

OFFICE/WAREHOUSE FACILITY
2107 W. JORDAN STREET
PENSACOLA, FLORIDA 32505
ESCAMBIA COUNTY



G. Daniel Green

& ASSOCIATES

COMMERCIAL & RESIDENTIAL APPRAISAL, CONSULTING & SALES

103 baybridge drive • gulf breeze, fl 32562
tel 850.934.1797 • fax 850.932.8679

G. Daniel Green, MAI, SRA, St. Cert. Gen. REA #RZ836
Paula M. Pelezo, St. Cert. Res. REA #RD7497 | Susanne S. Timmons, St. Cert. Res. REA #RD4984
Benjamin F. McDaniel Registered Trainee #RI23426

G.DANIEL GREEN & ASSOCIATES, INC.

Appraisals, Sales, & Consulting

SUMMARY APPRAISAL REPORT

SUBJECT PROPERTY

2107 W. Jordan Street
Pensacola, Florida 32505
Escambia County

REPORT DATE

October 13, 2011

INSPECTION DATE

October 12, 2011

CLIENT/INTENDED USER

Board of County Commissioners
Escambia County, FL
c/o Larry Godwin or Judy Cantrell
Public Works Department
3363 West Park Place
Pensacola, FL 32505

Prepared By:

G. Daniel Green, MAISRA

Certified General Real Estate Appraiser RZ836

G. Daniel Green & Associates, Inc.

103 Baybridge Drive
Gulf Breeze, Florida 32561
Telephone (850) 934-1797
Fax (850) 932-8679
appraisal@gdanielgreen.com

October 13, 2011

Board of County Commissioners
Escambia County, FL
c/o Larry Godwin or Judy Cantrell
Public Works Department
3363 West Park Place
Pensacola, FL 32505

Re: An Office/Warehouse Facility
2107 W. Jordan Street
Pensacola, Florida 32505
Escambia County

Dear Mr. Godwin or Ms. Cantrell,

In response to your request, we have conducted the required investigation, gathered the necessary data, and made certain analyses that have enabled us to form an opinion of the current market value of the fee simple interest in the above captioned subject property. The following Summary Appraisal Report presents our findings.

The purpose of the appraisal is to develop an opinion of the market value of the fee simple interest of the subject property based on a personal observation of the subject; information provided to our office; and the investigation and analyses undertaken, as of October 12, 2011, the date of observation; subject to the attached assumptions and limiting conditions. The intended user is the Board of County Commissioners, Escambia County, FL, c/o Larry Godwin or Judy Cantrell, Public Works Department, 3363 West Park Place, Pensacola, FL 32505. It is our understanding this appraisal will be utilized for internal decision making regarding the subject property. No other use of this report by any other entity or person is authorized.

We have analyzed the market value of the subject property based on our opinion of the highest and best use of the subject property. Subject to the assumptions, limiting conditions and certification set forth herein, it is our professional opinion the market value of the fee simple interest in the subject property as of October 12, 2011 is:

\$300,000
THREE HUNDRED THOUSAND DOLLARS
"AS-IS" FEE SIMPLE INTEREST
October 12, 2011



Exposure Time: The exposure time linked to the final value opinion for subject property is estimated to be eighteen (18) to twenty four (24) months based on market sales of similar properties and current market activity.

Marketing time at concluded value estimate: We estimate the marketing time for the subject property to be eighteen (18) to twenty four (24) months.

The following is a Summary Appraisal Report utilizing the direct sales comparison and income approaches to value and has been prepared utilizing all of the requirements set forth as standards for real estate appraisals established for federally related transactions by the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, the State of Florida, including Federal regulations as stipulated by all appropriate federal regulatory agencies under the most recent Real Estate Appraisal ruling (12 CFR Par 34-Title XI of FIRREA).

G. Daniel Green MAI, SRA inspected the interior and exterior of the subject property.

The cost approach was not felt to be a credible approach due to the age of the structures being over ten years old and the difficulty in estimating accurately the amount of accrued physical depreciation for the subject property.

The appraisal is in conformity with the standards for real estate appraisals as established by the Appraisal Foundation and its Appraisal Standards Board. It is intended to comply with the requirements set forth under Standards Rule 2 of the *Uniform Standards of Professional Appraisal Practice* (USPAP) effective January 1, 2010 adopted by the Appraisal Foundation. The fee for this appraisal was not based on value nor was the assignment undertaken based on a predetermined value, trend in value or a minimum or maximum value. The report presents discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's credible opinion of value. The depth of discussion contained in the report is specific to the needs of the client and for the intended use stated in the report. The content of this Summary level report includes all specification in USPAP as defined in Standards Rule 2 -2 (b) and through our scope of work have concluded to a credible opinion of value.

G. Daniel Green MAI, SRA is currently certified under the voluntary continuing education program of the Appraisal Institute.

Due to the current market uncertainty in the US and local real estate economy, the opinions and conclusions herein are effective as of the appraisal date only.

In addition to the assumptions and limiting conditions, the following also apply:

- 1. The client, Board of County Commissioners, Escambia County, FL, nor the current owner of the property furnished a boundary survey. All measurements and parcel sizes are based on the Escambia County Property Appraiser's records. Should this information be inaccurate, this appraisal and all value indications arrived at herein may be considered invalid and subject to review by the appraiser signing this report.*
- 2. There were not any air compressors installed on the subject property at the time of inspection. It is an extraordinary assumption that the air compressors currently stored in the warehouse are adequate to heat and cool all ventilated areas of the building, and will be functional once installed.*
- 3. The appraisal does not address unforeseeable events that could alter the property improvement and/or market conditions reflected in the analysis.*
- 4. The appraisal does not address the personal property within the subject property (i.e. FFEI: Furniture, Fixtures, Equipment or Inventory) in the estimate of value (if any).*
- 5. The appraiser also reserves the right to alter opinions of value contained in this appraisal report on the basis of information withheld or not discovered in the normal course of diligent investigation.*

Respectfully Submitted,



G. Daniel Green, MAI SRA
State-Certified General Real Estate
Appraiser RZ836

CERTIFICATION OF VALUE

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no (or the specified) present or prospective interest in the properties that are the subject of this report and no (or the specified) personal interest with respect to the parties involved.
- We have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- G. Daniel Green MAI,SRA has made an interior and exterior observation of the property.
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- The reported analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of The Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The undersigned appraisers have the knowledge and experience to complete this assignment competently.
- As of the date of this report, G. Daniel Green MAI, SRA has completed the continuing education program of the Appraisal Institute.
- The appraisers signing this report have not performed services regarding the subject property within 36 months prior to the effective date of this appraisal, as an appraiser or in any other capacity.



G. Daniel Green, MAI SRA
State-Certified General Real Estate
Appraiser RZ836

POLICY STATEMENT OF THE APPRAISAL INSTITUTE

It is improper to base a conclusion or opinion of value upon the premise the racial, ethnic or religious homogeneity of the inhabitants of an area or of a property is necessary for maximum value.

Racial, religious and ethnic factors are deemed unreliable predictors of value trends or price variance.

It is improper to base a conclusion or opinion of value, or conclusion with respect to neighborhood trends, upon stereotyped biased presumptions relating to the effective age or remaining life of the property being appraised or the life expectancy of the neighborhood in which it is located.

DISCLOSURE OF COMPETENCY

The signing appraisers of this report are competent to complete this report in accordance with the competency provision in the USPAP 2010. Appraisers' qualifications are included toward the end of the report.

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Appraiser's Qualifications:
G. Daniel Green MAI, SRA

ADDENDA

Client Engagement Letter
Invoice

SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

PROPERTY IDENTIFICATION:	An office/warehouse property located at 2107 W Jordan Street, Pensacola, Florida, Escambia Co.
OWNERSHIP:	David F S Galloway III PO Box 17507 Pensacola, Florida 32522
LOCATION OF PROPERTY:	Situated on the South side of Jordan Street in Escambia Co., FL.
PURPOSE OF APPRAISAL	The purpose of this appraisal is to provide an opinion of the market value of the fee simple interest as of an effective date cited herein.
PROPERTY RIGHTS APPRAISED:	Fee Simple
DATE OF VALUATION:	October 12, 2011
DATE OF REPORT:	October 13, 2011 – As-Is
ASSESSMENT: Parcel 172S30-1200-001-028	\$200,965 Per Escambia County Records -see assessment section for more detail
TAXES: Parcel 172S30-1200-001-028	\$3,128.11 Per Escambia County Records -see tax section for more detail
ZONING CLASSIFICATION:	C-2, General Commercial District per Escambia County – see zoning section for more detail
SITE AREA:	.98 +/- acres or 42,689 SF per the Escambia County Property Appraiser's website
TYPE OF REPORT FORMAT:	Summary Narrative



2107 W. Jordan Street

HIGHEST & BEST USE

AS VACANT: Commercial
AS IMPROVED: Commercial

EXPOSURE TIME: 18 to 24 Months

MARKETING TIME: 18 to 24 Months

VALUE INDICATIONS:

Direct Sales Comparison Approach **\$325,000**

Income Approach **\$295,000**

FINAL FEE SIMPLE VALUE OPINION: **\$300,000**



IDENTIFICATION OF TYPE OF APPRAISAL AND REPORT FORMAT

This is a summary level appraisal report, as defined by the 2010 edition of the Uniform Standards of Professional Appraisal Practice, which contains discussion and analysis of relevant conclusions, data and analysis in a narrative format that is intended to comply with the reporting requirements set forth by the Uniform Standards of Professional Appraisal Practice.

APPRAISAL PREPARED FOR & INTENDED USER

Board of County Commissioners
Escambia County, FL
c/o Larry Godwin or Judy Cantrell
Public Works Department
3363 West Park Place
Pensacola, FL 32505

INTENDED USE OF APPRAISAL

It is our understanding this appraisal shall serve to assist with internal decision making regarding the subject property.

DATE OF VALUE OPINION

October 12, 2011

DATE OF REPORT

October 13, 2011

PROPERTY RIGHTS TO BE APPRAISED

The property rights appraised include all present and future benefits and rights of the property associated with the *fee simple* ownership position, free and clear of other leases, mortgage indebtedness, other liens or special assessments against the property. The Appraisal Institute defines Fee Simple ownership rights as "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

1 2002 The Dictionary of Real Estate Appraisal – Fourth Edition



SCOPE OF WORK

Scope of Work is defined in the preamble to Standard 1 as follows: The type and extent of research and analysis in an assignment.

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

Identification of the Problem:

As stated previously, we have been engaged by the Board of County Commissioners, Escambia County, FL, c/o Larry Godwin or Judy Cantrell, Public Works Department, 3363 West Park Place, Pensacola, FL 32505 to develop the "As-Is" market value of the fee simple interest in the property located at 2307 W. Jordan Street, Pensacola, FL 32505 and identified by the Escambia County Property Appraiser's Office by Parcel ID #172S30-1200-001-028. This property is in the southern portion of Escambia County.

Determine the scope of work necessary to solve the problem and correctly complete research and analyses necessary to produce a credible appraisal:

The subject property was observed, photographed and analyzed.

Neighborhood influences were analyzed and considered. Market forces were analyzed including the supply and anticipated supply of comparable properties, sales and listings of comparable properties. Fee simple as well as Leased fee comparable warehouse properties were analyzed and verified. Other activities undertaken included examination of commercial real estate values, site development costs, expected levels of developers profit and zoning and land use regulations.

Local and national data sources were reviewed for timely factors, rates, costs and values as they pertained to the subject property as of the date of valuation. This was supplemented with interviews of real estate brokers in the Escambia County market area.

Primary data concerning region, neighborhood and the property was obtained through discussions with city and county government officials, taxing authority, zoning authority, the Escambia County Property Appraiser's Office and market participants.

Specific market data utilized in this valuation analysis was collected from inner-office files and from the public records of various counties within the Florida panhandle (as compiled by Metro Market Trends, Inc., a real estate database company). A party to each sale was contacted whenever possible to verify and confirm the transaction data contained in the public records.

The nature of the market data collected has been determined based upon a thorough analysis of the subject property and resulting highest and best use analyses. Within the confines of this analysis, we have made an examination of all available and pertinent market data that could be located within a minimum time frame of at least six months before the effective date of the appraisal. However, this search has been extended substantially in many areas in order to obtain a sufficient quantity of market data.



The extent of reporting the data has been governed by the Uniform Standards of Professional Appraisal Practice. Also, the selection of the data reported is limited to that information which is considered to be relevant to the assignment and to the purpose of the appraisal, under the terms of the highest and best use conclusions rendered herein.

The following information has been relied upon and/or considered in the performance of this valuation analysis:

- Aerial and section maps prepared by the Escambia County Property Appraiser's Office and available on their website.
- Zoning of the subject and comparable sales data compiled from Escambia County and the City of Pensacola.
- Personal observation of the subject property

After considering the analyses of the data using the applicable approaches to value, a final opinion of the market value of the fee simple interest will be provided. This report constitutes a summary appraisal analysis.

The following Summary Appraisal Report utilizes the Direct Sales and Income Approaches to value. The Cost Approach was deemed unreliable; and, therefore omitted from this analysis.

The Direct Sales Comparison Approach will utilize the sales of comparable office/warehouse properties within the subject's market. Adjustments for differences in financing, size, shape, and other pertinent conditions of sale will be considered. After appropriate adjustment, a value indication for the subject via the Direct Sales Comparison Approach will be derived.

The Income Approach utilizes the principle of anticipation, i.e. that the property value is the present worth of all future benefits accruing to ownership. These future benefits are generally in the form of income streams for a fixed period of time (lease term or estimated holding period) plus a capital sum at the end of the period or a discounted value of an assumed perpetual income.

The basic steps of the approach are to estimate the economic (fair market) rent of the subject property on a gross rental basis, then deduct an appropriate amount for expenses including an allowance for vacancy and collection losses, fixed expenses such as taxes and insurance, variable expenses such as management, and reserves for replacement of short-lived items such as the roof and floor coverings. The result is the net income to the property.

To convert the net income into a present dollar estimate is called capitalization. The methods are based on inherent assumptions concerning the quality, durability, and pattern of the income stream (or income projection). The result is an indication of market value via the Income Approach. In the case of the subject, the property is owner occupied, and according to active listings of comparable properties for lease and current leases, the market is demanding short term leases. It is my opinion; therefore, the Direct Capitalization Method is the most applicable method to the Income Approach for a value at stabilized occupancy.



2107 W. Jordan Street

Subsequent to application of the Direct Sales Comparison and Income Approaches, the value indications provided will be considered when reconciling to a final opinion of the value of the fee simple interest of the subject property.



DEFINITION OF MARKET VALUE

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

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

* Federal Deposit Insurance Corporation (FDIC) definition of market value based on: OCC: 12 CFR 34, subpart D; FRB: 12 CFR Part 208, subpart C; FDIC: 12 CFR Part 365; and OTS: 12 CFR Parts 545 and 563.



EXPOSURE TIME

Exposure time may be defined as follows: The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is different for various types of real estate and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. This statement focuses on the time component. The fact that exposure time is always presumed to occur prior to the effective date of the appraisal is substantiated by related facts in the appraisal process: supply/demand conditions as of the effective date of the appraisal; the use of current cost information; the analysis of historical sales information (sold after exposure and after completion of negotiations between seller and buyer); and the analysis of future income expectancy estimated from the effective date of the appraisal.¹ We estimate the exposure time for this property to be 18 to 24 months.

MARKETING PERIOD

Reasonable marketing time is an opinion of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of the appraisal.² The reasonable marketing time is a function of price, time, use and anticipated market conditions such as changes in the cost and availability of funds; not an isolated estimate of time alone. Marketing time, which occurs after the effective date of the market value estimate, differs from exposure time, which is always presumed to precede the effective date of an appraisal.

In developing the estimated marketing period, the marketing time of the comparable sales were considered as well as current listings of similar properties. In addition, brokers familiar with the subject area were contacted and the marketing period is supported by findings from these interviews. We estimate the marketing time for this property to be 18 to 24 months.

¹Standards of Professional Practice, Part A (USPAP), Appraisal Institute, Standard Rule 1-2, b. iii, Comment, January 1,2010

²Standards of Professional Practice, Part A (USPAP), Appraisal Institute, Standard Rule 2-2, Advisory Opinion 102 , January 1,2010, page F47.



PROPERTY IDENTIFICATION

The subject property is a 7,600 +/- SF class "S" office/warehouse building, situated at 2107 W. Jordan Street Pensacola, FL 32505 as well as a .49 +/- acre parcel fronting W. Hernandez Street.

LEGAL DESCRIPTION

Account Number	Tax Type	Tax Year
06-1184-100	REAL ESTATE	2010
Legal Description (click for full description)		
LTS 1 TO 5 W 5 FT OF N 115 FT OF LT 6 W 5 FT OF LT 15 ALL LTS 16 TO 20 BLK 28 HIGHLAND PARK PLAT DB 69 P 616 SEC 31/17 T 2S R 30 OR 911 P 329 OR 5493 P 259		

OWNERSHIP OF RECORD/SALES HISTORY

According to the tax rolls of Escambia County, title for the subject parcel is held by David F S Galloway III, PO Box 17507, Pensacola, FL 32522. There have been no sales transactions pertaining to this parcel over the past three years per the official records of Escambia County. However, this property was most recently listed for sale under MLS # 407205 for \$270,000 for a period of 45 +/- days.

ASSESSMENT AND TAXES

The Escambia County Tax Assessor's office identifies the subject property located at 2107 W. Jordan Street by account#061184100. According to the Escambia County Tax Assessors Office, this parcel's 2010 assessed values are \$200,965, with a total tax and assessments burden of \$3,128.11. The current millage rate is 15.5655.



Ad Valorem Taxes					
Taxing Authority	Rate	Assessed Value	Exemption Amount	Taxable Value	Taxes Levied
COUNTY	6.9755	200,965	0	\$200,965	\$1,401.83
PUBLIC SCHOOLS					
By Local Board	2.2290	200,965	0	\$200,965	\$447.95
By State Law	5.6310	200,965	0	\$200,965	\$1,131.63
SHERIFF	0.6850	200,965	0	\$200,965	\$137.66
WATER MANAGEMENT	0.0450	200,965	0	\$200,965	\$9.04
Total Millage		15.5655	Total Taxes		\$3,128.11
Non-Ad Valorem Assessments					
Code	Levying Authority	Amount			
NFP	FIRE (CALL 595-4960)	\$258.40			
Total Assessments					\$258.40
Taxes & Assessments					\$3,386.51
If Paid By					Amount Due
					\$0.00
Date Paid	Transaction	Receipt	Item	Amount Paid	
12/30/2010	PAYMENT	246716.0001	2010	\$3,284.91	

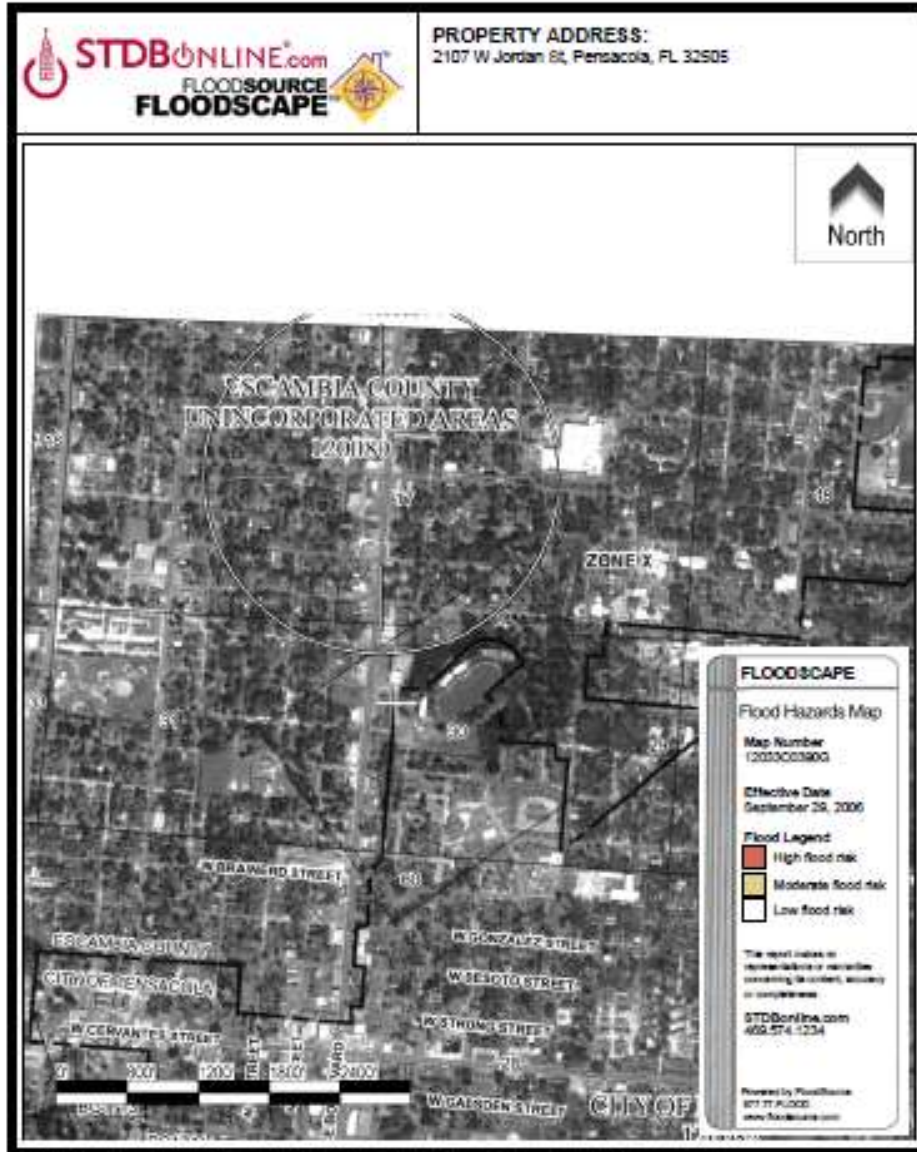
FLOOD ZONE

All of the subject property is situated in an areathat is designated low flood risk per Map #12033C0390G, dated September 29, 2006.

An illustration has been provided for your review.

Flood Map





ZONING

Per Escambia County the subject property is zoned C-2, General Commercial District per Escambia County. A complete zoning definition for the district is as follows.

6.05.16. C-2 General commercial and light manufacturing district (cumulative).

A. *Intent and purpose of district.* This district is composed of certain land and structures used to provide for the wholesaling and retailing of commodities and the furnishing of several major services and selected trade shops. The district also provides for operations entailing manufacturing, fabrication and assembly operations where all such operations are within the confines of the building and do not produce excessive noise, vibration, dust, smoke, fumes or excessive glare. Outside storage is allowed with adequate screening being provided (see section 7.01.06.E.). Characteristically, this type of district occupies an area larger than that of

Updated 01/2010

Article 6 ZONING DISTRICTS

the C-1 retail commercial district, is intended to serve a considerably greater population, and offers a wider range of services. New residential uses located in a Commercial FLU category are only permitted as part of a predominantly commercial development in accordance with Comprehensive Plan Policy 7.A.4.7.g. The maximum density for residential uses is 25 dwelling units per acre, except in the Low Density Residential FLU category where the maximum density is 18 dwelling units per acre. Refer to article 11 for uses, heights and densities allowed in C-2, general commercial and light manufacturing areas located in the Airport/Airfield Environs. Refer to the overlay districts within section 6.07.00 for additional regulations imposed on individual parcels with C-2 zoning located in the C-3(OL) Warrington Commercial Overlay District or C-4(OL) Brownsville-Mobile Highway and "T" Street Commercial Overlay District.

All general commercial and light manufacturing (C-2) development, redevelopment, or expansion must be consistent with the locational criteria in the Comprehensive Plan (Policies 7.A.4.13 and 8.A.1.13) and in article 7.

B. *Permitted uses.*

1. Any use permitted in the C-1 district.
2. Amusement and commercial recreational facilities such as, but not limited to, amusements parks, shooting galleries, miniature golf courses, golf driving ranges, baseball batting ranges and trampoline centers.
3. Carnival-type amusements when located more than 500 feet from any residential district.
4. Distribution warehousing, and mini-warehouses with ancillary truck rental services.
5. New and used car sales, mobile home and motorcycle sales and mechanical services. No intrusions are permitted on the public right-of-way (see section 6.04.09).
6. Automobile rental agencies. No intrusions are permitted on the public right-of-way (see section 6.04.09).



7. Truck, utility trailer, and RV rental service or facility. No intrusions are permitted on the public right-of-way (see section 6.04.09).
8. Automobile repairs, including body work and painting services.
9. Radio broadcasting and telecasting stations, studios and offices with on-site towers 150 feet or less in height. See section 7.18.00 for performance standards.
10. Commercial food freezers and commercial bakeries.
11. Building trades or construction office and warehouses with outside on-site storage.
12. Marinas, all types including industrial.
13. Cabinet shop.
14. Manufacturing, fabrication and assembly type operations which are contained and enclosed within the confines of a building and do not produce excessive noise, vibration, dust, smoke, fumes or excessive glare.
15. Commercial communication towers 150 feet or less in height.

Article 6 ZONING DISTRICTS

16. Taxicab companies.

17. Bars and nightclubs.

18. Boat sales and service facilities.

19. Boat and recreational vehicle storage. (No inoperable RVs, untrailer boats, repair, overhaul or salvage activity permitted. Storage facility must be maintained to avoid nuisance conditions as defined in section 7.07.06.)

20. Adult entertainment uses subject to the locational criteria listed below (See Escambia County, Code of Ordinances sections 18-381 through 18-392 for definitions and enforcement; additionally refer to Chapter 6, article IV, Division 2, titled "Nudity and Indecency"). However, these C-2 type uses are not permitted in the Gateway Business Districts.

a. Adult entertainment uses must meet the minimum distances as specified in the following locational criteria:

- (1) One thousand feet from a preexisting adult entertainment establishment;
- (2) Three hundred feet from a preexisting commercial establishment that in any manner sells or dispenses alcohol for on-premises consumption;
- (3) One thousand feet from a preexisting place of worship;
- (4) One thousand feet from a preexisting educational institution;
- (5) One thousand feet from parks and/or playgrounds;
- (6) Five hundred feet from residential uses and areas zoned residential within the county.



2107 W. Jordan Street

21. Borrow pits and reclamation activities thereof (subject to local permit and development review requirements per Escambia County Code of Ordinances, Part I, Chapter 42, article VIII, and performance standards in Part III, the Land Development Code, article 7).

22. Temporary structures. (See section 6.04.16)

23. Other uses similar to those permitted herein. Determination on other permitted uses shall be made by the planning board (LPA).

C. Conditional uses.

1. Kennels.
 2. Heliports.
 3. Automobile race track.
 4. Solid waste transfer stations, collection points, and/or processing facilities.
 5. Junkyards, salvage yards, and waste tire processing facilities.
- D. *Off-street parking and loading regulation.* See section 7.02.00.
- E. *Traffic requirements.* See section 7.11.09.

Article 6 ZONING DISTRICTS

- F. *Screening adjacent to residential areas.* See section 7.01.00.
- G. *Landscaping.* See section 7.01.00.
- H. *Site and building requirements.* Same as C-1 district.
- I. *Signs.* See article 8.
- J. *Locational criteria.* See article 7 and Comprehensive Plan Policies 7.A.4.13 and 8.A.1.13.

ZONING MAP



Parcel 172S30-1200-001-028



REGIONAL DATA

The purpose of this section is to present a description of the surrounding regional attributes and specifically describe Escambia County and Santa Rosa County, statistically referred to as the Pensacola MSA (Metropolitan Statistical Area). Escambia County is home to the majority of economic and government activity within the Pensacola MSA, and is therefore more heavily considered and presented within this profile.



Northwest Florida Metropolitan Statistical Areas (MSAs)

- Pensacola MSA
- Ft. Walton Beach MSA
- Panama City MSA
- Tallahassee MSA

A profile has been created through research of census data and use of the Haas Center for Research and Economic Development. Information has been gathered from the Escambia County Chamber of Commerce, Santa Rosa County Chamber of Commerce and other sources, including Planning and Development Departments for both counties.

The regions central location is approximately 200 miles east of New Orleans, Louisiana, 250 miles south of Birmingham, Alabama, 370 Miles southwest of Atlanta, Georgia and 375 miles west of Jacksonville, Florida. The Pensacola MSA is bisected by Interstate 10, which allows easy access across the southeast. Interstate 110 also connects I-10 directly to downtown Pensacola. Air transportation is available at Pensacola Regional Airport, where seven major carriers provide service to nine domestic destinations. Four general aviation airports also serve the region. Water transportation is available at the adjacent Port of Pensacola which is also part of a



foreign trade zone located within an Enterprise Zone. Local rail transportation is available from CSX, Alabama Gulf Coast Railway, Amtrak and the Burlington Northern Santa Fe Railroad.

The two counties of Escambia and Santa Rosa (Escambia's abutting county to the east), include 1,685 square miles of land area. There is approximately 212 square miles of water area in the depicted region not including the Gulf of Mexico. There are over 30 miles of coastline located on the two counties. Gulf Island National Seashore is stretched sporadically across the entirety of Escambia and Santa Rosa Shorelines. Black Water River Park, located in the northern region of Santa Rosa County, is home to 590 acres of land and water. This area also houses military bases including Pensacola Naval Air Station, NAS Whiting Field and Corry Station.

In 2005, Florida's Great Northwest, Inc. identified the need and developed the vision for a strategic economic development plan to serve as a long-term guide for sustainable economic development in Northwest Florida.

Mission Statement of Florida's Great Northwest: Florida's Great Northwest's mission is to grow a vibrant and sustainable economy for all 16 counties in Northwest Florida that creates nationally and globally competitive advantages for the development of key industry clusters, increases the income and prosperity of workers and families, ensures healthy communities and a vibrant quality of life, and preserves the natural beauty and resources of the region.

Discussions surrounding a sustainable and diversified economy have increased amid the challenges of the recession. However, Florida's Great Northwest's strategic planning efforts during the last few years have created a clear focus on key target industries in sectors that are displaying steady growth. New industries within the Pensacola MSA include: AppRiver, LLC, Navy Federal Credit Union, GE Energy (wind turbines), Avalex Technologies, and ActiGraph, LLC.

Tourism in the Pensacola Bay area brings in approximately \$552,000,000 annually.

GEOGRAPHY

Escambia County has a total of 876 square miles and encompasses a land mass of approximately 662 square miles. The terrain is semi-flat with an extreme elevation of 120 feet above sea level. The border to the east of Escambia County is the Escambia River and Escambia Bay, the northern border is the Florida/Alabama state line, the western border is the Florida/Alabama border delineated by the Perdido River and Perdido Bay, and the southern border is the shore of the Gulf of Mexico. The area includes navigable access to the Gulf of Mexico and the Port of Pensacola is an international deep port for large commercial ships and military sea vessels, part of a foreign trade zone, and are located within an Enterprise Zone. Pensacola is home to more than 400 underwater shipwrecks, including the 888 foot battleship that has become the world's largest manmade reef. Escambia County is known as the "Western Gate to the Sunshine State". The area is also known as part of the "Emerald Coast" and the "Sun Belt". There are on average 343 days of sunshine per year, with an average temperature of 77 degrees.



DEMOGRAPHICS

Escambia County's population increased slightly during the last ten years, but the county experienced a population shift into the area between Barrineau Park and 9 Mile roads, according to data released by the U.S. Census Bureau. Escambia County saw a very slight 1 percent increase during the decade as the population increased from 294,410 in 2000 to 297,619 in 2010.

The county is divided into four "Census County Division" areas. Population figures from those divisions showed a very definite growth trend in the "Cantonment CCD" – an area roughly bordered by Barrineau Park and Quintette roads to the north and 9 Mile Road to the south. The area showed a 15.8 percent population increase to 50,638 person.

The three other Census County Divisions all showed 1.4 to 3.0 percent population decreases.

Century's population decreased slightly, from 1,714 in 2000 to 1,698 in 2010. The City of Pensacola saw a more substantial population decrease – almost 8.5 percent – from 56,255 in 2000 to 51,923 in 2010.

Neighboring Santa Rosa County grew from 117,743 to 151,372 during the decade, an increase of almost 29 percent. Santa Rosa was among the fastest growing counties in Florida. The Town of Jay's population decreased, from 579 to 533.

EDUCATION

There are a total of 107 public schools in the Pensacola MSA. There are 51 elementary schools, 17 middle schools, 13 high schools, and 26 alternative schools. The Escambia County School District is one of the 100 largest in the nation, providing programs ranging for accelerated learning for gifted students to dropout prevention for troubled students. The area has access to many Colleges and Vocational Schools including Troy State University, University of West Florida, Pensacola Christian College, Pensacola State College, and George Stone Vocational Training Center.

More than 11,000 students are enrolled at the University of West Florida. The University of West Florida is a Doctoral/Research University, which specializes in engineering and the humanities. UWF is a space-grant institution that was established in 1963. The University of West Florida sits on the third largest campus in the State University System, 1,600 acres (6.5 km²), and its campus is a natural preserve that is bordered by two rivers and Escambia Bay. The University of West Florida is known for its small class sizes and its intimate, private school like educational atmosphere, which distinguishes it from the larger universities in the State University System.

In 2010 UWF opened a new multimillion dollar facility, home of the new School of Science and Engineering including the Computer Science, Computer Information Systems, Electrical Engineering, Computer Engineering, Mathematics and Statistics, Physics, and Software Engineering programs.



The building includes prototype robot fabrication and testing laboratories, 3-D virtual reality simulators, a state-of-the-art holo deck and a glass wall atrium that helps put science into public view. This construction is based on Project Kaleidoscope, a national initiative funded project by the National Science Foundation and the Keck Foundation. This collegiate facility is one of the first of its kind.

Pensacola State College (since 2010), previously Pensacola Junior College, offers more than 100 majors and areas of concentration. The college offers associates and bachelors degrees as well as vocational certifications and an adult high school. Local sports fans have watched several area teams take national collegiate championships. Several private colleges also produce graduates for Northwest Florida.

MILITARY

Naval Air Station Pensacola or NAS Pensacola, also nicknamed, "The Cradle of Naval Aviation", is a United States Navy base located within the Pensacola city limits. It is best known as the primary training base for all Navy, Marine and Coast Guard aviators and Naval Flight Officers, the advanced training base for most Naval Flight Officers, and as the home base for the United States Navy Flight Demonstration Squadron, the precision-flying team known as the Blue Angels. It is currently a Superfund site.

The air station also hosts the Naval Air and Operational Medical Institute (NAOMI), which provides training for all naval flight surgeons, aviation physiologists, and aviation experimental psychologists. With the closure of Naval Air Station Memphis in Millington, Tennessee and the transition of that facility to Naval Support Activity Mid-South, NAS Pensacola also became home to the Naval Air Technical Training Center (NATTC), providing technical training schools for nearly all enlisted aircraft maintenance and enlisted aircrew specialties in the U.S. Navy, U.S. Marine Corps and U.S. Coast Guard.

NAS Pensacola contains Forrest Sherman Field, home of Training Air Wing SIX, providing undergraduate flight training for all prospective Naval Flight Officers for the U.S. Navy and U.S. Marine Corps, prospective U.S. Air Force Navigator/Combat Systems Officers for the F-15E Strike Eagle and B-1B Lancer bomber, and flight officers/navigators for other NATO/Allied/Coalition partners. TRAWING SIX consists of the Training Squadron 4 (VT-4) Warbucks, Training Squadron 10 (VT-10) Wildcats and Training Squadron 86 (VT-86) Sabrehawks, flying the T-45C Goshawk, T-6A Texan II, T-39 Sabreliner and U.S. Air Force T-1A Jayhawk aircraft.

Other tenant activities include the United States Navy Flight Demonstration Squadron, the Blue Angels, flying F/A-18 Hornets and a single USMC KC-130F Hercules; the 2nd German Air Force Training Squadron USA (German: 2. Deutsche Luftwaffenausbildungsstaffel USA - abbreviated "2. DtLwAusbStff"), and the NAS Pensacola Search and Rescue Detachment (flying SH-60 Seahawk helicopters). A total of 131 aircraft operate out of Sherman Field, generating 110,000 flight operations each year.

The National Museum of Naval Aviation, the Pensacola Naval Air Station Historic District, and the National Park Service-administered Fort Barrancas and its associated Advance Redoubt are all located at NAS Pensacola, as well as Barrancas National Cemetery.



HOUSING

In 2010, the housing market in the Pensacola MSA continued a steady, long-term decline. According to MLS, detached residences in Escambia County experienced a decline of approximately 7.5% +/- from the previous year. Sales prices are down approximately 17.5% from three years previous.

The National Association of Realtors also report that single family housing permits had grown 42.8% over the past twelve years, as of September 2010. This rise in housing permits implies stabilization in local supply. However, any rebound in home prices is expected to be a very slow process with any appreciation in the next few years expected to be minimal.

DEVELOPMENT LAND

According to the PWC (formerly Korpacz) Real Estate Investor Survey for quarter 4 2010, "Due to a lack of sufficient data, specific key indicators are excluded for this market this quarter." This survey also reports, with respect to Development Land, "it will not get any cheaper than it is now, but prepare to wait a long time for the right development opportunity. This lack of certainty from one of the most relied upon investor surveys implies a higher level of risk for investors purchasing vacant land. As a basic principal of economics, this higher level of risk has a downward effect on property values.

GOVERNMENT

Escambia County

Escambia County is governed by a board of county commissioners and is divided into five districts. One county commissioner is elected from each district to serve a four-year term. Commissioners are chosen in partisan elections by voters from the districts in which they live. The board appoints a county administrator to be chief administrative officer of the county, responsible to the commission for the orderly operations of matters within the board's jurisdiction.

The Office of Public Information and Communications is the information hub for the Escambia County Board of County Commissioners, county administration and its bureaus. Their mission is to enhance the relationship between Escambia County government, its citizens and the media through public relations, media relations and customer service.

Escambia County is comprised of the following six bureaus: Corrections, Development Services, Management and Budget Services, Neighborhood and Community Services, Public Safety, and Public Works.

The Corrections Bureau is comprised of three divisions: Community Corrections, Environmental Enforcement and Animal Control, and the Road Prison.

The Development Services bureau consists of a group of professional and certified planners who, along with support staff, help administer the Escambia County Comprehensive Plan and Land Development Code. This Bureau is comprised of the following divisions: Building



Inspection Division, Environmental Services, Geographic Information Systems, Planning and Development, and Projects and Contracts. These departments are helpful in deciphering and enforcing land use regulations and building codes.

The Management & Budget Services Bureau is responsible for the primary internal and administrative functions of Escambia County government.

Neighborhood and Community Services is the largest of the county's bureaus, and it provides a diverse array of vital programs to the community. These programs include Community Affairs, Escambia Extension, Neighborhood Redevelopment, and Solid Waste Management.

The mission of the Public Safety Bureau is to mitigate emergency situations and teach residents how is to prepare their families, homes and businesses for disaster.

The Public Works Bureau is charged with the conservation and preservation of Escambia County's infrastructure, including Parks/Marine Maintenance, DCAT, Engineering, Fleet Maintenance, Facilities Management, Roads Division, and Mosquito Control staff.

The United States District Court for the Northern District of Florida is located in Pensacola.

Santa Rosa County

A board of commissioners governs Santa Rosa County. The commissioners are elected by specified districts. The commission in turn appoints a county manager who oversees the day to day operations of the respective governments.

The county operates separate planning and zoning department and building inspection department. These departments are helpful in deciphering and enforcing land use regulations and building codes.

Santa Rosa County Sheriff department and fire department offer adequate protection for the area. The fire department is staffed with volunteers and paid employees by municipality within the county.

The Gulf Power Company, a subsidiary of Southern Company, serves Northwest Florida with three modern electricity generating stations. The Bell South Telephone Company provides telephone service for Pensacola. The Escambia County Utilities Authority (ECUA) supplies water to most residents of the county and provides solid waste, recycling, and yard trashcollection to residential properties within the unincorporated area of the county. Natural Gas services are available through Energy Services of Pensacola.

The Department of Transportation cares for all interstates and highways throughout the area. The City of Pensacola operates the Port of Pensacola which can accommodate ocean going vessels with drifts up to 33 feet. The Pensacola Regional Airport is a commercial airport served by American Airlines, ComAir, Continental Airlines, Delta Airlines, Northwest AirlinK, and US Airways. Southwest Airlines are currently in negotiations regarding their possible future expansion to The Pensacola Regional Airport.



The state of Florida has no personal income tax. There is no sales tax on food, medicine, packaging, boiler fuels, and inventories. The majority of Florida tax revenue comes from sales tax on retail sales, rentals, and transient living accommodations. Additionally, there is a corporate state income tax of 5.5%.

SUMMARY

Pensacola remains to be the largest metropolitan area in the Northwest Florida with a strong dependence on a military presence. Escambia County, along with the surrounding region, is in an expanding stage of economic development. The commissioners in the Pensacola area have shown strong will and determination to bring corporations and jobs to the area through the "Florida's Great Northwest" Plan. This region is expected to continue to grow for the foreseeable future.

Interesting information about the area:

- Two Pensacola area beaches made it in the America's top ten beaches - Perdido Key at No. 3 and Eastern Perdido Key at No. 7, according to Dr. Stephen Leatherman of the University of Maryland's Laboratory for Coastal Research
- Pensacola ranked as 4th best place out of 151 cities in the nation for retirees according to the book "Retirement Places Rated" written by David Savageau, published by Prentice-Hall Press
- TripAdvisor and Southern Living call the Pensacola Bay Area one of the nation's "top family-friendly destinations"
- Pensacola is proud to call itself home to the Blue Angels, officially known as the U.S. Navy Flight Demonstration Squadron.
- Pensacola is nicknamed "The City of Five Flags" due to the five governments that have flown flags over it during its history: the flags of Spain, France, Great Britain, the Confederate States of America and the United States.
- University of West Florida named "Best Southeastern College by the *Princeton Review*"
- Pensacola MSA ranked 76th, surpassing cities such as Miami, Jacksonville and Orlando in Forbes magazine's May 23 issue listing 150 large metro areas as "Best Places for Business."

Works Cited

Escambia County Chamber of Commerce

HAAS Center for Business Research and Economic Development at UWF

www.eflorida.com

www.STDBonline.com

www.Floridasgreatnorthwest.com

www.uscensus.gov

<http://www.co.escambia.fl.us>

www.freddiemac.com

www.newsweek.com

www.city-data.com



REGIONAL LOCATION MAP



NEIGHBORHOOD ANALYSIS

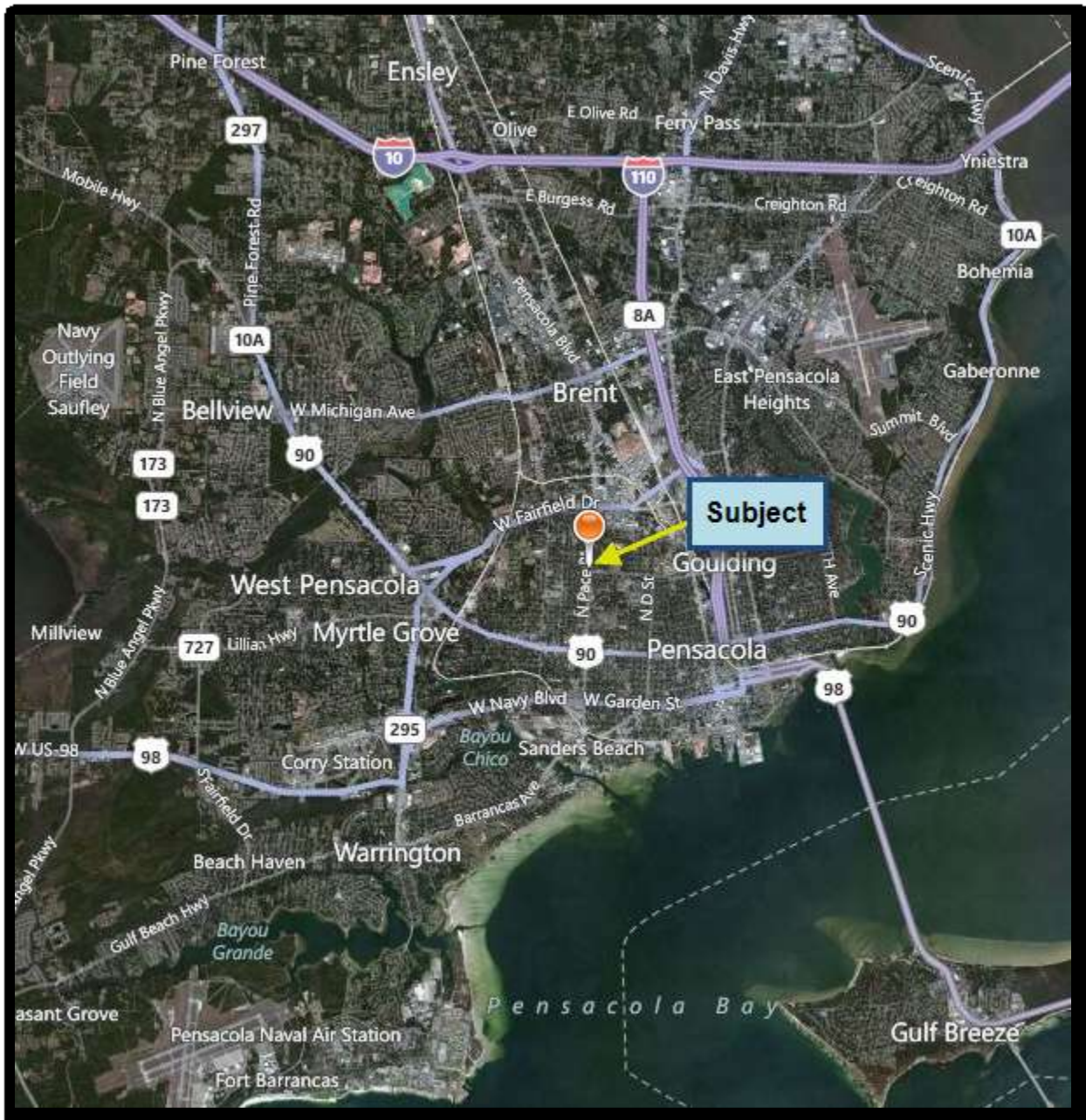
The Neighborhood description is the study of general influences on all property values and particularly the subject property. This analysis is made to determine how the operation of social, economic, government and environmental forces influence the property values in proximity to the subject. The definition of market area (neighborhood) is "a grouping of complementary land uses affected by similar operation of four forces that affect property value."

The subject property is located along the south side of West Jordan Street. North W Street is located to the west, West Fairfield is positioned to the north, Baptist Hospital is situated to the east, and Highway 90/W. Cervantes can be found to the south. Jordan Street is a two lane, two way road with modest speeds of 25 mph +/- . The neighborhood is currently experiencing a declining commercial real estate market and lease market; however, this landscape is typical nationwide. Historical trends suggest the economic climate will eventually improve; however, the timetable and extent of the stabilization is not easily surmised.

This neighborhood is located to the northwest of Pensacola's Central Business District and is characterized by a mixture of neighborhood commercial uses located along the major thoroughfares and residential uses can generally be seen along interior sites. The majority of commercial uses are retail or service oriented with some light industrial. Major neighborhood amenities, such as shopping and educational facilities, are situated nearby. County services are adequate and tax rates appear to be in proportion with other commercial properties in this area.

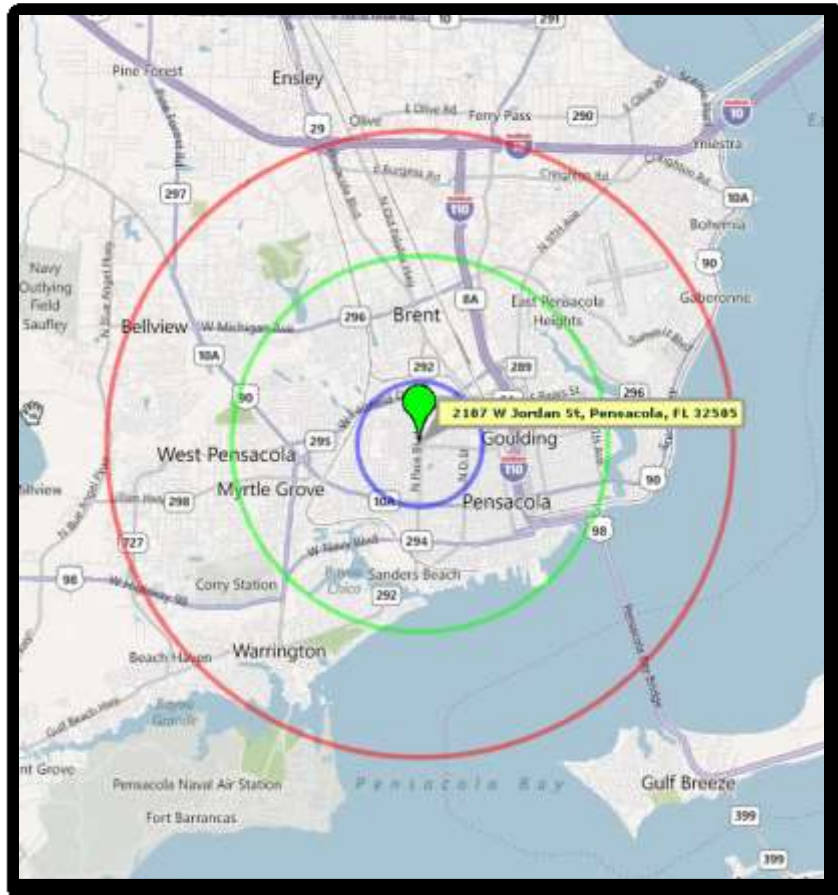


NEIGHBORHOOD LOCATION MAP



SITE TO DO BUSINESS

In the following pages we have included neighborhood information on the subject property taken from an online database at www.STDBOnline.com. This website is dedicated to gathering reports based on radius searches and provided a wide variety of demographic information for the subject property's surrounding area. In the subject property's case we felt a five (5) mile radius would be sufficient. A two page report including has been included on the following pages. We have briefly summarized the information in the following paragraph.



The 2010 population in this selected geography is reported to be 145,144. The 2000 census revealed a population of 144,462 representing a .05% annual compounded growth rate. It is estimated that the population in this area will be 144,686 in 2015 representing a compound annual growth rate of .06% from 2010. Currently, the median household income in this selected geography is reported to be \$38,028 compared to the US median which is reported to be \$54,442. The Census revealed a median household income of \$30,497 in 2000. It is estimated that the median household income in this area will be \$44,905 in five years. With median household income values up and expected to continue upward, the market appears to be in a growth position. It was also noted that the Median home value in this area is \$95,510, compared to the median home value of \$157,913 for the US. The five year compounded annual growth rate for median home values is projected to be 3.07% annually, resulting in an estimated 2015 median home value of \$111,073.





2107 W Jordan St, Pensacola,...

Executive Summary

Prepared by G. Green

Latitude: 30.434034

Longitude: -87.240641

Ring: 1, 3, 5 Miles

	1 mile radius	3 miles radius	5 miles radius
2010 Population			
Total Population	10,160	72,771	145,144
Male Population	51.6%	47.5%	47.9%
Female Population	48.4%	52.5%	52.1%
Median Age	37.4	35.2	36.4
2010 Income			
Median HH Income	\$21,417	\$31,490	\$38,028
Per Capita Income	\$13,937	\$17,531	\$19,991
Average HH Income	\$32,270	\$42,302	\$48,100
2010 Households			
Total Households	3,443	27,812	57,474
Average Household Size	2.44	2.40	2.38
2010 Housing			
Owner Occupied Housing Units	42.7%	48.9%	52.2%
Renter Occupied Housing Units	40.7%	33.8%	32.6%
Vacant Housing Units	16.6%	17.3%	15.2%
Population			
1990 Population	10,105	75,107	146,253
2000 Population	10,282	73,176	144,462
2010 Population	10,160	72,771	145,144
2015 Population	10,063	72,275	144,686
1990-2000 Annual Rate	0.17%	-0.26%	-0.12%
2000-2010 Annual Rate	-0.12%	-0.05%	0.05%
2010-2015 Annual Rate	-0.19%	-0.14%	-0.06%

In the identified market area, the current year population is 145,144. In 2000, the Census count in the market area was 144,462. The rate of change since 2000 was 0.05 percent annually. The five-year projection for the population in the market area is 144,686, representing a change of -0.06 percent annually from 2010 to 2015. Currently, the population is 47.9 percent male and 52.1 percent female.

Households			
1990 Households	3,646	28,436	55,810
2000 Households	3,476	27,756	56,740
2010 Households	3,443	27,812	57,474
2015 Households	3,410	27,671	57,402
1990-2000 Annual Rate	-0.46%	-0.24%	0.17%
2000-2010 Annual Rate	-0.09%	0.02%	0.13%
2010-2015 Annual Rate	-0.19%	-0.1%	-0.03%

The household count in this market area has changed from 56,740 in 2000 to 57,474 in the current year, a change of 0.13 percent annually. The five-year projection of households is 57,402, a change of -0.03 percent annually from the current year total. Average household size is currently 2.38, compared to 2.40 in the year 2000. The number of families in the current year is 35,292 in the market area.

Housing

Currently, 52.2 percent of the 67,778 housing units in the market area are owner occupied; 32.6 percent, renter occupied; and 15.2 percent are vacant. In 2000, there were 63,076 housing units - 55.9 percent owner occupied, 34.1 percent renter occupied and 10.0 percent vacant. The rate of change in housing units since 2000 is 0.7 percent. Median home value in the market area is \$95,510, compared to a median home value of \$157,913 for the U.S. In five years, median home value is projected to change by 3.07 percent annually to \$111,073. From 2000 to the current year, median home value changed by 3.13 percent annually.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015. Esri converted 1990 Census data into 2000 geography.





2107 W Jordan St, Pensacola,...

Executive Summary

Prepared by G. Green

Latitude: 30.434034
Longitude: -87.240641

Ring: 1, 3, 5 Miles

	1 mile radius	3 miles radius	5 miles radius
Median Household Income			
1990 Median HH Income	\$12,368	\$17,845	\$22,183
2000 Median HH Income	\$17,545	\$25,105	\$30,497
2010 Median HH Income	\$21,417	\$31,490	\$38,028
2015 Median HH Income	\$24,537	\$37,032	\$44,905
1990-2000 Annual Rate	3.56%	3.47%	3.23%
2000-2010 Annual Rate	1.96%	2.24%	2.18%
2010-2015 Annual Rate	2.76%	3.3%	3.38%
Per Capita Income			
1990 Per Capita Income	\$6,958	\$9,716	\$11,412
2000 Per Capita Income	\$10,170	\$13,999	\$16,971
2010 Per Capita Income	\$13,937	\$17,531	\$19,991
2015 Per Capita Income	\$15,588	\$19,525	\$22,129
1990-2000 Annual Rate	3.87%	3.72%	4.05%
2000-2010 Annual Rate	3.12%	2.22%	1.61%
2010-2015 Annual Rate	2.26%	2.18%	2.05%
Average Household Income			
1990 Average Household Income	\$17,199	\$24,681	\$28,996
2000 Average Household Income	\$26,005	\$35,417	\$41,332
2010 Average HH Income	\$32,270	\$42,302	\$48,100
2015 Average HH Income	\$35,804	\$46,932	\$53,064
1990-2000 Annual Rate	4.22%	3.68%	3.61%
2000-2010 Annual Rate	2.13%	1.75%	1.49%
2010-2015 Annual Rate	2.1%	2.1%	1.98%

Households by Income

Current median household income is \$38,028 in the market area, compared to \$54,442 for all U.S. households. Median household income is projected to be \$44,905 in five years. In 2000, median household income was \$30,497, compared to \$22,183 in 1990.

Current average household income is \$48,100 in this market area, compared to \$70,173 for all U.S. households. Average household income is projected to be \$53,064 in five years. In 2000, average household income was \$41,332, compared to \$28,996 in 1990.

Current per capita income is \$19,991 in the market area, compared to the U.S. per capita income of \$26,739. The per capita income is projected to be \$22,129 in five years. In 2000, the per capita income was \$16,971, compared to \$11,412 in 1990.

Population by Employment

Total Businesses	683	4,642	7,378
Total Employees	16,212	57,881	93,100

Currently, 86.4 percent of the civilian labor force in the identified market area is employed and 13.6 percent are unemployed. In comparison, 89.2 percent of the U.S. civilian labor force is employed, and 10.8 percent are unemployed. In five years the rate of employment in the market area will be 89.3 percent of the civilian labor force, and unemployment will be 10.7 percent. The percentage of the U.S. civilian labor force that will be employed in five years is 91.2 percent, and 8.8 percent will be unemployed. In 2000, 58.2 percent of the population aged 16 years or older in the market area participated in the labor force, and 2.6 percent were in the Armed Forces.

In the current year, the occupational distribution of the employed population is:

- 56.4 percent in white collar jobs (compared to 61.6 percent of U.S. employment)
- 23.3 percent in service jobs (compared to 17.3 percent of U.S. employment)
- 20.3 percent in blue collar jobs (compared to 21.1 percent of U.S. employment)

In 2000, 75.1 percent of the market area population drove alone to work, and 2.3 percent worked at home. The average travel time to work in 2000 was 21.2 minutes in the market area, compared to the U.S. average of 25.5 minutes.

Population by Education

In 2010, the educational attainment of the population aged 25 years or older in the market area was distributed as follows:

- 16.8 percent had not earned a high school diploma (14.8 percent in the U.S.)
- 30.6 percent were high school graduates only (29.6 percent in the U.S.)
- 8.9 percent had completed an Associate degree (7.7 percent in the U.S.)
- 13.8 percent had a Bachelor's degree (17.7 percent in the U.S.)
- 7.7 percent had earned a Master's/Professional/Doctorate Degree (10.4 percent in the U.S.)

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Earl forecasts for 2010 and 2015. Earl converted 1990 Census data into 2000 geography.



PARCEL MAP PER ESCAMBIA COUNTY



Parcel 172S30-1200-001-028

AERIAL MAP PER ESCAMBIA COUNTY



Parcel 172S30-1200-001-028

SITE DESCRIPTION

Parcel Address:

2107 W. Jordan Street, Pensacola, Florida, 32505, Escambia County.

Dimensions and Area:

The subject property is comprised of two parcels, being contiguous. Parcel #172S301200001028 measures 155' x 280' and has a total area of .98 acres +/- . These dimensions are taken from the Escambia County Property Appraiser's website. A visual representation is presented below for the reader's review.



Parcel 172S30-1200-001-028

Easements:

No information was provided to our office regarding the presence of any easement that may affect the value in any way. If this assumption is found to be inaccurate, this appraisal analysis and all value indications arrived at herein, may be considered invalid and subject to a review by the appraiser signing this report.

Topography:

The subject property is more or less at street grade and average for the area.



Soils:

The soils contained within the subject parcel have been identified as...

32—Troup sand, 0 to 5 percent slopes

This very deep, somewhat excessively drained soil is on nearly level summits and gently sloping shoulder slopes of ridges in the central and northern parts of the county. Slopes generally are long and smooth. Individual areas are irregular in shape. They range from 15 to about 600 acres in size.

Typically, the surface layer is dark grayish brown sand about 5 inches thick. The subsurface layer extends to a depth of 58 inches. It is yellowish brown sand in the upper part, strong brown sand in the middle part, and yellowish red loamy sand in the lower part. The subsoil to a depth of 80 inches is red sandy loam and sandy clay loam.

Utilities:

Gulf Power provides the electricity. ECUA furnishes water and sewer for the subject property.

Street Improvements:

W Jordan Street is a two lane, asphalt paved road that is situated west of North Pace Boulevard.

Location in Block:

2107 W. Jordan Street, Pensacola, Florida, 32505, Escambia County has a total of 155+/- feet.

Relationship Surroundings:

The site is typical for the area and includes primarily commercial properties. Residential dwellings are located in the more interior sites.

Environmental:

We are not aware of any environmental contamination evident to this property with no visible sources noted upon inspection. However, we are not experts in this matter and a qualified professional should evaluate this land prior to the reliance of this report.

Ingress/Egress (Access):

Access to 2107 W. Jordan Street, Pensacola, Florida, 32505, Escambia County via W Jordan or W Hernandez Street. There is not a delineated turn lane for use from either direction, and one does not appear to be needed, based on the minimal traffic flow.



Traffic Counts:

According to the Florida Department of Transportation and the 2010 daily traffic report <http://www2.dot.state.fl.us/FloridaTrafficOnline/viewer.html> there is not a traffic counter in the immediate area of the subject.



2107 W. Jordan Street, Pensacola, Florida, 32505

The traffic counter on the east side of North Pace Boulevard on W. Jordan Street indicates 5,600 +/- AADT.



SUBJECT PHOTOS



Front/ South Elevation



Rear/ North Elevation





Offices/Retail Space



Stock Room





Warehouse: 24' ceilings



Warehouse: Two Roll Up Doors





View of Mezzanine from ground floor



Mezzanine: 12' ceilings





Office Space adjacent to Stock Room



Typical Restroom





Intersection of N Pace Blvd. and W. Jordan Street



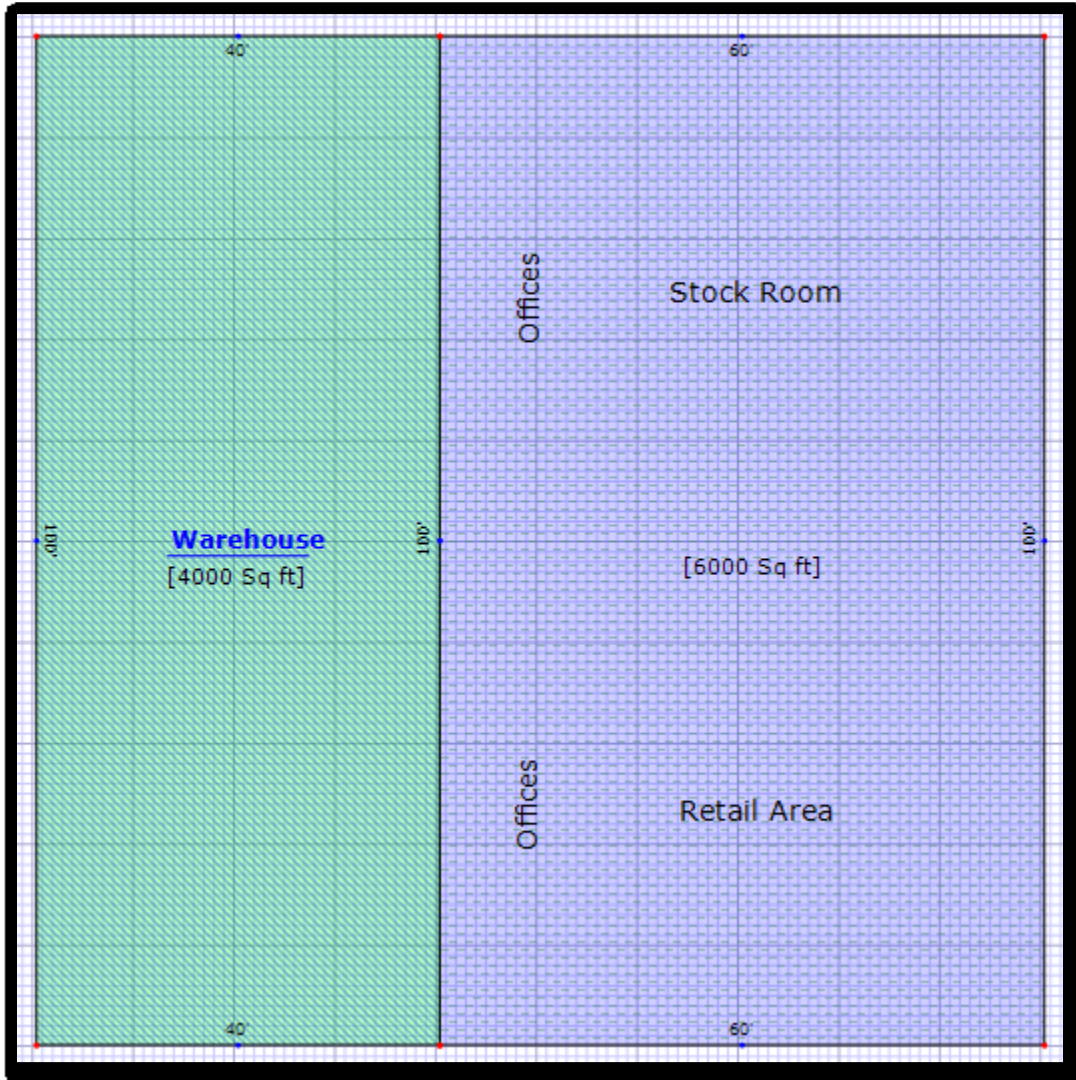
Deferred Maintenance



Improvements:

A 10,000+/- SF office/warehouse building located at 2107 W. Jordan Street Pensacola, Florida, Escambia County, 32505.

BUILDING SKETCH



Improvements cont.:

The subject property was built in 1977. It appears to be modestly maintained since its vacancy in October 2010. Therefore, the effective age is estimated at 25 years. The building was erected on a built up concrete slab and constructed with modular metal. The office areas feature acoustical ceiling tiles, exposed fluorescent lighting, concrete flooring, and central heat and air. There are four bathrooms and three different areas devoted to office space. The heated and cooled retail and office space accounts for around 60% of the total base building size.

The warehouse space has exposed steel trusses, 24' eave heights, fluorescent lighting, and visible vinyl backed, batt insulation. A spacious mezzanine (6,000) is also utilized for storage and an additional heated and cooled office. The property currently does not have air conditioning compressors installed; and, it is an extraordinary assumption that the compressors currently stored in the warehouse are sufficient to heat and cool areas that are ventilated. There are also two dock height loading docks and two corresponding 12 '+/- overhead doors.

Parking is adequate for the utility of the property. There is also almost half an acre on the north side of the property (facing Jordan Street) that is completely undeveloped, which could be used for outside storage.

The subject property is impacted by deferred maintenance such as the building is in need of exterior painting, rust at the building's edges, broken gutters, unknown condition of roof itself, etc.



HIGHEST & BEST USE

Overview

Highest and Best Use is defined in the 12th edition of the Appraisal of Real Estate (Appraisal Institute, Chicago, 2001) as follows:

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value."

As evident by its definition, Highest and Best Use is a multiple step process that investigates the optimum use of a property by a variety of criteria. These factors have been considered in the following analysis.

As Vacant

Physically Possible Uses

2107 W. Jordan Street, Pensacola, Florida, 32505

Parcel is .98 +/- acres or 42,688SF per the Escambia County Property Appraiser's website. This property has adequate access and fair visibility with 155 +/- feet of frontage along W. Jordan Street. The overall size and shape of the subject property does not present any significant limitation to its current use.

Legally Permissible Uses

The subject property is zoned C-2, General Commercial District per Escambia County. The immediate neighborhood is dominated by commercial and industrial businesses, with residential properties in the more interior surrounding areas. The future designation of the comprehensive plan indicates future commercial use.

Financially Feasible Uses

The test for financial feasibility as improved addresses what the market demands for properties similar to the subject property in its immediate area. Escambia County is going through a period of development expansion in the more outlying areas of the county, as the more core area of Pensacola has been built out. However, the current slow real estate and lease market is affecting areas such as the subject property. There is hope that the market will recover over the next few years, but currently extended marketing and exposure times are anticipated. The subject property is located near a built up section of North Pace Boulevard. This roadway is a busy commercial and retail commercial thoroughfare where there are steady traffic counts in the 15,000 AADT range. Due to the location of the subject parcel, the best utilization would be to maximize the current commercial zoning.

Maximally Productive Use

The key to maximally productive utilization is to balance the legally allowable use with the level of demand for the most marketable use. The subject property is located in an area where there are many industrial and retail properties in close proximity that offer competitive rental and resale rates. Due to the fact that the property is located in an area where the majority of other surrounding properties are zoned commercial and achieving varying levels of success, a continued commercial utilization is the best use for the subject property.



The following is a list of allowable uses under the subject property’s C-2, General Commercial District per Escambia County and the below grid is an illustration of the potential uses for the subject property and the supporting reasoning for that conclusion.

Potential Use C-2	Likelihood	Reasoning
Retail	Unlikely	Not Maximally Productive
Personal services establishments	Unlikely	Not Maximally Productive
Restaurants	Unlikely	Not Maximally Productive
Auto repair and service stations	Unlikely	Not Maximally Productive
Hotels and motels	Unlikely	Inadequate site area
Grocery, produce	Unlikely	Not Maximally Productive
Distribution Warehousing	Likely	Suitable use
Hospitals	Unlikely	Inadequate site area
Funeral Homes	Unlikely	Not Maximally Productive
Animal hospitals	Unlikely	Not Maximally Productive
Indoor Movie Theaters	Unlikely	Not Maximally Productive
Offices, professional services	Unlikely	Not Maximally Productive
Manufacturing, fabrication and assembly	Likely	Suitable use

There are a number of potential uses for the subject property site. The most logical use of the subject property is for commercial purposes, generally in the services sector, due to limited exposure necessary for higher use intensities.

As Improved

The office/warehouse building is a positive utilization for the subject site. At a time when the market has recovered, more of a demand will be created for properties of this type, but the property still meets the criteria for Highest & Best Use as established above, with the exception of typical accrued depreciation.



VALUATION METHODOLOGY

The Sales Comparison Approach is an estimation of the property value by comparison with recent sales of similar or competitive properties extracted from the subject's market. The "market," rather than being the immediate proximity to the subject, is considered that area, local, regional or even national that would be considered by a prospective buyer of the subject property.

The Income approach first estimates an economic income for the subject. This analysis is made even if the property is owner occupied. From the gross potential income there is first deducted allowance for vacancy and collection loss with further deductions then made for the expenses applicable to like properties. This net operating income is then capitalized into an indication of value through the use of an appropriate capitalization rate.

These approaches do not make value. They are tools in the hands of the appraiser who must carefully weigh each value indication, give appropriate weight to the different approaches and reconcile their values into a final opinion of value conclusion.

The cost approach is not a credible approach due to the age of the structure being over ten years old and the difficulty in estimating the correct amount of physical depreciation for the subject property.



DIRECT SALES COMPARISON APPROACH

This is an appraisal technique in which the market value estimate is based upon prices paid in actual market transactions and current listings. It is a process of correlation and analysis of similar recently sold properties. The reliability of this technique is dependent upon:

- a) The degree of comparability of each property with the property being appraised,
- b) The time of sale,
- c) The verification of sales data,
- d) The absence of unusual conditions affecting the sale.

A search has been made to develop sales information on properties comparable to the subject. The following is a discussion of those sales, using a physical price per square foot (\$/SF) method of comparison. Our research and analysis revealed three comparable improved sales for the construction type composed in the subject property. Supporting documentation on these comparable sales is contained within the appraiser's files. These sales are representative of similar usage structures located in the subject's marketing area.

Typically, the appraiser reduces the comparable sale to a unit of comparison or units of comparison. These may be physical, such as dollars per square feet of area, or they may be economic, such as gross income multiples. These units of comparison yield a pattern by which the appraiser can convert the subject property's similar unit to a value indication by the market approach.



IMPROVED COMPARABLE SALE NO. 1



Property Identification

Property Type	Office/Warehouse Building
Address	8653 Pensacola Blvd., Pensacola, Florida, Escambia County

Location

Parcel Address	11-1S-30-1901-003-019
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Sales Data

Grantor	Synovus Bank et al
Grantee	Bryant and Nancy Reisenburg
Sale Date	August 31, 2010
Deed Book/Page	6630/1942
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Not available
Sales History (5yrs)	One in past 5 years
Instrument	Warranty Deed
Verification	Public records, MLS #381403, verified with listing agent, John Griffing with NAI Halford, 850.450.5126, on 7.14.11

Sale Price	\$462,500
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Land Data

Zoning	C-2, General Commercial District per Escambia County
Topography	Level, at street grade
Utilities	All Present
Shape	Irregular
Flood Info	Zone X



Future Land Use Industrial
Highest/Best Use Industrial

Land Size Information

Gross Land Size 1.02 +/- acres, 44,431 SF
Front Footage 182 feet along Pensacola Blvd.
225 feet along W Barber Street
Traffic Count 40,000 AADT

General Physical Data

Building Type Repair Service
Improvements 8,000 +/- SF
Construction Type Pre-Engineered Metal
Roof Type Metal Shingle
Foundation Concrete
Electrical Typical
HVAC Central Air in finished areas
Stories One
Year Built 1978
Condition Average
Parking Adequate
Tenants One
Office/Warehouse Ratio 31%
Building to Land Ratio 18%

Indicators

Sales Price/Gross SF \$57.81/SF

Comments

This property has been well maintained per the listing agent and includes warehouse, office and showroom space. The showroom area measures 2,130 +/- SF, the warehouse area measures 5,510 +/- SF and the office area measures 360 +/- SF per the Escambia County Property Appraiser's website. Overall the finished area measures 31% of the total area. Three other "lenders" were grantors of this parcel. John Griffing indicated that the sales price of this property was reduced to gain Mr. Reisenburg's banking relationship. Given this detail, John thought the sales price was below market value.



IMPROVED COMPARABLE SALE NO. 2



Property Identification

Property Type Office/Warehouse Property
Address 2984 Gulf Breeze Parkway, Gulf Breeze, FL 32563,
Santa Rosa County

Location

Parcel Address 30-25-28-0000-00413-0000

Sales Data

Grantor Sei Ito
Grantee John F. Phelps
Sale Date 8/25/09
Deed Book/Page 2925/53
Property Rights Fee Simple
Conditions of Sale Arm's Length
Financing Cash
Sales History (5yrs) One in past 5 years
Instrument Warranty Deed
Verification Public records, REARS, MLS#359294, several attempts to contact the listing agent, David Harrison, 850.449.1119 on 7/13/11

Sale Price \$445,000

Land Data

Zoning HCD, Highway Commercial District per Santa Rosa County

Topography Level, at street grade

Utilities All Present



Dimensions	Irregular
Shape	Irregular
Landscaping	Natural
Flood Info	Zone X
Future Land Use	Commercial
Highest/Best Use	Improved Commercial

Land Size Information

Gross Land Size	0.92 +/- acres or 40,075 SF
Front Footage	100' +/- along Gulf Breeze Parkway
Traffic Count	49,000 AADT

General Physical Data

Building Type	Single-Tenant
Improvements	9,375 +/- SF, per County Records
Construction Type	Metal
Roof Type	Metal
Foundation	Concrete
Electrical	Typical
HVAC	Central Air
Stories	One
Year Built	1996
Condition	Average
Parking	Adequate
Tenants	Owner-Occupied
Office/Warehouse Ratio	20%
Building to Land Ratio	23%

Indicators

Sales Price/Gross SF	\$47.47/SF
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Comments

This is the sale of "Ito's Gym" in Gulf Breeze, FL. The property is 100% heated and cooled and has been utilized for several years for Karate/Gymnastics training use. According to MLS#359294, this property was originally listed 2/08 for \$1,150,000 and withdrawn 10/08. The property was listed again through a different office 10/08 for \$795,000. This listing was reduced twice in 2009 before selling at \$445,000. This property exhibits an office/finished warehouse ratio of approximately 20%. Per county records, the office space is 1,950 SF in size.



IMPROVED COMPARABLE SALE NO. 3



Property Identification

Property Type Office/Warehouse Building
Address 3611 Palafox Street, Pensacola, FL,
Escambia County

Location

Parcel Address 05-2S-30-1001-003-026

Sales Data

Grantor HL Davis Co, Inc.
Grantee Ewing Irrigation Products, Inc.
Sale Date September 16, 2010
Deed Book/Page 6636/356
Property Rights Fee Simple
Conditions of Sale Arm's Length
Financing Not available
Sales History (5yrs) One in past 5 years
Instrument Warranty Deed
Verification Verified through Penny Nichols Wilson of Keller
Williams Realty, 850.982.7204 on 7/13/11
Sale Price \$410,000

Land Data

Zoning ID-2; Industrial
Topography Level, at street grade
Utilities All Present
Dimensions Irregular
Shape Square
Landscaping Mostly Paved
Flood Info Zone X
Future Land Use Industrial



Highest/Best Use	Industrial
<u>Land Size Information</u>	
Gross Land Size	0.97 +/- acres, 42,253 SF
Front Footage	200 +/- feet along Palafox Street
Traffic Count	12,000 AADT
<u>General Physical Data</u>	
Building Type	Single Tenant
Improvements	10,000 +/- SF
Construction Type	Pre-Engineered Metal
Roof Type	Metal Shingle
Foundation	Concrete
Electrical	120/240v, 3 Phase
HVAC	Central Air in finished areas
Stories	One
Year Built	1993
Condition	Average
Parking	Adequate
Tenants	One
Office/Warehouse Ratio	11%
Building to Land Ratio	24%
<u>Indicators</u>	
Sales Price/Gross SF	\$41.00/SF

Comments

This property located along Palafox Street in an industrial district of Pensacola. This property has approximately 1,091 SF of heated/cooled showroom space. The remaining portion is warehouse space.



COMPARABLE SALES MAP



SALES COMPARISON GRID							
	SUBJECT	SALE 1		SALE 2		SALE 3	
	W. Jordan St.	8653 Pensacola Blvd.		2984 Gulf Breeze Pkwy		3611 Palafox Street	
Community	Pensacola	Pensacola		Gulf Breeze		Pensacola	
County	Escambia	Escambia		Santa Rosa		Escambia	
Proximity to Subject	N/A	5.64 miles NW		9.63 miles SE		.79 miles E	
Sales Price	N/A	\$462,500		\$445,000		\$410,000	
Square Feet		8,000		9,375		10,516	
Sales Price/AC	N/A	\$57.81		\$47.47		\$38.99	
Property Rights	Fee Simple	Similar		Similar		Similar	
Adjusted Price/SF		0%	\$57.81	0%	\$47.47	0%	\$38.99
Financing							
Adjusted Price/SF		0%	\$57.81	0%	\$47.47	0%	\$38.99
Conditions of Sale							
Adjusted Price/SF		0%	\$57.81	0%	\$47.47	0%	\$38.99
Time/Market Adjustment	12-Oct-11	Aug-10		Aug-09		Sep-10	
Adjusted Price/SF		-1%	\$57.23	-15%	\$40.35	-1%	\$38.60
Total Adjusted Price/SF		\$57.23		\$40.35		\$38.60	
ADDITIONAL ADJUSTMENTS							
	SUBJECT	SALE 1		SALE 2		SALE 3	
	W. Jordan St.	8653 Pensacola Blvd.		2984 Gulf Breeze Pkwy		3611 Palafox Street	
Total Adj. Sale Price/SF	N/A	\$57.23		\$40.35		\$38.60	
Location	Jordan St.	Pens Blvd.	-25%	GB Pkwy	-35%	Palafox	-20%
Design & Quality	Average	Similar	0%	Similar	0%	Similar	0%
Eff Age/Cond	E25/Avg.	E15/Avg.	-15%	E8/Avg	-20%	E10/Avg.	-20%
Building to Land Ratio (%)	23%	18%	-5%	23%	0%	24%	0%
GBA	10,000	8,000	5%	9,375	0%	10,516	0%
Zoning	C-2	C-2	0%	HCD	0%	ID-2	0%
Finished Area	60%	31%	10%	20%	15%	11%	20%
Functional Utility	Average	Similar	0%	Similar	0%	Similar	0%
Total Net % Adj		-30%		-40%		-20%	
Total Adj Value/sf		\$40.06		\$24.21		\$30.88	
Total Gross % Adj.		61%		85%		61%	



Analysis and Adjustment of Sales:

The adjustment process is typically applied through either quantitative or qualitative analysis. Quantitative adjustments are often developed as dollar or percentage amounts, while qualitative adjustments are simply expressed through relative comparison (i.e. significantly inferior). Quantitative adjustments are most applicable when the quality and quantity of data allows paired sales, cost or statistical analysis. Given the availability of data and imperfect nature of the real estate market, participants most often rely on relative or qualitative comparisons.

Combining the benefits of both qualitative and quantitative analysis, a blended adjustment technique is generally used. This is accomplished through pre-assigning quantitative adjustments for relative comparison. The following chart illustrates the blended adjustment technique.

BLENDED ADJUSTMENTS		
Qualitative Comparisons		Pre-Assigned Quantitative Adjustments
Slight Adj.		5%
Moderate Adj.		10%
Fair Adj.		15%
Significant Adj.		20%
Large Adj.		25% Plus

Market participants can often identify superior and inferior characteristics when comparing properties. Without paired sales or statistical information, applying quantitative adjustments to reflect the differences is often problematic or subjective. For this analysis, the above listed quantitative adjustments reflect the need for slight, moderate, fair, significant, or large adjustments.

Adjustments are based on our rating of each comparable sale in relation to the subject. If the comparable is rated superior to the subject property, the sale price is adjusted downward to reflect the subject’s relative inferiority; if the comparable is rated inferior, its price is adjusted upward. Adjustments were considered in the elements of comparison discussed below.



Property Rights

To the best of our knowledge, all three comparable sales were of fee simple interest and therefore required no adjustment.

Financing

All three comparable sales were done on a “cash to seller” basis or at financing terms consistent with the current market and therefore required no adjustment.

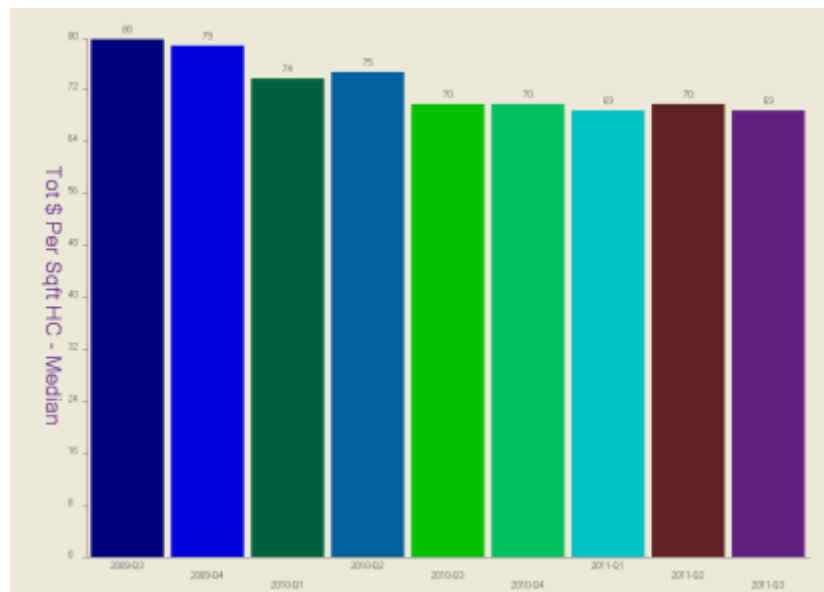
Conditions of Sale

All three sales were found to be “arms length” transactions and therefore required no adjustments.

Time/Market Adjustments

A time/market adjustment is used to reflect the appreciation/depreciation of properties over time and normally is applied to comparable sales data that are a year or more. The adjustments applied are based on a time/market study of commercial properties in the general area that indicate an appreciation rate of a certain percentage per year. There have not been enough resale transactions involving properties similar to the subject in order to derive a reliable rate of appreciation/depreciation to apply to the comparable sales. Therefore, all real property transactions since 3rd quarter 2009 in Escambia County have been researched to derive some type of rate of appreciation/depreciation basis applicable to the subject comparables from a very general standpoint. We derived the adjustments by applying the quarter/year those sales transactions occurred, and subtracted the indicator from the current quarter/year. Then that number is divided by the indicator when the sales transaction occurred. In other words Sale 2 occurred in the 3rd quarter of 2009 with an indicator of 80. Currently the indicator is at 71. Therefore, $80 - 69 = 11$; $11 / 71 = 15\%$, which was applied in our grid. Subsequent to analysis of this graph, Sale 1 from 3rd quarter 2010 was given a -1% adjustment and Sale 3 from the 3rd quarter of 2010 was given a -1% adjustment.

*A graph of the REARS survey has been provided for the reader’s visual review.



Location

Location adjustments area applied for use, in this case commercial use, is quantifiable based on the number of issues such as traffic counts, convenience, parking, etc. All three sales are located in superior areas to the subject property and negative adjustments were applied.

Design and Quality

All three sales were constructed with similar building materials to the subject and no adjustments were necessary.

Effective Age/Condition

All three comparable sales have superior effective age so negative adjustments were applied.

Building/Land Ratio

The existing subject property improvements cover 23% of the subject property's entire land site. The remaining area is a positive factor as the property has the possibility of future build. Sales 2 and three have similar building to land ratios; therefore, no adjustments were applied. Sale 1, however, has a slightly superior building to land ratio so a negative adjustment was applicable.

Gross Building Area

Gross building area adjustments are applied where great anomalies area apparent in the size of the comparable sales. Based on the theory of economies of scale, a larger building, considering all other variables to be equivalent, will sell at a lower unit value than a smaller one. Sale 1 merited a positive gross building adjustment. Sales 2 and 3 did not require an adjustment.

Zoning

Zoning conditions in the allowable use category are important when constructing and evaluating commercial property. All three sales have similar zoning; therefore, no adjustments were applied.

Finished Area

The subject property has 6,000 SF+/- of base area that is heated and cooled office space/display area/stock room. The entire building is 10,000 SF+/- in size; therefore, the finished area represents 60% of the subject improvements. All three sales feature a smaller percentage of finished area; therefore, a positive adjustment was applied.

Functional Utility

This category is utilized to address functional concerns with the properties. The subject and all three comparable sales represent fully functional economic structures that are all well suited to accommodate their respective uses. For this reason, no adjustments were necessary for this category of comparison.

Reconciliation

The range of price per SF values has been narrowed due to the adjustments to reflect a range of unit indications of \$40.06, \$24.21 and \$30.88 per SF. The indicated range in value for the subject property is between \$242,100 and \$400,600 based on our three comparable sales. The mathematical mean of the three values is \$31.72 per SF. All three comparable sales are considered excellent indicators of value for the subject property. We gave the most weight to



comparable Sale 3, as it is the closest to the subject property and considered the most similar. Therefore, our final, relatively weighted indication of value amounts to \$36.99/SF.

The following grid illustrates the relative weighting process applied to arrive at our indicator of value for the subject property.

Relative Weighting of Comparable Sales-Price/SF Basis

Sale	Address	Adj Price/SF	% Applied	Indicator
Sale 1	8653 Pensacola Blvd.	\$40.06	35.0%	\$14.02
Sale 2	2984 Gulf Breeze Pkwy	\$24.21	25.0%	\$6.05
Sale 3	3611 Palafox St.	\$30.88	40.0%	\$12.35
			100%	
Weighted Mean \$/Acre				\$32.43

Final Value Analysis

Site Size(SF)	Reconciled Price/SF	Overall Value
10,000	\$32.43	\$324,300
Rounded to		\$325,000

\$325,000
THREE HUNDRED TWENTY FIVE THOUSAND DOLLARS
VIA THE DIRECT SALES COMPARISON APPROACH



INCOME APPROACH

The income approach to value is generally applicable to income producing properties and not generally practical for properties in which no identified rental market or rental value exists.

This approach utilizes the principle of anticipation, i.e., that the value is the present worth of all future benefits accruing to ownership. These future benefits are generally in the form of income streams for a fixed period of time (lease term or estimated holding period) plus a capital sum at the end of the period or a discounted value of an assumed perpetual income.

The basic steps of the approach are to estimate the economic (fair market) rent of the subject property on a gross rent basis, then deduct an appropriate amount for expenses including an allowance for vacancy and collection losses, fixed expenses such as taxes and insurance, variable expenses such as management, and reserves for replacement of short-lived items such as the roof and floor coverings. The result is the net income to the property.

To convert the net income into a present dollar estimate is called capitalization. The methods are based on inherent assumptions concerning the quality, durability, and pattern of the income stream (or income projection). The result is an indication of market value via the income approach.



ECONOMIC RENT ANALYSIS

IMPROVED WAREHOUSE SPACE:

Comparable Rental 1 – 4005 North Pace Boulevard, Pensacola, FL 32505. This property is warehousing, office, and retail and is **8,400 SF** of which **1,750 SF** is office space. It is currently leased for **\$5.75** per square foot per year on triple net lease terms. This facility is south of Massachusetts Avenue, but north of West Fairfield Drive.

Comparable Rental 2 – 3338 McLemore Drive, Pensacola, FL 32514. This property is **12,500 SF** of warehousing, wholesale, distribution and office of which **1,250 SF** is office space. It is currently leased for **\$5.50** per square foot per year on triple net lease terms. This facility is within Ellyson Industrial Park.

Comparable Rental 3 – 8761 Ely Road, Pensacola, FL 32514. This property is **10,000 SF** of warehousing, distribution and office of which **3,500 SF** is office space. It is currently leased for **\$6.00** per square foot per year on triple net lease terms. This facility is within Ellyson Industrial Park.

Comparable Rental 4 – 3190 Johnson Avenue Pensacola, FL 32514. This property is **15,000 SF** of warehousing, distribution and office of which **1,500 SF** is office space. It is currently leased for **\$5.00** per square foot per year on triple net lease terms. This facility is situated on the outskirts of Ellyson Industrial Park.

Comparable Rental 5 – 500 Heinberg Street, Pensacola, FL 32501. This property is **9,800 SF** of warehousing, distribution and office of which **1,800 SF** is office space. It is currently leased for **\$6.00** per square foot per year on triple net lease terms. This facility is situated north of East Gregory Street and east of North Ninth Avenue.

Comparable Listing 1 – 3840 Hopkins Street, Pensacola, FL 32505. This property is **14,000 SF** of warehouse, distribution, and office of which **2,400 SF** is office space. It is currently leased for **\$4.00** per square foot per year on triple net lease terms. This facility is north of E Fairfield Drive and east of N Palafox Street.

The subject improvements are currently owner occupied.

COMPARABLE LEASE DATA

The rent reconciliation for the subject building is based on market rental comparables of rents in the subject's market area. Market rents for office/warehouse space in this area range from \$4.00 to \$6.00 per square foot, with a mean of \$5.65/SF in triple net lease terms (without consideration of the listing provided) and a mean of \$5.38/SF (with consideration of the listing provided).

ECONOMIC RENT RECONCILIATION

It is our opinion based on the current market and the overall construction of the subject property, its large size, location, etc. that a rate of **\$4.25/SF** is reflective of the subject property's market rent.



SUBJECT INCOME SUMMARY -OFFICE / WAREHOUSE SPACE- CONTRACT RENT

10,000 x \$4.25/SF= \$42,500- Potential Gross Income: Triple Net Terms

VALUE AT STABILIZED OCCUPANCY

Vacancy Rate & Collection Loss:

Due to the subject property's location, level of finish and deferred maintenance, a reasonable vacancy rate of 25% is appropriate for the subject property and will be applied in our analysis.

Potential Gross Income	\$ 42,500
Vacancy & Collection Loss (25%)	<u>\$-10,625</u>
Effective Gross Income	\$ 31,875

EXPENSES:

Management

Property management can be obtained at a ratio of 3% to 10% of effective income. If the property were sold, management would be turned over to a professional agent. The expense is based on actual charges within the marketplace and conversations with numerous property managers. We reconcile at 3% of effective gross income.

Maintenance

The owner would be responsible for maintaining a reserve account to fund replacement of major items such as air conditioners, asphalt pavement, etc. Based on our review of the subject, professional services available in this area are estimated at 3% of effective gross income.

Property Taxes

As previously stated, property taxes for this parcel per the Escambia County Property Appraiser's 2010 are reported at **\$3,128.11**

Insurance

Expenses vary according to age, usage and other factors. Insurance costs have not been provided but are herein estimated to be **\$2,500/yr**, which will be applied to our analysis.

Reserves

A reasonable amount to provide for replacement of short-lived items should run no more than 2% of effective gross income.



**All mathematical equations have been formulated and calculated in an excel spreadsheet. All figures have been rounded to the nearest whole number.*

OPERATING INCOME STATEMENT	
Potential Gross Income Estimate	\$42,500
Less: Vacancy & Collection @ 25%	(\$10,625)
Effective Gross Income	\$31,875
Plus: Reimbursables	
Property Taxes / Less 15% Vacancy	\$2,659
Insurance / Less 15% Vacancy	\$2,125
Maintenance / Less 15% Vacancy	\$813
Subtotal	\$37,472
Less Expenses:	
Management	\$956
Taxes	\$3,128
Insurance	\$2,500
Maintenance	\$956
Reserves	\$638
Total Expenses	\$8,178
Net Operating Income	\$29,294

NET OPERATING INCOME - \$29,294



DIRECT CAPITALIZATION

The ThirdQuarter 2011 Price Waterhouse Coopers'Investor Survey, the National Warehouse Market, currently recognizes overall capitalization rates ranging from 6.00% - 12.00% with an average of 7.45%. In view of the properties competing with the subject and the overall slow real estate market, a more conservative capitalization rate will be applied to the subject property. Therefore, the capitalization rate is reconciled towards the upper-middle of the range or 10.00%, which is felt to be most representative.

Table 25 NATIONAL WAREHOUSE MARKET Third Quarter 2011			
	CURRENT	LAST QUARTER YEAR AGO	
DISCOUNT RATE (IRR)*			
Range	6.80% - 12.50%	6.80% - 12.50%	7.10% - 12.50%
Average	8.54%	8.64%	9.28%
Change (Basis Points)		- 10	- 74
OVERALL CAP RATE (OAR)*			
Range	6.00% - 12.00%	6.00% - 12.00%	6.50% - 12.00%
Average	7.45%	7.49%	8.38%
Change (Basis Points)		- 4	- 93
RESIDUAL CAP RATE			
Range	6.50% - 12.00%	6.50% - 12.00%	7.00% - 12.00%
Average	7.93%	7.98%	8.49%
Change (Basis Points)		- 5	- 56
MARKET RENT CHANGE^b			
Range	(5.00%) - 7.00%	(5.00%) - 3.00%	(10.00%) - 3.00%
Average	1.40%	0.90%	0.02%
Change (Basis Points)		+ 50	+ 138
EXPENSE CHANGE^b			
Range	2.00% - 3.00%	(2.00%) - 3.00%	(2.00%) - 3.00%
Average	2.81%	2.62%	2.57%
Change (Basis Points)		+ 19	+ 24
MARKETING TIME^c			
Range	1.00 - 18.00	2.00 - 18.00	3.00 - 18.00
Average	7.23	7.69	8.88
Change (%)		- 5.98	- 18.58

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

Thus:

$$\text{NOI} / \text{CAP RATE} = \text{VALUE}$$

NOI	CAP RATE	VALUE
\$29,294	10%	\$292,940
Rounded to		\$295,000

\$295,000
TWO HUNDRED NINETY FIVE THOUSAND DOLLARS
INCOME APPROACH
OCTOBER 12, 2011



RECONCILIATION AND FINAL VALUE OPINION

The final reconciliation section discusses the respective value indications, analysis of the methods used, and the strength of the data compiled for each technique, and explains the reasoning behind identifying a single point of value.

The purpose and ultimate goal of the reconciliation is to form a meaningful, credible conclusion about the final opinion of value.

The two approaches to value provided the following value indications:

Direct Sales Comparison Approach	\$325,000
Income Approach	\$295,000

Direct Sales Comparison Approach

When an adequate amount of data is available, the sales comparison approach is the best valuation technique because it directly reflects buyers and sellers actions. In this analysis, all of the sales in the direct comparison grid are in the general area, are fairly recent, and all are reasonably similar type properties. These sales were analyzed with a quantitative/qualitative analysis and, after accounting for minor physical differences, a range of value was developed and reconciled, which is consistent with market practice. The direct sales comparison approach is felt to be a good indicator.

Income Approach

The income approach converts anticipated future benefits of property ownership into an estimate of present value. In this analysis, it is determined that the direct capitalization method is applicable. The findings as to revenue (in the form of rent) expected to be produced by the property is extremely well founded. For this reason the income approach is also felt to be a good indicator of value.

Final Value Opinions

The Direct Sales Comparison and Income Approaches to value lent very good support to this indication of value. After reviewing the strengths and weaknesses of the data and methods for the valuation techniques, with equal weight towards both approaches, the final value opinions for the fee simple interest in the appraised property are reconciled to:

\$300,000
THREE HUNDRED THOUSAND DOLLARS
"AS-IS" VALUE
FEE SIMPLE INTEREST
OCTOBER 12, 2011



G. Daniel Green MAI, SRA is currently certified under the voluntary continuing education program of the Appraisal Institute.

Due to the current market uncertainty in the US and local real estate economy, the opinions and conclusions herein are effective as of the appraisal date only.

In addition to the included assumptions and limiting conditions, the following also apply:

- 1. The client, Board of County Commissioners, Escambia County, FL, nor the current owner of the property furnished a boundary survey. All measurements and parcel sizes are based on the Escambia County Property Appraiser's records. Should this information be inaccurate, this appraisal and all value indications arrived at herein may be considered invalid and subject to review by the appraiser signing this report.*
- 2. There were not any air compressors installed on the subject property at the time of inspection. It is an extraordinary assumption that the air compressors currently stored in the warehouse are adequate to heat and cool all ventilated areas of the building.*
- 3. The appraisal does not address unforeseeable events that could alter the property improvement and/or market conditions reflected in the analysis.*
- 4. The appraisal does not address the personal property within the subject property (i.e. FFEL: Furniture, Fixtures, Equipment or Inventory) in the estimate of value (if any).*
- 5. The appraiser also reserves the right to alter opinions of value contained in this appraisal report on the basis of information withheld or not discovered in the normal course of diligent investigation.*

Exposure Time: The exposure time linked to the final value opinion for subject property is estimated to be eighteen (18) to twenty four (24) months based on market sales of similar properties and current market activity.

Marketing time at concluded value estimate: We estimate the marketing time for the subject property to be eighteen (18) to twenty four (24) months.

Respectfully Submitted,



G. Daniel Green, MAI SRA
State-Certified General Real Estate
Appraiser RZ836



ASSUMPTIONS AND LIMITING CONDITIONS

1. The appraiser certifies that to the best of his knowledge and belief, the statements contained in this appraisal and upon which the opinions expressed herein are based, are correct, subject to the limiting conditions herein set forth; also, that this appraisal has been made in conformity with the Professional Standards of the Appraisal Institute.
2. No responsibility is to be assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental



assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication. Any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety may not use it for any purpose.
18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.



QUALIFICATIONS OF APPRAISER

G. DANIEL GREEN, MAI, SRA

EDUCATIONAL BACKGROUND

Bachelor of Science in Business Administration (BSBA) degree earned - August 25, 1979, University of Florida, Gainesville, Florida. Majored in Real Estate and Urban Land Studies.

Successfully completed Course 101, Introduction to Appraising Real Property, Society of Real Estate Appraisers, University of Florida, June 1978.

Successfully completed Course 102, Applied Residential Property Valuation, Society of Real Estate Appraisers, University of Florida, November 1981.

Successfully completed Course I-A1, Real Estate Appraisal Principles, American Institute of Real Estate Appraisers, Mobile, Alabama, September, 1983.

Successfully completed Course I-A2, Basic Valuation Procedures, American Institute of Real Estate Appraisers, Mobile, Alabama, September, 1983.

Successfully completed Course I-BA, Capitalization Theory & Techniques, American Institute of Real Estate Appraisers, Cocoa, Florida, October, 1984.

Successfully completed Course I-BB, Capitalization Theory & Techniques, American Institute of Real Estate Appraisers, Austin, Texas, September, 1986.

Successfully completed Course 2-1, Case Studies in Real Estate Valuation, American Institute of Real Estate Appraisers, Athens, Georgia, March, 1987.

Successfully completed "Standards of Professional Practice", American Institute of Real Estate Appraisers, Destin, Florida, July 1987.

Attended "Important Changes in Federal Home Loan Bank Board Appraisal Standards", Mobile, Alabama, April, 1988.

Attended "FNMA Update", San Destin, Florida, November, 1988.

Attended "Professional Practice and the Society of Real Estate Appraisers," Ft. Walton Beach, Florida, May 1989.

Attended "Valuation and Evaluation of Proposed Projects", Ft. Walton Beach, Florida, August 1989.



Successfully completed Course 2-2, Report Writing and Valuation Analysis, American Institute of Real Estate Appraisers, Tallahassee, Florida, August 1989.

Attended "Environmental Hazards, Florida State Standards of Professional Practice", Florida School of Real Estate, Ft. Walton Beach, Florida, September, 1992

Successfully completed "Standards of Professional Practice, Part B", Appraisal Institute, Crestview, Florida, September, 1992.

Successfully completed "Income Property Demonstration Report", Appraisal Institute, October, 1992.

Successfully completed "The Appraiser's Complete Review", Appraisal Institute, February, 1993.

Passed Comprehensive Examination for the MAI designation of The Appraisal Institute, February, 1993.

Received MAI designation, Appraisal Institute, April, 1993

Attended "Practical Approaches To Appraising Troubled Properties", Appraisal Institute, June, 1993.

Attended "Appraisal Regulations of the Federal Banking Agencies", Appraisal Institute, September, 1993.

Attended "Rates, Ratios, and Reasonableness", Appraisal Institute, September 1993.

Attended "Accrued Depreciation", Appraisal Institute, March, 1994.

Attended "USPAP Update Core Law for Appraisers", May, 1994.

Attended "Understanding Limited Appraisals and Reporting Options (General), Appraisal Institute, November, 1994

Attended "Core" Law for Appraisers, Appraisal Institute, February 1995.

Attended "Appraisers in Litigation", David Collins Real Estate Institute, November, 1996.

Attended "Environmental Risk and the R.E. Appraisal Pro", Appraisal Institute, August, 1996.

Attended "Residential Course", Appraisal Institute, May, 1997.

Attended "Standards of Professional Practice, Part A (USPAP), Appraisal Institute, June, 1997.

Attended "Standards of Professional Practice, Part B, Appraisal Institute, June and September, 1997.

Attended "USPAP Update/Florida Law", Appraisal Institute, October, 1998.



Attended "The Good, The Bad, The Board", Appraisal Institute, November, 1999.

Attended "Partial Interest Valuation - Divided", Appraisal Institute, January, 2000.

Passed HUD & FHA Examination, January, 2000.

Attended "Analyzing Operating Expenses", Appraisal Institute, August, 2000.

Attended "USPAP & Law Update", Appraisal Institute, October, 2000.

Attended "Standards, Part. C", Appraisal Institute, January, 2002.

"Real Estate Fraud", Appraisal Institute, November, 2002.

"Florida State Law and USPAP Review for R. E. Appraisers, November, 2002.

Florida Continuing Education for Real Estate Professionals, 2001-2002 Online Course.

Appraisal Institute Online Course, "Valuation of Detrimental Conditions", January 2003.

Attended "Appraisal Review-Single Family Residential." Appraisal Institute, August, 2003.

Florida Continuing Education for Real Estate Professionals and Appraisal Institute, "Working with the Appraiser and Consumer", September 13, 2004.

Florida Continuing Education, "FL State Law for Real Estate Appraisers," November, 2004.

Florida Continuing Education, "400 National USPAP 7-hour update," Appraisal Institute, November 5, 2004.

Florida Continuing Education, "Introduction to Income Capitalization," Appraisal Institute, November, 2004.

Florida Continuing Education, "Feasibility Analysis Market Value and Investment timing: Introducing the Impact of Option Value," Appraisal Institute, September 2005.

Florida Continuing Education, "Rates & Ratios: Making Sense of GIM's, OAR's, and DCF's," Appraisal Institute, September 2005.

Florida Continuing Education, "Florida Law Update," Northwest Florida Chapter of the Appraisal Institute, August 2006.

Florida Continuing Education, "I400 National USPAP 7-hour Update Course," Northwest Florida Chapter of the Appraisal Institute, August 2006.

Florida Continuing Education for Real Estate Professionals, 2006 online course, Bert Rodgers Schools.



Appraisal Institute Online Course, "Online Analyzing Operating Expenses," November 20, 2006.

Appraisal Institute Course, "Rates and Ratios," Las Vegas, NV July 16, 2007

Appraisal Institute Course, "The Real Estate Economy - What's in Store for 2008" July 17, 2007

Appraisal Institute Course, "Small Hotel/Motel Valuation" December 26, 2007

Appraisal Institute Course, "Business Practices and Ethics," December 24, 2007

Appraisal Institute Course, "Small Hotel/Motel Valuation," December, 26 2007

Appraisal Institute Course, "Business Practices and Ethics," December 24, 2007

McKissock, "Florida Supervisor/Trainee Roles and Relationships," September 23, 2008

McKissock, "Florida Appraisal Laws and Regulations," September 24, 2008

Appraisal Institute Course, "USPAP," November 12, 2008

Florida Continuing Education, "Florida Law/Rules Roles and Responsibilities Site Valuation and Cost Approach," 25-hours Real Estate Education Specialists, August 27, 2009

Appraisal Institute Course, "Analyzing the Effects of Environmental Contamination on Real Property," September 9, 2010

McKissock, "Florida Supervisor / Trainee Roles and Relationships," October 3, 2010

McKissock, "Florida Appraisal Laws and Regulations," October 3, 2010

Appraisal Institute Course, "The Lending World in Crisis - What Clients Need Their Appraisers to Know Today," May 13, 2011



WORK EXPERIENCE

Real Estate Salesman - The House of Real Estate, Incorporated, Gulf Breeze, Florida, 1977.

Real Estate Appraisal - G. Pratt Martin and Associates, Incorporated, Pensacola, Florida, 1978.

Real Estate Appraisal - F. Earle Adkinson and Associates, Incorporated, Pensacola, Florida -Since graduation, August, 1979. Promotion to Vice-President November, 1981.

Real Estate Appraisal - Partner - Presley, Hufford& Green, Realtors, Pensacola, Florida, established June 1, 1982.

Real Estate Appraisal - Secretary/Treasurer and Co-owner - The Hufford-Green Company, Pensacola, Florida, established August 1985.

Real Estate Appraisal - President, Sole owner - G. Daniel Green and Associates, Inc., Gulf Breeze, Florida, established December, 1988.



ASSOCIATION MEMBERSHIPS

SRA designation, Appraisal Institute
MAI designation, Appraisal Institute
FHA approved
1990 Vice President - Chapter 215, Society of Real Estate Appraisers
Chairman, 1996, Standards Review Committee, NW Florida Chapter, Appraisal Institute
President Elect 2010 NW Florida Chapter, Appraisal Institute

PROFESSIONAL AFFILIATIONS

Licensed Real Estate Broker, Florida Real Estate Commission
Member - Pensacola Association of Realtors
Northwest Florida Homebuilders Assoc.
1994-1995 HBA Land Use Committees
1994-1995 HBA Growth Management Committees
1995 Adhoc Committee, Santa Rosa Island Authority, Santa Rosa Island
Ordinances 1996 Chairman, Santa Rosa Island, Commercial Lease Extension
Committee
Pensacola Chamber of Commerce
United States Chamber of Commerce
Florida Chamber of Commerce
Gulf Breeze Chamber of Commerce
Business Leaders
SERTOMA
Escambia County Marine Recreation Committee
2004 ADHOL Committee
Santa Rosa Island Authority: Commercial Lease Extension
Committee
Managing Committee Member Zone Data Systems

Some of the clients that I have had the pleasure to complete appraisal reports for are:

Coastal Bank and Trust	SunTrust Bank
Pen Air Federal Credit Union	SunTrust Mortgage
People's First Community Bank	Hancock Bank
Bank of America	Access Mortgage
First National Bank of Florida	Federal Marshall
1st American Bank	City of Pensacola
Compass Bank	Navy Federal Credit Union
First Union National Bank	Relocation Companies
First South Bank	Wachovia Bank, N.A.
Regions Mortgage	Compass Bank
Regions Bank	Adams Homes of NW FL
Local Attorneys and Private Developers	GMAC Mortgage
Gulf Breeze Chamber of Commerce	United Bank



PROFESSIONAL EXPERIENCE

I entered the field of Real Estate in the summer of 1977. My experience in property marketing initiated interest in the appraisal area. Since 1978, I have devoted my time to the study of real estate appraisal, combined with practical experience. This experience has included proposed and existing appraisals of single and multifamily residences, fast-food restaurants, retail establishments, office buildings, hotels, motels, churches, industrial warehousing, night clubs, acreage, subdivisions developments and specialized properties.

I have been qualified as an expert witness in Federal Court.

I have been qualified as an expert witness in Escambia County Circuit Court.

I have been qualified as an expert witness in Santa Rosa County Circuit Court.

PROFESSIONAL REFERENCES

Regions Realty Services
215 Forrest St.
Hattiesburg, MS 39401
Tom Kennedy
(850)444-1000

Adams Homes
3000 Gulf Breeze Pkwy.
Gulf Breeze, FL 32563
Mr. Wayne Adams, President
(850)934-0470

Coastal Bank and Trust
400 Garden Street
Pensacola, FL 32502
Ms. Jamie Brazell
(850)475-3013

Beach Community Bank
17 SE Eglin Parkway
Ft. Walton Beach, FL 32549
Mr. Tony Hughes, President
(850)244-9900

Summit Bank, NA
P.O. Box 13523
Pensacola, FL 32591
Ms. Patti Clark
(850)433-5350

Gulf Coast Community Bank
40 N. Palafox Street
Pensacola, Florida 32502
Mr. Buzz Ritchie, President
(850)434-9300

First National Bank
1289 Airport Blvd.
Pensacola, FL 32504
Mr. Bill Peiler, Sr. Vice Pres.
(850)479-9601x4145



ADDENDA



**BOARD OF COUNTY COMMISSIONERS
ESCAMBIA COUNTY, FLORIDA**

Public Works Department
3363 West Park Place
Pensacola, Fl 32505
(850) 595-3440
(850) 595-3444
www.myescambia.com

Date: 9/22/2011

Appraiser: G. Daniel Green & Associates, Inc.

Property to be Appraised: 2107 W. Jordan Street

Parcel ID: 172S3012000010278

Date of Market Value: Date of Inspection

Interest to be Appraised: Fee Simple

Report Type: Summary Narrative

Fee (Including all Expenses): \$2,900.00

Escambia County Contact Person: Larry Goodwin/Judy Cntrell

Contact For Property Access: David Galloway Phone: 457-4717 (home); 380-8750 (cell)

Required Completion Date: 10/13/2011 **Report Delivery:** Hard Copy | Electronic

Dear Appraiser:

Escambia County hereby requests your services in providing a Summary Appraisal on the above referenced real estate, including all applicable valuation approaches. Regulations require the appraisal to be signed by the Appraiser to whom the engagement letter is addressed.

The purpose of the appraisal is to estimate the Market Value of the interest in the above-captioned real estate. Regulations and guidelines require an "as is" value consisting of "the current market value of the property in its actual physical condition and subject to the zoning in effect as of the date of the appraisal (a current date of value)."

The intended user/client is Escambia County and/or it's affiliates with an intended use for acquiring the parcel of property for drainage improvements.

Under the Gramm-Leach-Bliley Act, all provided information concerning the subject property and borrower, as well as the opinions and results of the appraisal, are confidential and cannot be distributed/ discussed with any other user/client without prior written approval from Escambia County. You are authorized to commence with the appraisal upon acceptance of this engagement letter and its prompt return to the Bank within the specified time as noted in this letter agreement. The above referenced, agreed upon appraisal fee is a gross fee, inclusive of all expenses, and will be paid as specified in this letter agreement. In order to comply with federal regulations, the appraisal is required to conform to the following minimum standards:

1) Compliance:

a. The Appraisal must conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP) and all of the related USPAP Supplemental Standards;

i. And the appraisal guidelines and requirements pursuant to FIRREA;

ii. And for members of the Appraisal Institute the Code of Professional Ethics and Standards of Professional Appraisal Practice will apply and must be stated in the appraisal summary report.

b. The Appraiser and this Appraisal must conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 for all residential appraisals.



2) Format: Your appraisal(s) must be in writing and contain sufficient information and analysis to support the value. According to the OCC 2006-27 revisions to the USPAP, Scope of Work (SOW) Appraiser must determine an appropriate Scope of Work that should be performed to produce "credible assignment results".

3) Site Inspection: The subject property is to be physically inspected thoroughly both interior and exterior by the appraiser, unless otherwise directed by client in writing.

4) Deductions: The Appraisal must analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units;

5) Market Value: Your opinion must be based on market value. "Market Value" as defined by par 323.2 (g) of FDIC Rules and Regulations means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated.
- b. Both parties are well informed or well advised, and acting in what they consider their own best interest.
- c. A reasonable time is allowed for exposure in the open market.
- d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto;
- e. 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.

6) Certified Appraiser: The Appraisal must be performed and signed by an appraiser certified in the state where the property is located, state certified general appraiser for commercial properties or when applicable for residential properties a state certified residential real estate appraiser.

Deliver to: Escambia County

Please note that neither your engagement to make this appraisal (or any future appraisals for this client) nor any compensation therefore are contingent upon the reporting of a predetermined value, the amount of the value, the attainment of a stipulated result, or the occurrence of a subsequent event. Please show your agreement and understanding of this engagement letter with your signature in the space provided below and return (via U.S. Mail, Facsimile, or attachment to email) at your earliest convenience. Any questions regarding this engagement letter or concerns arising during the valuation of the subject property should be directed to the undersigned. Thank you for your consideration and service.

Sincerely,
Judy Cantrell

Real Estate Acquisition Specialist
Escambia County Public Works Department

Accepted Appraiser: G. Daniel Green Date: 9/22/11
 State Certified General Appraiser # RZ836 (Commercial Properties)
 State Certified Real Estate Appraiser # _____ (Residential Properties)



