the Mortgagee prior to such sale and shall require as a condition of such sale that the purchaser specifically agree to assume Mortgagor's obligations as to the security interests herein granted and to execute whatever agreements and filings are deemed necessary by the Mortgagee to maintain Mortgagee's first perfected security interest in the Collateral and Deposits.

30. RECORD KEEPING/FINANCIAL INFORMATION

That the Mortgagor shall keep adequate records and books of account in accordance with generally accepted accounting principles and will permit the Mortgagee, its agents, accountants and attorneys to visit and inspect the Mortgaged Property and examine Mortgagor's records and books of account and to discuss its affairs, finances and accounts with the Mortgagor, at such reasonable times as may be requested by the Mortgagee. Mortgagor shall each year deliver to Mortgagee, within forty-five (45) days after the end of each fiscal year of the business conducted on the Mortgaged Property, a balance sheet, a statement of profit and loss, and a statement of income and expenses of the Mortgaged Property, and a complete financial statement of the Mortgagor's assets and liabilities, setting forth in each case, in comparative form, figures for the preceding year. Throughout the term of this Mortgage, Mortgagor, at the request of Mortgagee, with reasonable promptness, will deliver to Mortgagee such other information with respect to Mortgagor as Mortgagee may reasonably request from time to time, including, without limitation, such financial statements and other information as Mortgagee may require. All financial statements required hereunder shall be prepared in accordance with generally accepted accounting practices, shall be delivered in duplicate, and shall be accompanied by the certificate of the Mortgagor, dated within five (5) days of the delivery of such statements to Mortgagee, stating that the financial statements are true and accurate in all respects and that it knows of no default hereunder, nor of any event which after notice or lapse of time or both would constitute a default, which has occurred and is continuing, or, if any such default or event has occurred and is continuing, specifying the nature and period of existence thereof, and what action Mortgagor has taken or proposes to take with respect thereto, and, except as otherwise specified, stating that Mortgagor has fulfilled all of its obligations under this Mortgage which are required to be fulfilled on or prior to the date of such certificate. At Mortgagee's option, the financial statements shall be audited and accompanied by a report and opinion of a certified public accountant of recognized standing. In addition to the foregoing, Mortgagor shall cause to be delivered to Mortgagee, on an annual basis or as otherwise more frequently required by any guaranty executed in connection with this Mortgage, accountant prepared financial statements for each guarantor of the Promissory Note and, upon request of Mortgagee, Mortgagor shall furnish to Mortgagee quarterly unaudited rent rolls on the Mortgaged Property.

31. ESCROW OF TAXES AND INSURANCE

That notwithstanding the provisions of any other Paragraph hereof, during such period or periods as the Mortgagee may from time to time designate in writing in its sole discretion, the Mortgagor will pay to the Mortgagee a sum equal to (A) the Mortgagee's estimate of the taxes and assessments next due on the Mortgaged Property; and (B) all annual insurance premiums on insurance policies which the Mortgagor is required to carry hereunder, less any sums already paid the Mortgagee with respect thereto, divided by the number of months to elapse before one (1) month prior to the date when such taxes, assessments and insurance premiums become due and payable, such sums to be held by the Mortgagee, without interest, in order to pay such items. If at any time the sums held by the Mortgagee hereunder are insufficient to pay any such item when due, the Mortgagor shall forthwith, upon demand, pay the deficiency to the Mortgagee. The monies to be paid by the Mortgagor pursuant to this Paragraph are solely for the added protection of the

Mortgagee and entail no responsibility on the Mortgagee's part beyond the allowing of due credit, without interest, for sums actually received by the Mortgagee. Upon the occurrence of a default under this Mortgage, the Mortgagee may apply all or any part of the accumulated funds held hereunder upon any obligation secured hereby in such order as Mortgagee may elect. Upon assignment of this Mortgage, any funds held by the Mortgagee pursuant to this Paragraph shall be transferred to such assignee and any responsibility of the Mortgagee with respect to such funds shall terminate. Any payments due by the Mortgagor hereunder shall be due monthly on the dates when payments are due under the Promissory Note and monthly thereafter throughout the term of this Mortgage, and any failure to make such payments shall constitute a default pursuant to Paragraph 17 hereof.

32. SUFFICIENCY OF ESCROW AMOUNTS

That if the total of the payments by the Mortgagor under this Paragraph 32 shall exceed the amount of payments actually made by the Mortgagees for taxes, assessments and insurance premiums, as the case may be, such excess shall be credited by the Mortgagee against the next subsequent payments to be made by the Mortgagor pursuant to Paragraph 31 hereof. If, however, the payment made by the Mortgagor under Paragraph 31 preceding shall not be sufficient to pay taxes, assessments and insurance premiums, as the case may be, when the same shall become due and payable, then the Mortgagee may, at the Mortgagee's option, immediately pay such taxes, assessments and insurance premiums, and such payment by the Mortgagee shall be subject to, but without limitation, the provisions of Paragraph 14 hereof. If at any time the Mortgagor shall tender to the Mortgagee payment of the Indebtedness set forth in the Promissory Note in accordance with the provisions thereof, the Mortgagee shall, in computing the amount of such Indebtedness, credit to the account of the Mortgagor any balance remaining in the funds accumulated under the provisions of Paragraph 31. If there shall be a default under any of the provisions of this Mortgage resulting in a public sale of the Mortgaged Property or if the Mortgagee acquires the Mortgaged Property otherwise after default, the Mortgagee shall apply, at the time of the commencement of such proceedings or at the time the Mortgaged Property is otherwise acquired, the balance then remaining in the funds accumulated under Paragraph 19 as a credit against the Indebtedness in such order as Mortgagee may elect.

33. HAZARDOUS WASTE

Mortgagor expressly covenants, warrants and represents to Mortgagee that: (A) the Mortgaged Property (or any adjacent property by way of lateral subsurface migration or otherwise from the Mortgaged Property) is not now polluted and is not presently being polluted or in any way detrimentally affected by pollutants (including elevated radon levels), toxic materials, petroleum oil and/or waste oil, any "hazardous substance" (as that term is defined in: (1) Section 101(14) of the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42 USC 9601 (1986); (2) 40 CFR Part 302 and amendments thereto; and (3) Section 311 of the Clean Water Act, 33 USC 1251, *et. seq.*, or as listed in: (1) the United States Department of Transportation Hazardous Materials Table, 49 CFR 172.10; and (2) Section 307 of the Clean Water Act (33 USC 1317) or any "hazardous waste" (as that term is defined in Chapter 403 (Part IV) of the Florida Statutes), and Section 1004 of the Resource Conservation and Recovery Act, 42 USC 6901, *et. seq.*, and has not in the past been used and is not presently being used for the handling, storage, treatment, generation, transportation or disposal of pollutants, toxic materials, petroleum oil and/or waste oil, any hazardous substance or any hazardous waste, including, but not limited to, solid, liquid, gaseous or thermal irritant or contaminant, such as smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed); (B) neither asbestos nor asbestos-containing materials (which for the purposes hereof shall be deemed a toxic material) have been installed, used or disposed of on, or incorporated into, the Mortgaged Property; (C) no underground storage tanks are located on the Mortgaged Property or were located on the Mortgaged Property and subsequently removed or filled; (D) the Mortgaged Property and Mortgagor's operations at the Mortgaged Property are in compliance with all applicable federal, state, county and local statutes, laws and regulations concerning or related to environmental protection and regulation, including, but not limited to, CERCLA, the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Public Law No. 99-499, 100 Stat. 1613, Chapter 403 of the Florida Statutes, and the Clean Water Act; (E) Mortgagor is not aware of any environmental condition, situation or incident on, at or concerning the Mortgaged Property or any adjacent property that may give rise to an action or to liability under any law, rule, ordinance or common law theory and that there are no pending actions thereunder against the Mortgagor and the Mortgagor has not received notice in any form of such action; and (F) the Mortgaged Property is not contained on the "National Priority List" ("NPL") maintained by the United States Environmental Protection Agency ("EPA") nor is the Mortgaged Property contained on

the EPA's "Comprehensive Environmental Response Compensation and Liability Information System" ("CERCLIS") nor is the Mortgaged Property, in whole or in any part, adjacent to any site contained on the NPL or CERCLIS. Mortgagor hereby indemnifies Mortgagee against and agrees to protect, save and keep harmless Mortgagee (even after the payment in full of the Promissory Note and the satisfaction of this Mortgage) from any and all liabilities, obligations, charges, losses, damages, penalties, claims, actions, suits, judgments, injuries, costs, disbursements and expenses of any kind whatsoever, including, without limitation, all costs of removal or remedial actions and any other liabilities which may arise under CERCLA, SARA, or any other federal, state, county or local law, regulation or ordinance, title insurance costs and premiums, engineers' and professional fees, soil tests and chemical analyses, court costs, legal fees and expenses through all trial, appellate and administrative levels of whatsoever kind and nature imposed on, incurred by or asserted against Mortgagee, in any way relating to, arising out of or in connection with any such past, present or future use, handling, storage, transportation or disposal of pollutants, toxic materials, petroleum oil and/or waste oil, any hazardous substance or any hazardous waste. Mortgagor further warrants and represents that it will promptly notify Mortgagee in writing of any change in the nature or extent of any pollutants, toxic materials, petroleum oil and/or waste oil, any hazardous substances or any hazardous waste maintained on, in or under the Mortgaged Property or used in connection therewith, and will transmit to Mortgagee copies of any citations, orders, notices or other material governmental or other communication received with respect thereto or other environmentally regulated substances affecting the Mortgaged Property. Mortgagee, at Mortgagee's sole option, now and in the future, may obtain, at Mortgagor's expense, a report and/or audit from an environmental consultant of Mortgagee's choice stating whether the Mortgaged Property, or any part thereof, has been or is being polluted with pollutants, toxic materials, petroleum oil and/or waste oil, any hazardous substance or any hazardous waste or is being used for the use, handling, storage, treatment, generation, transportation or disposal of same. If any such report and/or audit indicates such past or present pollution, use, handling, storage, treatment, generation, transportation or disposal of pollutants, toxic materials, petroleum oil and/or waste oil, any hazardous substance or any hazardous waste, Mortgagee may require that all violations of law with respect thereto be corrected and/or that Mortgagor obtain all necessary environmental permits and approvals. A failure to correct any such violations of law and/or to obtain such necessary environmental permits and approvals within a reasonable time, to be determined by Mortgagee, after demand from Mortgagee, shall be a default hereunder. Mortgagee shall also have the option to require appropriate mortgagee title insurance (if available), in an amount determined by Mortgagee, to cover potential liens and actions resulting from pollutants, toxic materials, petroleum oil and/or waste oil, any hazardous substance or any hazardous waste used, handled, stored, treated, generated, transported, polluted or disposed of in connection with the Mortgaged Property or any part thereof. This paragraph shall survive the foreclosure of this Mortgage or the delivery by Mortgagor to Mortgagee of a deed in lieu of foreclosure.

34. MISCELLANEOUS

A. That this Mortgage shall be governed by the laws of the State of Florida to the extent not to be preempted by federal law, which laws shall be applicable in the interpretation, construction and enforcement hereof, and venue for any action or proceeding brought hereunder shall lie exclusively in the county in which this Mortgage is recorded.

B. That it is understood by and between the parties hereto that time shall be of the essence with respect to this Mortgage and the payments due on the Indebtedness.

C. That this Mortgage shall bind the Mortgagor, its heirs, legal representatives, successors and, where permitted, its assigns, and shall inure to the benefit of the Mortgagee, its successors and assigns (or, where applicable, its heirs and legal representatives). This Mortgage cannot be modified or terminated orally. Each party executing as Mortgagor hereof and all guarantors shall be jointly and severally bound hereby. All of the grants, obligations, covenants, agreements, terms, provisions and conditions herein shall run with the land and shall apply to, bind and inure to the benefit of the heirs, legal representatives, successors and assigns of the Mortgagor and the endorsees, transferees, successors and assigns of Mortgagee. The word "Mortgagor" shall mean "Mortgagor and/or any subsequent owner or owners of the Mortgaged Property", the word "Mortgagee" shall mean "Mortgagee or any subsequent holder or holders of this Mortgage", the word "person" shall mean "an individual, corporation, partnership (limited or general, as the case may be) or unincorporated association or entity", pronouns of any gender shall include the other genders, and either the singular or plural shall include the other. The headings of the paragraphs of this Mortgage

are for convenience of reference only and are not to be considered a part hereof, and shall not limit, prescribe or otherwise affect any of the terms hereof.

D. That in the event any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provision of this Mortgage, but this Mortgage may, at the Mortgagee's option, be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

E. The marginal notes or captions herein are inserted only as a matter of convenience and for reference and are not and shall not be deemed to be any part of this Mortgage.

35. REPRESENTATIONS AND WARRANTIES

That the Mortgagor hereby represents and warrants to the Mortgagee that: (A) the Mortgagor and each guarantor, if a partnership or a corporation or other business association or legal entity, is duly organized, validly existing and in good standing under the laws of the state of incorporation and/or organization; (B) the Mortgagor and each guarantor has the power and authority to own its properties and carry on its business as now being conducted; (C) the Mortgagor and each guarantor is qualified in every other jurisdiction in which the nature of its business or its properties makes such qualification necessary; (D) the Mortgagor and each guarantor is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it; (E) the execution, delivery and performance of the Promissory Note and this Mortgage and all other Loan Documents, and the borrowing evidenced by the Promissory Note: (1) are within the powers of the Mortgagor and all other parties to said Loan Documents; (2) have been duly authorized by all requisite action; (3) have received all necessary governmental approvals; and (4) will not violate any provision of law, any order of any court or other agency of government, or any indenture, agreement or other instrument to which the Mortgagor or any guarantor is a party or by which it or any property of Mortgagor or any guarantor is bound or any partnership agreement, shareholders' agreement, articles of incorporation, or bylaws or corporate resolutions, or be in conflict with, result in a breach of or constitute (with or without notice or lapse of time) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any property or assets of Mortgagor or any guarantor, except as contemplated by the provisions hereof; (F) the Promissory Note and this Mortgage, and the Loan Documents, when executed and delivered by the Mortgagor and any guarantors, as is applicable, will constitute the legal, valid and binding obligations of the Mortgagor, and the guarantors named therein, if any, in accordance with their respective terms; (G) the Mortgaged Property forms no part of any property owned, used or claimed by the Mortgagor as exempted from forced sale under the laws of the State of Florida and disclaims, waives and renounces all and every claim to exemption under any homestead exemption; and (H) all information, reports, papers and data given to the Mortgagee with respect to the Mortgagor or others obligated (including, but not limited to, all guarantors) are accurate and correct in all material respects and complete insofar as completeness may be necessary to give the Mortgagee true and accurate knowledge of the subject matter.

36. COMPLIANCE WITH LOAN COMMITMENT

That the Mortgagor shall timely comply with, abide by and perform all of the surviving terms and conditions of any letter of commitment entered into by the Mortgagor and the Mortgagee with respect to the loan secured by this Mortgage (the "Loan Commitment") on its part to be complied with, abided by and performed. In the event of any conflict between the terms of the Loan Commitment and this Mortgage, the terms of this Mortgage shall control and govern.

37. NO WARRANTIES OR REPRESENTATIONS BY MORTGAGEE

That by accepting or approving anything required to be observed, performed or fulfilled, or to be given to the Mortgagee, including (but not limited to) any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance policy, the Mortgagee shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition

thereof, and such acceptance or approval thereof shall not be or constitute any warranty or representation with respect thereto by the Mortgagee.

38. FURTHER ASSURANCES BY MORTGAGOR

Mortgagor shall execute and deliver (and pay the costs of preparation and recording thereof) to Mortgagee and to any subsequent holder of this Mortgage from time to time, upon demand, any further instrument or instruments, financing statements, assignments, renewal and substitution notes, and such other documents as may be requested by Mortgagee or subsequent holder to reaffirm, correct or perfect evidence of the Indebtedness or any security therefor, including, without limitation, the title of Mortgagee or subsequent holder to all or any part of the Mortgaged Property, whether now mortgaged or later substituted for, or acquired subsequent to the date of this Mortgage.

39. ACCEPTANCE OF PAYMENTS FOR LESS THAN AMOUNT DUE

Acceptance by the Mortgagee of any payment which is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of the Mortgagee's right to exercise its option to declare the whole of the Indebtedness then remaining unpaid immediately due and payable without notice, or any other rights of the Mortgagee at that time or at any subsequent time, or nullify any prior exercise of such option or such rights of Mortgagee without the express consent of the Mortgagee.

40. BROKER INDEMNIFICATION

Mortgagor represents and warrants that neither the Mortgagor nor any of the Mortgagor's representatives, employees or agents have dealt or consulted with anyone other than persons employed by the Mortgagee in connection with this Mortgage. Mortgagor hereby indemnifies the Mortgagee, its successors and assigns, against, and agrees to protect, save and keep Mortgagee harmless from, any and all liabilities, obligations, charges, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including, without limitation, court costs, legal fees, including paralegals' fees, and any sales or service tax on such fees, and expenses through all trial, appellate and administrative levels of whatsoever kind and nature, imposed on, incurred by or asserted against Mortgagee, in any way relating to, arising out of, or in connection with any broker, agent or finder claiming to have dealt with or consulted with Mortgagor, or any of Mortgagor's representatives, employees or agents, contrary to the foregoing representation and warranty.

41. GUARANTOR(S)

That the Mortgagor covenants and agrees that the guarantors of any guaranties accepted by Mortgagee as an inducement to the acceptance of the Promissory Note and this Mortgage shall fully perform, comply with and abide by such guarantees. The representations, covenants and agreements on the part of all such guarantors shall constitute, for the purposes of Mortgagor's obligations hereunder, covenants on behalf of the Mortgagor.

42. REMEDIES CUMULATIVE AND CONCURRENT

That the rights and remedies of the Mortgagee hereunder and under the Loan Documents shall be cumulative and concurrent and may be pursued separately, successively or together against the Mortgagor, any guarantor, the Mortgaged Property, or any one or more, at the sole discretion of the Mortgagee, and may be exercised as often as occasion therefor shall arise, all to the maximum extent permitted by law. If the Mortgagee elects at any time to proceed under any one right or remedy, the Mortgagee may at any time cease proceeding under such right or remedy and proceed under any other right or remedy under this Mortgage or under the other Loan Documents. The failure to exercise any right or remedy shall in no event be construed as a waiver or release of such right or remedy or of the default giving rise to such right or remedy, and shall not affect the Mortgagor's obligations to pay the Indebtedness and perform the obligations hereunder in accordance with the terms hereof.

43. SUBROGATION OF MORTGAGEE

That, to the extent of the Indebtedness, the Mortgagee is subrogated to the lien or liens and to the rights of any of the owners and holders of each and every mortgage, lien or other encumbrance on the Mortgaged Property which is paid and/or satisfied, in whole or in part, out of the proceeds of the principal amount of the Promissory Note, and the respective liens of said mortgages or other encumbrances shall be preserved and shall pass to and be held by the Mortgagee as further security for the Indebtedness to the same extent that it would have been preserved and would have been passed to and been held by the Mortgagee had it been assigned to the Mortgagee by separate assignment, notwithstanding the fact that the same may be satisfied and cancelled of record, it being the intention of the parties hereto that the same will be satisfied and cancelled of record by the holders thereof at or about the time of the recording of this Mortgage.

44. LITIGATION COMMENCED BY PARTIES OTHER THAN MORTGAGEE

That if any action or proceeding shall be commenced by any person other than the Mortgagee (except an action to foreclose this Mortgage or to collect the debt secured hereby) to which action or proceeding the Mortgagee is made a party, or in which it shall become necessary to defend or uphold the lien of this Mortgage, all sums paid by the Mortgagee for the expense of any such litigation (including reasonable counsel fees through all trial, appellate and administrative levels) shall be immediately due and payable by the Mortgagor, together with interest thereon at the rate set forth in the Promissory Note applicable to a period when default exists thereunder, and shall be secured by this Mortgage.

45. ESTOPPEL CERTIFICATE

That the Mortgagor shall, within five (5) days after written demand by the Mortgagee, execute in such form as shall be required by the Mortgagee an estoppel certificate, duly acknowledged, setting forth the amount of principal and interest unpaid under the Promissory Note and the general status of this Mortgage, including, without limitation, whether any offsets or defenses exist against payment of the Indebtedness.

46. OTHER MORTGAGES

That the Mortgagor shall faithfully and fully comply with and abide by each and every term, covenant and condition of all other mortgages now or, if permitted by Mortgagee, hereinafter encumbering the Mortgaged Property, or any part thereof, whether inferior or superior to the lien of this Mortgage ("Other Mortgages"), and never permit the same to go into default. A default or delinquency under any of such Other Mortgages shall automatically and immediately constitute a default under this Mortgage. The Mortgagee is hereby expressly authorized, at the option of the Mortgagee, to advance all sums necessary to keep any superior mortgage or mortgages in good standing, and all sums so advanced, together with interest thereon at the rate set forth in the Promissory Note applicable to a period when default exists thereunder, shall be secured by this Mortgage, and shall be subject to the provisions of this Mortgage. The Mortgagor agrees that the Mortgagor shall not make any agreement with the holder of any superior mortgage which shall in any way modify or extend any of the terms or conditions of such superior mortgage, nor shall the Mortgagor request or accept any future advances under such superior mortgage without the express written consent of the Mortgagee, nor shall any negative amortization be permitted under any such superior mortgage without the express written consent of the Mortgagee. The Mortgagor will furnish to the Mortgagee, upon demand, proof of payment of all items which are required to be paid by the Mortgagor pursuant to the Other Mortgages. The Mortgagor shall execute and deliver, on request of the Mortgagee, such instruments as the Mortgagee may deem useful or required to permit the Mortgagee to take such action as the Mortgagee considers desirable to preserve the interest of the Mortgagee in the Mortgaged Property.

47. ADDITIONAL FINANCING

That the obtaining of any additional financing secured by the Mortgaged Property, or any part thereof, or any other encumbrance of the Mortgaged Property, or any part thereof, including, without limitation, "wrap-around" financing, without the prior written consent of the Mortgagee, shall constitute a default of this Mortgage and Mortgagee may, at Mortgagee's option, enforce any and all of Mortgagee's rights, remedies and recourse set forth in this Mortgage.

48. LOAN DOCUMENTS

To perform, comply with and abide by each of the stipulations, agreements, conditions and covenants contained in this Mortgage and in the Promissory Note and in all other Loan Documents. A default or delinquency under this Mortgage shall automatically and immediately constitute a default under the Promissory Note and under all Loan Documents. A default or delinquency under the Promissory Note or under any other Loan Document shall automatically and immediately constitute a default under this Mortgage.

49. WAIVER OF JURY TRIAL

MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (INCLUDING, BUT NOT LIMITED TO, ANY CLAIMS, CROSS-CLAIMS AND THIRD-PARTY CLAIMS) ARISING IN CONNECTION WITH EACH OF THIS LEASEHOLD MORTGAGE, THE OTHER LOAN DOCUMENTS, AND THE TRANSACTIONS CONTEMPLATED THEREIN AND ALL AND ANY COMBINATION OF THE FOREGOING. MORTGAGOR HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE MORTGAGOR NOR THE MORTGAGEE'S COUNSEL HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE MORTGAGEE WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. MORTGAGOR ACKNOWLEDGES THAT THE MORTGAGEE HAS BEEN INDUCED TO ENTER INTO THIS LOAN, INCLUDING THIS LEASEHOLD MORTGAGE, BY, INTER ALIA, THE PROVISIONS OF THIS PARAGRAPH.

IN WITNESS WHEREOF, this Mortgage has been duly executed and sealed by the Mortgagor the day and year first above written.

Witnesses:

MORTGAGOR:

M. BILT ENTERPRISES, INC.

Name: _____

By: _____

Name: _____

Title: _____

Name: _____

(CORPORATE SEAL)

PROMISSORY NOTE

\$150,000.00

Ocala, Florida

January __, 2020

1. MAKER'S PROMISE TO PAY

FOR VALUE RECEIVED, the undersigned, **M. BILT ENTERPRISES, INC., a Florida corporation** having a post office address of P.O. Box 273945, Boca Raton, Florida 33427 (hereinafter called "Maker") promises to pay to the order of **ALLSTATE SERVICING, INC., a Florida corporation**, having a post office address of P.O. Box 4737, Ocala, Florida 34478 (hereafter called "Payee") the principal sum of **ONE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$150,000.00)**, together with interest thereon from the date hereof and at the rates hereinafter provided. The interest and principal of this Promissory Note ("Note") shall be payable as follows:

Accrued interest shall be due and payable in monthly installments, commencing on the _____ (____) day of February, 2020, and continuing on the _____ (____) day of each month thereafter, through the _____ (____) day of December, 2022. The outstanding principal sum and any unpaid interest shall be due and payable on January _____, 2023 (the "Maturity Date").

2. COMPUTATION OF INTEREST

Beginning on the date hereof, interest will accrue on the principal sum outstanding from time to time at a rate equal to **twelve percent (12%)** per annum. Monthly interest payments shall initially be **ONE THOUSAND FIVE HUNDRED and NO/100 DOLLARS (\$1,500.00)**. Such amount shall be received to reflect any prepayment of principal and the effect of such prepayment on amount of interest accordingly.

3. PLACE OF PAYMENT

All payments of principal and/or interest are payable at the address of Payee, P.O. Box 4737, Ocala, Florida 34478, or at such other place as the holder hereof may from time to time designate in writing, in lawful money of the United States of America, which shall be legal tender for public and private debts at the time of payments, without deduction for or on account of any present or future taxes, duties or other charges

levied or imposed on this Note or the proceeds hereof, or upon Maker or Payee by any government, or any instrumentality, authority or political subdivision thereof. Maker agrees, upon the request of Payee, to pay all such taxes, duties and other charges in addition to principal and interest on this Note, exclusive of United States income taxes and Florida income taxes. Failure to do so shall constitute a default under the terms of this Note.

4. PREPAYMENT

Maker may prepay this Note in whole or in part at any time without premium or penalty. All prepayments in whole or in part of principal on this Note shall include interest through the date of prepayment on the principal amount being prepaid. All payments shall first be applied to all accrued and unpaid interest and then to principal due in the inverse order of maturity.

5. LOAN CHARGES

Notwithstanding any provision in this Note, or the "Loan Documents", as hereinafter defined, or in any instrument now or hereafter relating to or securing the within indebtedness, the total liability for payments of interest and payments in the nature of interest, including all charges, fees, exactions, or other sums which may at any time be deemed to be interest, shall not exceed the limit imposed by the usury laws of the State of Florida or the applicable laws of the United States of America, whichever shall be higher (the "Maximum Rate"). In the event the total liability for payments of interest and payments in the nature of interest, including, without limitation, all charges, fees, exactions or other sums which may at any time be deemed to be interest, which for any month or other interest payment period exceeds the Maximum Rate, all sums in excess of those lawfully collectible as interest for the period in question (and without further agreement or notice by, between, or to any party hereto) shall be applied to the reduction of the principal balance immediately upon receipt of such sums by Payee, with the same force and effect as though the undersigned had specifically designated such excess sums to be so applied to the reduction of the principal balance and Payee had agreed to accept such sums as a premium-free payment of principal, provided, however, that Payee may, at any time and from time to time, elect, by notice in writing to the undersigned, to waive, reduce, or limit the collection of any sums in excess of those lawfully collectible

as interest rather than accept such sums as a prepayment of the principal balance. It is the intention of the parties that Maker does not intend or expect to pay nor does Payee intend or expect to charge, accept or collect any interest under this Note, or under the Loan Documents, greater than the Maximum Rate.

6. MAKER'S DEFAULT, REMEDIES

a. If any payment of principal or of interest on this Note or any other sum due hereunder is not paid within thirty (30) days after the same becomes due, or if any other default shall occur hereunder or under any of the Loan Documents, and such default shall continue beyond any applicable grace period provided therein, then Payee, at its option and without further notice, demand or presentment for payment to the undersigned or others, may declare immediately due and payable the outstanding principal balance of this Note together with all accrued and unpaid interest thereon to the date of default and together with interest thereafter at the Maximum Rate, provided that the interest rate subsequent to such default (the "Default Rate") shall not exceed eighteen (18%) per annum, together with all costs and fees, including reasonable attorneys' fees and paralegals' fees, and court costs (through and including any and all collection, trial, appellate and administrative procedures) incurred by Payee in collecting or enforcing payment thereof, and all other sums due hereunder or under the Loan Documents, anything herein or in the Loan Documents to the contrary notwithstanding, all without any relief whatever from any valuation or appraisal laws (to the full extent permitted by law), and payment thereof may be enforced and recovered in whole or in part at any time by one or more of the remedies provided to Payee in this Note or in the Loan Documents.

b. Maker shall pay to Payee a late charge of five (5%) percent of any installment or portion thereof (principal, interest and any required escrow payments) not received in full by Payee within fifteen (15) days after the installment is due to cover the extra expense involved in handling delinquent payments.

c. Demand, presentment, notice of dishonor, protest and extension of time of payment are hereby waived by all makers, sureties, guarantors and endorsers hereof, and each of such parties hereby agrees to all modifications, renewals, any number of extensions of time for payment of this Note, release of other

persons or entities obligated under this Note and release of any security for this Note, all without further notice, and agree that any such activities shall not release any of such parties not expressly released in writing. This Note shall be the joint and several obligation of each of the parties named as Maker herein, and all sureties, guarantors and endorsers of this Note, and shall be binding upon them and their heirs, legal representatives, successors and assigns.

d. The remedies of Payee as provided herein and in the Loan Documents shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of Payee, and may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof. Payee shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Payee, and then only to the extent specifically set forth in the writing.

e. Maker and all others who are, or may become liable for the payment hereof, expressly agree that Payee shall not be required first to institute any suit or to exhaust its remedies against Maker or any other person or party to become liable hereunder or against the collateral under the Loan Documents, in order to enforce the payment of this Note; and expressly agree that, notwithstanding the occurrence of any of the foregoing (except the express written release by Payee of any such person), Maker shall be and remain, directly and primarily liable for all sums due under this Note and under the Loan Documents. Upon disposition by Payee of any property encumbered by the "Mortgage" (as hereinafter defined) or any other collateral referred to in the Loan Documents after the occurrence of any default, Maker shall be and shall remain jointly and severally liable for any deficiency.

7. GIVING OF NOTICES

Any notice that must be given Maker under this Note will be given by hand delivery or by mailing same to Maker by first class mail, postage prepaid. All notices will be addressed to Maker at the addresses set forth in the first paragraph of this Note, or at such other address as Maker may designate to Payee as herein provided.

Any notice that must be given to Payee under this Note will be given by hand delivery or by mailing same by first class mail, postage prepaid, to Payee at the address stated in the first paragraph of this Note, or at such other address as Payee may designate to Maker as herein provided.

8. NOTE SECURED

Payment of this Note is secured by a first leasehold mortgage of even date herewith executed by Maker in favor of Payee, encumbering a Ground Lease on certain property situate in Levy County, Florida as more fully described therein ("Mortgage"). This Note, the Mortgage, and all other documents and instruments heretofore or hereafter executed in connection with the indebtedness evidenced by this Note and all modifications, extensions and renewals thereof and any substitutions therefor being herein collectively referred to as the "Loan Documents".

9. MISCELLANEOUS

This instrument shall be governed by and construed and enforced according to the laws of the State of Florida, except where specifically preempted by federal law. Venue with respect to any litigation on this Note shall be Levy County, Florida. The provisions of this Note may be changed only by a written agreement executed by Payee and Maker.

Whenever used, the singular shall include the plural, the plural shall include the singular, the use of any gender shall be applicable to all genders, and the words "Maker" and "Payee" shall be deemed to include the respective heirs, legal representatives, successors and assigns of Maker and Payee.

Proper documentary stamps have been paid on and affixed to the Mortgage securing this Note and payment of intangible tax in the proper amount is reflected on the Mortgage.

10. WAIVER OF JURY TRIAL

MAKER, PAYEE AND ANY GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (INCLUDING, BUT NOT LIMITED TO, ANY CLAIMS, CROSSCLAIMS OR THIRD-PARTY CLAIMS)

ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE, THE OTHER
LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREIN.

IN WITNESS WHEREOF, Maker has executed this Note on the
date written above.

M. BILT ENTERPRISES, INC.
A Florida corporation

By: _____
Name: _____
Title: _____

ALBRIGHT & ASSOCIATES of Ocala, Inc.

**Well Bilt Industries
1610 SW 8th Terr
Williston, Florida
Appraisal Report
A&A File #2018.100.011.001**

Certified to:

M. Bilt Enterprises, Inc.
c/o Carol Bilt
6708 Canary Palm Cir
Boca Raton, Florida 33433

Certified by:

Stephen J. Albright, Jr., MAI
State-Certified General Real Estate Appraiser RZ2392

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Albright & Associates of Ocala, Inc.

Published by:

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A&A File #2018.100.011.001

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M. Bilt Enterprises, Inc.
c/o Carol Bilt
6708 Canary Palm Cir
Boca Raton, Florida 33433

October 11, 2018

Re: Well Bilt Industries @ 1610 SW 8th Terr (Williston Municipal Airport), Williston, Florida

Dear Mrs. Bilt:

Pursuant to your request, an appraisal has been prepared of the above captioned property documented by the enclosed text. The subject property consists of the Well Bilt Industries manufacturing facility located upon lands associated with the Williston Municipal Airport in Williston, Florida. The property is improved with a building enclosing a total of approximately 21,979 SF which consists of offices, storage and manufacturing space. The property benefits from supporting site improvements in the form of covered canopy, asphalt/concrete paving and signage.

The subject property is subject to a ground lease from the City of Williston. More specifically, the lease includes a remaining term of about five years along with (2) five-year renewal options. In that regard, this valuation pertains to the leasehold position associated with the ground lease (see **Extraordinary Assumptions**). As a matter of note, the owner of the leasehold position leases the property to the current occupant of the building who is considering buying the subject leasehold interest via a purchase option associated with the current lease (in the final year of the lease).

As a professional discipline, the appraisal practice requires conformance with stringent ethics and standards which are noted, summarized or cited by reference herein. To that end, opinions and conclusions of this report were prepared in conformance with our interpretation of generally accepted appraisal practices and requirements of the *Code of Professional Ethics* and *Standards of Professional Practice* of the Appraisal Institute as well as the *Uniform Standards of Professional Appraisal Practice (USPAP)* of the Appraisal Standards Board of the Appraisal Foundation. You are advised of all special conditions of this appraisal including the following:

Intended User:	M. Bilt Enterprises, Inc. c/o Carol Bilt
Intended Use:	assist client with asset evaluation associated with potential marketing and sale of the subject property
Effective Valuation Date:	September 18, 2018
Objective/Purpose:	form an opinion of market value
Interest Appraised:	leasehold interest, subject to restrictions of record

The appraisal is limited to valuation of real estate, excluding personalty, furnishings, equipment, inventory and goodwill of the business, if any.

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Based on prevailing economic conditions in all aspects to the extent possible, taking into account all relevant global, national, regional, neighborhood and local environmental influences, in consideration of the physical characteristics impacting upon the subject property, weighing the best market evidence available as has been set forth in this report, I have formed an opinion of market value of the subject property identified within this report, with a reasonable degree of appraisal certainty, with respect to the interest identified, according to the program of property utilization that is consistent with our opinion of highest and best use, and predicated on the *Certification, General Assumptions, Extraordinary Assumptions* well as the *Hypothetical Conditions*, expressed in this appraisal report, as of the effective valuation date reported for this assignment, of:

Opinion of Market Value

\$405,000

Respectfully submitted,

ALBRIGHT & ASSOCIATES of Ocala, Inc.



Stephen J. Albright, Jr., MAI
State-Certified General Real Estate Appraiser RZ2392
SJA/cma

ALBRIGHT & ASSOCIATES of Ocala, Inc.

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Addendum

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Executive Summary

Subject Identification: Well Bilt Industries @ 1610 SW 8th Terr, Williston, Florida

Effective Valuation Date: September 18, 2018

Intended User/Use: M. Bilt Enterprises, Inc. c/o Carol Bilt/assist client with asset evaluation associated with potential marketing and sale of the subject

Objective: form an opinion of market value

Interest Appraised: leasehold interest, subject to restrictions of record

Site: 2 AC (subject to current survey; right to occupancy established by ground lease from City of Williston; remaining term of 5 years with (2) five-year renewal options as of effective date of valuation)

Improvements: manufacturing facility enclosing a total of 21,979 SF of GBA/NRA (built in 1990 and expanded in 1998 and 1999); additional supporting site improvements include septic system, asphalt & concrete paving, canopy and signage; all improvements accrue to the leasehold position

Future Land Use/Zoning: industrial/I, industrial

Highest and Best Use: continued use for manufacturing acknowledging need to cure deferred maintenance

Indicators of Value (Fee Simple - As Is):

Sales Comparison Approach **\$462,000**

Income Capitalization Approach **\$456,000**

Opinion of Market Value "Fee Simple - As Is" **\$460,000**

LESS: Market Value of Leased Fee Estate **- 55,000**

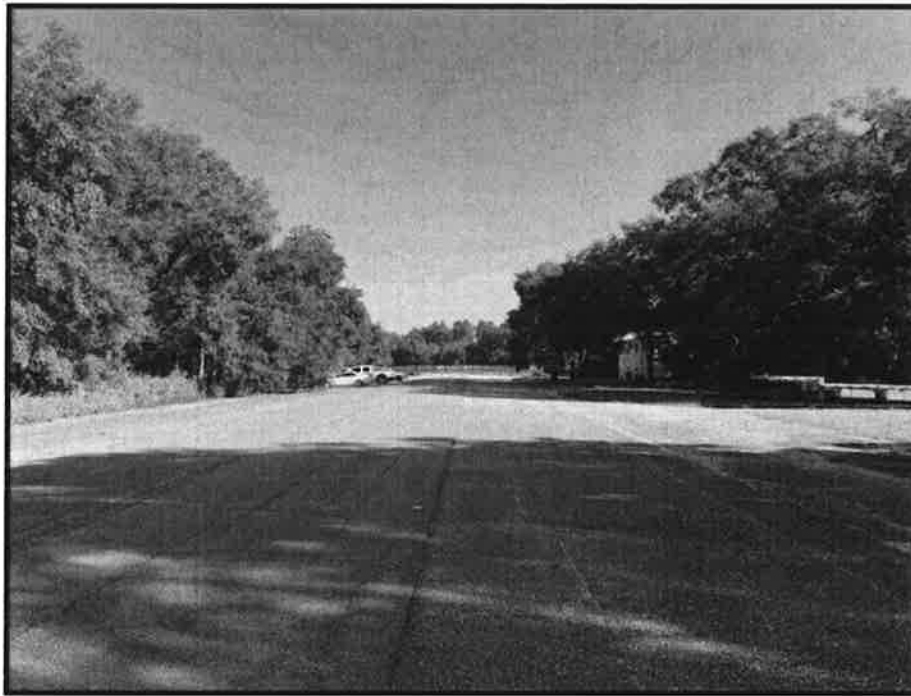
Opinion of Market Value "Leasehold Interest - As Is" **\$405,000**

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Subject Location Map



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View of SW 8th Terr as it extends N; subject at right (in distance) of photo.

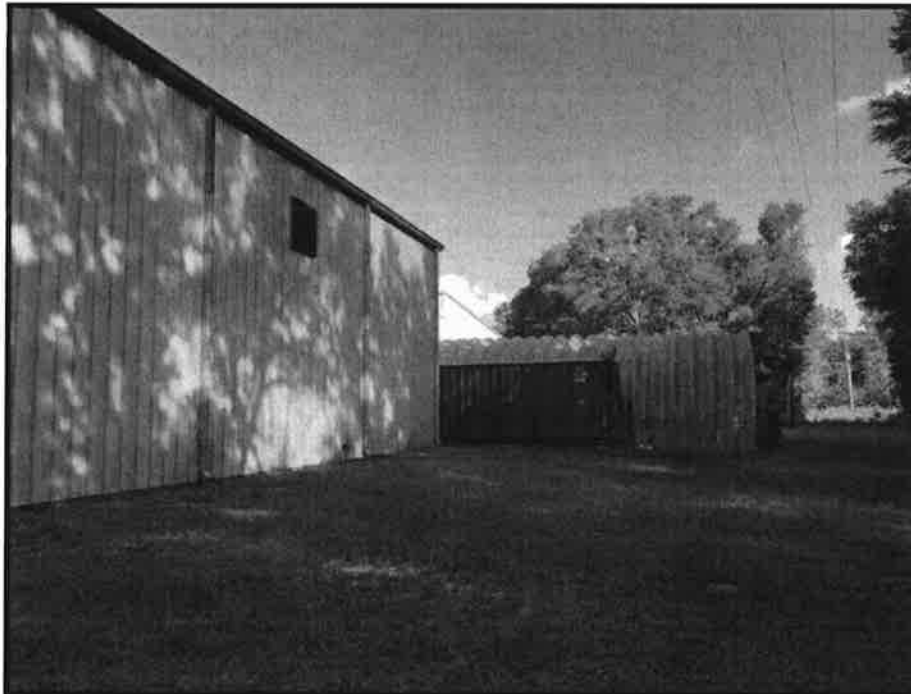


View, facing ELY, of subject building as it fronts SW 8th Terr.

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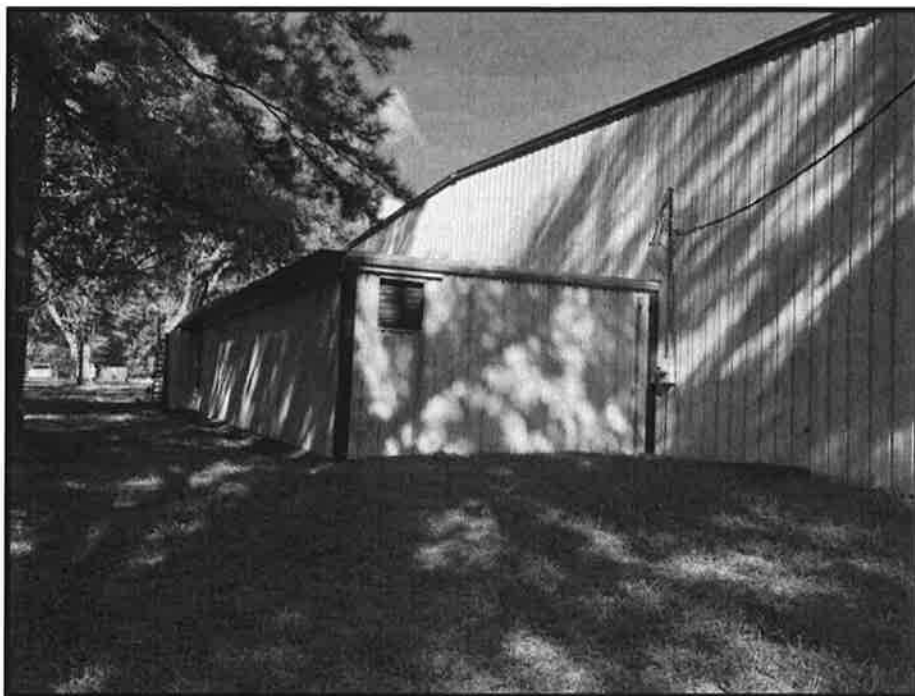


View, facing S, of rear building elevation (quonset and container storage portions in distance).



Alternate view, facing N, of rear elevation of the subject building.

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View, facing W, of the N elevation of the subject building.



View, facing E, of covered area located at N end of building.

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Certification

The undersigned certifies that, to the best of my 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 hypothetical conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
3. I 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. I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
5. My engagement in this assignment was not contingent on developing or reporting predetermined results.
6. My 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.
7. To the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics* and the *Standards of Professional Practice* of the Appraisal Institute as well as the *Uniform Standards of Professional Appraisal Practice*.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. An on-site interior and exterior inspection of the subject property was made by the undersigned.
10. No person added significant real property appraisal assistance except as specified.
11. *USPAP* requires appraisers, prior to accepting assignments, to possess experience and skill necessary for completion, or:
 - A. Disclose lack of knowledge and/or experience before assignment acceptance.

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- B. Take necessary and appropriate steps to complete assignment competently.
- C. Describe lack of knowledge and/or experience in appraisal report.
- D. Describe steps taken to complete assignment competently in appraisal report.

Stephen J. Albright, Jr. has performed appraisals of properties similar to the subject property (wide variety of industrial facilities in the north central Florida market as well as leasehold interests for a variety of property types) for various private- and public-sector clients, for more than 24 years.

12. This *Certification* was prepared in conformance with the *Uniform Standards of Professional Appraisal Practice* of the Appraisal Standards Board of the Appraisal Foundation as well as the *Supplemental Standards of Professional Practice* of the Appraisal Institute.

13. At the date of this report, I, Stephen J. Albright, Jr., have completed the continuing education program for Designated Members of the Appraisal Institute.

14. I have performed no services (appraisal or otherwise) associated with the property that is the subject of this report within the three-year period immediately preceding acceptance of the assignment.



Stephen J. Albright, Jr., MAI
State-Certified General Real Estate Appraiser RZ2392

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General Assumptions

The following are general assumptions upon which this appraisal is predicated. That is, these conditions are taken to be true.

1. This report is the work product of Albright & Associates of Ocala, Inc. and is protected by copyright. Violators will be prosecuted to the fullest extent of the law. Consideration for this appraisal report is full payment of our fee by the client. Liability for this appraisal report is limited only to the extent of fees paid for services rendered. No change of any item in the appraisal report shall be made by anyone other than the appraisers who shall have no responsibility for unauthorized changes.
2. Disclosure of the report content is governed by the bylaws and regulations of the Appraisal Institute.
3. The appraiser assumes no responsibility for legal matters affecting the property appraised or its title. While title of the subject property is assumed good and marketable, the appraiser renders no such opinion thereof.
4. The appraiser is not required to give testimony, or to appear in court, as a result of having performed the appraisal of the identified subject property, unless prior arrangements have been made.
5. No party shall use or rely upon this appraisal, or **Data Book** (if one is prepared pursuant to this assignment), or any part of its content (i.e. value opinions, appraiser identity, professional designations, reference to professional appraisal organizations or appraiser's firm affiliation), for any purposes, except the client and/or intended users specifically identified herein. Other parties seeking to use or rely on this appraisal must first obtain the written consent of the appraiser before any of the warranties or representations contained in the appraisal report, expressed or implied, shall inure to the benefit of any other party. Violation of this condition renders these findings null and void. Moreover, this report is to be used only in total presented form and cannot be taken out of context or used in any other form including, but not limited to, excerpts or fractions or redistribution thereof, as such a format change may be misleading. The appraiser assumes no liability for any part of the work product taken in fraction from the total report. Any distribution of value in the report between land and improvements applies only under the existing program of utilization. Separate valuations for land and building, outside the scope of this assignment, must not be used for any purpose and are invalid if so used. Any redistribution of value (land and/or improvements) may render the findings of this appraisal null and void.
6. Information, data and opinions furnished to the appraiser, and contained herein, were obtained from sources considered reliable and are believed to be true and correct. However, no responsibility or liability is assumed by the appraiser for accuracy of confirmed or unconfirmed data. A diligent effort was made to verify all reported data. However, as some principals reside out of the area, or are entities that could not be contacted in the time allowed for report completion, some data may not have been confirmed. The appraiser has made no survey of the property. Any sketch of the land

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and/or of the improvements herein is intended to show approximate dimensions and to assist the reader in visualizing the subject property. The physical size of the subject property is not warranted as fully accurate. This appraisal is contingent on the findings of a qualified survey in terms of not only actual dimensions of the land and/or improvements but also any easements, encroachments or other encumbrances. The findings of such a survey may result in the need for re-evaluation of the appraisal process and value opinions associated therewith.

7. In this appraisal assignment, the existence of potentially hazardous materials or waste on, in or beneath the site (including, but not limited to, such items as urea formaldehyde foam insulation, toxic waste, Radon gas level and/or toxic mold, all of which may pose a risk to the property or its inhabitants) has been disregarded from consideration with respect to valuation analysis. The appraiser is neither qualified to detect such substances nor capable of precisely determining its potential impact on the subject property. Moreover, the appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable or for engineering which might be required to discover such features. Depending on the level of concern as to the property's condition (i.e. potential on- and off-site soil contamination, ground water pollution and various environmentally-sensitive issues), it may be necessary to retain the services of an expert in this field and/or undergo a Phase I environmental audit, if either or both have not been conducted.

8. Value opinions concluded herein are warranted as accurate, subject to assumptions and hypothetical conditions stated or implicit herein as of the effective valuation date. A thorough property inspection has been conducted as of the specified date shown herein. However, the appraiser(s) are not experts in the field of construction, engineering, repair, renovation, remediation or building inspection services, as such, a professional building inspection is always recommended.

9. No responsibility is assumed by the appraiser for changes or influences, in or about the subject property and its neighborhood, which result in a change, positive or negative, to the subject and thereby to its value conclusion, subsequent to the effective inspection and/or valuation date. The value opinions are applicable only to the fixed point in time associated with the effective valuation date herein and are not applicable to any other point in time, specific or general, prior or subsequent to said date. Values expressed herein are opinions. There is no guarantee, written or implied, that the subject property will sell for this value opinion. For example, expressions of market value constitute "value in exchange" which should not be construed as liquidation value in the unforeseen eventuality that a business operation associated with the subject property proves economically unfeasible and/or the property is conveyed by conditions inconsistent with the market value definition. With respect to income-producing properties, value opinions are contingent on competency of ownership and management as the operational success of leasing real estate is inevitably linked with economic achievement of business. When values include prospective opinions, the appraiser is not responsible for unforeseen events that may alter interim market conditions.

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10. Before any loans or commitments are made which may be predicated on the value conclusions reported in this appraisal, the mortgagee should verify facts, data and value conclusions contained in this report.

11. Notwithstanding any specification herein of flood plain status of the subject property appraised, it is recommended additional confirmation of the same be obtained prior to any contemplated loan or development.

12. This appraisal and value findings are contingent on the impact, if any, to the subject property by the "Americans With Disabilities Act."

13. Natural landscaping is a habitat for many living species. A good faith effort should be made to preserve maximum natural landscaping, saving all specimen trees and otherwise complying with all tree ordinances. A reasonable effort should be made to allow natural displacement (trap and release) of all habitat. This valuation is based on the assumption that the property is free from any endangered species and does not require any mitigation associated with natural habitats.

Extraordinary Assumptions

The following are assumptions upon which this appraisal is predicated. Their use may have affected the appraisal results.

1. As confirmed with the City Manager (Scott Lippman of the City of Williston), it is an assumption of this analysis that an extension to the current lease is available to the owner of the leasehold interest, if deemed necessary, in order to coincide with the anticipated remaining life of the improvements.

2. As confirmed with the City Manager (Scott Lippman of the City of Williston), it is an assumption of this analysis that the encroachment of a portion of the subject's improvements upon the adjacent east acreage will be allowed to continue for the remaining economic life of the subject improvements.

Hypothetical Conditions

The following are conditions upon which this appraisal is predicated. That is, these are conditions which are contrary to those which presently exist at the effective valuation date. Their use may have affected the appraisal results.

None.

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Identification and Location

The subject is generally identified as follows.

Property Identification: Well Bilt Industries (manufacturing facility)
Address: 1610 SW 8th Terr, Williston, FL

Apparent Owner of Record

The following information from another source is believed reliable though not warranted as such.

Name: M Bilt Enterprises, Inc.
Address: P.O. Box 273945, Boca Raton, FL 33427

Relevant Dates of Appraisal Process

The following represent the most critical dates of analysis of the appraisal process.

Inspection: September 18, 2018
Photography: September 18, 2018
Effective Valuation: September 18, 2018

Type and Definition of Value

The purpose of the appraisal is to form an opinion of market value.¹

Intended Use of Appraisal

The specifically designed and intended use of this appraisal is to assist the client with asset evaluation associated with potential marketing and sale of the subject property. Use of this appraisal is prohibited as it relates to any function other than that identified herein.

¹ Market value (value-in-exchange) is defined by Office of the Comptroller of the Currency (12CFR, Part 34) and the Appraisal Institute (*The Dictionary Of Real Estate Appraisal, 6th Edition*) as:

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

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

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Intended User of Appraisal

The intended user of this appraisal is M. Bilt Enterprises, Inc. c/o Carol Bilt.

Scope of Work

USPAP specifically indicates that “for each appraisal and appraisal review assignment, an appraiser must:

1. Identify the problem to be solved;
2. Determine and perform the scope of work necessary to develop credible assignment results;
3. Disclose the scope of work in the report.”

To that end, Mrs. Carol Bilt of M. Bilt Enterprises, Inc., requested an appraisal of the property identified herein for the intended use described earlier. As such, the problem to be solved for this assignment is to form an opinion of market value of the leasehold interest in the subject property “as is” as of a current date of valuation. The necessary scope of work to develop a credible result includes the following.

- Established current date of valuation (synonymous with my most recent date of inspection).
- Physically inspect (interior and exterior) and photograph the subject property.
- Research the subject's environment (i.e. region and neighborhood).
- Analyze highest and best use of subject property.
- As discussed in the valuation methodology section of this report, only the Sales Comparison Approach and Income Capitalization Approach are considered applicable to the valuation of the subject. To that end, the subject neighborhood was researched for current comparable improved sales and rentals which were all inspected and verified to the extent possible.
- Form an opinion of market value from market indicators.
- Prepare an appraisal report, as defined in USPAP, which will include photos of the subject, summarized descriptions and analysis of the region, neighborhood, site, zoning/land use, highest and best use analysis, presentation of most relevant market data, reconciliation of opinions of market value and other data deemed by the appraiser to be relevant to the assignment.

Interest Appraised

Leasehold interest², subject to restrictions of record.

² The interest held by the lessee (tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.

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Legal Description

The following legal description was obtained from the land lease agreement with the City of Williston. While believed accurate, it is not warranted as such.

A parcel of land in the Southeast 1/4 of Section 12, Township 13 South, Range 18 East, Levy County, Florida, being a portion of Parcel No. 2 of Williston Industrial Sites, an unrecorded subdivision, and being more particularly described as follows:

For a Point of Reference commence at the Southeast corner of Section 12, Township 13 South, Range 18 East, said corner being on the centerline of U.S. Highway No. 41; thence run S 00° 15' 34" W, along the centerline of said U.S. Highway No. 41, a distance of 28.45 feet; thence N 89° 33' 04" W, 1154.56 feet; thence N 00° 45' 46" E, 963.98 feet to the POINT OF BEGINNING; thence continue N 00° 45' 46" E, 402.39 feet to the PC of a curve, concave to the east, having a radius of 50.00 feet; thence Northerly, along the arc of said curve, through a central angle of 43° 23' 57", a distance of 37.87 feet to the PT; thence N 44° 09' 43" E, 111.24 feet to the PC of a curve, concave to the southeast, having a radius of 100 feet; thence Northeasterly, along the arc of said curve, through a central angle of 38° 43' 36" a distance of 67.59 feet to the PT; thence N 82° 53' 19" E, 24.26 feet; thence S 00° 45' 46" W, 550.80 feet; thence N 89° 23' 04" W, 173.09 feet to close on the POINT OF BEGINNING.

The above described parcel containing 2.00 acres more or less.

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Property Assessment

The subject leasehold improvements are included in the 2018 Levy County Property Assessment Roll as Parcel Account No. 2212805400 with a 2018 preliminary just (market) value of \$67,421 and taxable value of \$67,421 which remain unchanged from 2017. The 2017 tax burden was \$1,710.29.

The site upon which the subject improvements are located is included the 2018 Levy County Property Assessment Roll as part of the larger 400 AC property identified as Parcel Account No. 044400000 with a 2018 preliminary total assessment of \$2,888,120 (land only). The site is presumably tax exempt as the owner consists of the City of Williston.

History of Title

As indicated earlier, the subject site is presently leased from the City of Williston. To that end, the following summarizes the terms of the ground lease. An initial land lease agreement was executed in November of 1990 between the City of Williston (lessor) and M. Bilt Enterprises, Inc. (lessee). A copy of this lease agreement has been retained in my files. This lease agreement references a total of 2 AC intended to be developed with a manufacturing facility for M. Bilt Enterprises (this facility was obviously constructed and was owner-occupied until 2014). The initial term of the lease was 25 years (terminating October 30, 2015) but was later extended in February of 1999 until October of 2023. The lessee may also extend this term for two additional five-year periods with sufficient notice to the lessor (renewal periods will reportedly require a new market rental rate and escalations tied to the CPI Index). The lessee is responsible for all utilities, maintenance, insurance and taxes. Assignment or subletting of the lease requires written consent of the lessor (consent shall not be unreasonably withheld by the lessor) and the lessee can encumber the leasehold interest with a mortgage. The lease includes annual rent of \$450/AC, plus sales tax. An addendum in October of 1999 provided a first right of refusal for the lessee to lease an adjacent 8.71 AC. Upon termination of the ground lease, all improvements revert to the lessor.

An interview with the City Manager of the City of Williston (Mr. Scott Lippman) revealed that the city would certainly be open to an extension of the lease upon the termination. In fact, Mr. Lippman indicated that leases have routinely been extended even mid-term in order to accommodate financing of leasehold improvements associated with airport ground lease properties. Of course, such an extension would require some level of negotiation in regard to the ground rent. In the subject's case, this would most likely result in an increase in rent (as will be discussed later, the subject's current contract ground rent is considered significantly below market).

In June of 2014, the subject property was leased from M. Bilt Enterprises, Inc. to Well-Bilt Industries USA, LLC. This lease was approved by the City of Williston and the Federal Aviation Administration (FAA). The term of the lease is five years with escalating annual rent as follows: Year 1 at \$12,000; Year 2 at \$30,000; Year 3 at \$36,000; Year 4 at \$42,000; and Year 5 at \$48,000. As of the date of valuation, the rent is \$48,000 or \$2.18/SF of NRA. The lease includes triple net terms

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although the lessor is remains responsible for “structural aspects” of repair including the roof, structural supports, foundation, window and door frames and exterior walls. The lease also provides a purchase option for the tenant. In that regard, the price is to be determined through appraisals and 50% of the rent paid by the tenant during the term of this lease shall be applied as a credit against the purchase price.

Public and Private Utilities and Services

The subject is positioned in the city limits of Williston (in fact, on the grounds of the Williston Municipal Airport). To that end, central water is afforded to the subject property while sewer is provided by on-site means (septic system).

Comprehensive Plan, Land Use and Zoning

The subject is positioned in, and governed by the jurisdiction and comprehensive plan of, the City of Williston. The future land use designation of the subject property was reported by the City of Williston Planning Department to be industrial (as a result of a recent map amendment). The corresponding specific zoning designation is I, industrial which allows a variety of warehouse, distribution and manufacturing operations. While the subject use is allowed within the current zoning/land use designations, it is noted that the subject improvements appears to be a legal, non-conforming use at least to the extent of ADA requirements, setback requirements and potentially the likely current requirement of on-site drainage retention.

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Description and Analysis of Region

Levy County is located in the geographical west central part of the State of Florida. This county fronts on the Gulf of Mexico along its western border and extends to the east for approximately 58 miles into the central portion of the state. The county seat is Bronson, which is situated in the north central portion of the county. Other municipalities in Levy County with employment and shopping include Chiefland, Williston, Yankeetown, Inglis and Cedar Key.

US Hwy 19/98 enters Levy County at the northwestern corner, runs through the center of the county, and exits towards what is the southeast corner. This is a major north-south thoroughfare in the eastern United States, and is four-laned through the length of the county. US Hwy 27 and 41 also run through Levy County, these being two-laned paved roadways. The municipalities mentioned above are situated around these major highways and cater to primarily base economic services associated with the population of the county as well as commuters. Attractions in the area include the world famous Suwannee River, running along the northwest boundary of the county, Manatee Springs State Park and Cedar Key. These preservation areas cater to outdoor-type activities, but do not contribute substantially to the economic base of the county. Levy County is Florida's 8th largest county, geographically, with 705,280 AC. It provides 106 miles of rivers and 101 lakes which enhances its residential and recreational opportunities.

Agriculture is a prevalent use in Levy County, occupying the entire northern and eastern portions of the county. The southern and western portions of the county are typically low, wet lands which make up the Gulf Hammock Wildlife Management area.

This area is very sparsely populated, with most of the population occupying the north and eastern portions of the county. The following chart summarizes the population of Levy County from July of 2004 to July of 2017 (U.S. Census Bureau).

[Levy County, Population 2004-2017]

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Levy Co	36,729	37,357	38,240	38,830	39,199	39,147	40,716	40,267	39,997	39,694	39,613	39,832	39,961	40,355
Change		1.71%	2.36%	1.54%	0.95%	-0.13%	4.01%	-1.10%	-0.67%	-0.76%	-0.20%	0.55%	0.32%	0.99%

This chart reveals a spike in growth of population in Levy County in 2004-2006 and actual decline from 2008 to 2014 (subsequent to the recession and surge in unemployment). The population appears to be back on track with modest growth of less than 1% annually since 2015. As per information prepared by the Office of Economic and Demographic Research of the Florida Legislature, the projected 2020 population of Levy County is 41,969 which implies modest growth from the current July of 2017 estimate from the US Census Bureau of only 40,355. This study also included growth of households from 13,867 in 2000 to 16,404 in 2010 (18.3% increase). Also,

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housing permits for Levy County peaked in 2005 (259) but declined to an average of only 53 per year from 2010 to 2015. More recently, the number of permits has increased to 143 in 2016 and 159 in 2017.

As per information from the United States Bureau of Labor Statistics, the Levy County labor force increased from 14,515 in January of 2000 to 16,573 in December of 2017. However, the 2017 level actually represents a decline from September of 2008 (17,148). This evidences the dramatic downturn in the economy and sharp rise in unemployment. To that end, the following chart summarizes unemployment rates in Levy County from 2006 to 2017.

[Levy County, Florida Unemployment Rates 2006-2017]

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Levy County	3.5%	4.3%	7.3%	11.5%	11.9%	10.9%	9.3%	8.2%	6.9%	5.7%	5.2%	4.3%
State of Florida	3.2%	4.0%	6.3%	10.4%	11.1%	10.0%	8.5%	7.3%	6.3%	5.4%	4.9%	4.2%

The above chart depicts the impact of the recession upon employment in the Levy County market in particular. More specifically, Levy County included an unemployment rate very near the state average until the market crash in about 2008. From that point, through 2014, Levy County as significantly lagged behind the state rate. However, as of 2017, Levy County has essentially closed the gap at only .1% less than the state average. Although the Levy County economy suffered significantly since the recession began in 2007/2008, the reduced unemployment into 2017 evidences the considerable recovery. Per information from the Office of Economic and Demographic Research from the Florida Legislature, data associated with “employment by industry” for 2016 in Levy County (as compared with the State of Florida) is summarized as follows:

[Employment By Industry - 2016]

Average Annual Employment (% by category)	Levy County	State of Florida
Natural Resources & Mining	7.4%	0.8%
Construction	15.5%	9.9%
Manufacturing	4.1%	3.1%
Trade, Transportation and Utilities	22.3%	21.1%
Information	0.5%	1.6%
Financial Activities	7.1%	10.7%
Professional and Business Services	10.1%	23.1%
Education & Health Services	9.0%	10.6%
Leisure and Hospitality	9.7%	8.3%
Other Services	7.7%	8.2%
Government	5.7%	0.9%

The study also provided the following average annual wage associated with each industry:

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[Average Annual Wage - 2016]

	Levy County	State of Florida
All Industries	\$30,889	\$47,060
Natural Resources & Mining	\$35,488	\$31,501
Construction	\$35,431	\$47,342
Manufacturing	\$35,270	\$57,824
Trade, Transportation and Utilities	\$26,032	\$41,939
Information	\$49,750	\$77,256
Financial Activities	\$43,439	\$69,701
Professional and Business Services	\$35,588	\$56,930
Education & Health Services	\$30,450	\$48,616
Leisure and Hospitality	\$16,942	\$24,399
Other Services	\$21,862	\$33,996
Government	\$34,402	\$52,022

Generally speaking, Levy County's wages are significantly lower than the state-wide average (only 66% of the state average annual wage). That being said, these wage levels have increased significantly in Levy County from 2013 (at only \$28,878).

In summary, Levy County has historically represented a slow growth, rural area dominated by agricultural activities as its economic base. Timber, cattle farms, row crops and general farming remain the primary agricultural uses with poultry, horse and dairy farming also contributing to the economic base. However, the area has been successful in attracting some manufacturers which benefit from a generally central location of north central Florida, cheap labor and aggressive incentives (tax exemptions and land lease abatement policies). Market conditions and the economy in the subject region have not only stabilized but improved significantly subsequent to the economic downturn and ensuing national recession. In the final analysis, barring any further extended economic recession, the local real estate market should continue to benefit from the market recovery and return to modest levels of growth.

Description and Analysis of Neighborhood

Neighborhood is defined as "...a group of complementary land uses."³ The physical neighborhood may be the same as, or different from, the economic neighborhood. The physical boundaries of a defined neighborhood essentially perimeter that land area which confines homogeneous land use. The economic neighborhood is the area which identifies the marketing district of comparable uses and is considered the more general area of influence with which the subject must compete in terms of sale prices, rental rates and employment opportunities. The economic neighborhood boundaries may not be represented by tangible limits to the same extent as the physical neighborhood. It is most ideal when the physical and economic neighborhoods overlap one another and are essentially the same. Comparables are extracted from both neighborhoods for direct comparison with the subject.

- Geographic Boundaries:** N= CR 121
E= CR 323 (which is 1 mile E of US Hwy 41)
S= S side of Williston Airport
W= CR 121 as it curves from NE to SW
- Economic Boundaries:** broader economic neighborhood includes the N central Florida region (competitive area for industrial uses)
- Proximity Conveniences:⁴** average
- Major Thoroughfares:** US Hwy 27 (2 miles N of Williston Airport, dissects City in E/W direction) and US Hwy 41 extends N/S through Levy County and the State of Florida; Interstate 75 is 20 miles E; US Hwy 19 is 15 miles W
- Availability of Utilities:** central water and sewer available in the City of Williston
- Adverse Influences:** none observed
- Demographics:** diverse residential economic base with mix of conventional and manufactured housing in the immediate neighborhood and homes on parcels ranging from smaller lots to larger acreage tracts; limited residential subdivision development in immediate vicinity
- Employment:** average, acknowledging steady improvements to unemployment rate over the past several years
- Proximity Necessities:⁵** average

[Williston Airport]

The subject property is part of a much larger parcel identified as the Williston Municipal Airport.

³ Appraisal Institute (*The Dictionary Of Real Estate Appraisal, 6th Edition*).

⁴ Recreational opportunities; public venues; religious establishments; civic and community activities; cultural centers.

⁵ Schools; grocery, clothing and retail shopping; medical community; financial district; government; employment centers.

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Actually, prior to development of the subject property, the general vicinity of the site had not been used since it served as barracks during World War II for those stationed in Williston at the airport which was then a B-25 military air base. The airport is unusual in that one of its three runways includes an extraordinary length of about 7,000 LF, quite uncommon for a small community the size of Williston and the area it serves.

The City of Williston came into ownership of the airport property through the United States government. Presently, the City has no intentions of selling any property at the airport. In fact, to do so could jeopardize their ownership of all of the premises. As such, into the foreseeable future, development of the vacant surplus lands at the airport will most likely require long term ground leases. The City of Williston, in an attempt to attract industry to increase jobs and labor force, developed portions of their airport property on the basis of a "Land Lease Abatement Policy" which was essentially designed to send the message to industry that Williston will offer companies "free land" in exchange for significant capital investment to create local jobs. The form of this policy allowed abatement of rent computed as one year free of rent for each tier of ten full-time employees. Further, the City of Williston implemented a plan which accomplished a process of advance permitting which so commonly tends to slow the private-sector during their investigatory and development stages. This policy resulted in the development of the large Monterey Boats and the Shadow Trailers manufacturing facilities. A representative of the City of Williston indicated that the abatement policy would be entertained for future development prospects.

As of the date of valuation of this appraisal, there are numerous occupants of surplus portion of the airport property via ground leases. These occupants include a variety of businesses ranging from agricultural (hay production, lumber and peanut processing) to retail (Pyper Kub café) to recreational (Williston Shooting, Williston's Horsemen's Park) to industrial. In regard to industrial, the subject represents one of several manufacturers. The others include Monterey Boats (44.1 AC), Shadow Trailers (9 AC) and A & N Corp (10.2 AC). The rents associated with these leases include a wide range from as low as under \$200/AC per year to as much as over \$3,500/AC per year. The last approved rates for land leases at the Williston Municipal Airport were reportedly established by Council in 2007. To that end, information provided by a representative of the City of Williston indicated a rate of \$3,500/AC per year for "unimproved" sites and \$7,800/AC per year for "improved" sites. The representative indicated that "improved" refers to sites that are vertically improved with older industrial buildings. One of the improved properties owned by the City of Williston (6,000 SF warehouse building located at 1879 SW 18th Ave on 1.01 AC near the main entrance to the airport) is reportedly leased by Seabring Marine (a/k/a Monterey Boats) with a rent as of December of 2016 of \$2.63/SF, net. Finally, it is noted that the Williston Animal Shelter is planning to occupy acreage at the airport but has yet to fully fund the project.

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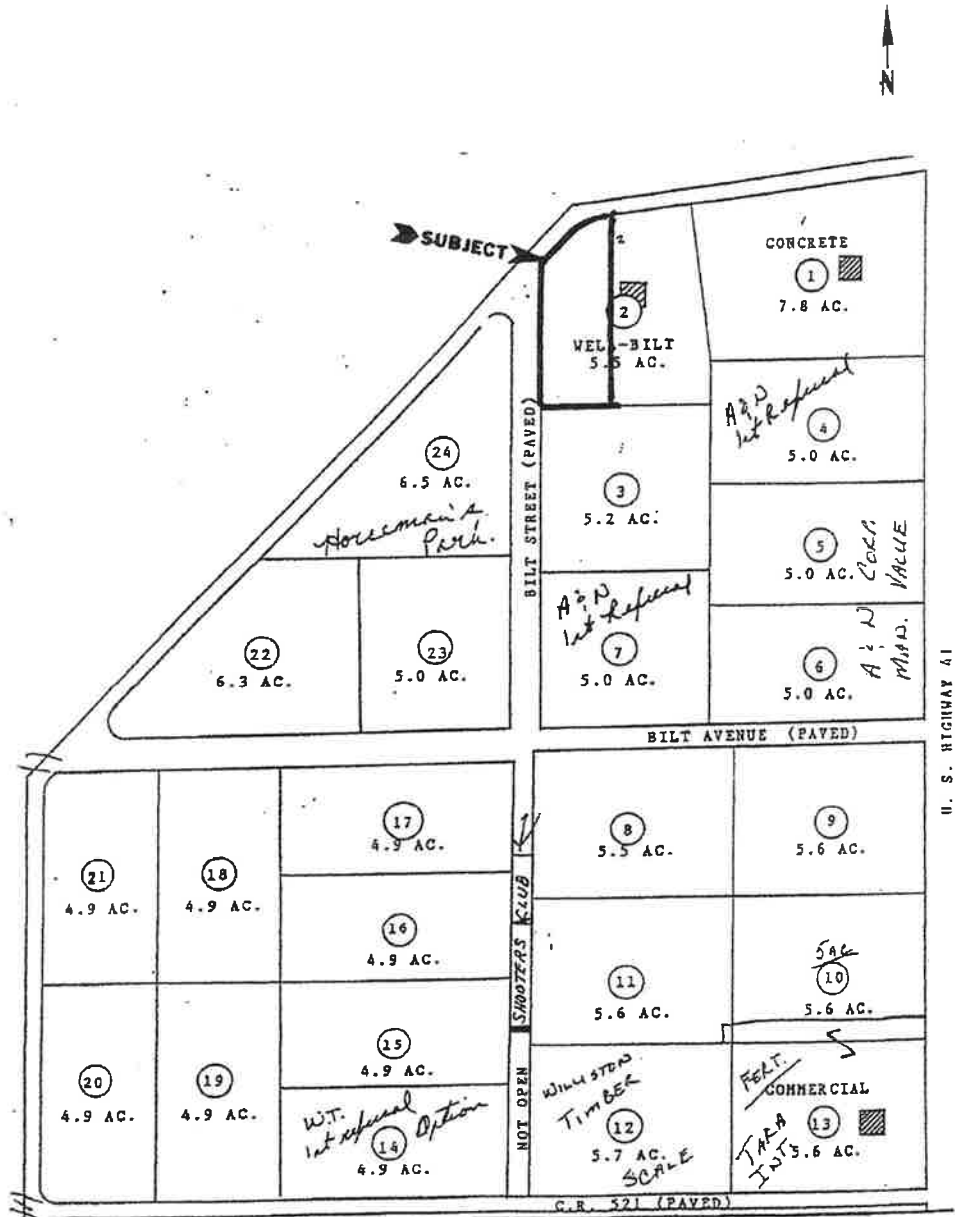
Description and Analysis of Site

The following description of the subject site is based on my personal inspection as well as the referenced sketch and information from the public record.

Survey:	Map of Boundary Survey prepared by Stephen M. McMillen, Project #2017-014A, dated January 19, 2017
Parcel Size:	2 AC
Dimensions:	see survey reduction
Shape:	slightly irregular, but useful, configuration
Road Frontage:	about 440 FF on E r/w of SW 8 th Terr
Site Access:	site is directly accessed via frontage on SW 8 th Terr
Visual Prominence:	somewhat obscure area at the interior of the Williston airport property
Aesthetic Appeal:	average; SLY extreme portion of site remains densely wooded while majority of the site is cleared
Topo and Drainage:	generally level terrain; drainage appears adequate (benefits from off-site provisions)
Flood Zone:	zone "X" (minimal flooding) per FEMA Map Panel #12075C0405F, effective 11/02/2012
Soil Contamination:	refer to contingent and limiting conditions
Water Pollution:	refer to contingent and limiting conditions
Road Improvements:	SW 8 th Terr reportedly actually represents a former taxi-way of the airport; the r/w is improved with asphalt paving and width which allows not only two lanes of traffic but parking as well
Easements:	none observed
Encroachments:	subject improvements (quonset storage portion and waste containment area) encroach upon adjacent E acreage (see Extraordinary Assumptions)
Adjacent Land Uses:	N= private hangar within secured gate of airport facility E= commercial use upon leased lands of airport facility S= unimproved acreage associated with airport facility W= Williston's Horseman's Park across SW 8 th Terr
Adverse Influences:	none noted

In summary, the existing site represents a physically and functionally effective entity contributing towards ultimate highest and best use.

Plat Map



Aerial Photo



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Description and Analysis of Improvements

The subject property is improved with a manufacturing facility which is presently tenant-occupied by WellBilt Industries. The following descriptions pertain to the subject improvements as they existed as of my on-site inspections. Where hidden component cannot be viewed, the analysis will make the most realistic assumptions based on current design features.

Manufacturing Building

This building was designed for, and continues to be used for, the manufacturing of hangar doors. The building encloses a total of approximately 21,979 SF of GBA/NRA⁶ of which approximately 2,400 SF consists of supporting two-story office space (ratio of 11%). The original portion of the building was constructed in 1990 with subsequent additions in 1998 and 1999. The building includes concrete slab, blend of partial concrete block (original portion of building) and pre-engineered steel framing and metal siding/roof with gutters. The majority of the building includes an eave height within a range of 22' to 26' although the machine shop/electrical room on the south end of the building includes an eave height of only about 10'. The manufacturing area benefits from (3) bi-folding overhead doors on the west elevation of the building as well a (1) hydraulic overhead door at the east elevation. Additional area under roof includes a 2,926 SF canopy on the north end of the building which was reportedly added in about 2000 (asphalt floor in only fair to poor condition). In support of the manufacturing use, the building benefits from a significant electrical system with access to power throughout much of the production area.

The office area includes two stories and is located at the southwesterly portion of the building. Each floor encloses 1,200 SF. The office area is served by central heating and air-conditioning. The lower level is accessed at the front (west) elevation and includes a bathroom, open work area and break room. Finishes include vinyl floors, painted gypsum board walls, acoustical tile drop ceiling, fluorescent lighting and aluminum single-hung windows. The second floor is accessed by interior stairwell, elevator (relatively low-grade elevator which is presently used to move materials to the second floor) and exterior stairwell which requires ingress/egress over a portion of the roof of the building (the exterior stairwell is reportedly not in compliance with code requirements and would seem to most appropriately be used as only secondary, emergency access). The second floor (originally constructed as an office and apartment) includes two large office areas as well as kitchen and full bathroom. This area has been renovated (by the tenant) to a quality and condition far superior to the first floor with tile/carpet floors, painted gypsum board walls and ceilings and

⁶ The tenant provided a site sketch which indicated a total enclosed building area size of 20,489 SF. However, this estimate appears to rely upon interior dimensions and excludes the two storage containers on either side of the quonset storage area. My size estimate is based upon exterior dimensions (consistent with the indicated area of all comparable data) and is inclusive of the two storage containers as they are permanently affixed to the building and provide functional utility in the form of storage. Further, the size estimate provided by the Levy County Property Appraiser (based on exterior dimensions and including the storage containers) is 21,410 SF which is much closer to my estimate.

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masonite panel doors. The second floor office area includes access to the roof of the machine shop/electrical room portion of the building.

The extreme north end of the building contains the machine shop and electrical room. This portion of the building includes concrete slab, fluorescent lighting and unfinished walls and ceiling other than insulation (8' ceiling height). This area is accessed via an exterior door on the south side of the building as well as from the interior.

The majority of the building consists of manufacturing which is divided into three fabrication areas. The southerly fabrication area can be enclosed by a sliding metal doors. This portion of the building includes concrete slab, blend of concrete block, unfinished drywall (second floor offices), metal siding (associated with the original portion of the building) and unfinished steel frame interior walls and ceiling with insulation. The manufacturing area includes a bathroom and sink area (wash sink as well as eye rinsing area) adjacent to the first floor offices. The area also benefits from two crane ways (hoists represent leasehold improvements) as well as exhaust fans and adequate lighting.

Finally, the storage area of the subject consists of a quonset hut building which is flanked by two metal semi-trailer storage containers which have been affixed to the site (considered part of the subject's useful gross building area). While the storage area includes a quality grade below that of the balance of the building, it retains a high level of utility in terms of storage purposes. As a matter of note, there is an additional semi-trailer container positioned adjacent to the north end canopy which reportedly represents a sub-leasehold improvement (reportedly placed by the current tenant).

Site Improvements

Asphalt Paving-

estimated 11,000 SF of asphalt paving associated with driveway and parking area at W elevation of building (lacking striping); however, majority of employee and customer parking is accommodated in the WLY extreme of the SW 8th Terr right of way; current code requirement for the subject use and zoning is one space per 500 SF of gross floor area which would equate the need for 44 spaces (alternative requirement is 1.25 spaces for each employee on maximum shift, whichever is greater) along with handicap spaces; current use appears to require less than the 44 required spaces although, through the SW 8th Terr spaces, subject parking lot and SLY unimproved portion of site, the subject likely includes sufficient area to accommodate this level of parking; in any event, the subject is legally, non-conforming

Concrete Paving-

Drainage-

Landscaping-

Miscellaneous-

concrete paved areas at the building's W, S and E elevations

storm water drainage provided via off-site provisions

natural landscaping only

flag pole; signage; former covered fuel containment area adjacent to

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quonset hut

In summary, the existing improvements are considered a logical and functionally useful extension of the highest and best use of the land.

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Representative view of 1st floor offices



1st floor break room



Representative view of 2nd floor offices



2nd floor kitchen area



Representative view of machine shop

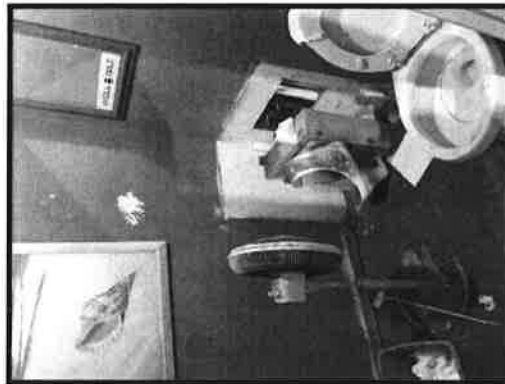


View of SLY fabrication area

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View of SLY fabrication area (offices in distance)



View of fabrication area bathroom



View of fabrication area (facing S)



View, facing N, of NLY fabrication area



View of quonset hut storage area



View of one of two semi-trailer containers for storage

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Economic Life and Depreciation Analysis

Economic life is the period of time during which an improvement contributes to the value of land. When this period of time ends, the improvement becomes a liability to the site to the extent of, and measured by, cost of removal. The three major categories from which an improvement may suffer a value loss are:

1. Physical Deterioration (wear and tear of improvements).
2. Functional Obsolescence (inutility of site and/or improvements).
3. External Obsolescence (adverse locational influences).

Of these three categories, only physical and functional depreciation are curable.

Actual/Effective Age-	19 to 28 yrs/25 yrs (relatively high effective age acknowledges periodic renovations over time, most recently including partial roof repair and renovation to 2 nd floor office and new A/C unit, but also overall only fair condition with significant level of deferred maintenance observed during my inspection and referenced in a recent inspection performed by Integrity Home Inspections)
Economic Life-	40 yrs (supported by market and <i>Marshall</i> ⁷)
Remaining Economic-	15 yrs
Deterioration Rate-	2.5%/yr (SL basis or 100% ÷ total economic life)
Accrued Deterioration-	63% (short- and long-lived, incurable)

Physical Depreciation

Curable, Deferred Maintenance:

Although the current owner of the subject property has performed repairs to the roof over the past several years, the roof is very near the end of its useful life and is reasonably anticipated to require replacement in the very near future. Further, other items of deferred maintenance include drainage issues near the quonset storage area, numerous windows needing replacement, bay doors requiring repair, some areas of warehouse insulation damaged, potential need for electrical system upgrading, septic system reportedly non-conforming as to placement and near the end of its useful life. The subject also reportedly lacks ADA compliance in several areas such as the front entry door access, lack of handicap parking spaces, drainage trench at front potentially a hazard, lack of ADA bathroom, interior door handles need replacement, no emergency lighting or exit signs and no fire alarms or extinguishers. These items of deferred maintenance as well as the overall condition of the improvements are acknowledged though my conclusion of an advanced effective age of 25 years for

⁷ Average to Good quality, Class S, light manufacturing facilities include a range of economic lives from 35 to 40 years as per *Marshall*.

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comparison with the comparable sales of the Sales Comparison Approach (each of the sales includes the need for new roof as well as other items of deferred maintenance which are similarly recognized through their estimated effective ages). Within the Income Capitalization Approach, recognizing the likelihood for the need to cure essential deferred maintenance items for new tenancy and that the comparable lease properties do not include the same extent of deferred maintenance, I have included a specific allocation of \$125,000 (acknowledging the need for a new roof at \$80,000, ADA items at \$20,000 and other miscellaneous items at \$25,000).

Incurable, Short- and Long-Lived Components:

Although remaining functional for manufacturing use, the subject improvements have experienced a considerable level of incurable physical deterioration as evidenced by the age/life analysis presented earlier.

Functional Obsolescence

Again, while remaining generally functional for continued manufacturing, it is not uncommon for older buildings such as the subject to include some extent of functional obsolescence. In the subject's instance, the subject's lack of ADA compliance is considered an example of obsolescence but represents a legally non-conforming attribute. Acknowledging this deficiency, the overall layout and design of the facility seems sufficient to accommodate a variety of alternate manufacturing uses.

External Obsolescence

The overall downturn in the economy and recent recession had an adverse impact upon the real property associated with most forms of development in the Levy County market (including industrial). The combination of an increased supply of available space (subsequent to the closure of many businesses) along with competition from foreclosures and short sales resulted in significant value declines in most markets. However, the economy and market have certainly stabilized and, in fact, showing signs of significant improvement in many sectors. This valuation acknowledges the potential existence of such obsolescence through the use of current comparable improved sales and leases which are subject to the same market conditions as the subject property. Otherwise, there are no observed external influences to the subject property, as it exists, impacting negatively thereon.

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Highest and Best Use

As defined in the Appraisal of Real Estate, 14th Edition (published by the Appraisal Institute in 2013), highest and best use is:

"The reasonably probable use of property that results in the highest value."

The following four tests are implicit within the consideration of highest and best use:

1. Physically Possible.
2. Legally Permissible.
3. Financially Feasible.
4. Maximally Productive.

Application of these four categories to the subject supports my conclusions of highest and best use.

As Vacant

The subject property includes a 2 AC site located at the Williston Municipal Airport benefitting from availability of central water but requiring septic system for sewer provisions. The site also includes good accessibility and availability of parking within the SE 8th Terr right of way. The general location of the subject site is considered rural in nature with close proximity to US Hwy 41 and US Hwy 27 but not particularly close to the primary north/south corridor of I-75 through the center of the State of Florida. As such, the subject site is considered at best a secondary industrial site. Also, as a surplus portion of the airport facility, this site is available only through a ground lease. However, my review of the rent roll associated with the subject airport (as well as interviews with airport managers from the region) evidences a significant level of demand for long term ground lease occupancy. The flip side of this location and ground lease requirement, in terms of industrial use, is the availability of incentives from the City of Williston and relatively cheap labor. In fact, the overall location, and incentives related thereto, were sufficient to lure not only the subject manufacturer but also Monterey Boats and Shadow Trailers to the area. Based upon the relevant criteria, it is my opinion that the four tests of highest and best use of the subject property, as vacant, would include eventual industrial use.

As Improved

The subject represents a manufacturing facility enclosing almost 22,000 SF of GBA/NRA. The subject's plot coverage equates to 25% which is representative of the upper tendency of the range of market indicators. While the approximate southerly .50 AC of the subject site remains essentially undeveloped and available for expansion, the site benefits from off-site drainage and partial parking provisions which enhances the utility of the site. The subject improvements include an overall only fair condition with the near term need for roof replacement and curing of other items of deferred maintenance. In that regard, acknowledging a remaining term of five years on the ground lease (at

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well below market rent) as well as the availability of (2) five-year renewal periods, it is feasible to cure the essential items of deferred maintenance which would extend the life of the improvements through, and actually beyond, this remaining total potential term of 15 years. Further, an interview with the airport manager revealed that extensions to the ground lease are reasonably anticipated to remain available to the owner of the leasehold position in order to provide feasibility for renovations, repairs and/or replacements which would significantly extend the life of the improvements. Consistent with the terms of the ground lease, the leasehold interest associated with the subject includes the ability to sub-lease or assign with lessor consent (which cannot be unreasonably withheld).

To that end, acknowledging a significant remaining economic life of the improvements and remaining term of the ground lease (through options) extending until 2033 with the ability to extend the lease even longer, the subject leasehold interest is certainly considered marketable. Evidence of this marketability was found through my research of several airport facilities in the north central Florida region over time including not only the Williston facility but also the municipal airports in Ocala, Lake City and Pinellas County.

The overall layout and design of the subject facility is sufficient to accommodate a variety of alternative industrial users (more likely to include manufacturing than distribution). However, as is the case with most older manufacturing facilities, there are some aspects which are dated and specialized to the original user. As such, in regard to occupancy by the broader market of potential industrial users, some extent of “re-tenancy” cure is reasonably anticipated. Of course, these specialized features could also command a rent premium in terms of occupancy of the subject facility for a manufacturer of hangar doors (present operation).

Market conditions have improved considerably over the past several years with respect to the industrial market in north central Florida (including Levy County). Much, if not most, of the inventory of distressed properties have been absorbed into the market. As such, not only has occupancy improved dramatically but prices and rents have increased. Despite the older age of the improvements, the sales and lease data presented in the two approaches to value provide rather clear evidence that the subject improvements continue to contribute well above underlying land value.

In the final analysis, it is my opinion that highest and best use of the subject property is for continued manufacturing acknowledging the need for near term cure of a significant level of deferred maintenance. Finally, valuation of the subject property is predicated on the program of land utilization consistent with highest and best use concluded herein.

Reasonable Exposure Time

Reasonable exposure time is historically-oriented (time lapsed prior to sale’s closing or lease).⁸

⁸ “Reasonable Marketing Time” differs from “Reasonable Exposure Time” as it is:

Future-oriented, subsequent to or post-effective valuation date; thus, if introduced, “Reasonable Marketing Time”

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Based upon my research with respect to reasonable exposure time of the subject property type, I have formed an opinion of reasonable exposure time applicable to my opinion of market value of the subject property of 9 to 12 months.

Valuation Methodology

The three traditional approaches to value of real estate appraisal process are: Cost Approach, Sales Comparison Approach and Income Capitalization Approach.

The Cost Approach combines an opinion of land value with value of horizontal and vertical improvements. This approach is based upon the Principle of Substitution which holds that a buyer would likely not pay more for a property than the costs of obtaining an equally desirable substitute site plus the costs new of replacing equally desirable and useful improvements thereon, assuming no costly delay in making the substitution.

The Sales Comparison Approach includes the comparison of the subject with similarly located and useful properties that have recently sold to establish a discernible pattern for comparative analysis. Adjustments are necessary to the sales in many instances since no two properties are identical.

The Income Approach is based on the Principle of Anticipation which holds that a purchaser is buying in anticipation of acquiring future net benefits to the property. Value is measured in this approach through capitalization of net income.

The subject of this valuation includes the leasehold interest (subject to the current ground lease). While the owner of the leasehold interest does not benefit from an eventual reversion of the property at the end of the ground lease, the owner retain rights to all improvements along with potential control of the underlying land for the next 15 years with a significantly favorable ground rental rate for the next five years. Further, it is reasonable to assume that the lessee will be able to negotiate an extension of the ground lease in the event that the improvements are deemed to include an economic life beyond the current available term. To that end, in the absence of current, truly comparable sales of leasehold interests of older manufacturing facilities in the subject market, it is my opinion that the most appropriate valuation methodology includes initial considered to the hypothetical fee simple interest (supported by the Sales Comparison Approach and Income Capitalization Approach) with secondary consideration to the valuation of the leased fee interest (through the Income Capitalization Approach) with the variance between these two value indications representing the value of the leasehold interest. More detailed descriptions of the steps of each applicable approach to value will be more fully discussed and illustrated hereafter.

follows **Reconciliation**.

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Sales Comparison Approach

This process represents a “whole-to-whole” valuation methodology which embraces all facets of the subject property as a single economic entity.

1. **Research market for sales which are comparable to the subject property.**
2. **Verify factual data of sales which are concluded comparable to subject.**
3. **Develop appropriate unit of comparison which reflects the basis of sales.**
4. **Compare pertinent criteria of sales with characteristics of the subject.**
5. **Where appropriate, adjust sales for differences of unit value indicators.**
6. **Apply most appropriate unit indicator to derive an indicator of value.**

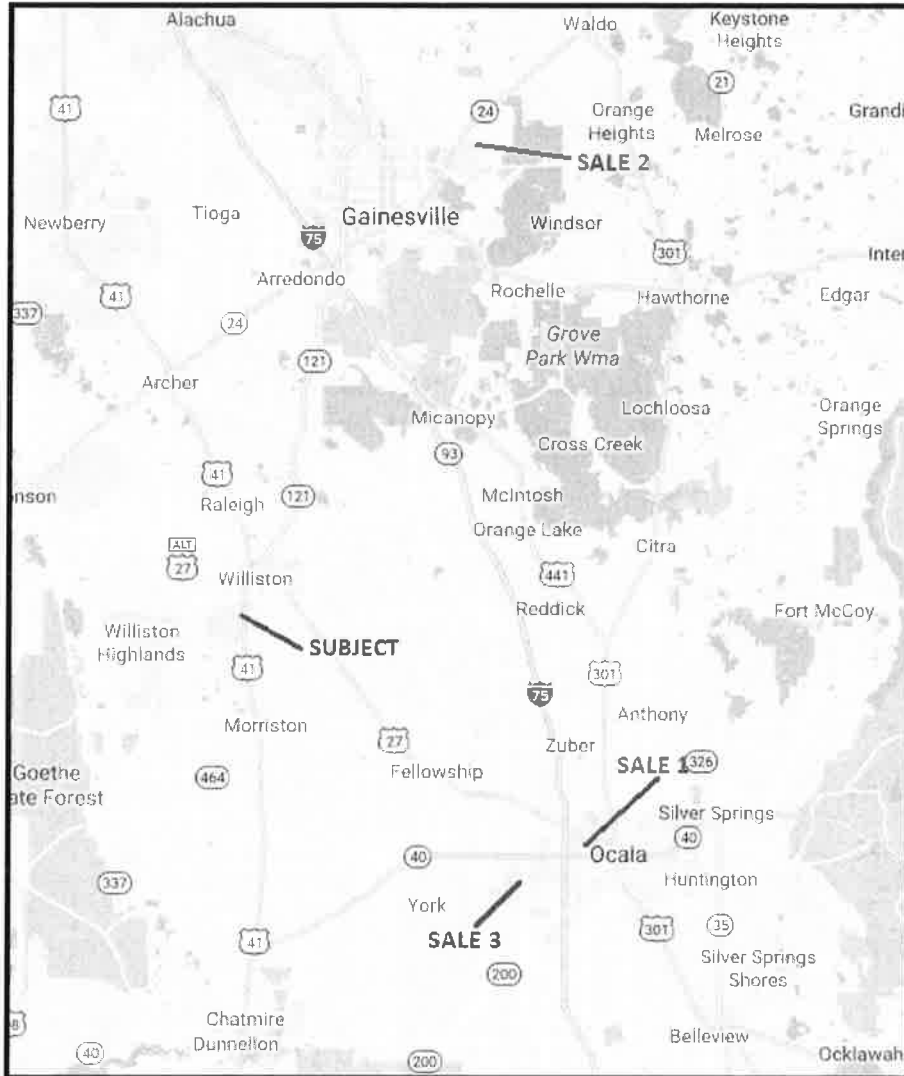
The following sales represent the best data available for comparison with the subject property (fee simple interest). As a result of a scarcity of current comparable sales from the immediate subject market, my research was expanded to include sales from the adjacent counties of Marion and Alachua. The appropriate unit of comparison is the price per SF of gross building area (based upon exterior building dimensions).

[COMPARABLE IMPROVED SALES DATA]

Sale	Date	Location/Property ID	Zone	GBA/Office %	Act Age/Plot Cov	\$/SF
1	1/17	802 NW 27 th Ave (Ocala)/ Boyd Welding	M-1	18,000 SF/ 33%	36 Yrs/ 24%	\$25.39
2	3/17	5210 NE 49 th Terr (Gainesville)/ Strictly Tool Boxes	I-2	12,786 SF/ 10%	19 Yrs/ 10%	\$36.13
3	10/18	3400 SW 60 th Ave (Ocala)/ Beautiful Moments	G-U	22,272 SF/ 12%	34 Yrs/ 15%	\$32.22
		Mean of Indicators:				\$31.25

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Comparable Improved Sales Location Map



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Data Sheet

Improved Sale 1



OR Book & Page: 6514/0339; Marion County
Grantor: Mary Carolyn Galloway, individually and as trustee, et al
Grantee: DEB3, LLC
Date of Sale: January 5, 2017
Sale Price: \$457,400
Unit Price: \$25.41/SF
Interest Conveyed: fee simple
Cash Equivalency: cash to seller
Legal Description: portion of Lot 4, Galloway and Sands Subdivision
Assessment No. 2189-004-001
Location: 802 NW 27th Ave, Ocala, FL
Site Area: 1.7 AC
Configuration: rectangular
Road Frontage: W r/w of SW 27th Ave
Topography/Drainage: generally level/adequate
Flood Zone: zone "X" as per online FEMA map

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Data Sheet

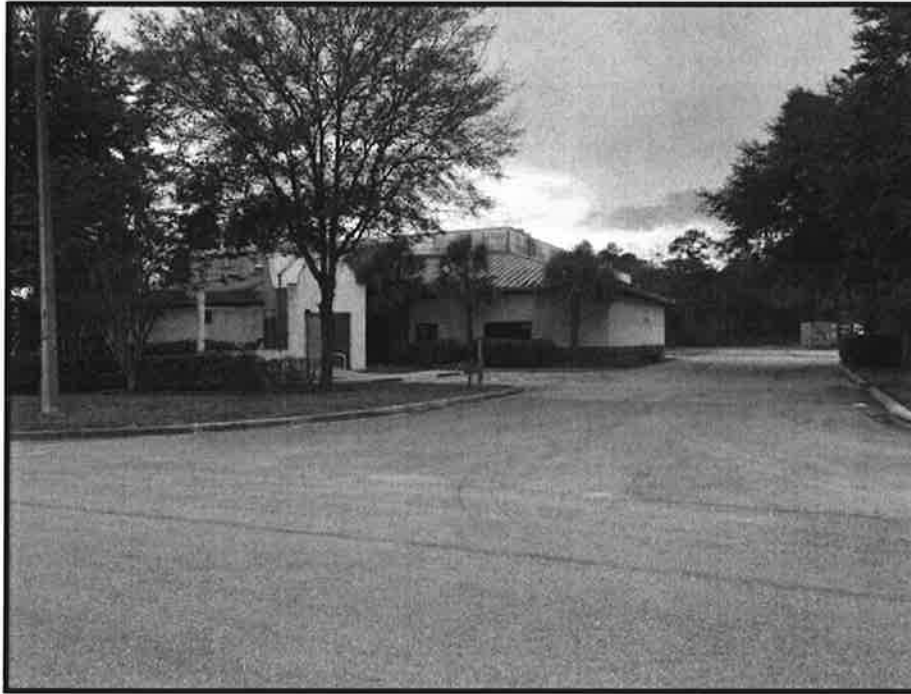
Improved Sale 1 (Cont'd)

Natural Landscaping: average
Utilities: City of Ocala
Property Jurisdiction: City of Ocala
Zoning: M-1, light industrial
Use at Sale: office/warehouse
Encumbrances: none observed
Improvements: office/warehouse building (built in 1981) enclosing a total of 18,000 SF GBA/NRA with a 16' eave height and a 33% office ratio; (2) ground level overhead doors on S building elevation; amenities include small canopy at front and mezzanine storage; construction includes slab, masonry/metal walls and metal roof; site improvements include asphalt paved parking lot (13 parking spaces) and driveway, concrete paving and chain link fence
Condition: fair; 36 yr actual age; 25 yr effective age acknowledging immediate need for new roof as well as overall only fair condition
Occupancy: vacant at sale; proposed for owner-occupancy by buyer
Verified With: public records; exterior inspection, MLS # 424596 (Nolan Galloway)
Exposure Time: 625 days on market
3-Yr± Sales History: NA last three years
Comments: broker at sale verified that the property required a new roof (reported quote at about \$100,000) and other renovations after sale (septic tanks were found to be under the parking lot; office dated; penetration in exterior siding); further, he indicated that the configuration of the site results in "awkward" conditions for traffic

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Data Sheet

Improved Sale 2



OR Book & Page: 4498/1351; Alachua County
Grantor: LMB Development, LLC
Grantee: Strictly E-Commerce, Inc.
Date of Sale: March 2, 2017
Sale Price: \$462,000
Unit Price: \$36.13/SF
Interest Conveyed: fee simple
Cash Equivalency: cash to seller
Legal Description: portion of Lot 7, Airport Industrial Park, Alachua County, FL
Assessment No. 08162-007-001
Location: 5210 NE 49th Terr, Gainesville, FL
Site Area: 3.05 AC
Configuration: slightly irregular, essentially useful configuration
Road Frontage: W r/w NE 49th Terr
Topography/Drainage: generally level/adequate
Flood Zone: "zone X" as per online FEMA map

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Data Sheet

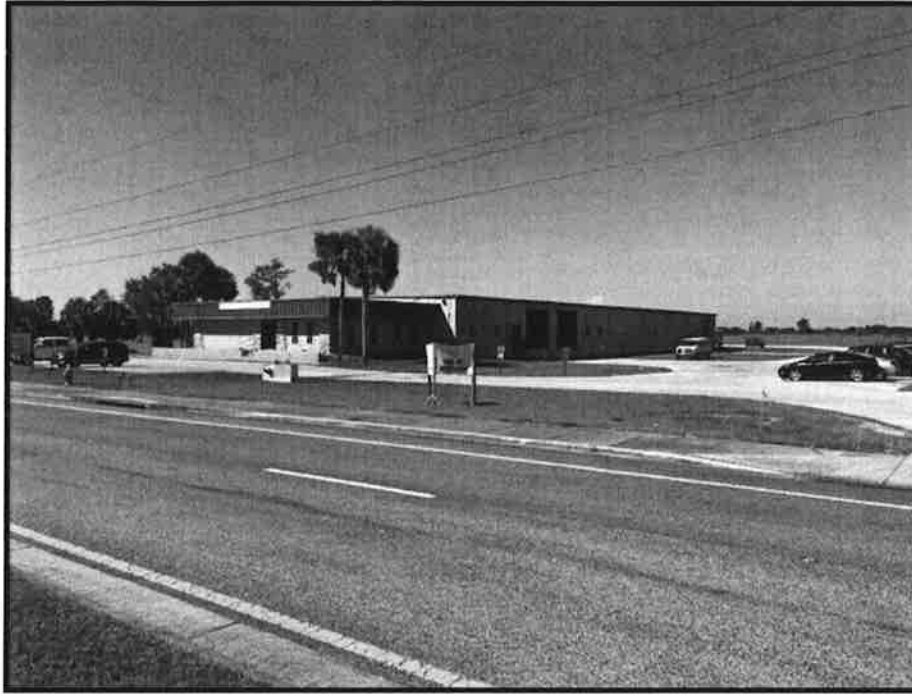
Improved Sale 2 (Cont'd)

Natural Landscaping: average
Utilities: city services provided
Property Jurisdiction: City of Gainesville
Zoning: I-2
Use at Sale: proposed for distribution use
Encumbrances: none adverse
Improvements: office/warehouse building enclosing a total of 12,786 SF of GBA/NRA (built in 1998; overall office ratio of 10%; approximately 22' eave height); overhead doors in excess of 12' tall; 3-phase power; fire sprinkler system; site improvements include parking lot (16 spaces), fencing, signage and off-site drainage retention
Condition: average; actual age of 19 yrs; effective age of 19 yrs (acknowledges the immediate need for a new roof at an estimated cost of \$50,000 as well as other items of deferred maintenance including need for exterior wall cleaning and/or painting)
Occupancy: proposed for owner-occupancy after sale
Verified With: public records; exterior inspection; MLS #373529 (Dave Ferro)
Exposure Time: 322 days on market
3-Yr± Sales History: NA last three years
Comments: property was originally listed for \$599,900 before eventual sale at \$462,000; primary reason for the large reduction was the need for a new roof (quoted price of \$50,000) as well as other items of deferred maintenance; property purchased by adjacent property owner

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Data Sheet

Improved Sale 3



OR Book & Page: Pending; Marion County
Grantor: City of Ocala
Grantee: current tenant
Date of Sale: scheduled to close on October 12, 2018
Sale Price: \$720,000
Unit Price: \$32.33/SF
Interest Conveyed: fee simple
Cash Equivalency: cash to seller
Legal Description: lengthy, in Section 29/15/21, Marion County, Florida
Assessment No. portion of 23820-006-01
Location: 3400 SW 60th Ave, Ocala, FL
Site Area: 3.33 AC
Configuration: rectangular
Road Frontage: N r/w of NE 25th St just E of NE 36th Ave
Topography/Drainage: generally level/adequate

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Data Sheet

Improved Sale 3 (Cont'd)

Flood Zone: zone "X" (minimal flooding) as per FEMA Map #12083C 0513E, effective April 19, 2017

Natural Landscaping: average

Utilities: City of Ocala

Property Jurisdiction: City of Ocala

Land Use/Zoning: low intensity/GU, governmental use

Use at Sale: storage/distribution warehouse (party rentals and supplies)

Encumbrances: none observed

Improvements: single-tenant office/warehouse building enclosing 22,272 SF of GBA/NRA (built in 1984; addition completed in 1990); 12% office ratio; construction in-cludes slab, metal walls (14' eave height) and roof; amenities include fire sprinkler protection, (2) rear secured canopy areas (w/fence enclosure), security system and exhaust fans; functional floor plan for light manufacturing or storage/distribution use; front office area in-cludes reception area, showroom, break room, work area/conference room, (2) private offices and two restrooms; additional rear office area includes larger break room and two large bathrooms; central manufacturing area is expansive and accessible from office area; approximate 694 SF portion of the manufacturing area is enclosed while another portion has been converted to additional showroom space with partial partitioning; balance of building to the rear consists of warehouse storage space; however, the net useful area of the rear warehouse space is somewhat impeded by the existence of two large air handlers associated with the climate control of the adjacent manufacturing area; supporting infrastructure includes asphalt paved driveway, parking lot (39 parking spaces) and loading area, concrete sidewalks, nominal ornamental landscaping, signage and off-site drainage retention

Condition: fair to average; 28 to 34 yr actual age; effective age of 22 yrs

Occupancy: tenant-occupied prior to sale but proposed for owner-occupancy after sale

Verified With: inspection at appraisal; representative of grantor

Exposure Time: NA

3-Yr± Sales History: NA last three years

Comments: prior to sale, property tenant occupied on a month-to-month basis (following expiration of the lease agreement on July 1, 2017) at an indicated rent of \$4,830.30/mo or \$2.60/SF, triple net

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Adjustment Process

In terms of the adjustment process, initial considerations are made to interest conveyed, cash equivalency, conditions of sale, expenditures made immediately after purchase and market conditions. In addition, the data are analyzed as to not only location/ plot coverage but also a variety of physical characteristics and entitlement.

My review of the available data revealed a lack of discernible support for some of these elements of comparison. That is, there is simply not sufficient data to isolate one variable within a single pairing in order to extract value impact attributable thereto. The following is a summary of the elements of comparison for which adjustments to the comparable data may be necessary.

Interest (Rights) Conveyed:

It is appropriate to first compare rights conveyed in the comparable sale with that being considered for valuation in the subject assignment (i.e. fee simple, leased fee, leasehold). Any measurable difference is first acknowledged by adjustment. All sales included the fee simple interest and adjustment is not necessary.

Cash Equivalency:

Research of rates and terms of market financing at sale date formed the basis of our conclusions with regard to cash equivalency. Those sales which included sub-market financing (that is, rates or terms below those typically offered at the sale date) and therefore provide an advantage to the buyer, or sales which indicate the reverse (an advantage to the seller), include a cash equivalency (CE) adjustment. The unadjusted price shown for the sales represents the cash or CE sale price. None of the sales require adjustment for cash equivalency.

Conditions of Sale:

Conditions of sale is a key ingredient in comparability of the sale to the subject. Examination is made of the motivation surrounding the transaction to insure the sale is arm's length in nature, an assumption which is explicit in the market value definition. Each of the sales included arm's length transactions with no need for adjustment for conditions of sale.

Market Conditions (Time):

The time adjustment acknowledges changes in value due to the passage of time as a result of such factors as supply and demand as well as current, competitive local economic conditions. The time adjustment, if any, is based upon resales of properties within the subject's marketing area during the recent past. Sale 3 represents a pending sale is obviously very current. Sales 1 and 2, however, both

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occurred in early 2017. In that regard, market conditions have continued to improved through the second half of 2018 and I have applied an upward adjustment on the basis of +5%/year to each sale which results in +6% to Sale 1 and +5% to Sale 2.

Effective Age:

Each of the sales also require adjustment for varying effective ages as compared with the subject improvements. To that end, the subject includes an advanced effective age of 25 years. By comparison, Sale 1 includes a similar overall effective age of 25 years (like the subject required not only roof replacement but other repairs) while Sales 2 and 3 includes superior effective ages of 19 years and 22 years, respectively (while both Sales 2 and 3 also required new roofs with some extent of additional deferred maintenance, they include an otherwise superior overall age). The following charts summarize the basis for adjustment herein.

[Effective Age Adjustment Calculations]

	Sale 2	Sale 3
Sale Price (Adjusted for Market Conditions)	\$485,100	\$720,000
- Estimated Contributory Value of Site	(\$107,000)	(\$183,000)
= Depreciated Value of Improvements	\$378,100	\$537,000
÷ by Accrued Depreciation Factor ⁹	0.53	0.45
= Hypothetical Cost New	\$720,190	\$1,193,333
x Adj Accrued Depreciation Factor of Subject	0.38	0.38
= Adj Depreciated Value of Improvements	\$270,071	\$447,500
+ Site Value	\$107,000	\$183,000
= Adjusted Sale Price, Rd	\$377,071	\$630,500
Indicated Adj (Adj Price ÷ Sale Price, Rd)	0.78	0.88

Location/Plot Coverage:

The improved sales require the following adjustments for location/plot coverage. This adjustment is based on analysis of the underlying land value for each of the comparable properties as compared with that of the subject. The resulting adjustment acknowledges variances in specific location and value differential attributable to variances in zoning/land use and other property specific characteristics, as well as plot coverage. In regard to the subject property, analysis of comparable land sales results in my opinion of an appropriate allocation to the subject's underlying land of \$56,000 (or 2 AC @ \$28,000/AC). In turn, the underlying land associated with the subject property represents approximately \$2.55/SF of GBA (\$56,000 divided by 21,979 SF). For comparison, the underlying land included in:

Sale 1 represents \$6.17/SF of GBA (based on rate of \$65,000/AC) resulting in a downward

⁹ Effective age adjustments are based on an estimated economic life of 40 years or depreciation rate of 2.5%/yr for the comparable properties. Age variance factor above represents 100% less the estimated level of depreciation.

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adjustment of \$3.62/SF; Sale 2 represents \$8.37/SF of GBA (based on rate of \$35,000/AC) resulting in a downward adjustment of \$5.82/SF; and, Sale 3 represents \$8.22/SF of GBA resulting in a downward adjustment of \$5.67/SF.

Size:

The three indicators include a range of sizes which bracket the size of the subject property. In that regard, while Sales 1 and 3 include similar sizes which do not require adjustment, Sale 2 is significantly smaller than the subject property at less than 13,000 SF. As economies of scale are relevant for the subject property type, I have included downward adjustment on the basis of 5% or \$1.13/SF (as applied to the indicated unit value after all other adjustments).

Office Ratio:

Sales 2 and 3 each include similar office ratios and do not require adjustment. Sale 1, however, includes an office ratio of 33% which is far superior to the subject property. To that end, cost less depreciation analysis for Sale 1 indicates the following downward adjustment to acknowledge a reduced office ratio of only 11%: 4,000 SF (additional office space above and beyond an 11% ratio for Sale 1) @ cost new estimate of \$50/SF or \$200,000 less \$126,000 (63% physical depreciation) = \$74,000 or downward adjustment of \$4.11/SF.

Site Improvements:

The subject property benefits from an acceptable level of parking and slab area as well as the canopy on the north end of the building. Sale 1 includes an asphalt paved parking lot, concrete paving and chain link fencing. As such, it is considered only slightly superior. Sale 2 includes an asphalt paved parking lot, average ornamental landscaping but not canopy area. Overall, it is considered generally similar to the subject. Finally, Sale 3 includes asphalt paving and concrete paving which is considered competitive and similar to the subject.

Eave Height:

The subject property includes a predominant eave height of about 22' (minimum of 10' at the machine shop but maximum of about 24' at north portion of building). By comparison, Sales 1 and 3 each include significantly inferior eave heights (acknowledged qualitatively) while Sale 2 includes the most similar eave height without the need for adjustment.

Quality/Design:

The subject property includes an average quality masonry/steel building with a average to good quality offices. That being said, about 2,248 SF (or 10%) of the building represents the quonset

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hut/semi-trailer container storage area which, although highly functional, is generally inferior to the balance of the building. By comparison, Sale 1 includes a metal/masonry building with overall average quality. However, due to the lot size and placement of the building, the broker indicated that operation of the building is "tight" with some extent of obsolescence. Overall, Sale 1 is considered generally similar overall. Sale 2 includes a blend of masonry/metal construction with fire sprinkler protection. Based upon cost/depreciation analysis (utilizing the subject's depreciation factor in acknowledgment of the prior adjustment for age), I have included a downward adjustment of \$1.15/SF. Finally, Sale 3 also includes a metal building with fire protection as well as climate control for the manufacturing area. While I have included a downward adjustment for the fire sprinkler consistent with that of Sale 2, the climate control is considered somewhat of a super-adequacy (not used by the buyer of the property) and no adjustment is necessary.

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Conclusions:

The following chart provides a summary of quantitative and qualitative adjustments as applied to the comparable improved sales of this analysis:

[Comparable Improved Sales Adjustment Grid]

Element of Comparison	Sale 1	Sale 2	Sale 3
Sale Price (\$/SF)	\$25.39	\$36.13	\$32.33
Property Rights	Fee Simple	Fee Simple	Fee Simple
Financing	Cash to Seller	Cash to Seller	Cash to Seller
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length
Adjusted Price (\$/SF)	\$25.39	\$36.13	\$32.33
Time/Market Conditions	1.06	1.05	Similar
Adjusted Price (\$/SF)	\$26.91	\$37.94	\$32.33
Age	Similar	0.78	0.88
Adjusted Price (\$/SF)	\$26.91	\$29.59	\$28.45
Location/Plot Coverage	(\$3.62)	(\$5.82)	(\$5.67)
Size	Similar	(\$1.13)	Similar
Office Ratio	(\$4.11)	Similar	Similar
Site Improvements	Slight Superior (-)	Similar	Similar
Eave Height	Inferior (+)	Similar	Inferior (+)
Quality/Design	Similar	(\$1.15)	(\$1.15)
Adjusted Price (\$/SF)	\$19.18	\$21.49	\$21.63

After adjustment, the data produces a very narrow range of indicated value of the fee simple interest of the subject property from \$19.18/SF to \$21.63/SF with a mean of \$20.77/SF. Based upon the market data researched and presented herein, I have concluded an opinion of value of the subject property toward the central tendency or:

Indicator of Market Value "Fee Simple - As Is"
[21,979 SF GBA @ \$21.00/SF, Rd]

\$462,000

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Income Capitalization Approach

This approach forms an opinion of net operating income (NOI before debt service and depreciation) which is converted to present worth of future anticipated net benefits.

1. Form opinion of potential income of the subject on a gross or net basis.
2. Form opinion of reasonable vacancy losses against potential income.
3. Form opinion of expenses of the property which are lessor's obligation.
4. Deduct vacancy and expenses from potential income to derive NOI.
5. Capitalize or discount NOI to derive an indicator of value.

Opinion of Potential Income

As of the date of valuation, the subject includes a contract rental rate of \$2.18/SF, triple net. This lease will expire in May of 2019.

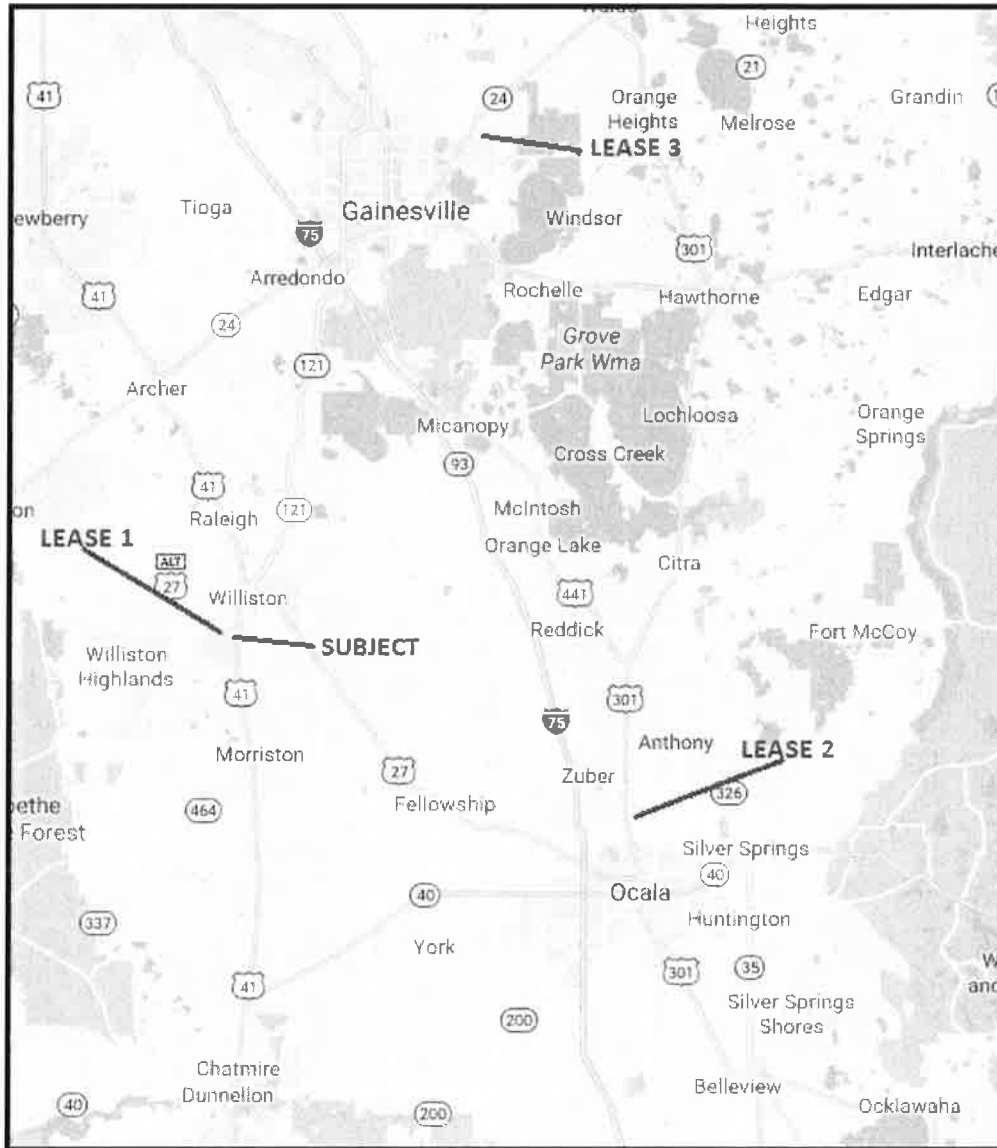
[Comparable Leased Properties]

The following chart includes a summary of current leases considered most relevant to the valuation of the subject property. Again, due to a scarcity of truly comparable lease data from the subject's immediate area (only Lease 1 is located in the subject neighborhood), my research was expanded to include Marion and Alachua Counties.

[COMPARABLE LEASED PROPERTIES]

Lease	Location/ID	NRA/Office	Actual Age/Use	Origin/Term	Terms	Rent/SF
1	1879 SW 18 th Ave/ Seabring Marine	6,000 SF/ 20%+	17 Yrs+/Office & Warehouse	2001/ Yr to Yr	Net	\$2.63
2	5181 N US Hwy 441/ TexTrail	36,285 SF/ 16%	33 yrs/ Manufacturing	2007/ 5 Yr Ext	Net	\$2.88
3	4340 NE 49 th Ave/ Buchholz Paint & Auto	37,876 SF/ 16%	19 yrs/ Automotive Service	2017/ 5 Yrs	Gross	(avg) \$3.39
Mean:						\$2.97

Comparable Leased Properties Location Map



Comparable Lease 1



Comments: This property is located at 1879 SW 18th Ave as surplus lands of the Williston Municipal Airport property in Williston, Florida. The building includes concrete slab, metal exterior walls (over pre-engineered steel frame with estimated 16 eave height) and metal roof. Site improvements include asphalt parking area and central utilities. The parking lot appears to be insufficient to accommodate all parking (adjacent grass area used for overflow). The site includes 1.01 AC and fronts a limerock road. Although the exact age of the building could not be determined, the tenant has occupied the property since about 2001 so the building is at least 17 years old. Based upon exterior inspection, it appears that at least 20% of the space represents offices (presently used for the engineering offices of Seabring Marine). Per information supplied by the City of Williston, the rent for this property as of December of 2016 (more current rent not provided although it would have only increased since 2016 if not stayed the same) was \$15,773.88 (before sales tax) or \$2.63/SF, net.

Comparable Lease 2



Comments: This indicator represents the lease of a manufacturing building located on the east right of way of N US Hwy 441 to the north of the City of Ocala and to the south of SR 326. The site includes 188,846 SF with industrial zoning and commercial land use. The subject site has been improved with a building enclosing 36,285 SF of GBA/NRA (built in 1985) consisting of 5,789 SF of office/showroom area (16% office ratio) and 30,496 SF of production/warehouse area. The site includes supporting infrastructure and facilities consisting of asphalt/concrete paving for parking, loading, and storage, a small fence enclosed outdoor storage yard, signage, well, septic system, small on-site drainage retention area and nominal landscaping. The tenant has occupied the premises since 2007 and recently executed a five year lease renewal at an initial rental rate of \$2.88/SF, triple net, with a 3%/yr escalation and additional pass-thru expenses of about \$2,800/mo or \$.93/SF. The prior renewal of the lease agreement included a significant reduction from the original rental rate of about \$4.39/SF, triple net, and the current rental rate represents a continued escalation of the significantly reduced rental rate. The lessor indicated that they did not pursue a significant increase in the rental rate because the tenant continued to occupy the property throughout the recession and has always fulfilled their obligations. This lease information was verified by prior review of the lease agreement as well as current verification with a representative of the lessor (Mr. John Plunkett).

Comparable Lease 3



This property is located at 4340 NE 49th Ave, Gainesville, Florida within the Airport Industrial Park. The property was originally constructed as a manufacturing facility. The property includes 5.23 AC with paved road frontage and availability of central utilities. The site is improved with a 37,876 SF masonry building (constructed in 1999). Construction includes concrete slab, masonry (stucco on CB) walls and composition roofing. The production area includes 23' clear height with many loading bays (ground and dock height) and 800 amp 3-phase power. The site also benefits from a paved parking lot, solar array on roof and ornamental landscaping. The facility has been, and is, used for manufacturing, warehousing and/or distribution (no climate control other than office). The building includes an office ratio of 16% and overall plot coverage of 17% evidencing existence of surplus lands (estimated at about .88 AC assuming 20% full plot coverage). The property was formerly leased in April of 2014 with rent of \$3.10/SF, gross for two years. The lease renewed in 2016 at increased rate of \$3.92/SF, gross. However, shortly after execution of lease, the tenant expressed the need to vacate the property but reportedly honored the lease until a new tenant could be secured. In that regard, the property was leased in August of 2017 with a term of five years. While the initial rental rate is only \$2.53/SF, modified gross (tenant pays for lawn care and repairs under \$500), the average rent over the five-year period is \$3.39/SF, modified gross. The tenant is using the property for an automotive repair business. The broker indicated that this property includes a well above average NRA size which, in his opinion, was the leading contributor to the need for the rent reduction from the prior lease. The lease terms were verified with Todd Rainsberger.

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Conclusions:

The comparable lease properties produce a range of rental rates from \$2.63/SF to about \$3.39/SF with a mean of \$2.97/SF. However, Lease 3 includes modified gross terms. After adjustment for estimated expenses for taxes, insurance and partial maintenance (estimated total of \$.80/SF of NRA), the estimated effective net rental rate is reduced to \$2.59/SF.

For the comparative purposes of this analysis, I have considered the subject after the curing of the items of deferred maintenance which are considered most critical (roof replacement in particular) acknowledging that the conclusions of this approach include a specific deduction for the cost to cure (in my opinion it is reasonable to assume that prospective tenants would expect the curing of these essential items, particularly roof replacement in the very near term).

While Lease 1 is most similar in terms of location (at the Williston Airport), it is significantly smaller, includes a somewhat superior effective age and superior office ratio. However, these factors are partially offset by inferior eave height. Further, it is noted that this lease commenced about 17 years prior to the date of valuation with escalation only at CPI. Lease 2 is located in adjacent Marion County to the north of Ocala in what is considered a secondary location of the Ocala market. However, the location is considered superior to that of the subject (direct frontage on US Hwy 441). The building is older and larger than the subject with an inferior eave height but superior office ratio and fence-enclosed storage yard. Finally, Lease 3 is located in the nearby Gainesville market within the Airport Industrial Park. This location is considered slightly superior that of the subject. While this building includes superior overall design and office ratio, it is much larger than the subject.

In the final analysis, it is my opinion that a conclusion toward the lower-central tendency of the range of indicators is most reliable for the subject property after curing of the essential deferred maintenance. To that end, I have concluded market rent for the subject property at \$2.60/SF, triple net (after curing of essential deferred maintenance items). This level of rent appropriately exceeds the current contract rent of \$2.18/SF, triple net, which does not acknowledge the curing of essential deferred maintenance items.

Vacancy

On a local level, a review of the occupancy at alternate non-aeronautical buildings at the Williston Municipal Airport is indicative of stable and strong occupancy rates as of the effective date of valuation. More specifically, my review of the lease data provided by the City of Williston revealed that only about 12% of the 38,550 SF approximate supply of building area was vacant as of the effective date of valuation. However, the vacant unit includes a very old building in poor condition. Further, my inspection of additional industrial space in the subject market reveals a similar low level of vacancy in the Williston market which is indicative of balance for the industrial sub-market. In the final analysis, in conjunction with my opinion of market rent, I have included an allocation of 5% for sustained vacancy in this analysis.

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Expenses

The basis of my opinion of market rent includes net terms (predominant structure of current leases in the subject market for the subject property type as evidenced by the comparable leases presented herein). To that end, the lessor is responsible management and reserves (addressing replacement of major systems or structural components) while the lessee is responsible for real estate taxes, insurance (hazard/property), and maintenance. Tenants are also typically responsible for all utilities (i.e. electricity and telephone). The following forecast of operating expenses is supported by a blend of both actual expenses as well as expense estimates/comparables for the subject property type.

Real estate tax expense projected as generally remaining stable in comparison with 2017 reported tax burden of about \$1,710 or \$.08/SF (relatively low as the assessment pertains to the improvements only; further, my review of assessments for buildings upon the airport property reveals a tendency for relatively low valuations). That being said, this valuation includes initial consideration to the fee simple value in which underlying land would be included. In that regard, as supported by expense comparables for similar industrial properties in the broader subject market but also recognizing relatively low assessments in the subject's particular location, I have included a real estate tax expense on the basis of \$.30/SF of NRA or \$6,600.

Insurance - The actual insurance premium for the subject property was initially reported at just over \$15,000. However, the insurer verified that this policy included not only the real property but also contents. In that regard, that portion of the premium associated with the real property coverage was reported to be about \$7,900 or \$.36/SF of NRA. This level of insurance expense falls within the range of expense comparables retained in our files (generally from at least \$.15/SF to over \$.50/SF). In the final analysis, I have included an allocation of \$8,000.

Maintenance allocation is associated with ongoing maintenance to the improvements. To that end, the grounds maintenance expense as reported by the current tenant includes mowing of grass at \$250 per occurrence (about 8-10 times per year or total of \$2,000 to \$2,500 annually). In addition, considering the age of the subject improvements but also curing of essential deferred maintenance, building maintenance is also significant and estimated at \$500 per month or \$6,000 annually. In the final analysis, I have included a total allocation for maintenance at \$8,500 per year or \$.39/SF of NRA.

Management expense for a range of single- to multi-tenant office buildings is documented within a general range of 4% to 8% as supported by information from Heritage Management and Wiechens Realty (two long-time property management businesses in Ocala). As the subject would most appropriately include single-tenant occupancy and a relatively long term lease (at least three to five years), I have included an allocation of 4% for management expense.

Reserves for replacements acknowledges the need for periodic replacement of various short-lived

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items. Although many, if not most, subject owners/managers do not actually maintain a reserve account for replacements, this expense component is typical in the formulation of expense projections. To that end, I have included an allocation on the basis of \$.05/SF or \$1,100 which equates to 3% of EGI which is within a reasonable threshold in terms of market expectations.

[Summary of Expenses]

The following is a summary of primary expense obligations of each of the parties (lessor and lessee, the former representing liabilities against potential effective income to derive NOI).

[EXPENSE OBLIGATIONS]

EXPENSE COMPONENTS	ALLOCATIONS
Real Estate Taxes	\$6,600 or \$.30/SF (lessee)
Insurance	\$8,000 or \$.36/SF (lessee)
Maintenance	\$8,500 or \$.39/SF (lessee)
Management	Lessor @ 4% of EI
Reserves for Replacements	Lessor @ 1% of EI
Overall Expense Ratio	36% of EI

Total pass-through expenses as summarized above equate to \$1.05/SF of NRA which is consistent with market alternatives. Further, this extent of forecasted total expenses equates to 36% of EGI which is also generally consistent with the market for older industrial buildings.

Net Operating Income (NOI)

NOI reflects revenue after deductions for vacancy and property expenses. NOI forms the basis for valuation in the **Income Capitalization Approach**. NOI is processed to an opinion of property value by means of capitalization analysis next explained.

Direct Capitalization

Valuation is completed by the processing of NOI through capitalization by means of an overall rate reflective of performance of NOI and value of the income-producing property being appraised. The overall rate is derived by one or more of several methodologies:

1. Mortgage-Equity Analysis.
2. Market Extraction.

Mortgage-Equity Analysis:

The following summarizes research of projected economic requirements of lenders and investors

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involved in the acquisition, development and leveraging requirements of comparable properties.

[MORTGAGE & EQUITY REQUIREMENTS - RATES & RATIOS]

FINANCING COMPONENTS	ALLOCATIONS
Ratios: Loan-to-Value (LTV)/Equity	75% to 80%/20% to 25%
Mortgage Interest Rate	5.00% to 5.75%, variable to fixed
Amortization Period/Balloon/Holding Period	15 to 20 yr/3 to 5 yr/5 to 7 yr
Debt Coverage Ratio (DCR); Target	1.25
Equity Dividend Rate	8% to 12% (competes with lender yield)
Overall Rate (Ro; Going-In)	8% to 9%

The reader is referred to the spreadsheet of direct capitalization for computations of mortgage-equity analysis. From that analysis, indicated capitalization rate is 8.74%.

Market Extraction:

Market-extraction may produce a more reliable indicator via direct retrieval of rates from comparable income-producing properties. The following transactions were relied upon for overall rate derivation through market-extraction.

[MARKET-EXTRACTED OVERALL RATES - INDUSTRIAL]

Sale	Date	Location/ID	NRA	Use	Terms	Ro
A	9/12	1419 SW 12 th Ave/GCR/Bridgestone	25,920 SF	Ind	Net	0.0890
B	1/14	1101 SW 33 rd Ave/Lincare	5,000 SF	Ind	Gross	0.1022
C	5/14	Baseline Rd/Retail Center	5,000 SF	Retail	Gross	0.0849
D	10/14	443 SW 54 th Ct/Signature Brands	120,571 SF	Ind	Net	0.0817
E	4/15	5516 SW 1 st St/Winco Manufacturing	89,136 SF	Ind	Net	0.0812
F	6/15	202 SW 33 rd Ave/Multi-Tenant Bldg	10,000 SF	Ind	Gross	0.0863
G	4/18	2317 Griffin Rd/Multi-Tenant Bldg	16,988 SF	Ind	Gross	0.0757
		Mean of Indicators:				0.0859

The seven sales occurred from 2012 to 2018 and include a blend of small to large industrial buildings. From this range of indicators, I have concluded an overall rate of .0875 from market extraction.

Conclusions:

In the final analysis, the two sources produce rather conclusive support for my opinion of an appropriate overall capitalization rate of 8.75%.

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The following summarizes variables of direct capitalization of this income analysis.

[DIRECT CAPITALIZATION]

WellBilt Industries, Williston, Florida				Copyright © 2018 - Stephen J. Albright			
Mortgage:	(P)	(I)	Amort	LTV	Points	Rm	DCR
Financial:	\$448,000	5.75%	20	80%	½	8.43%	1.30
Debt Service:	\$37,744	Mtg-	Equity	[Ro]:			
[S]:	1.0048	LTV	80%	x	8.43%	=	6.74%
[S^n12]:	3.1495	Equity	20%	x	10.00%	=	2.00%
Ro:				Ro @	Mortgage-Equity	=	8.74%
Criteria:	Ratio	Re		Ro @	Market Extraction	=	8.75%
Equity Terms:	20%	10.0%		Ro @	<i>PwC Study</i>	=	NA
Equity:	\$112,000			Ro @	Statistical Mean	=	8.75%
Ro Opinion:					Final Ro	=	8.75%
Income:	NRA	Rent	CAMIT	Total	Total	Total	Total
Manufacturing	21,979	\$2.60	\$1.05	\$3.65	\$80,245	\$3.65	100.0%
Total/Avg:	21,979	\$2.60	\$1.05	\$3.65	\$80,245	\$3.65	100.0%
Vacancy:					(4,012)	(\$0.18)	5.0%
Eff. Income [EI]	% of EI		EI		\$76,233	\$3.47	
Expenses:							
Taxes	8.7%	x	\$76,233	=	(6,600)	(\$0.30)	24.2%
Insurance	10.5%	x	\$76,233	=	(8,000)	(\$0.36)	29.4%
Maintenance	11.2%	x	\$76,233	=	(8,500)	(\$0.39)	772.7%
Management	4.0%	x	\$76,233	=	(3,049)	(\$0.14)	11.2%
Reserves	1.4%	x	\$76,233	=	(1,100)	(\$0.05)	4.0%
Expense Ratio:	35.7%			=	(\$27,249)	(\$1.24)	841.5%
NOI:					\$48,984	\$2.23	
Cap Rate [Ro]:					8.75%	[Above]	
Value Indicator:					\$560,000	[Rd]	

Indicator of Market Value “Fee Simple - As Cured” **\$560,000**

LESS: Deferred Maintenance (Primary) **-125,000**

ADD: Contributory Value of Surplus Land **+ 21,000**

Indicator of Market Value “Leasehold Interest - As Is” **\$456,000**

[via Income Capitalization Approach]

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Valuation of Leased Fee Interest

As indicated earlier, the ground lease includes a remaining term of five years (at well below market rent of only \$900 annually) as well as the availability of (2) five-year renewal periods. This remaining potential term of the ground lease is consistent with the estimated remaining life of the subject improvements, acknowledging that extensions to the ground lease are reasonably anticipated to remain available to the owner of the leasehold position in order to provide feasibility for renovations, repairs and/or replacements which would significantly extend the life of the improvements. In that regard, I have provided the following projected cash flow analysis relative to the leased fee estate. The cash flow includes a time period consistent with the remaining potential term of the lease (15 years) with contract rent of \$900 for the first five years. In the sixth year, ground rent is reasonably anticipated to escalate to what will be market rent as confirmed with an interview with the manager of the City of Williston. In that regard, acknowledging my allocation of the subject's present value of underlying land at \$28,000/AC as well as the forecasted annual growth rate of 1.5% and an appropriate land capitalization rate of 8% (at the lower tendency of the range of capitalization rates associated with FAA regulations), the market rent at the sixth year is projected to be \$4,826 annually. This rent is projected to escalate at 1.5% through the end of the term. At the beginning of the 16th year, the site is available for the reversion. In that regard, land value is projected to have grown to about \$70,000 and the improvements would presumably be at the end of their useful life (as noted earlier, it is reasonable to assume that the ground lease will terminate only when the improvements no longer contribute to the overall value of the property). This cash flow also includes a relatively "safe" discount rate of 7% as most appropriate for the projected income stream (use of beginning of period discounting appropriate as rent is usually collected in advance).

Rent Change:	1.50%																
Discount Rate:	7.00%																
Year/Period:		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
INCOME:		\$900	\$900	\$900	\$900	\$900	\$4,826	\$4,898	\$4,972	\$5,046	\$5,122	\$5,199	\$5,277	\$5,356	\$5,436	\$5,518	\$70,000
EXPENSES:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,600
Total Expenses:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,600
NOI:		\$900	\$900	\$900	\$900	\$900	\$4,826	\$4,898	\$4,972	\$5,046	\$5,122	\$5,199	\$5,277	\$5,356	\$5,436	\$5,518	\$64,400
PV FACTORS (BP):		1.0000	0.9346	0.8734	0.8163	0.7629	0.7130	0.6663	0.6227	0.5820	0.5430	0.5063	0.4751	0.4440	0.4150	0.3878	0.3624
PV NOI:		\$900	\$841	\$786	\$735	\$687	\$3,441	\$3,264	\$3,096	\$2,937	\$2,786	\$2,643	\$2,507	\$2,378	\$2,256	\$2,140	\$31,397
PV REVERSION:																	\$23,342
VALUE INDICATOR:																	\$55,000

Indicator of Market Value "Leased Fee Interest"
[via Income Capitalization Approach]

\$55,000

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Reconciliation

The approaches to value have formed the following indicators of value for the fee simple interest associated with the subject property:

Approach to Value	Indicators
Sales Comparison Approach:	\$462,000
Income Capitalization Approach:	\$456,000

The two approaches to value produce a very narrow range of indicated value which provides rather conclusive support for an opinion of market value of the fee simple interest (as is) of \$460,000. However, in order to derive the market value of the leasehold interest, the indication of value associated with the leased fee estate (\$55,000 or essentially underlying land value acknowledging short term benefit of below market rent attributable to the leasehold position) must be deducted.

Based on prevailing economic conditions, taking all relevant (area) influences and (property) characteristics into consideration, weighing the best market evidence available as has been set forth in this report, I have formed an opinion of market value of the subject property, with a reasonable degree of appraisal certainty, with respect to the interest identified, according to the program of property utilization which is consistent with the threshold of highest and best use, subject to the *certification, assumptions and hypothetical conditions*, expressed in this appraisal report, as of the effective valuation date identified herein, of:

<u>Opinion of Market Value</u> "Fee Simple - As Is"	\$460,000
LESS: Market Value of Leased Fee Estate	- <u>55,000</u>
<u>Opinion of Market Value</u> "Leasehold Interest - As Is"	<u>\$405,000</u>

Addendum

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Stephen J. Albright, Jr. Curriculum Vitae

Employment

Professional Golf, Tommy Armour and T.C. Jordan Tour (1992-1993)
Marion and St. Johns County School Boards, School Teacher (1993)
Albright & Associates, Ocala, Inc. (1994 to 2002)
Stephen Albright & Associates, Inc. (2002 to present)

Formal Education

University of North Carolina, Chapel Hill, NC; BA, Psychology, 1992

Professional Designations

State-Certified General Real Estate Appraiser, RZ2392
Member, Appraisal Institute, MAI

Professional Organizations/Service

Appraisal Institute, East Florida Chapter (Former Board Member)
Ocala/Marion County Multiple Listing Service

Community Organizations/Service

Ocala/Marion County Chamber of Commerce
First Presbyterian Church of Ocala (Former Elder)
Community College of Central Florida Foundation (Former Board Member)
Silver Springs Rotary Club (Former Board Member)
Ocala Vision 2035 Leadership Group
Mastering the Possibilities (Board of Directors)
First Tee of Greater Ocala (Board of Directors)
Florida State Golf Association (Board of Directors)

Real Estate Appraisal Education (Courses)

Appraisal Principles, Appraisal Institute
Appraisal Procedures, Appraisal Institute
Basic Income Capitalization, Appraisal Institute
Standards of Professional Practice, Part A (USPAP), Appraisal Institute
Standards of Professional Practice, Part B (USPAP), Appraisal Institute
Standards of Professional Practice, Part C (USPAP), Appraisal Institute
General Applications, Appraisal Institute
Florida License, Core Law
Advanced Income Capitalization, Appraisal Institute
Highest and Best Use & Market Analysis, Appraisal Institute

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Advanced Sales Comparison and Cost Approaches
Report Writing and Valuation Analysis
Advanced Applications
Uniform Appraisal Standards for Federal Land Acquisitions
Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets
Condemnation Appraising: Principles & Applications
The Appraiser as an Expert Witness: Preparation and Testimony

Real Estate Appraisal Education (Seminars)

Using Your HP12C Financial Calculator (Appraisal Institute)
The Internet and Appraising (Appraisal Institute)
Uniform Standards of Professional Appraisal Practice (Appraisal Institute)
Small Hotel/Motel Valuation (Appraisal Institute)
Analyzing Operating Expenses (Appraisal Institute)
Appraising From Blueprints and Specifications (Appraisal Institute)
Residential Design & Functional Utility (Appraisal Institute)
Appraisal of Nursing Facilities (Appraisal Institute)
Analyzing Distressed Real Estate (Appraisal Institute)
Feasibility, Market Value, Investment Timing: Option Value (Appraisal Institute)
Subdivision Valuation

Specialized Services

[Expert Witness]

5th Circuit- Marion County- Judge Swigert (City of Ocala; “Yard Relief Program”; 1997)
5th Circuit- Marion County- Judge Singbush (City of Ocala; “SW 44th Ave Project”; 2000)
5th Circuit- Marion County- Judge Singbush (William Post; 2002)
5th Circuit- Marion County- Judge Singbush (SE/SW 31st St Project; 2005)
5th Circuit- Marion County- Judge Singbush (SW 20th St Project; 2006)
5th Circuit- Marion County- Judge Singbush (Marion County vs Bahia Honda; 2006)
5th Circuit- Marion County- Judge Singbush (NW 44th Ave Project; 2007)
5th Circuit- Marion County- Judge Musleh (Marco Polo vs Peterson, et al; 2007)
5th Circuit- Marion County- Judge Singbush (NW 44th Ave Project Order of Taking; 2007)
5th Circuit- Marion County- Judge Harris (SE 31st St Project Order of Taking; 2009)
5th Circuit- Marion County- Judge Edwards-Stephens (SE 31st St Project Order of Taking; 2009)
5th Circuit- Marion County- Judge Lambert (CR 200A Project Order of Taking; 2009)
5th Circuit- Marion County- Judge King (SW 95th St Project Order of Taking; 2010)
5th Circuit- Marion County- Judge Lambert (SW 42nd St Flyover Project Order of Taking; 2010)
5th Circuit- Marion County- Judge Eddy (Marion Co vs Morgran Center; Fee Hearing; 2012)
5th Circuit- Marion County- Judge Singbush (NW 35th/49th St Project Order of Taking; 2012)

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5th Circuit- Citrus County- Judge Falvey (Community Bank; Deficiency Hearing; 2014)

5th Circuit- Marion County- Judge Tatti (Community Bank; Deficiency Hearing; 2014)

5th Circuit- Marion County- Judge Rogers (Murvin & Altogrey, LLC vs Brown; 2014)

5th Circuit- Lake County- Judge Singeltary (M & S Bank; Deficiency Hearing; 2016)

[Arbitration/Mediation Hearings]

Marion County, Florida Ignatius Ciesla v. Bonded Builders Home Warranty (2006)

[Special Magistrate]

Marion County Value Adjustment Board Hearings (2008-2017)

Citrus County Value Adjustment Board Hearings (2010-2014)

[Speaking Engagements]

International Association of Assessing Officers - Florida Chapter

2015 TPP Seminar - VAB Special Master Panel - Lake Mary, Florida

RESOLUTION 2020 - 07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLISTON, FLORIDA, AMENDING THE LEASE BETWEEN THE CITY OF WILLISTON AND WELL BILT INDUSTRIES AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Well Bilt Industries is a long time and valued tenant at the Williston Municipal Airport; and

WHEREAS, Well Bilt has requested changes to the terms of their lease to allow them to obtain short term financing; and

WHEREAS, the City has granted similar requests to other long-term tenants at the airport.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Williston, Florida, that:

SECTION 1. The above recitals are true and accurate and are made a part of this resolution.

SECTION 2. The City Council hereby approves amending the lease between Well Bilt and the City of Williston as requested by Well Bilt Industries.

SECTION 3. This resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED at a meeting of the City Council this 4th day of February, 2020.

CITY OF WILLISTON, FLORIDA

Nancy Wininger, President
Williston City Council

ATTEST: Latricia Wright
City Clerk

APPROVED AS TO FORM AND LEGALITY:

By: _____

Frederick L. Koberlein, Jr.,
City Attorney

Date: FEBRUARY 4, 2020

COUNCIL AGENDA ITEM

TOPIC: DISCUSSION WITH POSSIBLE ACTION: REPAIR OR PURCHASE OF A JOHN DEERE WHEEL LOADER

REQUESTED BY: CJ ZIMOSKI

PREPARED BY: LATRICIA WRIGHT

BACKGROUND / DESCRIPTION:

LEGAL REVIEW:

FISCAL IMPACTS:

RECOMMENDED ACTION: Approve

ATTACHMENTS: X

COMMISSION ACTION:

APPROVED

DISAPPROVED



Location: Ocala FL

Mobile, Al. (251) 456-1993
 Pensacola, Fl. (850) 476-0277 Freeport, Fl. (850) 835-3337 Panama City, Fl. (850) 769-4844 Jacksonville, Fl. (904) 296-5000 Lake City, Fl. (386) 752-9544 Palatka, Fl. (386) 325-6268

THIS IS AN ESTIMATE ONLY Date: 1/29/2020 Prepared By: David Duncan

Customer: City of Williston Model: 544G
 Contact: Jonathan Bishop Serial No. 543866
 State: Equip.No.
 Phone: Hours
 Fax/E-mail: WO# 304455

Description of Service Requested:	Parts	Labor
This estimate is for the following repairs		
Diag fee. Replace boom hydraulic lines. Lines blew during diag.	\$248.80	\$1,200.00
*Remove front axle and diag why the axle is over full		\$1,680.00
*Remove rear axle and diag why axle is empty		\$1,680.00
Replace throttle cable	\$290.84	\$540.00
Transmission not shifting into 4th. Replace transmission sensor. Shorted sensor possibly shorted TCU	\$2,239.09	\$480.00
Replace brake valves.	\$3,066.88	\$780.00
reseal both boom cylinders	\$808.24	\$1,464.00
Reseal bucket cylinder	\$248.54	\$744.00
Reseal both steering cylinders	\$292.64	\$1,080.00
* Additional estimate will be made for front and rear axle repair		
Replacing 9 line going to control valve. Lines have rubbed through.	\$727.90	\$960.00

Parts and Labor Prices are Effective for 30 Days

Estimate excludes sales tax, incoming freight, and additional charges for parts/labor not included in the above mentioned. This estimate does not obligate customer or BEC in any way. Should the customer request BEC to perform the work, and BEC agrees to do so, the work will be performed in accordance with BEC customary terms and conditions.

* Reusing old hardware is not recommended due to corrosion, rust and stress factors. If old hardware is reused, BEC is not responsible for items that loosen after installation.

Parts	\$7,922.93
Labor	\$10,608.00
Misc.	\$200.00
Environmental	\$56.00
Freight	\$300.00
Total of Estimate:	\$19,086.93



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eBay Business & Industrial Heavy Equipment, Parts & Attachments Heavy Equipment Wheel Loaders

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2000 JOHN DEERE 544H WHEEL LOADER 10K HOURS 1 OWNER

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Sold by tintonautowrecking (482)



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Pre-owned

\$28,000.00 Free

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Heavy Equipment Parts & Accessories Heavy Equipment Manuals & Books

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\$45,000.00

ng



day, Feb 5 from
ta

condition
it backed by
guarantee

loader.
Good."

Add to cart

Buy It Now

Make Offer

Save to watchlist

Sold by
sweetsummertime21 (523)
100.0% Positive feedback
[Contact seller](#)



john deere 544J loader two loaders for sale now, wheel loader, frount end load

Pre-owned

\$45,000.00 + \$8.25

Shipping

Add to cart

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