

APPRAISAL REPORT

VACANT FORMER GROCERY STORE

LOCATED AT 6032 HIGHWAY 90
IN MILTON, SANTA ROSA COUNTY, FLORIDA 32570

AS OF MARCH 22, 2016

B&A File No: SC16BB8509



PREPARED FOR
SANTA ROSA COUNTY SCHOOL DISTRICT
GENERAL ADMINISTRATION
6544 FIREHOUSE ROAD
MILTON, FL 32570-6706

BY
BRANTLEY & ASSOCIATES

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Individual Member

Brantley & Associates Real Estate Appraisal Corp

Mobile

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March 31, 2016

Ms. Cathy Ward
Secretary for Joey Harrell
Assistant Superintendent for Administrative Services
Santa Rosa County School District
6544 Firehouse Road
Milton, Florida 32570

Re: Appraisal report of a vacant former "Food World"
grocery store located at 6032 U.S. Highway 90 in
Milton, Santa Rosa County, Florida.
B&A File No: SC16BB8509

Dear Ms. Ward:

At your request, we have inspected the above referenced property and have investigated the market for pertinent data for the purpose of providing an opinion of its market value, as of March 22, 2016. The property rights appraised are the fee simple estate.

The subject consists of a 45,584 SF (+/-) vacant former grocery store situated upon 8.98-acres, or 391,157 SF (+/-) of land, and located at 6032 U.S. Hwy 90 in Milton, Florida.

Based upon our investigation and our analysis of the information gathered, our opinion of the fee simple market value of the subject property, as of March 22, 2016, is as follows:

MARKET VALUE OPINION, "AS-IS"
ONE MILLION SIX HUNDRED THOUSAND DOLLARS
\$1,600,000

Allocated as follows:

Land:	\$1,075,000
Improvements:	\$ 525,000

The above value opinion is subject to the limiting conditions and general assumptions stated within the body of this report, and to the following special assumptions. The reader is alerted that the deployment of extraordinary assumptions or hypothetical conditions may significantly affect the value opinion.



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- 1. We asked for but were not provided with a copy of a survey of the subject property, and we are not surveyors. We relied upon our best interpretation of the legal description found attached to the most recent deed of record in order to estimate the subject's site area and site boundaries. We assume that our determinations of the size and dimensions of the subject site are accurate, as set forth in this document. Should a future survey determine that our interpretation of the legal description is in error then this appraisal would be invalid or subject to amendment.**
- 2. We are appraising the subject property under the special assumption that a Declaration of Rights, Restrictions and Easements (Ref: OR Book 1449, Page 950), including all use restrictions cited within such document, has been nullified as the result of recent litigation as described to us by the listing agent Mr. Stacy Taylor. Copies of the Declaration document, and also the nullification document, are presented in the addenda for the readers review. Should this not be the case then this appraisal would be invalid or subject to amendment. The value would be lower if this document were not nullified. The appraiser's are not legal experts and hence advise any reader to satisfy themselves as to the proper nullification of this document prior to reliance upon this appraisal.**

This is an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice for an appraisal report. As such, it presents discussions of data, reasoning and analysis that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The depth of the discussion contained in this report is specific to the needs of the client and the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

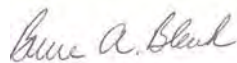
This appraisal has been made in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) and with the Code of Professional Ethics of the Appraisal Institute. This appraisal assignment was not made, nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or an amount, which would result in the approval of a loan.

We appreciate the opportunity of doing this work for you, and if there should be any questions, please do not hesitate to call.

Sincerely,



R. Shawn Brantley, MAI, CCIM
Cert Gen RZ289
Florida



Bruce A. Black, Associate
Cert Gen RZ2714
Florida

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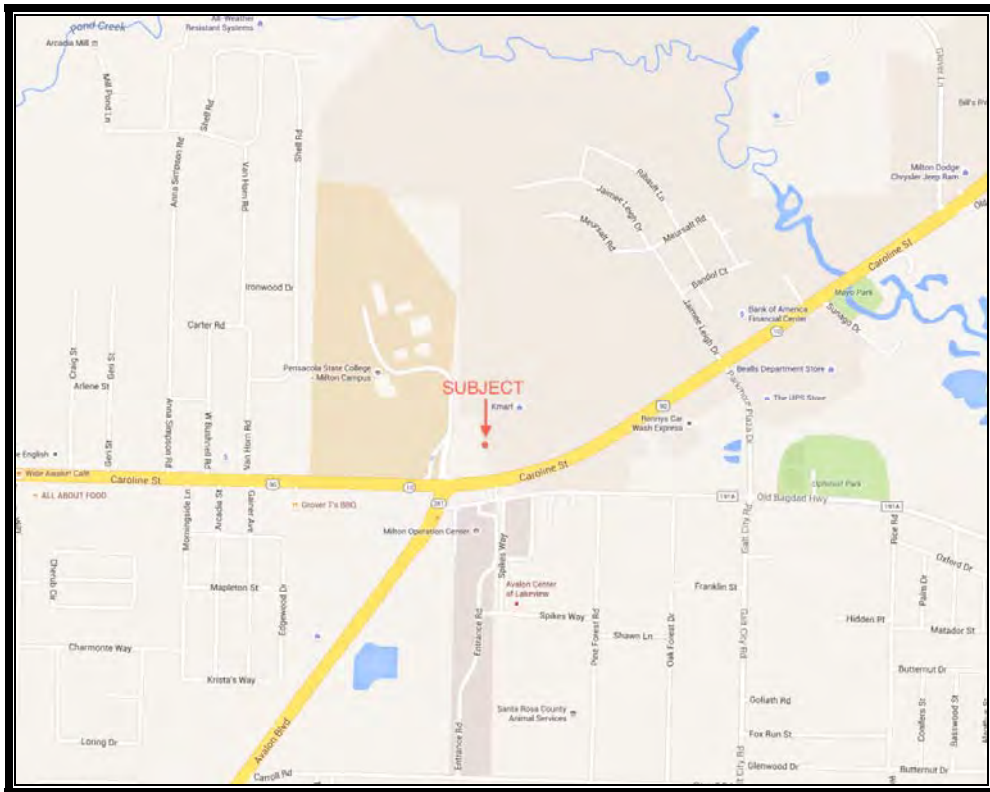
SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY IDENTIFICATION:	Vacant grocery store, formerly known as "Food World".
OWNERSHIP:	Milton, LLC 2780 E. Oakland Park Blvd. Fort Lauderdale, FL 33306
LOCATION OF PROPERTY:	NS of U.S. Hwy 90, approximately 400' (+/-) east of its intersections with Worley Blvd. and Avalon Blvd. The street address is 6032 Hwy 90, Milton, Florida 32570.
PURPOSE OF APPRAISAL:	To obtain an opinion of the market value of the subject property as of the specified date.
PROPERTY RIGHTS APPRAISED:	Fee Simple
DATE OF VALUATION:	March 22, 2016
DATE OF INSPECTION:	March 22, 2016
DATE OF REPORT:	March 30, 2016
PARCEL NUMBER:	08-1N-28-0000-02003-0000
ASSESSMENT (2015):	\$2,022,577
TAXES (2015):	\$33,518.95
ZONING:	C-2, General Commercial District (City of Milton, FL)
FUTURE LAND USE:	Commercial (City of Milton, FL)
CENSUS TRACT #:	107.04
LAND AREA:	8.98-acres or 391,157 SF (+/-) – Per our best interpretation of the legal description found attached to the most recent deed of record.
IMPROVEMENTS:	A 45,584 SF (+/-) concrete block/stucco retail building, and related site improvements.
HIGHEST AND BEST USE:	"As-vacant" – Commercial development. "As-improved" - Remodel for continued use as a grocery store, or for conversion/subdivision of the building to office or retail type uses, similar to those seen in the surrounding area.

VALUATIONS:

LAND VALUE:	\$1,075,000
SALES COMPARISON APPROACH:	\$1,500,000
INCOME APPROACH:	\$1,700,000
FINAL VALUE OPINION:	\$1,600,000

North



6

AERIAL MAP INCLUDING THE SUBJECT PROPERTY



Note: The above aerial map depicts an irregular strip of land at the north end of the site that is not appraised. We relied upon the legal description from the most recent deed (Ref: OR Book 2738, Page 1275), which appears to match the legal description described on the assessment records. A copy of this deed is presented in the addenda. Sketches of the site provided to us by the listing agent Mr. Stacy Taylor of Beck Property Co., depict similar site boundaries as those mentioned in the legal description we relied upon. Below, we present a site sketch of the subject, based upon the legal description from the most recent deed.

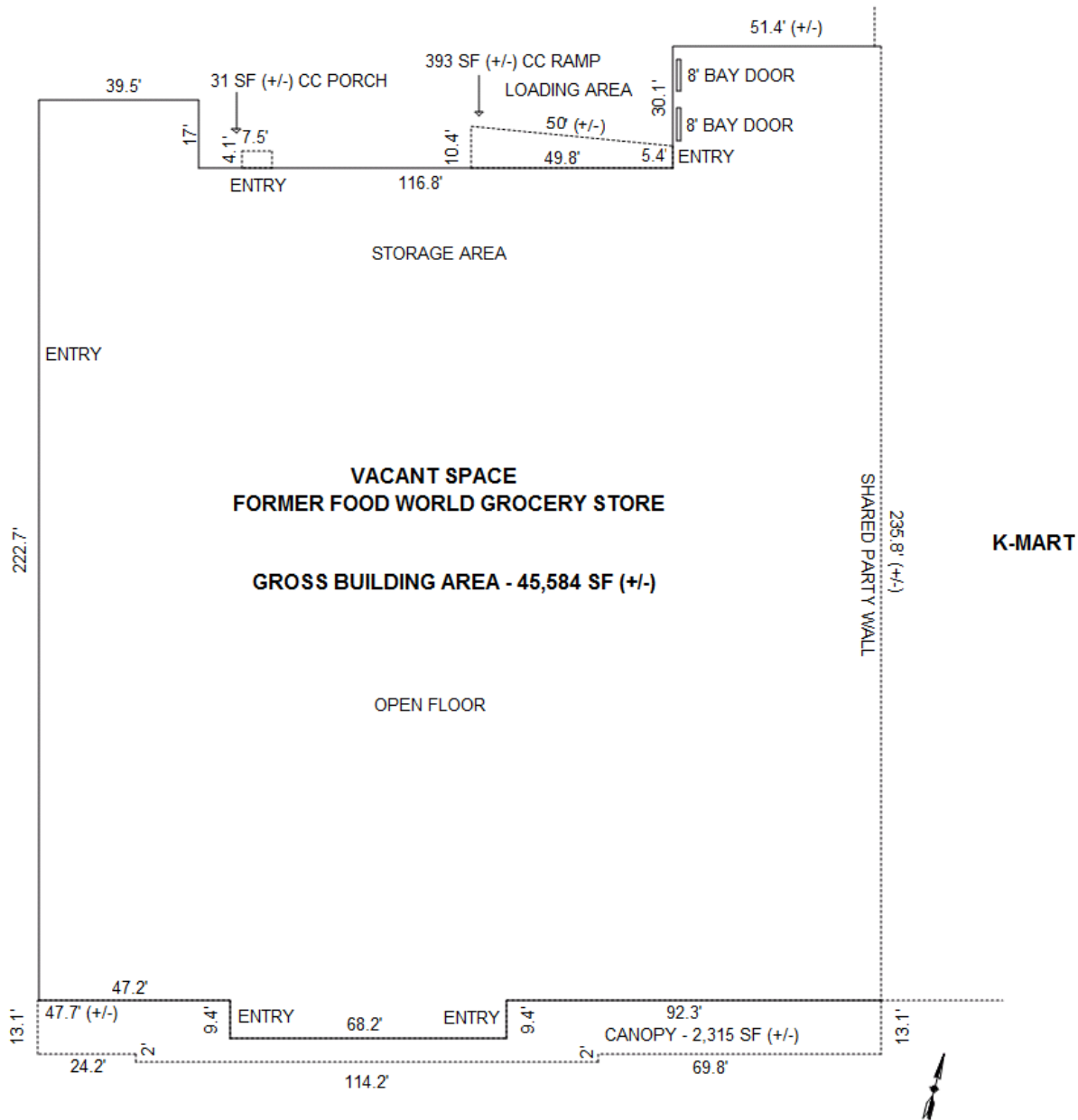
SITE SKETCH

SITE AREA - 8.98-ACRES, OR 391,157 SF (+/-)



SITE AREA: 8.98-ACRES, OR 391,157 SF (+/-) – PER OUR BEST INTERPRETATION OF THE LEGAL DESCRIPTION FOUND ATTACHED TO THE MOST RECENT DEED OF RECORD (REF: OR BOOK 2738, PAGE 1275).

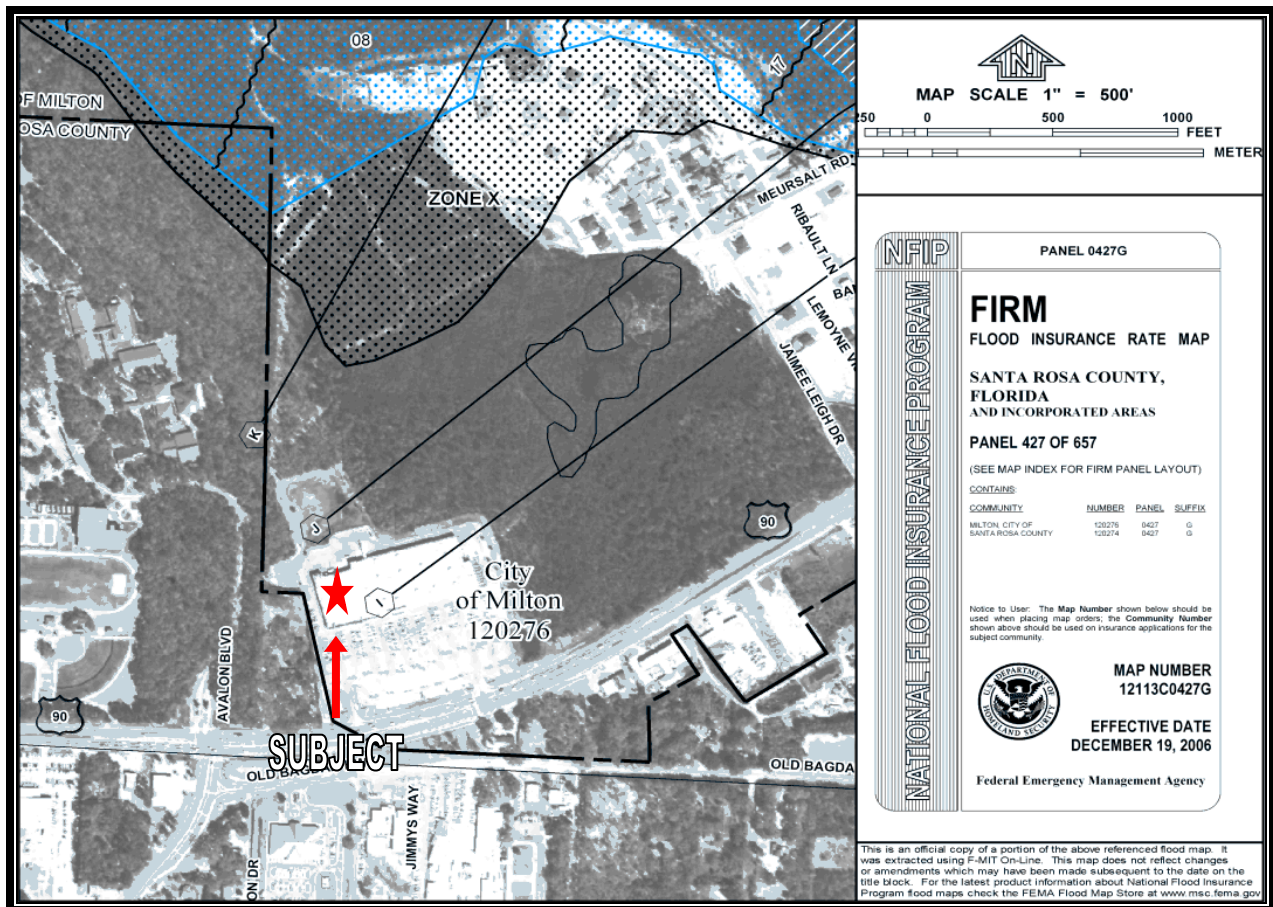
IMPROVEMENTS SKETCH



Summary of Area Calculations:

OVERALL GBA – 45,584 SF (+/-)

FLOOD MAP INCLUDING THE SUBJECT PROPERTY



Based upon the above flood map, the entire site is within Flood Zone X, which is an area of minimal flood probability.

U.S.D.A. SOIL MAP INCLUDING THE SUBJECT PROPERTY



SUMMARY OF SOILS AT THE SUBJECT PROPERTY

Symbol	Soil Type	Slope %	Drainage	Soil Material & Characteristics
44	Troup Loamy Sand	0-5	Well Drained	Nearly level to gently sloping soil found on broad ridge tops in the uplands. Water table at a depth of more than 6 feet. Very high potential for septic tank absorption fields, dwellings without basements, local roads and streets, and low commercial buildings. High potential for trench sanitary landfills. Medium potential for shallow excavations and playgrounds.

PHOTOGRAPHS OF SUBJECT PROPERTY

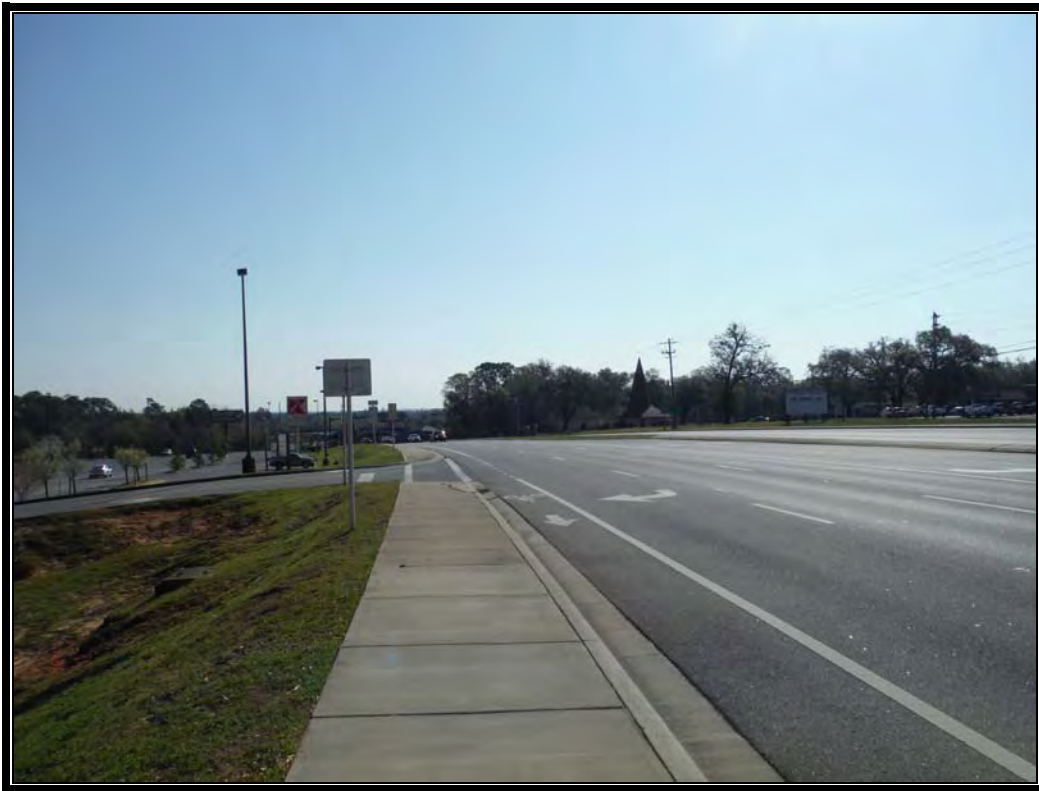


Front view – Subject



Street scene facing west along U.S. Hwy 90 – Subject (Right)

PHOTOGRAPHS OF SUBJECT PROPERTY



Street scene facing east along U.S. Hwy 90 – Subject (Left)



Front view and driveway site entry – Subject

PHOTOGRAPHS OF SUBJECT PROPERTY



Front view – Subject



Front view – Subject

PHOTOGRAPHS OF SUBJECT PROPERTY



Front view – Subject



Side view – Subject

PHOTOGRAPHS OF SUBJECT PROPERTY



Rear view – Subject



Rear view – Subject

PHOTOGRAPHS OF SUBJECT PROPERTY



Rear view/loading area – Subject



Rear view – Subject

PHOTOGRAPHS OF SUBJECT PROPERTY



Interior view - Subject



Interior view - Subject

PHOTOGRAPHS OF SUBJECT PROPERTY



Interior view – Subject



Interior view - Subject

PHOTOGRAPHS OF SUBJECT PROPERTY



Interior view - Subject



Interior view - Subject

PHOTOGRAPHS OF SUBJECT PROPERTY



Interior view – Subject



Interior view - Subject

PHOTOGRAPHS OF SUBJECT PROPERTY



Interior view - Subject



Interior view - Subject

PHOTOGRAPHS OF SUBJECT PROPERTY



View of an on-site storm water retention area – Subject

LEGAL DESCRIPTION

We identified the subject property using the legal description in the most recent deed of record, which is a Special Warranty Deed dated May 8, 2007 (Ref: OR Book 2738, Page 1275). We have relied on our best interpretation of the legal description in order to determine the subject's site area and site boundaries. We asked for but were not provided with a copy of a survey, and we are not surveyors. Should a future survey of the subject determine different site area and site boundaries then this appraisal would be invalid or subject to amendment. A copy of the deed is presented within the addenda of this report.

FUNCTION AND INTENDED USER OF APPRAISAL

This appraisal is intended to assist our client, Santa Rosa County School District, in the estimation of market value of the subject property.

SCOPE AND EXTENT OF DATA COLLECTION AND ANALYSIS

The scope of the appraisal encompasses the necessary research and analysis to prepare a report in accordance with its intended use. For this appraisal assignment, the subject property was identified by a legal description found attached to the most recent deed of record, which is Special Warranty Deed dated May 8, 2007 (Ref: OR Book 2738, Page 1275), a copy of which is presented in the addenda. As mentioned earlier, we relied on our best interpretation of the legal description in order to determine the subject's site area and site boundaries.

Primary data concerning the region, neighborhood and the subject property was obtained through discussions with city and county government officials, i.e. the County Property Appraiser, City and County Planning and Zoning Departments, County Public Records, County Tax Collector, GIS and aerial maps, flood maps and local utility companies. Secondary data was obtained from the Northwest Florida Regional Planning Council, the Chamber of Commerce, Realtor Publications, CoStar, and Metro Market Trends (a local data base company).

This firm has completed numerous appraisal assignments in the subject neighborhood and we have compiled considerable data for it. Much of the data incorporated in this appraisal analysis has come from our files and was updated / expanded as necessary in performing our appraisal analysis.

The nature of the market data collected has been determined based upon a thorough inspection of the subject property and resulting highest and best use analysis. Associate Appraiser Bruce Black, M.S., Florida State-Certified General Appraiser RZ2714, conducted the most intensive inspection of the property, including on site photographing and describing the real estate. R. Shawn Brantley, MAI, CCIM, Florida Certified General Appraiser RZ2714, conducted a more cursory inspection of the exterior, entry ways, and closely reviewed photography and descriptions. The appraisers together certify that the property has been inspected sufficiently, to insure that a credible value opinion has been achieved.

For this appraisal report, the data collection process included inspection and observation of the physical characteristics of the interior and exterior of the property, photographing of the interior and the exterior of the property, and inspecting the surrounding neighborhood. Within the confines of this analysis, the appraiser has made an examination of all available and pertinent market data that could be located within the previous 2-year period before the effective date of the appraisal. The search for comparable sales data was expanded to include northwest Florida, with the most emphasis placed on the areas most proximate to the subject. Also, the selection of the data reported is limited to that data which the appraiser considers relevant to the assignment and to the purpose of the appraisal, under the terms of the highest and best use conclusions rendered herein.

The appraiser's have given consideration to the sales comparison and income approaches to value. The inapplicability of any approach is noted in the report. Similarly, the confirmation of sales is noted with respect to each. The report is prepared in compliance with the Uniform Standards of Professional Appraisal Practice.

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 each 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."¹

¹ FIRREA legislation, Code of Federal Regulations 12 DFR-Part 34.42(g)" and *Uniform Standards of Professional Appraisal Practice* as promulgated by the Appraisal Standards Board of the Appraisal Foundation (1/1/12-12/31/13)

EXPOSURE TIME

The above definition assumes a reasonable exposure time during which the subject 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. Based upon a retrospective estimate, the appraiser has concluded an exposure time of from six to twelve months.

MARKETING PERIOD

The reasonable marketing time is an estimate of the length of time it might take to sell the subject property at the above estimated market value level during the period immediately after the effective date of the appraisal. This marketing time has been estimated at six to twelve months for the subject property based upon presently available market information.

PROPERTY RIGHTS TO BE APPRAISED

We have appraised the fee simple estate in the subject property. Fee Simple is essentially the highest ownership interest possible that can be had in real property; however, it is limited by governmental powers of taxation, eminent domain, police power, and escheat; and it could also be limited further by certain encumbrances or conditions in the deed or other limitations of record.

ZONING, FUTURE LAND USE PLAN

The property lies within the city limits of Milton, Florida and is within its zoning jurisdiction. The property is subject to the C-2, General Commercial District zoning classification. The entirety of the C-2 zoning code is contained within the addenda for the readers review. An excerpt of the C-2 zoning district code as relates to the subject is included below:

General Commercial District (C-2)

This district is composed of certain land and structures used to provide for the retailing of commodities and the furnishing of several major services, selected trade shops, and automotive repairs. Characteristically, this type of district occupies an area larger than that of the neighborhood retail commercial district, is intended to serve a considerably greater population; and offers a wider range of services.

Uses Permitted:

The following uses shall be permitted within any C-2 District:

1. Any use permitted within the C-1 district (personal service establishments, banks, medical and dental clinics, restaurants, professional and other offices, retail businesses, grocery, fruit, vegetable and retail meat markets, among many others).
2. Amusement and recreational facilities,
3. Car wash,
4. Community food banks, food distribution.
5. Drive-in restaurants, when the boundaries of the tract of land on which it is located is in excess of 200' from any residential district.
6. Mechanical garage,
7. Print shops,
8. Pawn shops,
9. Taverns and nightclubs, in accordance with code.
10. Retail heating and air conditioning sales.
11. Retail building supplies, among many others.

Site and building requirements:

The following site and building requirements apply to commercial property located within C-2 districts:

- (1) *Lot area*. There shall be no minimum lot size;
- (2) *Lot coverage*. The maximum combined area occupied by all principal and accessory buildings shall not exceed 50 percent of the total lot area;
- (3) *Lot width*. There shall be no minimum lot width;
- (4) *Yard requirements*. There shall be the following requirements:
 - a. Rear yard: at least 15 feet;
 - b. Side yard: of not less than ten feet in depth; and
 - c. Minimum front yard depth: of not less than 15 feet, except as provided for in these regulations.

Building height requirements - No building shall exceed a height at the required front, rear or side yard lines of three stories or 45 feet from grade, except as provided for in these regulations.

Parking – According to the City of Milton Land Development Code, 1 parking space per each 300 SF of gross floor area is required for shops for the conduct of retail business. Applied to the subject's 45,584 SF (+/-), this renders a total of 152 (+/-) required parking spaces. At present, we count 250 (+/-) marked parking spaces on site, which is more than adequate per code and meets market standards. We note that if the use of the building were to change, then the property would need to meet the current parking code. However, ample parking exists on site for most potential uses.

Future Land Use - The subject property is in the C, Commercial future land use designation. This designation is consistent with the previously stated zoning classification.

In summary, the subject appears to meet the zoning code for the C-2 district.

ASSESSMENT AND TAXES

The property is identified by the Santa Rosa County Property Appraiser's Office by Parcel Number 08-1N-28-0000-02003-0000. It is assessed to Milton, LLC, whose mailing address is 2780 E. Oakland Blvd., Fort Lauderdale, FL 33306. Below, we present a table summarizing the most recent year 2015 assessment and taxes related to the subject property.

Subject 2015 Taxes and Assessments				
Property Reference #	Assessment	Land	Improvements	Tax
08-1N-28-0000-02003-0000	\$2,022,577	\$860,571	\$1,162,006	\$33,518.95

The 2015 assessment for the subject property was \$2,022,577, allocated as follows: \$860,571 to the land and \$1,162,006 to the improvements. According to the Santa Rosa County Tax Collector's office, the year 2015 taxes were \$33,518.95. We are unaware of any special exemptions related to this property reference.

HISTORY OF PROPERTY

We are not aware of any pertinent historical transactions that have occurred in the past five years, or any pending sale, or leases related to the subject property. According to the most recent deed of record, which is a Special Warranty Deed (Ref: OR Book 2738, Page 1275), the subject was purchased by Milton, LLC (grantee) from William Gundlach, Trustee, under Trust Agreement of July 28, 1969 (grantor) on May 8, 2007, for a minimal consideration of \$100.00, which appears to be a recording fee only. Because this transaction is quite dated, and was for a minimal consideration, we have not utilized it within this analysis.

We are aware that the subject property is currently listed for sale. Per Mr. Stacy Taylor with Beck Property Co., the subject is presently listed for sale at an asking price of \$1,500,000 (\$32.691/SF). He stated that the property has only been on the market for about the last 30-days. We give the listing cautious consideration because of the short length of market exposure at a low price.

Also, he stated to us that the owners are presently asking \$4.50/SF on a triple net basis, for the lease of the property. We will consider this information later in our sales comparison and income approaches. The property has been listed at the current asking rental rate for several years. However, there was little interest or activity, due to the fact that some restrictive covenants existed as part of a Declaration of Rights, Restrictions, and Easements, which we describe below. Such covenants have since been terminated, but had the effect of turning away potential tenants.

Mr. Taylor also provided us with a partially signed Real Estate Purchase Option Agreement, where the Optionor is Milton, LLC, and the Optionee is the School Board of Santa Rosa County, Florida. The option period shall be irrevocable for a period of 120 days from the effective date. The purchase price for the property shall be \$1,500,000. The effective date shall be effective on the date when the last of the parties executes the agreement. At the present date, only the Optionee has signed the agreement, thus it is not yet effective, and is awaiting the signature of the Optionor. A copy of this document is presented in the addenda. We give this document cautious consideration because it clearly results for the listing price addressed above.

DESCRIPTION OF TERMINATED DECLARATION OF RIGHTS, RESTRICTIONS,
AND EASEMENTS DOCUMENT

Also, there exists an invalid Declaration of Rights, Restrictions and Easements document related to the subject (Ref: OR Book 1449, Page 950, a copy is presented in the addenda). Per the listing agent, his Declaration document is nullified. For the

reader's reference, the Declaration document states that Milton Associates S.C., Inc. was the "Declarant", which appears to be the developer of the larger center. This Declaration document governs maintenance, use, ingress/egress, etc. for the larger subject and K-Mart shopping center tract combined. The document states that the term of the declaration shall run with the land, and shall be binding upon the fee owners of the shopping center parcel, until the last to terminate or expire of the K-Mart lease or the Bruno's lease (Bruno's apparently was a former occupant of subject property). It is our understanding that there is no lease related to the subject, thus the Bruno's lease is expired. Further, K-Mart still occupies the adjoining tract to the east, and thus its lease/occupancy appears to still be in effect. The declaration document defines an easement over common areas, where both owners of the subject and K-Mart tracts benefit from the non-exclusive right, privilege, easement, and license to use all of the vehicular roadways, entrances, exits, sidewalks, and other facilities designated for common use located from time to time on the larger subject & K-Mart shopping center parcel. The owners of any portion of the subject or K-Mart parcel, their tenants, subtenants, etc., shall have the non-exclusive right to privilege, easement and license to use the parking spaces located from time to time on the shopping center parcel for the purpose for which they are intended. Owners of the applicable portions of the shopping center parcel will maintain and illuminate ingress and egress facilities to the adjoining public streets and highways, rear parking area, and also maintain their respective buildings. The declaration document states that the parking spaces for the subject parcel shall not be less than 240 spaces, and for the K-Mart parcel not less than 490 spaces. Each owner also has utility easements across the larger shopping center parcel, provided such utilities shall not be located initially under the buildings. The declaration document also described maintenance obligations, as well as use

restrictions. Per the use restrictions section at the bottom of page 955 of the declaration document, the larger shopping center parcel, including the subject, may not be used for a discotheque, dance hall, nightclub, movie theater, bowling alley, skating rink, flea market, health club, bingo parlor, office building, entertainment or recreational facility, a training or education facility, an amusement theater, billboard parlor, massage parlor, game or amusement room, adult book store, car wash, or automobile lubrication and oil change operation.

NULLIFICATION OF THE ABOVE-CITED DECLARATION DOCUMENT:

We were told by the listing agent Mr. Stacy Taylor on 3/23/2016, that there has been recent litigation that removed the Declaration, including its use restrictions cited above. Mr. Taylor provided us with a Declaration of Nullity and Termination of That Document Entitled "Declaration of Rights, Restrictions and Easements" (Ref: OR Book 3395, Page 485), which indicates that the previously described Declaration recorded at OR Book 1449, Page 950, including the use restrictions and other site maintenance requirements, and shared ingress/egress & parking information, to be a nullity, without any force and effect and non binding. Apparently, the Declarant had no authority to place such restrictions, etc. upon the subject. Thus, the previously cited deed restrictions, and utility and cross easements, etc. are not relevant to the subject property, as previously cited. Based on our conversation with Mr. Taylor, and the documentation provided to us, **we are appraising the subject property under the special assumption that the Declaration document and its cited use restrictions have been nullified/terminated as described to us. Should this not be the case then this appraisal would be invalid or subject to amendment.**

GENERAL AREA DATA

A detailed description and analysis of the broad market area is included in the addenda. Based on our analysis, we are of the opinion that the demand for real estate should remain generally consistent in the broad market area.

NEIGHBORHOOD DATA

The subject neighborhood is described as being bound by NAS Whiting Field to the north, Interstate 10 to the south, Blackwater River to the east, and East Spencer Field Road to the west. The subject property is situated along the north side of U.S. Highway 90, approximately 400' (+/-) east of its intersection with Worley Blvd. and Avalon Blvd., within the city limits of Milton, Florida. This is a community of approximately 20,000 (population of over 9,323 within the city limits in the year 2013) situated approximately 20 miles northeast of Pensacola. Approximately 7.4 miles northeast of the subject, via Highways 87 and 89, is the entrance road to NAS Whiting Field, one of the area's largest employers.

The subject is located along Milton's strip commercial area, i.e., Highway 90 extending westward from downtown (Stewart Street) for \pm 2.5 miles to Avalon Boulevard (SR 281). Development consists primarily of shopping centers, fast food and dine-in restaurants, automobile dealerships, automotive service facilities, banks, offices, small motels, and various service facilities.

Businesses within the vicinity of the subject include: Dollar General Store, Parkway Plaza (Beall's, Big Lots, among others), Taco Bell fast food restaurant, All Pro Tune Up, Bank of America, Ronny's Car Wash, Ollie's Restaurant, Jaimee's Ridge subdivision, Raceway Gas/Convenience Store, K-Mart (adjoins east via party wall to

subject), Eternal Trinity Lutheran Church, Pensacola State College – Milton Campus, Milton Chevrolet, among many others.

Over the last several years, growth in this area has been slow. Most new growth within the area has occurred further west (3-miles +/-) along Hwy 90 in the Pace community, where we see a new Lowe's, Home Depot, Wal-Mart, Publix, Target, among many others.

The downtown of Milton, to the east of the subject between Stewart Street and the Blackwater River, consists largely of many older office and retail buildings, as well as the Santa Rosa County Courthouse. This area also has seen little new growth. Within the downtown area, we see a mix of small local commercial enterprises, government offices, and general office buildings. There are a few vacancies but occupancy levels seem good. The downtown area, as well as the previously described commercial area along Highway 90, has had some revitalization in the past, but most of the buildings reflect much deferred maintenance. We do not foresee any strong potential for future development as these areas are rather densely developed already. Growth is limited not only by space, but also by generally lower demand and also the current slow economy. As the economy continues to slowly improve, we would anticipate eventual new growth to occur further west and south, especially with the recent completion of the widening project for Avalon Blvd., with the subject's immediate area hopefully benefiting to some degree from this outlying growth.

Access to the neighborhood is via Highway 90 from the east-west, Highways 281 (Avalon Blvd) and 191 (Henry Street) from the south, and Highways 87 (Stewart Street) and 89 (Dogwood Drive) from the north. Highways 191 and 281 both connect to Interstate 10 in the south 3.5-4.7-miles to the south respectively.

In summation, the subject's neighborhood has many strong aspects and complementary businesses, retail stores, and restaurants, which serve as both a draw for the population and somewhat of an employment center as well. However, the market in this area remains slow due to the past economic downturn. Although we are beginning to see some positive signs of a market turn around, with some new construction projects seen in the greater Northwest FL area, there is uncertainty at this time as the outlook of the market is not immediately predictable into the foreseeable future. Improvement of national economic conditions is a likely prerequisite for full recovery of the local real estate market.

SITE DATA

The subject site is located along the north side of U.S. Hwy 90, approximately 400' (+/-) east of its intersection with Worley Blvd. and Avalon Blvd. Per the legal description, the subject benefits from 344.88' of frontage along Hwy 90 at its south boundary. At this location, Hwy 90 is a well traveled commercial artery, having 5-lanes of traffic, a 150' (+/-) wide right-of-way, a center grassed median, and a storm sewer system. There is also a nearby median break about 240' east of the subject that allows eastbound traffic to turn around within Hwy 90 in order to access the site. Additionally, there exists a 31' wide entry driveway at the subject's south boundary at Hwy 90, allowing westbound traffic to directly access the site. We also see a westbound right turn lane onto Worley Blvd. along Hwy 90 south of the subject, as well as two westbound left turn lanes onto Avalon Blvd. The subject has good commercial exposure and access to Hwy 90.

The subject site has the following dimensions per our best interpretation of the legal description: 344.88' along the south boundary and Hwy 90 x 548.28' along the west boundary x 170.00' along the central south boundary x 559.70' along the west boundary x 265.94' along the north boundary x 391.83' along the east boundary x 108.27' along the central south boundary x 125.50' along the east boundary x 15.00' along the central north boundary x 665.55' along the east boundary. A complete delineation of the site boundaries is depicted on a sketch presented earlier in this report.

The parcel is below the abutting road grade of Hwy 90, and slopes slightly down toward the north. Primary ingress/egress to the site is via a 31' wide asphalt paved driveway along the south boundary and Hwy 90. Although there exists a large parking lot and a K-Mart retail center adjoining the subject to the east, a Declaration of Restrictions that was provided to us, governing use of the parking lot and cross easements, etc., is apparently not valid. Thus, we are aware of no legal cross easements at the subject site over the adjoining property to the east.

Drainage at the site appears to be adequate, and is aided by the presence of on-site storm water retention. The site appeared dry at the time of inspection. The U.S. Department of Agriculture Soil Mapping indicates soils on the site are comprised entirely of Troup loamy sand (0-5% slopes), which is well-drained, and is suitable for development. Observation of the subject improvements and improvements in the vicinity would indicate that there is sufficient soil bearing capacity to support most improvements typically found in commercial areas within the general area.

The Federal Emergency Management Agency (F.E.M.A.) Flood Insurance Rate Map, Community Panel Number 12113C0427G, dated 12/19/2006, indicates the subject property is located entirely within an "X" flood zone, which is an area of minimal flood probability. A copy of the flood map was also presented earlier within the exhibits section of this report.

Available public utilities to the subject site include public water, sewer, telephone, natural gas, and electrical services. Site Improvements include an asphalt paved parking lot with lighting, an asphalt paved driveway, extensive concrete curbing, sidewalks, several wooden retaining walls, a storm water drainage system, and on site retention.

IMPROVEMENT DATA

The subject property is improved with a one-story stucco/concrete block “big-box” type retail building. The subject is vacant, and was most recently utilized as a “Food World” grocery store. The building is specifically designed as a grocery store, but with some modification, could be used for a variety of applications. The building contains 45,584 SF (+/-) of gross building area. It features a stucco and textured concrete block at its front, and painted concrete block at its sides and rear. The building has a concrete slab, which is dock high (4', +/-) at its rear. The roof is built up, and is flat, with metal panels and steel trusses for support. At the front of the building, we see typical glass storefront type entry doors, and glass windows in metal frames. The rear has an elevated porch entry/exit, a concrete access ramp, and two dock high loading bays with 8' wide rolling metal doors, and bumpers with levelers. The entire building appears centrally heated and cooled.

The interior of the subject building has mostly an open floor plan. Most of the former grocery store fixtures have been removed, and several wall panels, ceiling tiles, and floor tiles, are missing. Exposed studs are seen in various parts of the building. The structure's interior space would require a renovation for potential tenant occupancy. The structure's interior space is partitioned into a front display area formerly used for grocery sales, various former food departments and service area along the perimeter of the display area, and side and rear storage areas and a rear loading area. The entire facility features a water fire sprinkler system, and is air conditioned. We see old vinyl tile flooring (much is missing), exposed concrete floors in the side/rear storage areas, ceramic tile in former food prep areas (old meat department, bakery, etc.), painted drywall (much is missing, some is unpainted in areas formerly used for food storage coolers), some ceramic tile walls in food departments (old seafood department, bakery,

etc.), ceilings primarily of acoustical tiles in a suspended grid system (many are missing or are stained), an exposed ceiling to metal trusses and metal roof panels in the storage areas, and primarily fluorescent tube lighting fixtures.

According to assessment records, the building was constructed in the year 1994, and has an actual age of 22-years. Based upon its present condition, we estimate a similar effective age of about 22-years, and a remaining economic life of about 18-years. As mentioned, for any prospective tenant to occupy this space, the building would very likely require a significant interior remodeling.

A brief description of the building specifications follows:

Foundation:	Concrete slab, dock high at a rear open loading dock area.
Exterior walls:	Mostly painted concrete block walls, stucco and textured block at the building front facing Hwy 90.
Roof:	Built up, flat, metal panels supported by steel trusses.
Exterior Doors:	Typical glass storefront type entry doors, solid core metal side and rear doors, rolling metal loading bay doors.
Windows:	Glass in metal frames.
HVAC:	Central air conditioning.
Age/Effective Age:	A22/E22
Remaining Economic Life:	18-years

HIGHEST AND BEST USE

The highest and best use is defined as: "The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value."² In estimating the highest and best use of the subject property, the following four criteria were taken into consideration:

- 1) The uses legally permissible at the site
- 2) The uses physically possible on that site
- 3) Financially feasible uses of the site
- 4) The maximally productive use of the property

"AS VACANT"

Legally Permissible Uses – The entire site is subject to the C-2, General Commercial District. The C-2 district allows a broad range of commercial development as previously cited in the zoning section of this report. The C-2 zoning district has been assigned to numerous properties within the surrounding area.

Also, "as-vacant", there exists a nullified Declaration of Rights, Restrictions and Easements, previously described in the history section of this report. The declaration document was intended to govern maintenance, use, ingress/egress, etc. for the subject site and the adjoining K-Mart site to the east not appraised (both described together in the declaration as the "shopping center" parcel). This document also had attached many use restrictions, including several typical commercial applications. However, we have been specifically told by the listing agent Mr. Stacy Taylor with Beck Property Co., and have been furnished by him, with documentation declaring that the Declaration document, including its cited use restrictions, was nullified/terminated as the result of recent litigation.

² *The Appraisal of Real Estate, Fourteenth Edition* (Chicago, IL: Appraisal Institute, 2013), page 333.

Physically Possible Uses – “As-vacant”, and with a site area of 8.98-acres, or 391,157 SF (+/-), the subject site is of sufficient size to support a variety of commercial improvements. The site is generally level to slightly sloping down as one proceeds north across the property, and necessary utilities are available to the site. The subject is accessed via a 31’ wide driveway at its south boundary along Hwy 90, which is a busy 5-lane commercial artery at this location. In addition, a median break exists nearby to the east of the site that allows for both eastbound to turn around in order to access the site. The subject site has an irregular shaped configuration with approximately 344.88’ of frontage along Hwy 90. Also, the site is comprised of soils that are well drained, and per flood mapping and our observation, the site is dry. Any number of the legally permissible uses could occupy this site, “as-vacant”.

Financially Feasible Uses - Financially feasible uses are best exhibited by reviewing surrounding properties. In the immediate vicinity of the subject, we see a wide variety of commercial uses, including fast food restaurants, retail strip centers, offices, and several auto dealers, among many others. Considering this busy location along a primary commercial artery, and assuming the use restrictions mentioned in the declaration are no longer valid as described to us, we are of the opinion that a financially feasible use of the site “as-vacant” would be for development with an intense commercial use that would benefit from its good exposure characteristics. Such uses would include a retail building, an office building or office complex, restaurant, or similar commercial use in support of the neighborhood.

Maximally Productive Use: Considering the wide range of physically possible, legally permissible, and financially feasible uses, it is clear that commercial development of an intense nature, such as a retail building, or possibly a strip center, restaurant, offices, or similar intense commercial use in support of the neighborhood, is

the maximally productive use. This is the highest and best use for this property, “as-vacant”.

“AS IMPROVED”

Legally Permissible Uses – The existing improvements are currently vacant, and were most recently utilized as a grocery store that had been known as “Food World”. This use, as well as various other commercial usages, is legally permissible under the C-2 zoning district. As mentioned, we assume that the Declaration document cited earlier, and its use restrictions, are no longer valid as described to us by the listing agent Mr. Stacy Taylor, and documentation he provided to us.

Physically Feasible Uses - The subject property “as-improved” is an 8.98-acre, or 391,157 SF (+/-) parcel of land improved with a former grocery store containing a total of 45,584 SF (+/-) of gross building area. The improvements are specifically designed for their past use as a grocery store, but could accommodate a wide variety of uses due to their large open floor plan. The building is completely air conditioned and has a water fire suppression system. Although a number of potential occupants could utilize this large structure, its interior would likely need some remodeling prior to occupancy. The building configuration is adequate for its designed use as a grocery store, but with remodeling, could be reconfigured or possibly subdivided for many commercial uses. The building has an actual age of 22-years, and a similar effective age due to its present condition.

Financially Feasible Uses: Financially feasible uses “as-improved”, are best exhibited by reviewing surrounding properties. As previously discussed, the subject property is situated along U.S. Hwy 90 along Milton’s commercial strip. Along this portion of Hwy 90, we see several retail strip centers, fast food restaurants, offices, among other uses. The primary focus of this location is retail in nature. As mentioned, it is our observation that the subject building is dated in its age/appearance, and is in

need of remodeling prior to occupancy. Also, for larger buildings of this size/configuration it is more difficult to find tenants. Considering the surrounding uses along the Hwy 90 commercial corridor, and the location of this property just west of downtown Milton, we believe that a financially feasible use of this property “as-improved” is for remodeling for continued use as a grocery store, or for conversion or possibly subdivision of the building to office use, retail use, or combination of same. Such use(s) would likely attract a wide variety of tenants. We note the success of a similar conversion of a former shopping center nearby to the east along the same road by Santa Rosa County. If the building were subdivided equally down its middle, the two units would range in size from 22,566 SF to 23,018 SF in size.

Maximally Productive Use: Given the above tests, and its design, it is our opinion that the maximally productive use of the subject “as-improved” is for remodeling of the facility for continued use as a grocery store, or for conversion/subdivision of the building to office or retail type uses, similar to those seen in the surrounding area. This is the highest and best use of the subject property, “as-improved”.

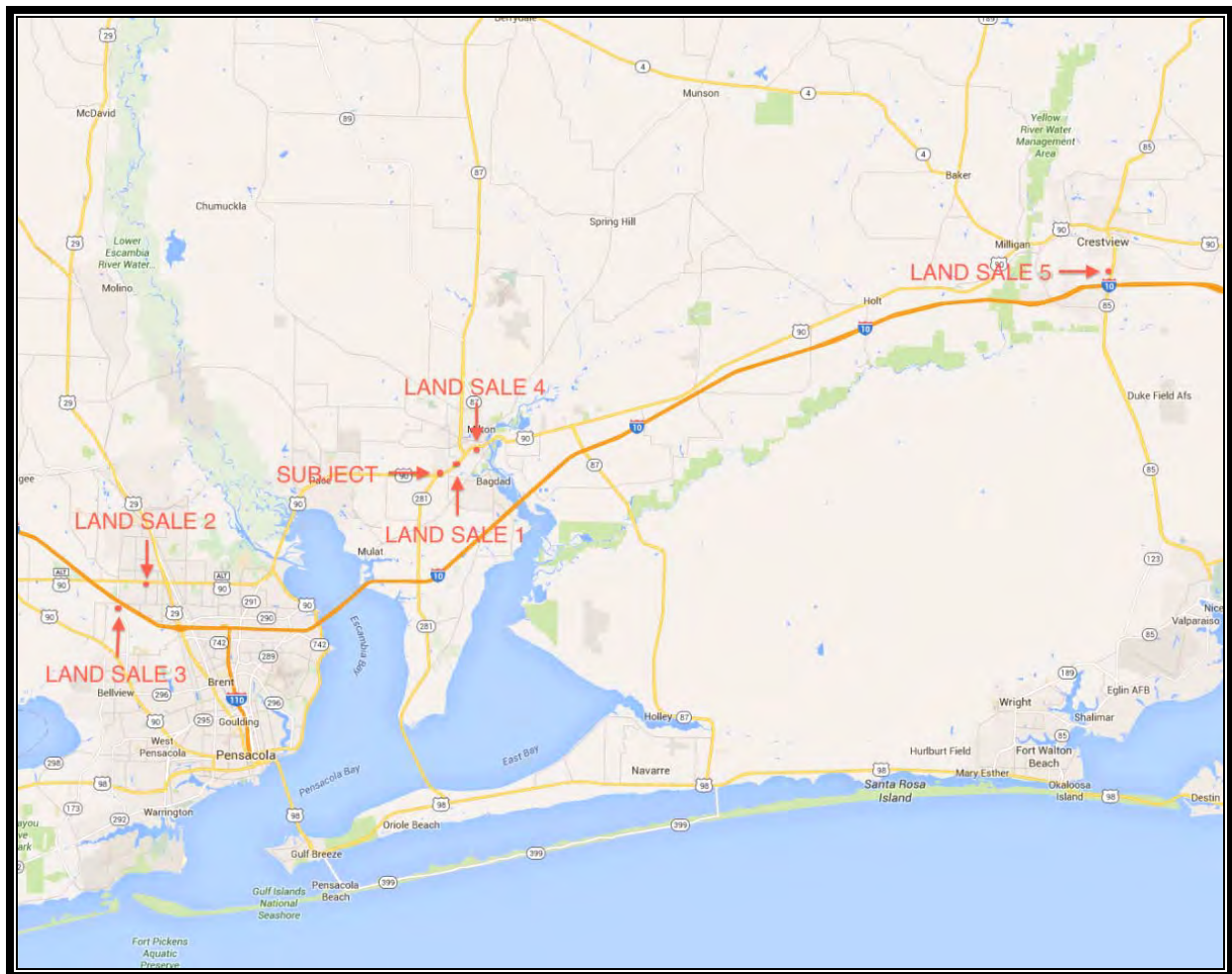
APPROACHES TO VALUE

There are three approaches to value, i.e., the cost approach, the sales comparison approach, and the income approach. The appraiser has given consideration to the sales comparison and income approaches to value only. The cost approach was not utilized due to the age of the improvements. Following our analyses, a review of the separate indications will then be made in order to reconcile a final value opinion, “as-is”.

LAND VALUATION

The sales comparison approach is employed for valuation of the subject land. We have located several comparable land sales that provide for a good comparison to the subject parcel. The land sales deemed the most comparable are described within the respective data sheets on the following pages. On a subsequent page is a land sales comparison grid that summarizes characteristics of the subject site, the comparables and adjustments made by the appraiser to arrive at a value for the subject site. With this in mind, we continue with the presentation of the data sheets for the selected comparables.

LOCATION MAP FOR SUBJECT AND COMPARABLE LAND SALES 1-5



MILTON AND PENSACOLA, FL

Land Sale No. 1



Property Identification

Record ID	6219
Property Type	Vacant Commercial
Property Name	Vacant Commercial land
Address	Highway 90, Milton, Santa Rosa County, Florida
Location	NW corner of Highway 90 and Glover Lane
Tax ID	09-1N-28-0000-05117-0000
Inspect Date	October 20, 2014 by Bruce Black
Land Use Code	30, Commercial Vacant - Single Site
Existing Use	Vacant Commercial Land
Market Type	Vacant Commercial

Sale Data

Grantor	William R. Rollo
Grantee	6300 Block Highway 90, LLC
Sale Date	February 19, 2014
Deed Book/Page	3325/702
Property Rights	Fee Simple
Marketing Time	Unknown
Conditions of Sale	Arms length transaction
Financing	Cash to seller
Sale History	None other within the previous 3 years
Instrument	Warranty Deed
Verification	William R. Rollo, Grantor; 850-623-6771, July 08, 2014; Other sources: Public records; MMT, Confirmed by John Price
Sale Price	\$330,000

Land Data

Zoning	City of Milton, C-2, General Commercial
Topography	W 1/2, Low, E 1/2 Filled
Utilities	All Necessary Available

Land Sale No. 1 (Cont.)

Dimensions	Metes and Bounds - Per Deed
Shape	Irregular
Landscaping	Semi-cleared
Flood Info	Zone AE (Proximate to Pond Creek)
Future Land Use	Commercial
Highest and Best Use	Commercial Development
Encumbrances	No Adverse Noted

Land Size Information

Gross Land Size	2.330 Acres or 101,495 SF
Front Footage	359 ft. Total Frontage: 359 ft. NS of U.S. Highway 90;138 ft. WS of Glover Lane

Indicators

Sale Price/Gross Acre	\$141,631
Sale Price/Gross SF	\$3.25
Sale Price/Front Foot	\$919

Remarks

This is a commercial land parcel located at the signalized corner of Highway 90 and Glover Lane. Soil mapping indicates the site is comprised of poorly to somewhat poorly drained soils. Based upon soil mapping and our observations, the east half of this site has been filled, and approximately the west half is low. We are aware that the property had been in the distant past improved with a Checkers Fast Food Restaurant. The restaurant was long ago demolished prior to this sale, and minor site improvements remain, such as concrete pavement, and a few bollards. Based upon our observations, we believe that any salvage value of these items would offset demolition costs. Also, a Bill Salter Advertising Co. steel monopole billboard sign is located at the southwest corner of the site. The owner of this sign leases the underlying land, and this lease will continue after the sale. The seller Mr. Rollo tells us the annual income from the billboard is \$600-\$700 per year.

AERIAL MAP INCLUDING LAND SALE 1



Land Sale No. 2

Property Identification

Record ID	6682
Property Type	Vacant Commercial/Multi-Family Land
Property Name	Vacant Commercial/Multifamily Land
Address	Pensacola, Escambia County, Florida
Location	SS of W. Nine Mile Rd. 287' (+/-) W of Ashland Ave.
Tax ID	Portion of 12-1S-31-1100-010-001/ All 020-001
Inspect date	November 13, 2015
Present use	Vacant Land

Sale Data

Grantor	Larry Robbins
Grantee	The Crossings at Milestone, LLC
Sale Date	October 15, 2015
Deed Book/Page	7422 344
Property Rights	Fee Simple
Marketing Time	Unknown
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Sale History	None other within the previous 3 years
Instrument	Warranty Deed
Verification	Bo Johnson, Listing Agent; 850-438-8433, November 13, 2015; Other sources: Public Records, Confirmed by Bruce A. Black

Sale Price	\$1,732,000
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Land Data

Zoning	HC/LI, Heavy Commercial and Light Industrial District
Topography	Mostly Level
Utilities	All Necessary Available
Dimensions	Metes and Bounds
Shape	Irregular
Flood Info	Zone X
Future land use	MU-U, Mixed Use - Urban
Highest & best use	Commercial or Multi-Family Development
Encumbrances	None Noted

Land Size Information

Gross Land Size	15.969 Acres or 695,604 SF
Front Footage	80 ft. Primary Frontage: 80 ft. SS of W. 9-Mile Rd.; 55 ft. WS of Ashland Ave.

Indicators

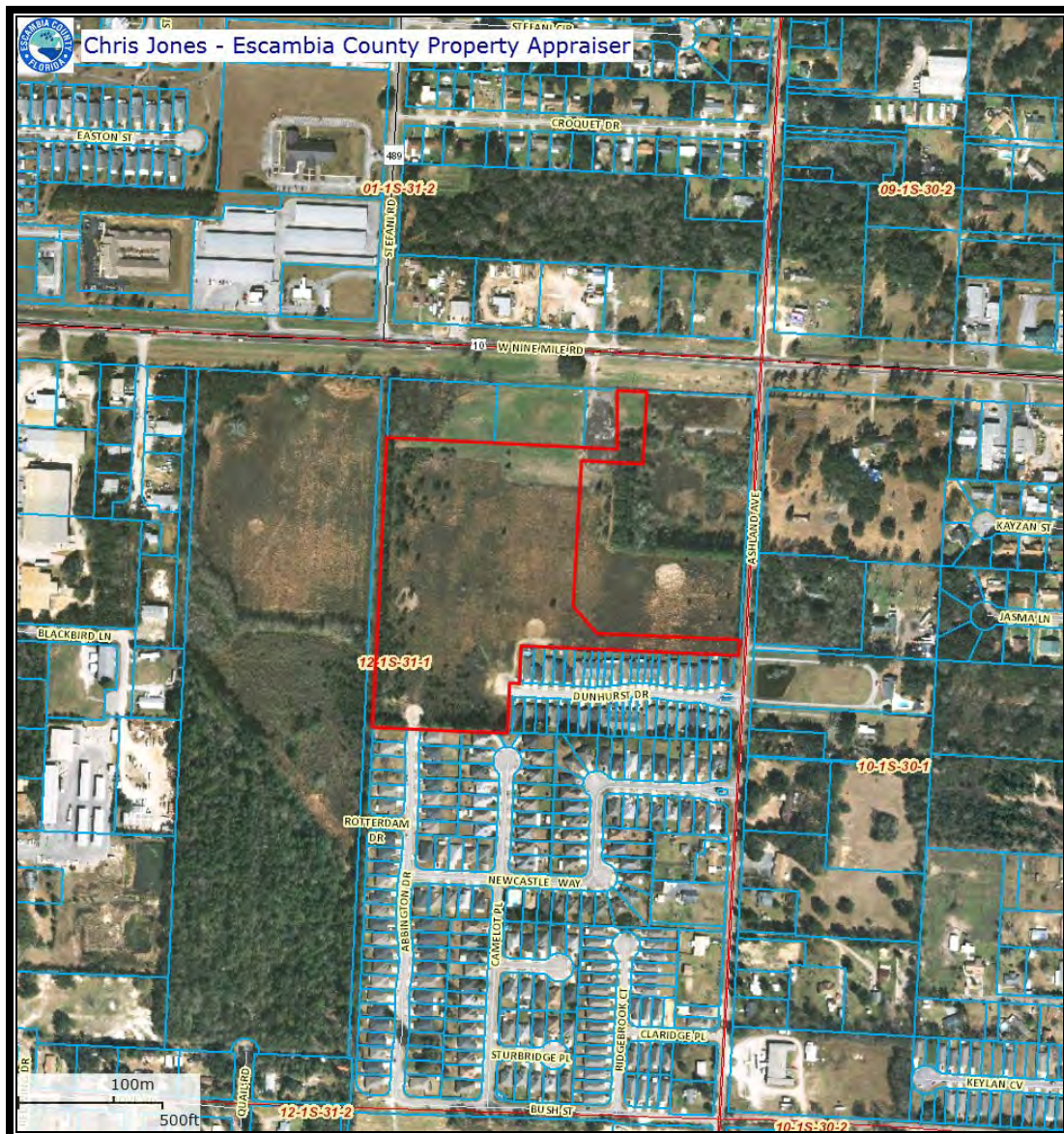
Sale Price/Gross Acre	\$108,461
Sale Price/Gross SF	\$2.49
Sale Price/Front Foot	\$21,650

Land Sale No. 2 (Cont.)

Remarks

This is a sale of vacant commercial or multi-family land located along the south side of West Nine Mile Rd., and the west side of Ashland Ave. This site was a part of a larger 26-acre tract under similar ownership. It was sold to an apartment development group for eventual apartment complex construction. About 10-acres remains of the larger tract at the southwest corner of 9-Mile Rd. and Ashland Ave., which is currently listed for \$2,000,000. This site is 1.6-miles (+/-) from the nearest Interstate access, which is the interchange at Pine Forest Road/I-10.

AERIAL MAP INCLUDING LAND SALE 2



Land Sale No. 3

Property Identification

Record ID	6450
Property Type	Vacant Commercial Land
Property Name	Commercial acreage, former FEMA park
Address	8307 Chellie Rd, Pensacola, Escambia County, Florida
Location	W/S of Chellie Rd & S/S of Wilde Lake Blvd
Tax ID	14-1S-31-1103-000-000 & 8 others per legal
Present use	Vacant commercial land
MSA	Pensacola
Market Type	Vacant Commercial

Sale Data

Grantor	Hospitality Place, LLC & Beach Community Bank
Grantee	Tuna Tower Partners, LLC
Sale Date	September 16, 2014
Deed Book/Page	7229/200 & 204
Property Rights	Fee Simple
Marketing Time	Unknown
Conditions of Sale	Arm's Length, bank owned
Financing	Cash
Sale History	CT \$100 3/7/2013 (6984/718)
Instrument	Warranty Deed
Verification	Liz Munn, Grantor rep; 866-36-BEACH, February 20, 2015; Message for Vincent Toups, Grantee, 850-748-3728, February 23, 2015; Other sources: Public Records, MMT, Confirmed by Rosanna Banks

Sale Price	\$1,425,000
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Land Data

Zoning	Commercial, Escambia County, C-1, Commercial
Topography	Uplands
Utilities	All Avail.
Dimensions	M & B, see sketch
Shape	Irregular
Flood Info	X per 12033C0290G
Future land use	MU-1, Mixed use
Highest & best use	Commercial/Secondary Commercial/Multi-Family
Encumbrances	None detrimental noted

Land Size Information

Gross Land Size	11.590 Acres or 504,860 SF
Front Footage	561 ft. Total Frontage: 506 ft. Chellie Rd; 55 ft. Wilde Lake Blvd

Land Sale No. 3 (Cont.)

Indicators

Sale Price/Gross Acre	\$122,951
Sale Price/Gross SF	\$2.82
Sale Price/Front Foot	\$2,540

Remarks

This is the recent sale of secondary commercial land along the west side of Chellie Road and the south side of Wilde Lake Blvd, just southwest of the intersection of Pine Forest and I-10. The site benefits from an off-site retention pond. Per ECUA, water lines run along Chellie Road and sewer lines are proximate along Pine Forest Rd. The site was formerly a FEMA trailer park but all of improvements have been removed.

Per information obtained from Grantor representative Liz Munn and our interpretation of the legal description in OR Book 7229/Page 204, the Grantee received parcels 14-1S-31-1103-000000; 14-1S-31-1102-000-002; 14-1S-31-1102-007-001; 14-1S-31-1102-000-000; 14-1S-31-1102-006-001; 14-1S-31-1102-005-001; 14-1S-31-1102-004-001; 14-1S-31-1102-000-001, totaling 9.59 acres for \$925,000.

The Grantee simultaneously purchased parcel 14-1S-31-1102-009-001 for \$500,000 from Hospitality Place, LLC. This is recorded in OR Book 7229, Page 200 and totals 2.0 acres for \$500,000.

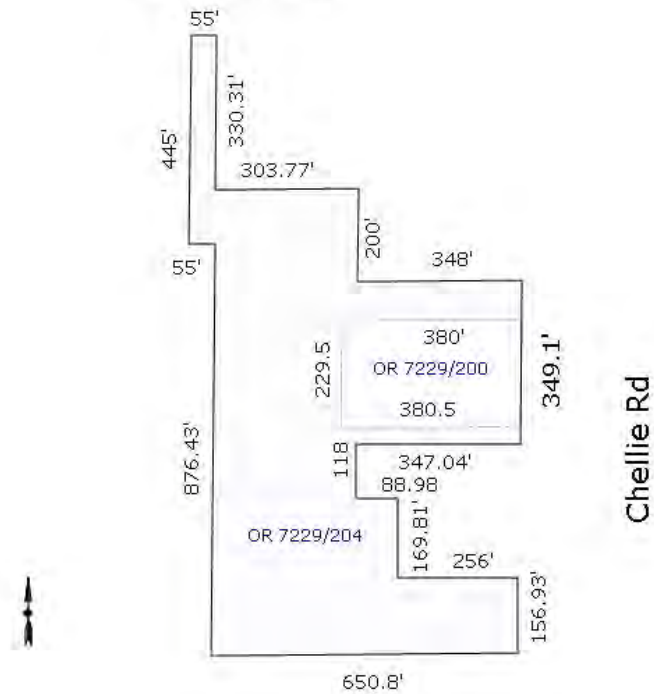
Overall, Tuna Tower Partners, LLC purchased 11.59 acres for \$1,425,000 (\$122,950/Ac or \$2.82/SF). We are aware that a registered agent for the grantee owns/has owned mobile home parks in the area. Given the site's past use as a FEMA park and the buyer's previous involvement with mobile home parks, the site will likely be developed with a mobile home park.

This site is 1,010' (+/-) from the nearest Interstate access, which is the interchange at Pine Forest Road/I-10.

AERIAL MAP AND PROPERTY SKETCH OF LAND SALE 3



Wilde Lake Blvd



Land Sale No. 4



6/26/2012



5/1/2014

Property Identification

Record ID	5286
Property Type	Commercial land
Address	6700 Caroline St, Milton, Santa Rosa County, Florida 32570
Location	East side of Hwy 90, approximately 700' northeast of Dogwood Drive
Tax ID	04-1N-28-0000-11700-0000
Date Inspected	July 26, 2012, and May 1, 2014
Present Use	Recently developed with a Tractor Supply store

Sale Data

Grantor	Woodlands Ventures of Pensacola, LLC
Grantee	DHS X Ventures LLC (40%) and DDCU LLC (60%)
Sale Date	April 16, 2012
Deed Book/Page	3130/637
Property Rights	Fee Simple
Marketing Time	See remarks
Conditions of Sale	Arm's Length
Financing	Cash or equal.
Sale History	None in prior three years
Instrument	Warranty Deed

Verification	Brian DeMaria, Listing Agent w/ Quality Investments; 850-698-5413, May 15, 2012; Other sources: MLS 400076, Public records, Confirmed by Rosanna Banks
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Sale Price	\$575,000 Doc Stamps = \$4,025.00
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Land Data

Zoning	City of Milton, C-2, Commercial
Topography	Mostly level, at road grade, mostly cleared Somewhat poorly drained soils (Rutlege Loamy Sand), appears to have benefitted from past fill activity.
Utilities	All Available
Dimensions	Irregular – see site sketch
Shape	Irregular
Flood Info	Zone "X", minimal probability
Future Land Use	Commercial
Highest & Best Use	Commercial or similar
Encumbrances	None noted

Land Sale No. 4 (Cont.)

Land Size Information

Gross Land Size	4.131 Acres or 179,932 SF
Front Footage	145 ft. Hwy 90

Indicators

Sale Price/Gross Acre	\$139,191
Sale Price/Gross SF	\$3.20
Sale Price/Front Foot	\$3,966

Remarks

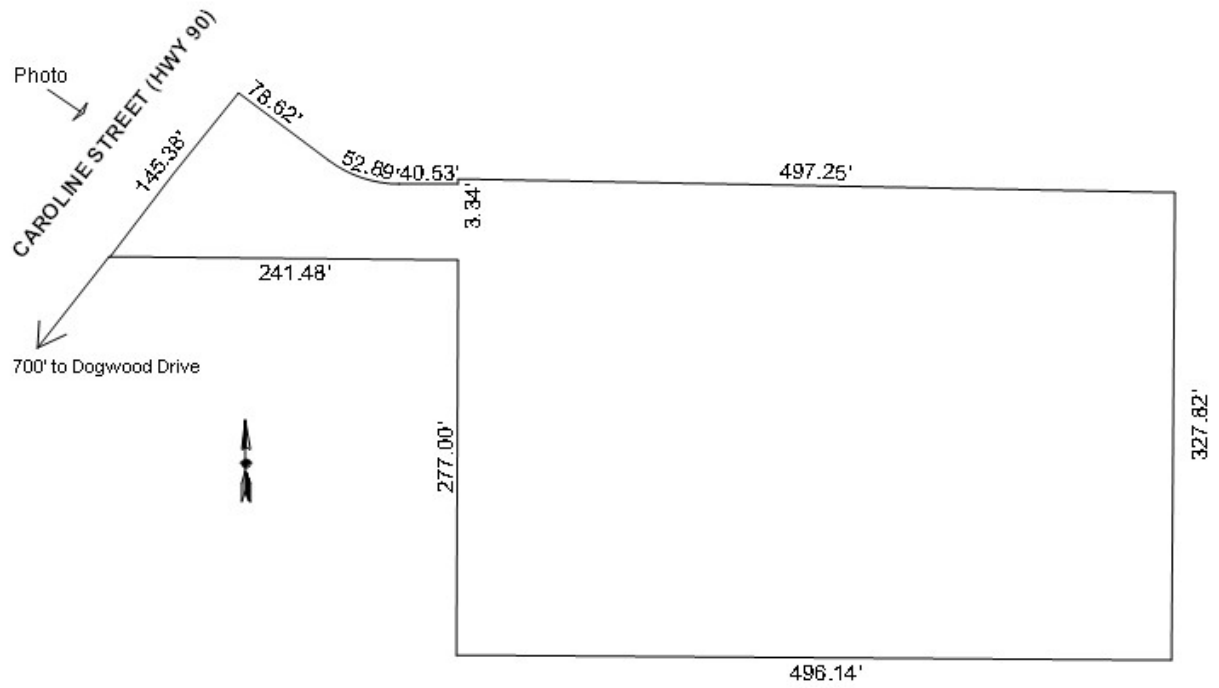
The Listing Agent informed us that the buyers are operating as Mid Bay Ventures and are planning to construct a tractor supply store on this property. The property was listed on the Pensacola Multiple Listing Service (MLS) on 11/17/10 at an asking price of \$675,000, and then sold on 4/16/12 at a purchase price of \$575,000. The listing agent stated that the property was under contract for four to five months while the buyers performed due diligence. Some parts of the property appear to have lower elevations.

Note: The above mentioned tractor supply store has since been constructed on site.

AERIAL MAP INCLUDING LAND SALE 4



PROPERTY SKETCH OF LAND SALE 4



Land Sale No. 5

Property Identification

Record ID	6449
Property Type	Vacant Commercial Land
Property Name	Vacant Commercial Land
Address	Crestview, Okaloosa County, Florida
Location	WS N Ferdon Blvd. S of Duggan Ave.
Tax ID	20-3N-23-0000-0150-0000
Existing Use	Vacant Commercial Land

Sale Data

Grantor	Parker, Larita Fern
Grantee	Ball, Braden K. Jr. Trustee
Sale Date	December 04, 2014
Deed Book/Page	3175/4450
Property Rights	Fee Simple
Marketing Time	511
Conditions of Sale	Arm's length
Financing	Cash or equal.
Sale History	No other within 3 years
Instrument	General Warranty Deed
Verification	Lynn, Counts Real Estate; 850-249-3615, February 18, 2015; Other sources: MLS 711190, Confirmed by Rosanna Banks
Sale Price	\$949,000

Land Data

Zoning	C-1, City of Crestview
Topography	Level to sloping. Slopes down westward at rear of site
Utilities	All Necessary Available
Dimensions	Metes and Bounds
Shape	Sl. Irregular
Landscaping	Cleared along roadway
Highest and Best Use	Commercial development
Encumbrances	None noted

Land Size Information

Gross Land Size	9.030 Acres or 393,347 SF
Front Footage	270 ft. Total Frontage: 270 ft. WS of North Ferdon Blvd.

Indicators

Sale Price/Gross Acre	\$105,094
Sale Price/Gross SF	\$2.41
Sale Price/Front Foot	\$3,515

Remarks

This is the sale of a vacant commercial land located along the west side of Ferdon Blvd. N., adjacent south of the Sonic Drive-In Restaurant. There is a small, dilapidated building on site that contributes no value. A modest allowance of \$2,500 is applied to account for buyer's demolition and removal of this old home, rendering an adjusted sale price of \$951,500. This site is approximately 4,380' (+/-) to the nearest Interstate access, which is the interchange of I-10/Hwy 85 to the south.

AERIAL MAP INCLUDING LAND SALE 5



The selected comps are organized in the following grid to facilitate comparison with the subject.

LAND COMPARISON GRID

ITEM	Subject	LAND SALE 1		LAND SALE 2		LAND SALE 3		LAND SALE 4		LAND SALE 5	
Location	Hwy 90	Hwy 90/Glover Ln.		Nine Mile Rd./Ashland Ave.		Chellie Rd./Wilde Lake		Caroline St.		Ferdon Blvd.	
Prox to Subject	N/A	3/4-Mile NE (+/-)		14-Miles SW (+/-)		15.5-Miles SW (+/-)		1.6-Mile NE (+/-)		40-Miles E (+/-)	
Sales Price	N/A	\$330,000		\$1,732,000		\$1,425,000		\$575,000		\$949,000	
Site Area (SF)	391,157	101,495		695,604		504,860		179,932		393,347	
Price/SF	N/A	\$3.25		\$2.49		\$2.82		\$3.20		\$2.41	
Property Rights	Fee Simple	Similar		Similar		Similar		Similar		Similar	
Adj Price/SF	N/A	\$3.25		\$2.49		\$2.82		\$3.20		\$2.41	
Financing	Cash Equiv	Similar		Similar		Similar		Similar		Similar	
Adj Price/SF	N/A	\$3.25		\$2.49		\$2.82		\$3.20		\$2.41	
Cond of Sale	Arm's Length	Similar		Similar		Similar		Similar		Similar	
Adj Price/SF	N/A	\$3.25		\$2.49		\$2.82		\$3.20		\$2.41	
Buyer Expend	None	Similar		Similar		Similar		Similar		Similar	
Adj Price/SF	N/A	\$3.25		\$2.49		\$2.82		\$3.20		\$2.41	
Time/Mkt Cond	Mar-16	Feb-14		Oct-15		Sep-14		Apr-12		Dec-14	
Adj Price/SF	N/A	\$3.25		\$2.49		\$2.82		\$3.20		\$2.41	
Location	Milton, FL	Milton, FL		Pensacola, FL		Pensacola, FL		Milton, FL		Crestview, FL	
Site Area (SF)	391,157	101,495		695,604		504,860		179,932		393,347	
Road Frontage	345	359		80		561		145		270	
SF/FF	1,134	283		8,695		900		1,241		1,457	
Shape/Utility	Irreg/Avg	Irreg./Avg.		Irreg./Avg.		Irreg./Avg.		Irreg./Avg.		Irreg./Avg.	
Corner/Interior	Interior	Sig. Corner		Interior/D.Access		Int./Tri-Access		Interior		Interior	
Access	Good	Similar		Similar		Similar		Similar		Similar	
Zoning	C-2, Comm.	C-2, Comm.		HC/LI, Hvy Com.		C-1, Comm.		C-2, Comm.		C-1, Comm.	
Topography	M. Level/Typ. Soils	50% Low		10% Similar		Similar		Drt/Likely Filled		Level to Slope	
Utilities	All Available	All Available		All Available		All Available		All Available		All Available	
Easement	None Adverse	None Adverse		None Adverse		None Adverse		None Adverse		None Adverse	
Net Phys Adj %	N/A			-10%		0%		-5%		0%	
Adj Value/SF	\$2.74	\$2.93		\$2.49		\$2.68		\$3.20		\$2.41	

Unit of Comparison - A unit of comparison is a component into which price is divided to facilitate comparison. Typical units of comparison employed by appraisers are price per square foot, price per acre, price per front foot, price per square foot of building area, price per room, etc. The function of the selected unit of comparison is to automatically adjust comparables for size.

In this appraisal, and in the preceding grid, we have used the unit of comparison of "Price per SF" of site area. We have chosen this unit of comparison because we believe this is the manner in which a typical buyer or seller would most likely frame an acquisition or disposition decision.

Adjustments: Adjustments are then applied to the calculated unit of comparison to account for observed differences between the subject property and the comparables. In making adjustments, the appraiser has assumed the subject property to be the market standard. When the amenities of a particular comparable sale exceed those of the subject, the sale price of the comparable sale has been reduced or adjusted downward. When the reverse is true and the comparable sale is inferior to the subject, the sale price of the comparable sale is increased.

The reader should note that the magnitudes of the adjustments deployed are supported by hundreds of similar grids that the appraiser has prepared over the course of the last 30 years as a full time appraiser. The grids from the last thirteen of these years are preserved in the Appraisers files and serve to repetitively isolate the same or similar elements of comparison within the same or similar submarkets. Thus, hundreds of comparison grids exist in the appraiser's files that effectively contain hundreds of paired sales which support a relatively tight range for the percentage impacts upon price caused by the dissimilarities dealt with in our analysis of the subject property. Following is a brief explanation of adjustments applied in the comparison grid.

Property Rights - To the best of the appraiser's knowledge, all of the comparable sales were of fee simple interest. Because the appraiser is estimating the value of the fee simple interest in the subject property, no adjustment is required for this element of comparison.

Financing - The appraisal is made in terms of cash or terms generally equivalent thereto. All of the comparable sales represent either a "cash to seller" arrangement or financing at market terms. For this reason, no adjustment is necessary in this category of comparison.

Conditions of Sale - To the best of the appraiser's knowledge, the closed sales were found to be "arms length" transactions without evidence of any undue influence or duress. For this reason, these comparables were sold under conditions of sale that are compatible with the market value definition and no adjustments were required.

Buyer Expenditures – None of the comps involved any extraordinary buyer expenditures for demolition, rezoning and/or environmental considerations, thus, adjustments were not necessary.

Time/Market Conditions – In arriving at our opinion concerning market conditions, we have reviewed a comprehensive array of sales data that spans the time frame over which sales have been collected. We have relied upon this review in our determination that market conditions have been reasonably stable over the time period pertinent to this analysis, thus no adjustments are required.

Location - Location is an important component of a property's value. This is especially true for commercial land as traffic flow and exposure play a major role in land values. The subject property is situated along the north side of U.S. Hwy 90 in Milton, FL. This location is along Milton's commercial corridor, and is well exposed. Land Sales 1 and 4 are similarly situated along the same commercial corridor, and no adjustments were necessary for location differences. Land Sale 2 is located along West

Nine Mile Road and also Ashland Avenue in Pensacola. This location fronts a busy artery, similar to the subject's location for which no adjustment was necessary. Also, Land Sale 3 is located at the southwest quadrant of the intersection of Pine Forest Rd. and Interstate-10, in Pensacola. This location is west off of Pine Forest Rd. along Chellie Rd. and Wilde Lake Blvd., and is equal or offsetting to the subject's location in Milton. No adjustments were necessary for location differences. Land Sale 5 is located in Crestview along Ferdon Blvd., north of its intersection with Interstate-10. This location is also equal to offsetting in comparison to the subject's location, for which no adjustment was necessary.

Site Area - Our analysis of the sales data reveals no basis for adjustment to the comps for total parcel size. In other words, the data demonstrates that the selected unit of comparison (Price/SF) is adequate in accounting for size differences between these properties.

Frontage/Shape/Utility - This category recognizes characteristics pertinent to primary road frontage, configuration and overall utility of the land. The subject site has an irregular shaped site configuration, with typical utility. While the comps differ somewhat, three are rated as being sufficiently similar to the subject for this characteristic, hence adjustments are not required. Land Sale 1 displays a superior frontage ratio and we applied a negative adjustment for this reason. Also, Land Sale 2 has an inferior frontage ratio for which a positive adjustment was applied.

Interior/Corner – The subject site has an interior site configuration. Land Sale 1 has a signalized corner configuration for which a negative adjustment was applied. Land Sales 2 and 3 each have dual or tri access, for which negative adjustments were applied. Finally, Sales 4 and 5 have interior site configurations, similar to the subject, for which no adjustments were necessary.

Access – Access to the subject site is rated as good along Hwy 90. Each of the comps is similar in this regard, with no adjustments necessary.

Zoning - The subject site is zoned C-2, which allows for commercial development. All of the comps have reasonably similar zoning that allows for commercial development; no adjustments were necessary.

Topography - The land area of the subject property is generally level to slightly sloping. The site is dry and conducive to development. All of the comps have similar topographies; no adjustment is required.

Utilities – All necessary utilities are available to the subject site. Each of the comps is similar in this regard, with no adjustments necessary.

Easements – We are not aware of any easements or encumbrances adversely impacting the subject site or the comps. No adjustments were necessary.

Summary and Land Value Opinion - The comps indicate an adjusted unit value range of from \$2.41/SF to \$3.20/SF, and average \$2.74/SF. Giving some weight to all of the comps, and also considering the subject's location, we reconcile above the average at a rounded \$2.75/SF. Applying this unit value to the subject's site area of 391,157-SF (8.98-acres, +/-) indicates a land value opinion for the subject of \$1,075,682, which we round to \$1,075,000 "R".

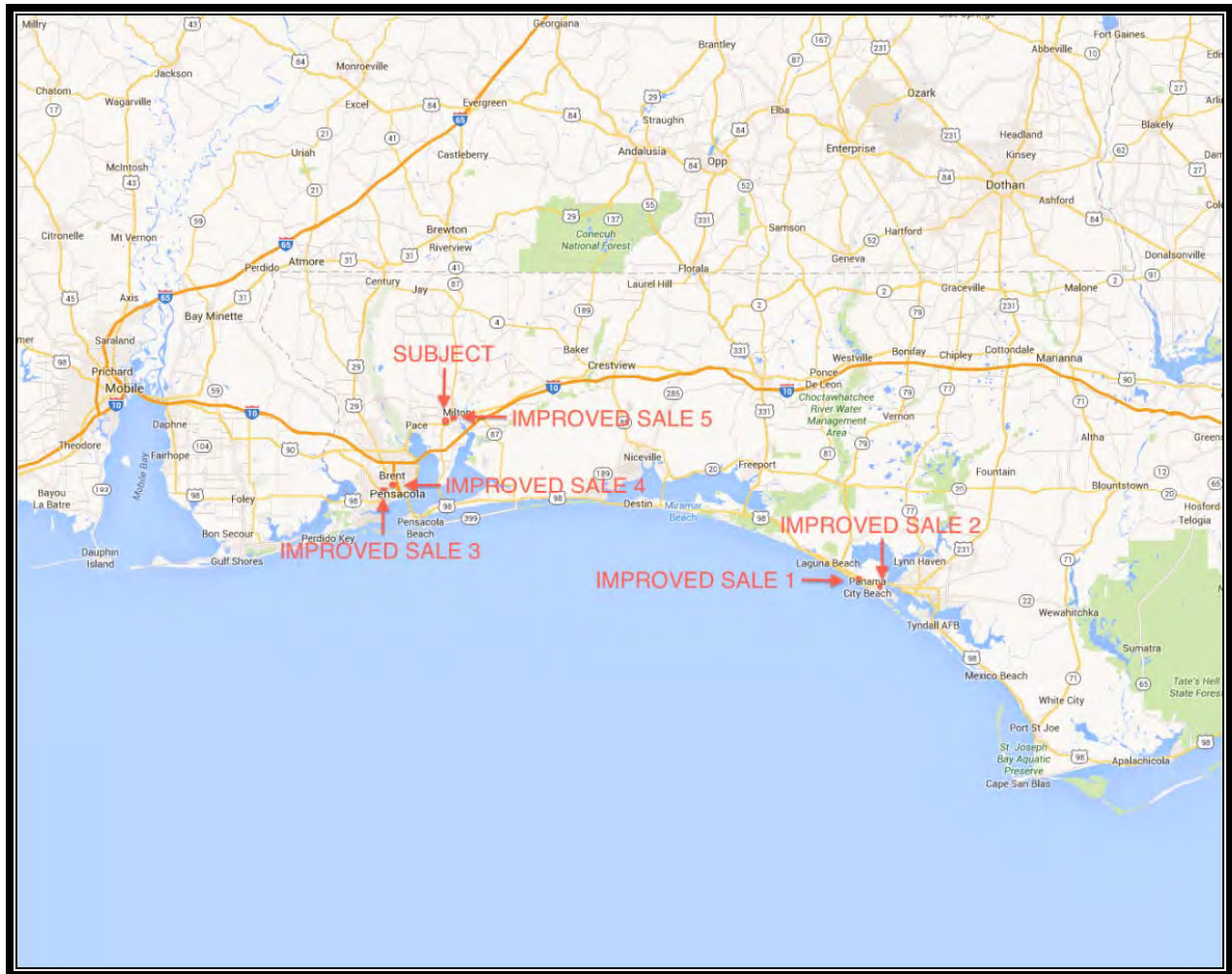
LAND VALUE OPINION - \$1,075,000

SALES COMPARISON APPROACH

The sales comparison approach relies upon the principle of substitution, which asserts that no person is justified in paying more for a property than the price of purchasing a similar property of equal utility on the open market. The sales comparison approach is much like the approach taken by buyers who consider several offerings of properties before deciding to purchase a particular property.

As mentioned, the highest and best use of the subject property is for remodeling of the facility for continued use as a grocery store, or for conversion or possibly subdivision of the building to office or retail type uses, similar to those seen in the surrounding area. In order to value the subject property, "as-is", the appraiser has gathered several comps of similar type properties, but has relied upon the five most similar sales for comparison to the subject property. The comps deemed most comparable are described within the respective data sheets on the following pages. On a subsequent page is a comparison chart that summarizes the amenities of the subject property and those of the comparables used to arrive at an indicated value for the subject property. The chart also summarizes adjustments made by the appraiser to arrive at an indicated value of the subject property. With this in mind, we continue with the presentation of the data sheets, preceded by a location map for the selected comparables.

LOCATION MAPS FOR SUBJECT AND IMPROVED COMPARABLES 1-5



MILTON, PANAMA CITY BEACH, AND PENSACOLA, FL

Improved Sale No. 1



Property Identification

Record ID	3142
Property Type	Shopping Center
Property Name	Middle Beach Shopping Center
Address	11220 Hutchison Blvd., Panama City Beach, Bay County, Florida
Location	NS Hutchison Blvd. 235' W of Richard Jackson Blvd.
Tax ID	34781-010-000
Present use	Shopping Center

Sale Data

Grantor	Equity One, (Florida Portfolio) Inc.
Grantee	GE/Middle Beach, LLC
Sale Date	March 27, 2013
Deed Book/Page	3496 1505
Property Rights	Leased Fee
Marketing Time	Not Disclosed
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Sale History	None other within the previous three years
Instrument	Special Warranty Deed
Verification	Chris McCall, Listing Agent; 850-249-3623, March 22, 2016; Other sources: C0-Star, Public Records, Confirmed by Bruce A. Black

Sale Price	\$2,350,000
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Land Data

Land Size	8.526 Acres or 371,380 SF
Front Footage	794 ft. Total Frontage: 405 ft. NS Hutchison Blvd.; 389 ft. WS Richard Jackson Blvd.
Zoning	CH (PCB)
Topography	Mostly Level
Utilities	All Necessary Available
Dimensions	405.05' x 178.89' x 215' x 388.88' x 96.97' x 595.1' x 650'

Improved Sale No. 1 (Cont.)

Shape	Irregular
Flood Info	Zone X
Future land use	TD (PCB)
Highest & best use	Present Use
Encumbrances	None Noted

General Physical Data

Building Type	Single Tenant
SF	70,107
Construction Type	CB/Stucco
Roof Type	Built Up
Foundation	CC Slab
Electrical	Typical
HVAC	Central
Stories	One
Year Built	1994
Condition	Average

Parking	Marked Spaces	358
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Income Analysis

Potential Gross Income	\$280,428 Est. \$4.00/SF NNN
Vacancy	\$42,064 Est. 15 Percent
Effective Gross Income	\$238,364
Expenses	\$23,836 Est. 10 Percent
Net Operating Income	\$214,528

Indicators

Sale Price/ SF	\$33.52
Floor Area Ratio	0.19
Land to Building Ratio	5.30:1
Gross Income Multiplier	8.38
Eff. Gross Income Multiplier	9.86
Expenses/Sq. Ft.	\$0.34
Overall or Cap Rate	9.13%
Net Operating Income/Sq. Ft.	\$3.06

Remarks

This is the sale of a retail shopping center known as Middle Beach Plaza, in Panama City Beach, FL. The center was anchored by a Publix grocery store at the time of sale. The center was mostly vacant, with the exception of a nail salon in-line tenant. The Publix lease had about 2-years left in its term at the time of sale. Based on our conversation with the listing agent, it is our understanding that the buyer bought out the remaining leases after the sale. The agent reports that the center was in average condition at the time of sale, but that it needed a new roof and air conditioning system.

AERIAL MAP INCLUDING IMPROVED SALE 1



Improved Sale No. 2



Property Identification

Record ID	3143
Property Type	Retail Building
Property Name	Retail Building
Address	7157 Front Beach Road, Panama City Beach, Bay County, Florida
Location	SS Front Beach Road at PCB Parkway
Tax ID	27883-600-000
Present use	Lindsey's Suite Deals Furniture

Sale Data

Grantor	Wayne Lutley
Grantee	James W. Lindsey
Sale Date	October 15, 2015
Deed Book/Page	3741 1526
Property Rights	Fee Simple
Marketing Time	Unknown
Conditions of Sale	Arm's Length Per Buyer
Financing	Cash to Seller
Sale History	None other within the previous 3-years
Instrument	Warranty Deed
Verification	James Lindsey, Buyer; 850-249-6446, March 22, 2016; Other sources: Public Records, Confirmed by Bruce A. Black

Sale Price	\$2,075,000 (Per Public Records)
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Land Data

Land Size	6.621 Acres or 288,398 SF
Front Footage	467 ft. Total Frontage: 467 ft. SS Front Beach Rd (Hwy 98/SR 30)
Zoning	C-3 (Bay)
Topography	Mostly Level
Utilities	All Necessary Available
Dimensions	467' x 639.94' x 562.02' x 109.96' x 180' x 246' x 85' x 284'

Improved Sale No. 2 (Cont.)

Shape	Irregular
Flood Info	Zone X
Future land use	GCOM (Bay)
Highest & best use	Present Use, or Similar Commercial Use
Encumbrances	None Noted

General Physical Data

Building Type	Single Tenant		
SF	77,424		
Area Breakdown	Base Area	57,776	Finished
	Fin. Storage	10,624	Finished
	Upper Story	9,024	Unfinished Storage
Construction Type	CB/Stucco		
Roof Type	Built Up		
Foundation	CC Slab		
Electrical	Typical		
HVAC	Central		
Stories	Two		
Year Built	1985		
Condition	Average		
Parking	Expansive, 37 marked. Vast unmarked		

Income Analysis

Potential Gross Income	\$232,272 Est. \$3.00/SF NNN
Vacancy	\$34,841
Effective Gross Income	\$197,431
Expenses	\$19,743 Est. 10 Percent
Net Operating Income	\$177,688

Indicators

Sale Price/ SF	\$26.80
Floor Area Ratio	0.27
Land to Building Ratio	3.72:1
Gross Income Multiplier	8.93
Eff. Gross Income Multiplier	10.51
Expenses/Sq. Ft.	\$0.25
Overall or Cap Rate	8.56%
Net Operating Income/Sq. Ft.	\$2.29

Remarks

This is the sale of a vacant former Wal-Mart building located along the south side of Front Beach Road at its intersection with Panama City Beach Parkway. This site is situated below the Panama City Beach Expressway, and visibility is limited from this route. The site is also visible via a one way portion of Front Beach Road as it intersects Panama City Beach Expressway underneath the elevated roadway. According to the buyer, the sale was arm's length. He would not verify the sale price paid for this property, or any other information. However, per public records, a local realtor and also a local MAI appraiser, the property was purchased for use as a furniture store. It had been used in the past as a Wal-Mart, which vacated the property prior to the sale. The building adjoins other retail uses to the east upon land under different ownership.

AERIAL MAP INCLUDING IMPROVED SALE 2



Improved Sale No. 3



Property Identification

Record ID	2942
Property Type	Commercial, Retail Building
Property Name	Retail Building
Address	4500 Mobile Highway, Pensacola, Escambia County, Florida 32505
Location	At the northeast corner of Mobile Hwy and Fairfield Drive
Tax ID	15-2S-30-5502-000-000
Inspect Date	March 13, 2015
Existing Use	Retail

Sale Data

Grantor	4500 Mobile Highway LLC
Grantee	Mobile Highway 4500 LLC
Sale Date	January 27, 2014
Deed Book/Page	7130/105
Property Rights	Fee Simple
Marketing Time	1525-Days
Conditions of Sale	Arm's length
Financing	Conventional
Sale History	None in the prior three years.
Instrument	Warranty Deed
Verification	John Griffing, Broker; 850-287-0117, March 13, 2015; Other sources: MLS #381234; Public Records, Confirmed by John Price

Sale Price	\$850,000
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Land Data

Land Size	1.500 Acres or 65,340 SF
Front Footage	542 ft. Total Frontage: 165 ft. Mobile Highway; 377 ft. W Fairfield Drive
Zoning	C-1, Commercial
Topography	Level, dry

Improved Sale No. 3 (Cont.)

Utilities	All requisite available
Dimensions	Varying
Shape	Irregular
Landscaping	Cleared
Flood Info	Zone X
Future Land Use	C, Commercial
Highest and Best Use	Existing commercial use
Encumbrances	None adverse noted

General Physical Data

Building Name	Retail
Building Type	Single Tenant
SF	19,754
Construction Type	Metal panels over rigid frame
Roof Type	Built up metal panels
Foundation	Concrete
Electrical	Typical
HVAC	Central
Stories	1
Floor Height	12
Year Built	1960
Condition	Average

Income Analysis

Potential Gross Income	\$98,760 Estimated at \$5/SF
Vacancy	\$9,876 Estimated at 10%
Effective Gross Income	\$88,884
Expenses	\$17,777 Estimated at 20%
Net Operating Income	\$71,107

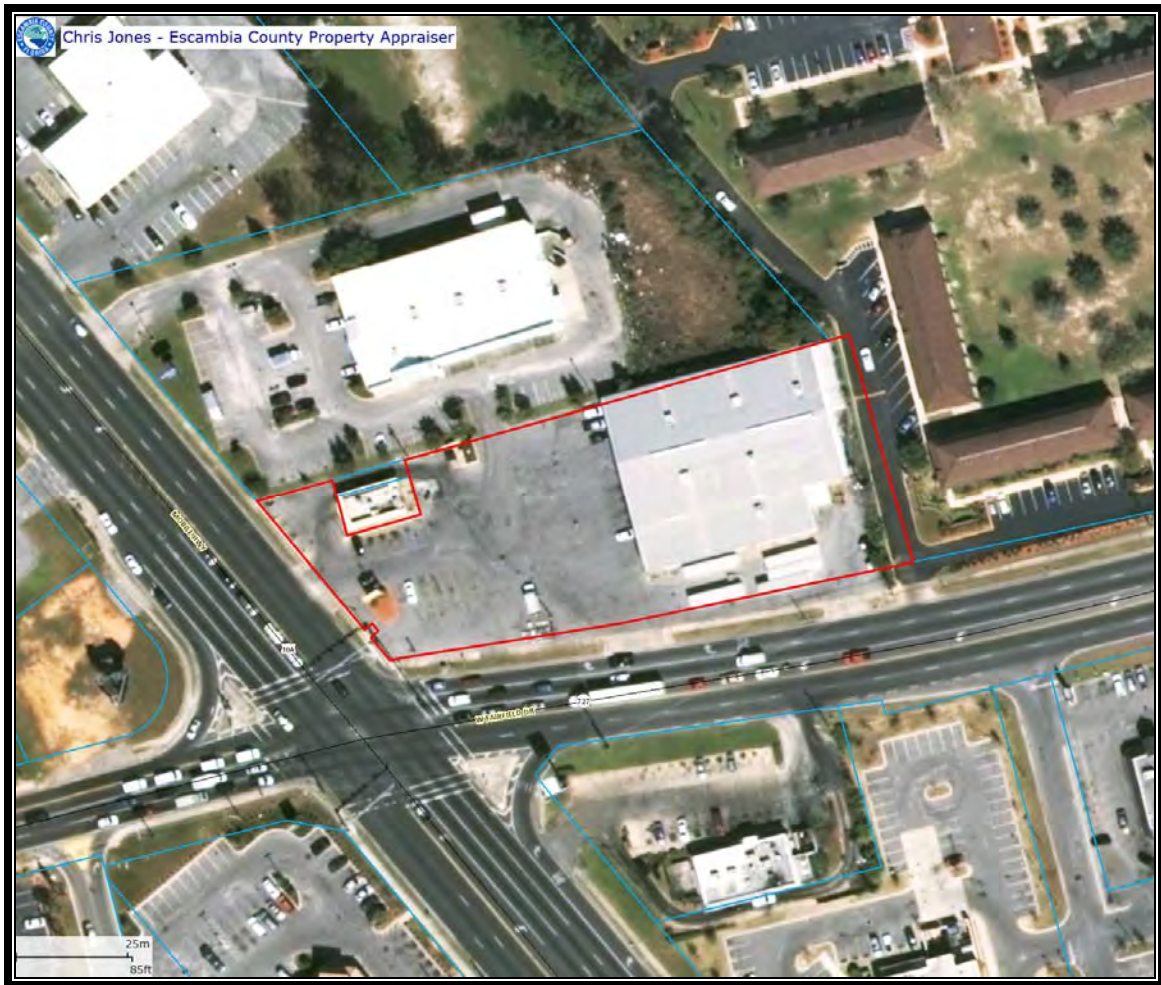
Indicators

Floor Area Ratio	0.30
Land to Building Ratio	3.31:1
Occupancy at Sale	Occupied
Gross Income Multiplier	8.61
Eff. Gross Income Multiplier	9.56
Expenses/Sq. Ft.	\$0.90
Overall or Cap Rate	8.37%
Net Operating Income/Sq. Ft.	\$3.60

Remarks

This is the sale information for a 19,754-SF retail building located at the NE corner of Mobile Highway and W Fairfield Drive. The property has great exposure and access being at the intersection of two major roadways in a densely populated commercial area. The building is older and is fully conditioned. It is segmented into a large open retail area at the front and storage area to the rear. The agent tells us the building was leased to American Freight Furniture and Mattress with a purchase option at the end of the term. The purchase price of \$850,000 was negotiated at the beginning of the lease term. The building was previously occupied by Fred's, a discount retailer. The listing agent tells us this was an arm's length transaction.

AERIAL MAP INCLUDING IMPROVED SALE 3



Improved Sale No. 4



Property Identification

Record ID	3054
Property Type	Commercial
Property Name	Multi-tenant Office/Retail Building
Address	3300 N Pace Boulevard, Pensacola, Escambia County, Florida 32505
Location	NE corner of N Pace Boulevard and W Fairfield Drive
Tax ID	09-2S-30-1100-000-211
Inspect date	November 4, 2015, again March 29, 2016 by Bruce Black

Sale Data

Grantor	Armillary Investments LLC
Grantee	Wright Logging LLC
Sale Date	January 06, 2015
Deed Book/Page	7284/380
Property Rights	Leased Fee
Marketing Time	1121
Conditions of Sale	Arm's Length
Financing	Owner - See remarks
Sale History	5/16/12; \$725,000; 6858/1474
Instrument	Warranty Deed
Verification	Chris Palmer, Co-Agent; 850-434-7500, November 04, 2015; Other sources: GCCMLS #2021627; Public Records, Confirmed by John Price
Sale Price	\$3,200,000

Land Data

Land Size	6.970 Acres or 303,613 SF
Front Footage	446 ft. Total Frontage: 309 ft. N Pace Blvd; 137 ft. N L Street
Zoning	HC/LI, Commercial
Topography	Level

Improved Sale No. 4 (Cont.)

Utilities	All available
Dimensions	Varying
Shape	Irregular
Landscaping	Average
Flood Info	Zone X
Highest & best use	Commercial
Encumbrances	None adverse noted

General Physical Data

Building Type	Single Tenant		
SF	80,000		
Area Breakdown	First Floor	40,000	Open
	Second Floor	40,000	Finished
Construction Type	Masonry		
Roof Type	Built Up		
Foundation	Concrete		
Electrical	Typical		
HVAC	Central		
Stories	2		
Floor Height	16		
Year Built	1957 Significant renovations		
Condition	Average		

Income Analysis

Potential Gross Income	\$600,000 Estimated at \$7.50 Gross
Vacancy	\$90,000 Est. at 15%
Effective Gross Income	\$510,000
Expenses	\$100,000 Estimated at 20%
Net Operating Income	\$410,000 Actual (2014)

Indicators

Sale Price/ SF	\$40.00
Floor Area Ratio	0.26
Land to Building Ratio	3.80:1
Occupancy at Sale	100
Gross Income Multiplier	5.33
Eff. Gross Income Multiplier	6.27
Expenses/Sq. Ft.	\$1.25
Overall or Cap Rate	12.81%
Net Operating Income/Sq. Ft.	\$5.13

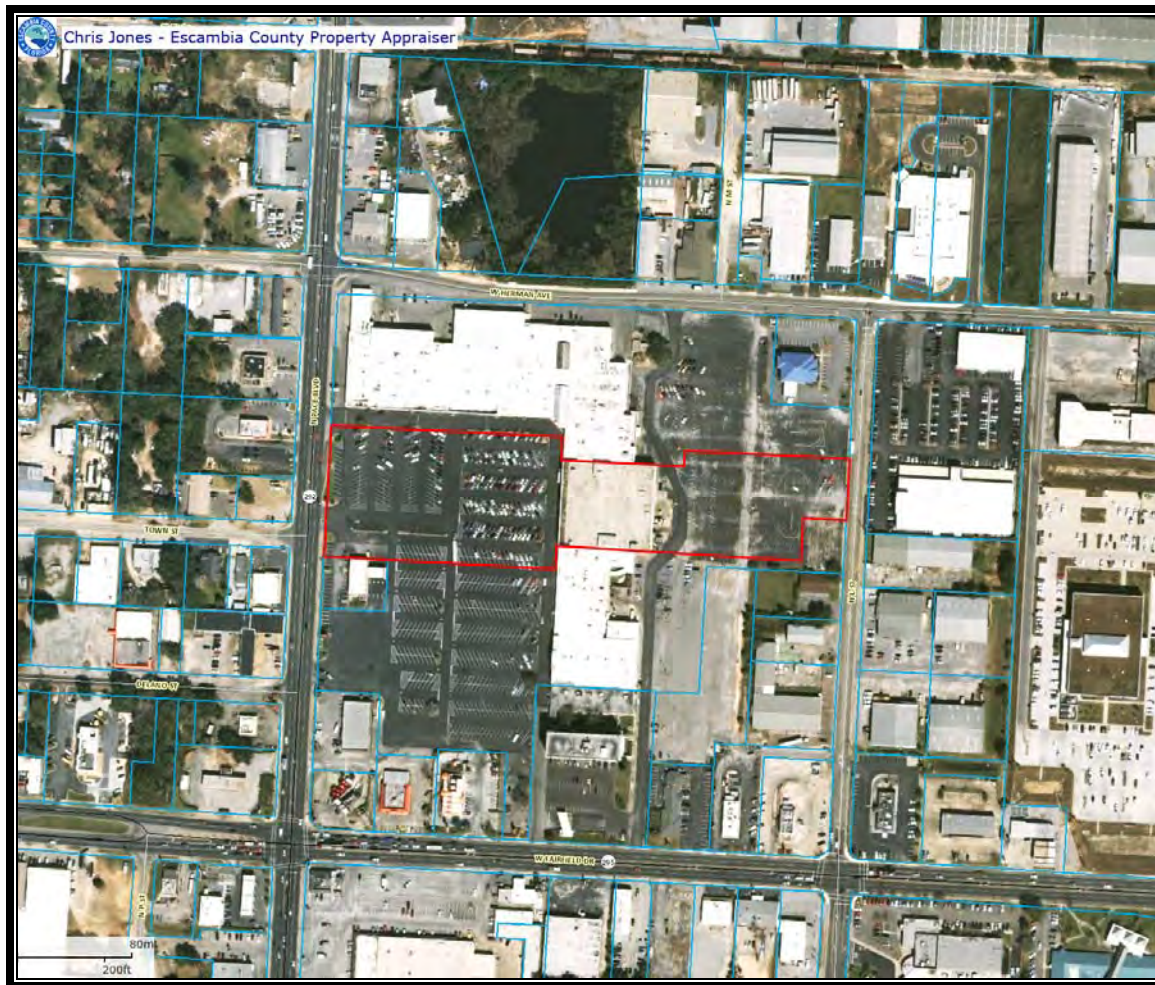
Improved Sale No. 4 (Cont.)

Remarks

This is the sale information for an 80,000 SF, two-story office building that is located in the Town and Country Plaza along North Pace Boulevard in Pensacola, FL. The agent confirms this was an arm's length transaction and the seller provided financing. Public records indicate the buyer paid 43.75% down and financed the balance on a 3-year balloon note. The interest rate was not reported, however the agent reports it was at or near market. The agent reports the building underwent significant renovations in 2012 to update the exterior and second floor of the interior. The first floor has not been renovated and is representative of an open department store, which is its former use. The second floor has been renovated as a large, open call center with modern layout, design, and finishes. The agent reports the building was 100% leased at the time of sale. According to the agent the tenant, Navy Federal Credit Union occupies the second floor and pays additional rent for rights to occupy the second floor. The reported net income for 2014 was \$409,590, yielding a cap rate of 12.80%.

The agent reports 567 dedicated parking spaces for the property and a reciprocal cross parking agreement for an additional 792 parking spaces.

AERIAL MAP INCLUDING IMPROVED SALE 4



Improved Sale No. 5



Property Identification

Record ID	3144
Property Type	Shopping Center
Property Name	Gateway Shopping Center
Address	6564-6580 Caroline Street, Milton, Santa Rosa County, Florida
Location	NW Side of Caroline St., 195' S of Chavers St.
Tax ID	04-1N-28-0000-09600-0000/09601-0000/09603-0000
Inspect date	March 22, 2016
Present use	Gateway Shopping Center

Sale Data

Grantor	Spencer Brothers, LLC, and J.E. Spencer Resources, LLC
Grantee	Jaluit Properties I, LLC
Sale Date	September 24, 2014
Deed Book/Page	3375 565
Property Rights	Leased Fee
Marketing Time	Unknown
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Sale History	None other qualified w/n 3-years
Instrument	Warranty Deed
Verification	Paul Salter, Listing Agent; 850-444-9994, 3/28/2016 Other sources: Public Records, Co-Star, Confirmed by Bruce A. Black

Sale Price	\$2,000,000
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Land Data

Land Size	11.220 Acres or 488,743 SF
Front Footage	343 ft. Total Frontage: 343 ft. NW Side of Caroline St.
Zoning	C-2, General Commercial
Topography	Mostly Level
Utilities	All Necessary Available
Dimensions	Metes and Bounds

Improved Sale No. 5 (Cont.)

Shape	Irregular
Flood Info	Zone X
Future land use	Commercial
Highest & best use	Present Use
Encumbrances	None Noted

General Physical Data

Building Type	Single Tenant	
SF	52,802	
Area Breakdown	Shopping Ctr.	49,538
	Det. Office	3,264
Construction Type	Block Masonry/Wood Siding	
Roof Type	Built Up/High Pitch	
Foundation	CC Slab/Block Masonry	
Electrical	Typical	
HVAC	Central	
Stories	One	
Year Built	1961-1986	
Condition	Average	
Parking	Marked	190 Approximate

Income Analysis

Potential Gross Income	\$316,812 Est. \$6.00/SF NNN
Vacancy	\$47,522 Est. 15 Percent
Effective Gross Income	\$269,290
Expenses	\$67,323 Est. 25 Percent
Net Operating Income	\$201,967

Indicators

Sale Price/ SF	\$37.88
Floor Area Ratio	0.11
Land to Building Ratio	9.26:1
Occupancy at Sale	Tenants
Gross Income Multiplier	6.31
Eff. Gross Income Multiplier	7.43
Expenses/Sq. Ft.	\$1.28
Overall or Cap Rate	10.1%
Net Operating Income/Sq. Ft.	\$3.82

Remarks

This is the sale of a retail center located in the commercial core strip of Milton, FL. As of the present date (March, 2016), tenants include: Dance Academy of Santa Rosa, Anytime Fitness, Firehouse Subs, O'Reilly Auto parts, Dollar Tree, TRX, Santa Rosa Press Gazette, Kelly's Hair Place, and Gateway Mini Warehouses. As mentioned, some mini-warehouses exist that were part of the sale. These mini-warehouses total about 33,600 SF of gross building area, and consist of 11 buildings that appear to be mostly in fair to poor condition (of negligible consequence). Some newer mini warehouses are seen at the back. The square footage of the mini-warehouses is not included in the overall GBA for the center. Also, according to the listing agent, at the time of sale, the center was 85% leased/occupied, and is presently 100% occupied.

AERIAL MAP INCLUDING IMPROVED SALE 5



The selected comps are organized on the following spreadsheet to facilitate the comparison process.

IMPROVED SALES COMPARISON GRID											
Item	Subject	Improved Sale 1		Improved Sale 2		Improved Sale 3		Improved Sale 4		Improved Sale 5	
Location	6032 Hwy 90 Milton, FL	11220 Hutchison Blvd. Panama City Beach, FL		7157 Front Beach Rd. Panama City Beach, FL		4500 Mobile Hwy. Pensacola, FL		3300 N. Pace Blvd. Pensacola, FL		6564-80 Caroline St. Milton, FL	
Proximity	N/A	80 Miles E +/-		83-Miles E +/-		16.7-Miles SW +/-		14.8-Miles SW +/-		1.75-Miles NE +/-	
Ind OAR/GIM	N/A	9.13%	8.38	8.56%	8.93	8.37%	8.61	12.81%	5.33	8.08%	9.47
Sales Price	N/A	\$2,350,000		\$2,075,000		\$850,000		\$3,200,000		\$2,000,000	
Bldg Area (SF)	45,584	70,107		77,424		19,754		80,000		52,802	
Sales Price/SF	N/A	\$33.52		\$26.80		\$43.03		\$40.00		\$37.88	
Property Rights	Fee Simple	Leased Fee		Fee Simple		Fee Simple		Leased Fee		Leased Fee	
Adj Price/SF	N/A	\$33.52		\$26.80		\$43.03		\$40.00		\$37.88	
Financing	Cash or Equiv	Similar		Similar		Similar		Similar		Similar	
Adj Price/SF	N/A	\$33.52		\$26.80		\$43.03		\$40.00		\$37.88	
Cond of Sale	Arm's Length	Similar		Similar		Similar		Similar		Similar	
Adj Price/SF	N/A	\$33.52		\$26.80		\$43.03		\$40.00		\$37.88	
Buyer Expend	None	Similar		Similar		Similar		Similar		Similar	
Adj Price/SF	N/A	\$33.52		\$26.80		\$43.03		\$40.00		\$37.88	
Time/Mkt Cond	Mar-16	Mar-13		Oct-15		Jan-14		Jan-15		Sep-14	
Adj Price/SF	N/A	\$33.52		\$26.80		\$43.03		\$40.00		\$37.88	
Location	Milton, FL	Better		-10% Inferior		10% Better		-10% Better		Similar	
Site/Size (SF)	391,157	371,380		288,398		65,340		303,613		488,743	
Bldg Cov Ratio	11.7%	18.9%		26.8%		30.2%		13.2%		10.8%	
Bldg Area (SF)	45,584	70,107		77,424		19,754		80,000		52,802	
Design/Quality	Average	Similar		Similar		Similar		Similar		Similar	
Act/Eff Age	A22/E22	A19/E19		A30/E20		A54/E15		A58/E10		A53/E20	
Condition	Average	Average		Average		Average		Average		Average	
Percent Finished	100%	100%		88%		100%		100%		100%	
Parking Ratio	1 SP/183 SF	1SP/196 SF		Similar		Similar		1 SP/141 SF		1 SP/278 SF	
Funct Utility	Average	Similar		Similar		Similar		Similar		Similar	
% Occupancy	Vacant	2%-3% +/-		Vacant		100%		100%		85%	
Other	None	Similar		Similar		Similar		Similar		Mini Whses.	
Net Phys Adj %	N/A			-2%		18%				-12%	
Adjusted Value/SF	\$32.11	\$32.85		\$31.62		\$33.56		\$29.20		\$33.33	

Unit of Comparison – We refer the reader to the previous explanation of a unit of comparison and adjustments within the prior land analysis.

In this appraisal, and in the preceding grid, we have used the unit of comparison of “price per SF” of gross building area. We have chosen this unit of comparison because we believe this is the manner in which a typical buyer or seller would most likely frame an acquisition or disposition decision.

Following is a brief explanation of adjustments applied in the comparison grid.

Property Rights – Three of the comps were leased at the time of sale. Because these properties were leased at approximate market rent, or had short lease terms remaining, they are equivalent to fee simple, and no adjustments were necessary. The other two comps sold in fee-simple, and are similar to the subject within regard to property rights, with no adjustments necessary.

Financing - The appraisal is made in terms of cash or terms generally equivalent thereto. All of the comparable sales represent either a "cash to seller" arrangement or financing at market terms. For this reason, no adjustment is necessary in this category of comparison.

Conditions of Sale - To the best of the appraiser's knowledge, all of the cited comparable sales were found to be "arms length" transactions, without evidence of any undue influence or duress. For this reason, the comparables were sold under conditions of sale that are compatible with the market value definition and no adjustment is required.

Time/Market Conditions – In arriving at our opinion concerning market conditions, we have reviewed a comprehensive array of sales data that spans the time frame over which sales have been collected. The sales occurred in 2013, 2014 and 2015, and the market has remained relatively stable since. No adjustments were necessary for differences in time/market conditions.

Location – Location is an important component of a property's value. The subject is located along a busy primary roadway along Milton's commercial strip. Improved Sale 1 is located at the northwest quadrant of the intersection of Hutchison Blvd. and Richard Jackson Blvd. in Panama City Beach, FL. This location is better than the subject's location, being in an area heavily dominated by seasonal tourism near the

beaches. We adjusted this sale negatively for this reason. Improved Sale 2 is located along Front Beach Road at its intersection/merge with Panama City Beach Parkway, in Panama City Beach, FL. This location is inferior in comparison to the subject's location, as it is situated far below the grade of the Panama City Beach Blvd. overpass, reducing exposure, and is accessed via a one way portion of Front Beach Rd. Thus, a positive adjustment was applied for its inferior location. Improved Sale 3 is located at the northeast corner of the intersection of Mobile Hwy and Fairfield Dr. in Pensacola, FL. This location is at a busy signalized intersection and was adjusted negatively for this reason. Improved Sale 4 is located at the northeast quadrant of the intersection of Pace Blvd. and Fairfield Dr., in Pensacola, FL. This location is within an aged but well established shopping center, and was adjusted negatively for this reason. Improved Sale 5 is located along Caroline St. (Hwy 90) in Milton, FL, nearby the subject. This sale compares similar to the subject for its location. No other adjustments were necessary for location differences.

Site Size/Building Coverage Ratio - Building coverage ratios are very useful in analyzing the impact upon price per SF of building area due to site size variation. Essentially, we are concerned with the manifestation of surplus site area outside of what is typically associated with support of the building. Three of the comps compare sufficiently similar to the subject, and no adjustments are warranted for differences in site size/building coverage ratio. Improved Sales 2 and 3 have larger building coverage ratios for which positive adjustments were applied.

Gross Building Area – The subject property and two of the comps are sufficiently similar in size such the unit of comparison is adequate in adjusting for differences in size. Improved Sales 1, 2 and 4 were adjusted positively for their larger gross building

areas. These adjustments account for the inverse relationship between the unit of comparison (Price/SF) and building size.

Design, Quality and Appeal – The subject is an average quality building of typical design and appeal as a former grocery store, with stucco and block exterior walls and a built-up roof. Each of the comps is similar in this regard, with no adjustments necessary.

Effective Age/Condition – The subject building has an actual age of 22-years, and has a similar effective age. Adjustments are applied to the comps as necessary for differences in effective age at a rate of 1% per annum. The condition of the subject property is reflected in our opinion of its effective age.

Percentage Finished – The subject building is 100% finished as a grocery store, with some rear storage, and is also fully air conditioned. Each of the comps are fully finished or have some similar storage area for which no adjustments were necessary.

Parking Ratio – The subject benefits from 250 on site parking spaces, rendering a parking ratio of 1 space per each 183 SF of GBA. Each of the comps has a similar parking ratio in comparison to the subject, with no adjustments necessary. Although two of the comps have extensive unmarked parking, ample spaces exist, with no adjustments necessary.

Functional Utility - This category is utilized to address functional concerns with the properties. The subject and all of the comparables represent fully functional economic units, which are well situated to accommodate various commercial usages. No adjustment is necessary in this category of comparison.

% Occupancy – The subject is currently vacant/dark, and has been so for several years. Two of the comps are vacant or are nearly entirely vacant, for which no adjustments were necessary. Three of the comps were adjusted negatively for their higher occupancy levels.

Other – Improved Sale 5 has the added benefit of a mini-warehouse complex at its side and rear areas for which a negative adjustment was applied.

Market Value Analysis - The comparables indicate an adjusted unit value range of \$29.20/SF to \$33.56/SF, with an average of \$32.11/SF. The comparables provide a reliable indication of value for the subject property. Placing some weight on each comparable, and, considering the quality, appeal and present condition of the subject, as well as its current listing at an asking price of \$1,500,000 (\$32.91/SF), which falls within the adjusted range of the comps, we reconcile above the average at a rounded \$33.00/SF. Applied to the subject's 45,584 SF renders a value indication of \$1,504,272, which we round to \$1,500,000 "R".

Indicated Value by Sales Comparison Approach: \$1,500,000 – "As-Is"

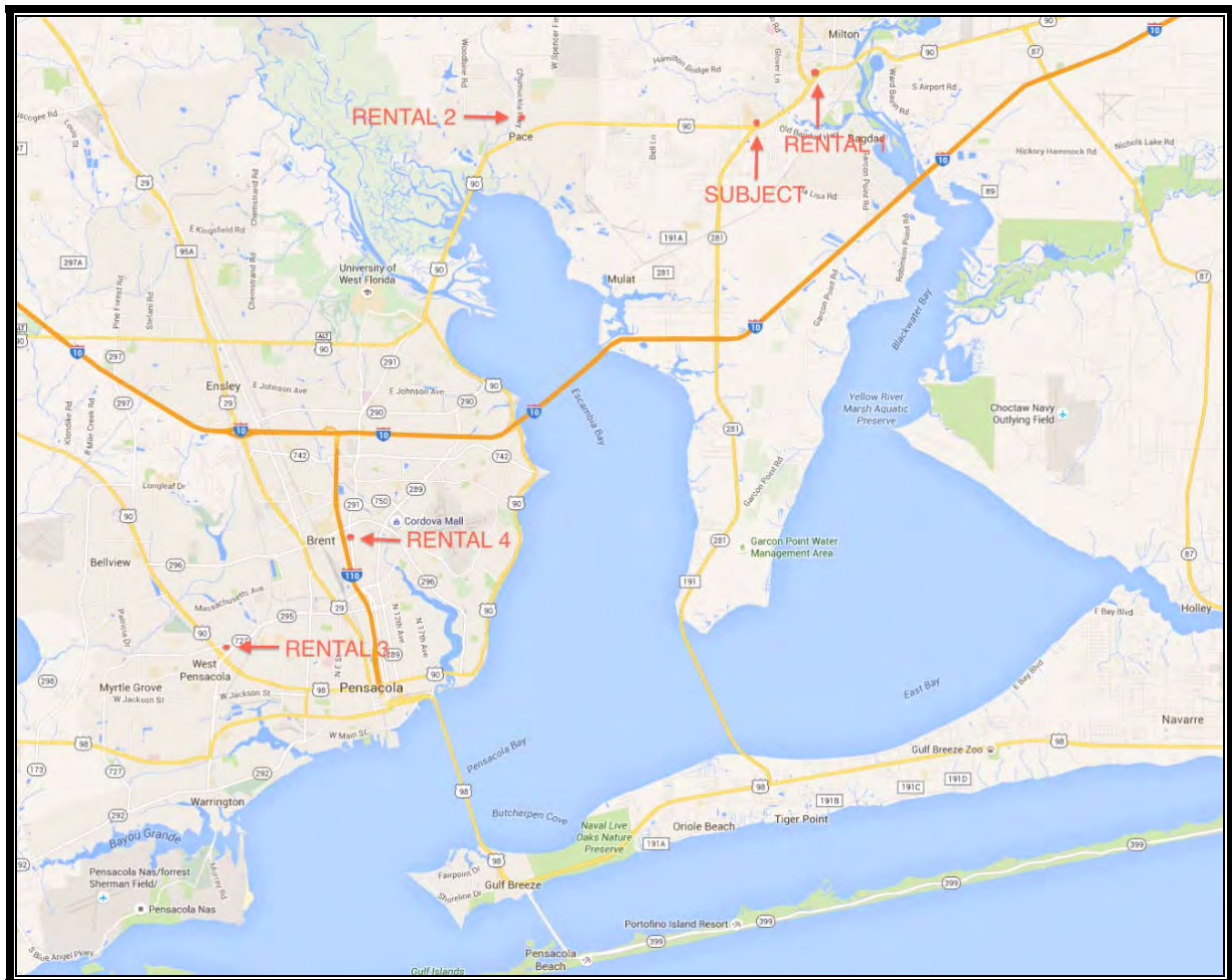
INCOME APPROACH

The income approach is founded upon the principle of anticipation, i.e.: the value of an investment property is the value created by the expectation of benefits to be derived from the ownership of the property. The first step in the income approach is to estimate the gross income the property is capable of producing. From this amount a deduction is made to reflect normal vacancy and credit losses, resulting in an adjusted or effective gross income. Expenses necessary to maintain this income are then totaled and deducted from the effective gross income, resulting in the net operating income. The net income is then capitalized at a rate that will attract an investor to the property.

Subject Rental Data: As previously mentioned, presently the subject property is vacant, and no leases exist. Based upon data furnished to us by the listing agent Mr. Stacy Taylor, with Beck Property Company, the subject property is currently listed for lease at an asking rent of \$4.50/SF, NNN basis. As mentioned, the owner has been asking this figure for several years, without success finding a tenant. However, the lack of success leasing the building is at least partly or largely due to the fact that some use restrictions existed, or were perceived to exist by the owner, that limited much potential commercial use of the subject. The Declaration containing the use restrictions has been terminated. We will consider this information within our income analysis below.

Gross Rent Estimate – We have gathered rents from similar properties located in the general market area. The rental comps are described on the following pages. On a subsequent page is a reconstructed operating statement for the subject property, which summarizes the income and expenses for the subject property.

LOCATION MAPS OF SUBJECT AND COMPARABLE RENTALS



MILTON AND PACE, FL

Improved Lease No. 1



Property Identification

Record ID	2292
Property Type	Retail Store
Property Name	Retail Store - Dollar Tree
Address	6564 Caroline Street, Milton, Santa Rosa County, Florida
Location	NW Side of Caroline St. B/W Dogwood St. and Chavers St.
Tax ID	04-1N-28-0000-09600-0000/09601-0000 and 09603-0000
Inspect date	March 22, 2016
Present use	Gateway Plaza Shopping Center

Physical Data

Land Size	11.220 Acres or 488,743 SF
SF	11,000

Construction Type	CB Stucco
Roof Type	Built-Up
Foundation	CC Slab
Electrical	Typical
HVAC	Central
Stories	One
Year Built	1961
Condition	Average

General Lease Data

Tenant	Dollar Tree Store
Typical Lease Term	Not Disclosed
Lease Type	Triple Net
Tenant Size	11,000 SF

General Tenant Summary

Owner	Jaluit Properties I, LLC
Verification	Paul Salter, Listing Agent; 850-444-9994, March 28, 2016; Confirmed by Bruce A. Black
Highest & best use	Present Use

Improved Lease No. 1 (Cont.)

Encumbrances
Tenant Expenses

None Noted
Pro Rata Taxes, insurance, NS

Rent Analysis

Actual Rent \$5.50/SF Average

Remarks

This is the lease of an 11,000 SF retail unit within a larger 52,802 SF shopping center, known as Gateway Plaza. According to the listing agent, the unit was leased on March 23, 2016 for \$5.50/SF on a triple net basis. He did not disclose the lease term. The unit is occupied by a Dollar Tree Store.

AERIAL MAP INCLUDING IMPROVED LEASE 1



Improved Lease No. 2



Property Identification

Record ID	2073
Property Type	Commercial, General Commercial
Property Name	Retail/Showroom
Address	4592 Chumuckla Highway, Pace, Santa Rosa County, Florida
Tax ID	16-1N-29-0000-03101-0000
Inspect date	September 3, 2014, again March 29, 2016 by Bruce Black
Present use	Alyssa's Antique Depot

Physical Data

Land Size	2.620 Acres or 114,127 SF
Gross SF	22,000
Construction Type	Concrete Block, Brick Veneer Facade
Roof Type	Built Up, Metal Mansard
Foundation	Concrete Slab
Electrical	Typical
HVAC	CH&A
Stories	One
Year Built	1968
Condition	Average

General Lease Data

Tenant	Alyssa's Antique Depot
Typical Lease Term	5-year term
Lease Type	Gross

General Tenant Summary

Owner	Bobby Murphy
Management Co.	Bobby Murphy
Verification	Bob Murphy, owner; 850-994-8523, September 03, 2014; Confirmed by John Price
Tenant Expenses	Interior maintenance and utilities

Improved Lease No. 2 (Cont.)

Rent Analysis

Actual Rent	\$5.45/SF Average
Occupancy	100

Remarks

This is the current lease information for a large multi-tenant retail building along Chumuckla Highway. This lease is to Alyssa's Antique Depot, which occupies 22,000-SF of the building. The owner, Bob Murphy tells us the lease is for \$5.45/SF on a gross basis at a term of 5-years. The lease is on a gross basis with the tenant responsible for own utilities expense, and interior maintenance. Allowing 10% for expenses, we estimate an adjusted triple net equivalency of \$4.90/SF, NNN basis.

AERIAL MAP INCLUDING IMPROVED RENTAL 2



Improved Lease No. 3



Property Identification

Record ID 1076
Property Type Commercial, Retail Stores
Property Name Pensacola Marketplace
Address 4345 W Fairfield Dr., Pensacola, Escambia County, FL 32505
Location SE quadrant of Mobile Highway and Fairfield Drive
Tax ID 34-2S-30-0041-005-002
Date Inspected December 7, 2012, again March 29, 2016 by Bruce Black
Present Use Retail Shopping Center

Physical Data

Land Size 5.69 Acres or 247,856 SF
Leasable SF 49,768
Construction Type Stucco over concrete block
Roof Type Built-up
Foundation Concrete slab on grade
Electrical Typical
HVAC Central heat & air
Stories One
Floor Height 20 feet
Year Built 2007
Condition Average

Tenant Rent Roll

<u>Tenant Name</u>	<u>Size</u>	<u>Rent/SF</u>	<u>Lease Type</u>	<u>Beg. Date</u>	<u>Term</u>	<u>Options</u>
Ross Dress for Less	26,838	\$5.00	Triple Net	Feb 1, 2011	10 years	Four 5-yr

General Tenant Summary

Owner IRA Pensacola, LLC
Management Co. Marcus & Millichap
Verification Alvin Mansour, Sr. VP Investments w/ Marcus & Millichap; 858-373-3184; 12/07/12; Other sources: Public Records, Inspection, Confirmed by Barbara M. Martin

Rent Analysis

Actual Rent \$5.00/SF
Occupancy 96%

Improved Lease No. 3 (Cont.)

Remarks

This is a retail strip center located adjacent to a Lowe's Home Center at the southeast quadrant of Mobile Highway and Fairfield Drive. The lease agent reports all leases are on a triple net basis with the tenants paying a pro rata share of taxes, insurance, and common area maintenance. Expense reimbursements are approximately \$2.29/SF. There was no allowance for build-out for the Ross Dress for Less Space.

AERIAL MAP INCLUDING IMPROVED RENTAL 3



Improved Lease No. 4



Property Identification

Record ID	2293
Property Type	Retail Unit
Property Name	Retail Unit
Address	5007 N. Davis Highway, Pensacola, Escambia County, Florida
Location	SW Quadrant of Davis Hwy and Brent Ln.
Tax ID	48-1S-30-3126-000-000
Inspect date	March 30, 2016
Present use	Surplus Warehouse, Kitchens, Baths, etc.

Physical Data

Land Size	12.660 Acres or 551,470 SF
SF	110,345 (Larger Forest Oaks Shopping Center GBA)
Construction Type	Stucco over Block
Roof Type	Built Up
Foundation	CC Slab
Electrical	Typical
HVAC	Central
Stories	One
Year Built	1990
Condition	Average

General Lease Data

Tenant	EC Barton (Surplus Warehouse)
Typical Lease Term	Not Disclosed
Lease Type	Triple Net
Tenant Size	20,000 SF Retail Unit

General Tenant Summary

Owner	Fonsz Property, LLC
Verification	Stacy Taylor, Beck Property Co.; 850-477-7044, March 30, 2016; Other sources: Public Records, Confirmed by Bruce A. Black

Improved Lease No. 4 (Cont.)

Highest & Best Use	Present Use
Encumbrances	None Noted
Tenant Expenses	Pro Rata Taxes, Insurance, NS

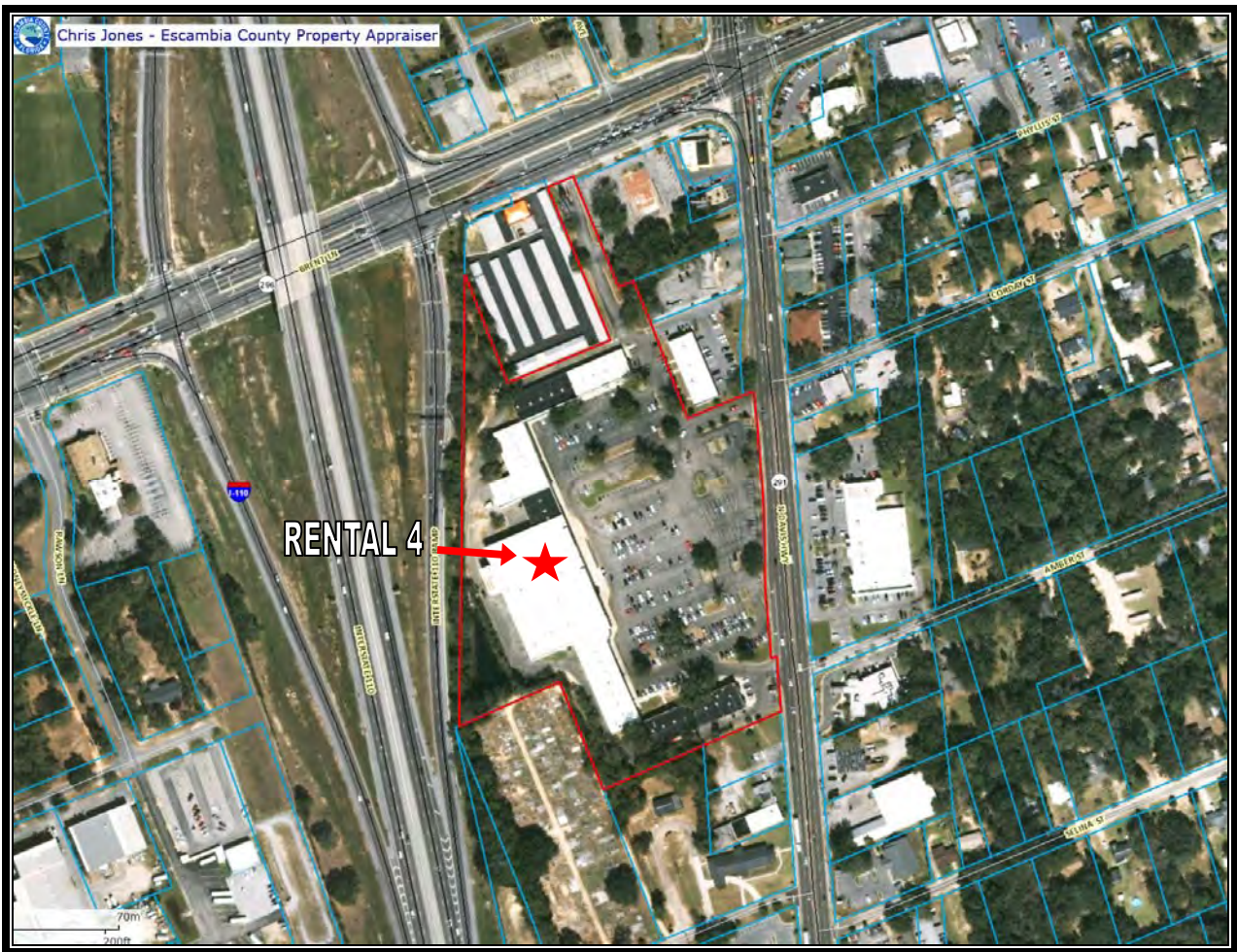
Rent Analysis

Actual Rent	\$3.95/SF Average
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Remarks

This is the very recent lease of a 20,000 SF big box type retail space within the larger Forest Oaks Shopping Center. According to Stacy Taylor at Beck Property Co., they recently (2016) finished a 20,000 SF lease for this unit, which was formerly a north half of a Food World grocery store. The landlord paid \$150,000 in TI. The unit is presently occupied by Surplus Warehouse, which sells cabinets, kitchen equipment, bath fixtures, etc. The unit appears well maintained.

AERIAL MAP INCLUDING IMPROVED RENTAL 4



The selected rental comps are organized in the following grid to facilitate the comparison process.

Summary of Rental Comps						
Comp No.	Property Address	Use	Leased Area (SF)	% Finished	Rent/SF	Lease Basis
Subject	6032 Hwy 90	Former Grocery Store	Vacant, 45,584 SF	100%	Finding	NNN
Subject	6032 Hwy 90	Former Grocery Store	Vacant, 45,584 SF	100%	Asking \$4.50	NNN
1	6564 Caroline St.	Retail Store	11,000	100%	\$5.50	NNN
2	4592 Chumuckla Hwy	Retail Store	22,000	100%	\$4.90	*NNN
3	4345 W. Fairfield Dr.	Retail Store	26,838	100%	\$5.00	NNN
4	5007 N. Davis Hwy	Retail Store	20,000	100%	\$3.95	NNN
Range:			11,000 - 45,584	100%	\$3.95 - \$5.50	NNN

*Adjusted to approximate triple net basis

We have selected 4 rental comps located within the subject's general market area for our income analysis. The above rents are for reasonably similar retail buildings as the subject's structure. These comps are located in Milton, Pace, and Pensacola, FL. The rental comps depict a range of from \$3.95/SF for a 20,000 SF retail building within the Forest Oaks Shopping Center in Pensacola, to \$5.50/SF for an 11,000 SF retail unit utilized as a Dollar Tree within a large strip center. The subject is a large "big-box" type structure that is vacant, but was most recently utilized as a grocery store. This is its specific design, but it could easily be used for a variety of potential commercial applications, similar to the comps, possibly even subdivided. Keeping in mind the size of the subject, and its location in Milton, and its current asking rent at \$4.50/SF NNN basis without any lease in several years on the market, we place some consideration to each of the comps and reconcile at a rounded \$4.25/SF, on a triple net basis, for our estimate of market rent. Applied to the subject's 45,584 SF of overall GBA renders an estimated potential gross income of \$193,732.

Potential Gross Income - \$193,732 on a triple net basis

Vacancy and Collection Loss: The subject is vacant, and has been so for several years. This is apparently because of past use restrictions that were part of a Declaration of Rights, Restrictions, and Easements, that restricted much commercial use of the property. Such restrictions were nullified recently in November 2014, thus we anticipate the property could be more easily occupied by a variety of potential tenants. Per our observation and consultations with several property managers, the current market for similar properties in the area is exhibiting lower vacancy rates than in the past. Although the listing agent Mr. Stacy Taylor stated that past potential tenants have expressed interest in say, only half of the large subject building, we are aware that there is also current interest by the Santa Rosa County School Board in the entire property, and the location of this facility is good, being along a commercial corridor. Considering the subject's design, and generally lower vacancies seen for similar properties in the Northwest FL area, we utilize a vacancy ratio of 10% in our analysis. We believe this percentage accurately represents our general observations, on average, for the neighborhood occupancy levels.

Expenses:

Management - Property management usually can be obtained at a ratio of 5% to 10% of effective gross income. This is based on actual charges within the marketplace and conversations with numerous property managers. The subject compares in the low end of the range at 5% of effective gross income.

Property Taxes – As previously mentioned, actual property taxes for the most recent year 2015 were \$33,518.95, or \$33,519 "R". We anticipate a similar amount of taxes for the forthcoming year 2016. The majority of the tax expense would be reimbursed to the property owner by a triple net tenant, but the owner would remain liable for property taxes during periods of vacancy. Applying the vacancy rate of 10%

to the estimated taxes cited above renders estimated unreimbursed property taxes in the amount of \$3,352 as applicable to the owner during periods of vacancy. The remaining portion (\$30,167) is a reimbursed expense under a triple net lease arrangement.

Insurance – Building insurance is a tenant expense under a triple net lease, thus no cost to landlord. The listing agent reports an annual premium of \$8,430.83, or \$8,431 “R” (\$0.18/SF) for the subject property. This figure is similar to building insurance quotes for similar buildings contained in our files. Property insurance is a tenant expense under a triple net lease; however, we recognize 10% as non-reimbursable during periods of vacancy (\$843 “R”). The remaining \$7,588 is recognized as a reimbursable expense.

Interior Maintenance – Like utilities, interior maintenance is a tenant expense under a triple net lease, thus no cost to landlord.

Utilities – Utilities are paid by tenants and should not be an expense to the landlord, unless applicable for common area maintenance.

Exterior/Structural Maintenance & Reserves – Based upon the need for replacing major items, i.e., roof, flooring, heat/ac, etc., and considering the present condition of the improvements, we allocate an annual expenditure of \$6,800 “R” (\$0.15/SF) for general exterior maintenance and for a sinking fund to allow for reserves for replacement of major components in the future. This expense component is entirely non-reimbursed in nature.

Miscellaneous, Legal and Accounting - We estimate an expense of \$1,000 per annum for these somewhat miscellaneous expenses with the management allowance accounting for most of the administrative expenses.

Net Operating Income: Given the aforementioned charges against gross income, the following estimate of net operating income is made:

RECONSTRUCTED OPERATING STATEMENT FOR THE SUBJECT PROPERTY

Income

	<u>SF of Space</u>	<u>Rent/SF</u>	<u>% of Bldg</u>	
Subject	45,584	\$4.25	100%	\$ 193,732
Potential Gross Lease Income				\$ 193,732
Less Vacancy/Collection Loss @		10%		\$ (19,373)
Effective Gross Income Subtotal				\$ 174,359
Expense Reimbursements				\$37,755
Effective Gross Income				\$ 212,114

Operating Expenses

Reimbursed Expenses:

Property Taxes	\$33,519	\$30,167
Building Insurance	\$8,431	\$7,588
Utilities		\$ -
Total Reimbursed Expenses:		\$37,755

Non Reimbursed Expenses:

Management/Payroll	5%	\$ 8,718	
Property Taxes		\$ 3,352	
Building Insurance		\$ 843	
Interior Maintenance		\$ -	
Utilities		\$ -	
Exterior Maintenance/Reserves		\$ 6,800	
Miscellaneous (Legal, Acct, etc.)		\$ 1,000	
Total Non Reimbursed Expenses		\$ 20,713	11.9%

Total Expenses	28%	\$ (58,468)
Net Operating Income		\$ 153,646
Estimated Value by Direct Capitalization*	9.00%	\$ 1,707,178
Estimated Value by Direct Capitalization "R"		\$ 1,700,000

Capitalization Rate Selection: We shall select our overall capitalization rate based on various techniques and testing procedures. We begin with extraction of an overall rate from comparable sales data:

(1) In the following table are found sales of comparable general commercial buildings from which we have extracted overall capitalization rates.

SUMMARY OF DIRECT CAPITALIZATION RATES				
#	Sale Date	Address	EGIM	Cap Rate
1	Mar-13	11220 Hutchison Blvd., PCB, FL	9.86	9.13%
2	Oct-15	7157 Front Beach Rd., PCB, FL	10.51	8.56%
3	Jan-14	4500 Mobile Hwy., Pensacola, FL	9.56	8.37%
4	Jan-15	3300 N. Pace Blvd., Pensacola, FL	6.27	12.81%
5	Sep-14	6564-80 Caroline St., Milton, FL	7.43	10.10%
Mean			8.73	9.79%

The comparable sales indicate an overall rate range from 8.37% to 12.81%, and a mean of 9.79%. We reconcile with weight to each of the comps, at a rounded cap rate of 9.00% via the comparable sales data.

(2) Another way of estimating an overall capitalization rate is from an effective gross income multiplier (EGIM). In the preceding table, the range of effective gross rent multipliers is from 6.27 to 10.51, with a mean of 8.73. We reconcile at 10.00. Another necessary component of the analysis is the operating expense ratio (OER), which has been previously shown at 11.9%. The calculation of the overall rate from this information occurs as follows:

$$R_o = \frac{1 - \text{OER}}{\text{EGIM}} = \frac{1 - 0.1190}{10.00} = 8.81\%$$

(3) Another way of testing the overall capitalization rate is by use of a weighted average of mortgage and equity components. This method assumes that, because most properties are purchased with debt and equity capital, the overall rate must satisfy the market return for both investment positions. We know that a typical loan to value ratio is 75%. The capitalization rate for the debt portion is the ratio of annual debt service to the principal amount of the mortgage loan (mortgage constant). The following table provides a summary of commercial loan rates provided by commercial lenders:

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2016*											
PERMANENT FINANCING											
	Apt.	Golf	Health Senior Housing	Ind.	Lodging	RV/Camp Mfg Hsg MH Park	Office	Restaurant	Retail	Self Storage	Special Purpose
Spread Over Base**											
Minimum	0.74%	1.20%	1.30%	1.05%	1.20%	0.99%	1.05%	2.30%	0.75%	1.05%	1.75%
Maximum	6.36%	11.50%	7.73%	6.36%	11.00%	8.22%	6.36%	11.52%	7.73%	6.36%	12.00%
Average	2.62%	5.21%	3.15%	2.75%	3.41%	3.70%	3.21%	4.45%	2.87%	3.84%	4.66%
Interest Rate											
Minimum	3.00%	3.46%	3.56%	3.31%	3.46%	3.25%	3.31%	4.56%	3.01%	3.01%	4.01%
Maximum	8.62%	13.76%	9.99%	8.62%	13.26%	10.48%	8.62%	13.78%	9.99%	9.99%	14.26%
Average	4.88%	7.47%	5.41%	5.01%	5.67%	5.96%	5.47%	6.71%	5.13%	5.13%	6.92%
Debt Coverage Ratio											
Minimum	1.10	1.20	1.12	1.15	1.00	1.15	1.15	1.15	1.05	1.15	1.15
Maximum	1.96	2.25	2.30	2.15	2.95	2.05	2.25	2.25	2.25	2.55	2.10
Average	1.43	1.59	1.56	1.49	1.58	1.41	1.70	1.66	1.41	1.65	1.70
Loan-to-Value Ratio											
Minimum	50%	50%	50%	50%	50%	50%	50%	50%	50%	90%	50%
Maximum	90%	80%	90%	90%	80%	90%	90%	75%	90%	50%	80%
Average	73%	66%	71%	70%	67%	70%	73%	64%	71%	69%	64%
Amortization (Yrs.)											
Minimum	15	15	15	15	15	15	15	15	15	40	15
Maximum	40	40	40	40	40	40	40	30	40	15	40
Average	26	21	25	24	22	25	30	21	25	28	22
Term (Yrs.)											
Minimum	3	5	3	3	5	5	3	3	3	3	3
Maximum	40	30	25	30	30	30	30	15	10	10	20
Average	20.50	9.00	13.65	11.46	7.80	9.15	8.00	7.45	6.20	6.10	7.85
** 10-Year Treasury											

*4th Quarter 2015 Data

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Based upon this information, it is reasonable to assume that a mortgage for the subject property could be obtained at approximately 5%. The mortgage capitalization rate is commonly termed the mortgage constant, or the ratio between annual debt service and the principal amount of a mortgage loan. The mortgage constant for a loan at 5% interest, with a 20-year amortization period is 0.079. Assuming a 75% loan-to-value ratio, the mortgage constant would theoretically account for 75% of the capitalization rate.

For the 25% of anticipated equity, an equity capitalization rate is necessary. The capitalization rate for the equity portion of the investment is the ratio of the annual equity dividend to the amount of total equity invested. The equity dividend rate may be

generally measured by analysis of comparable sales and survey/opinion data from market participants. Based upon this type of information, the appraiser has estimated a current equity capitalization rate of 8.00%. With the above-cited data, a weighted average for the overall capitalization rate may be calculated as follows:

$$\begin{aligned} \text{Overall Rate} &= \text{Percent Debt} \times \text{Debt Cap Rate} + \text{Percent Equity} \times \text{Equity Cap Rate} \\ R_o &= (.75 \times 0.079) + (.25 \times 0.08) \\ R_o &= 7.93\% \end{aligned}$$

(4) Another way of estimating a direct capitalization rate is by use of the Debt Coverage Ratio (DCR), which is the ratio of net operating income to annual debt service. The previously estimated NOI for the subject of \$153,646 may be divided by annual debt service of \$95,028 {typical loan being 75% of the final value estimate of \$1,600,000 for 20 years at 5% renders a monthly payment of \$7,919 x 12 = \$95,028} to produce a DCR of 1.62(\$153,646/\$95,028).

The DCR (1.62) is then multiplied by the loan-to-value ratio (0.75) and the mortgage constant (0.079) to produce a cap rate indication of 9.60%. Basically, this procedure simply substitutes the extent by which the DCR exceeds "1" for the equity side of the weighted debt/equity average that was previously employed. This is valid to the extent that the DCR mirrors the equity requirements of market participants.

(5) Below, the PwC Real Estate Investor Survey is found:

PwC REAL ESTATE INVESTOR SURVEY								
Third Quarter 2015								
	REGIONAL MALL		CBD OFFICE		WAREHOUSE		APARTMENT	
	3Q 2015	2Q 2015	3Q 2015	2Q 2015	3Q 2015	2Q 2015	3Q 2015	2Q 2015
Discount Rate (IRR) a								
Range	5.75% - 12.00%	5.50% - 12.00%	5.25% - 11.00%	5.50% - 11.00%	5.25% - 9.00%	5.25% - 9.00%	5.00% - 11.00%	5.00% - 10.00%
Average	7.78%	7.83%	7.21%	7.34%	6.93%	7.08%	7.30%	7.24%
Change (b.p.)		- 5		- 13		- 15		+ 6
Overall Cap Rate (OAR) a								
Range	4.00% - 9.00%	4.00% - 9.00%	3.50% - 8.00%	3.50% - 9.00%	4.00% - 7.00%	4.00% - 7.00%	3.50% - 8.00%	3.50% - 8.00%
Average	6.03%	6.13%	5.66%	6.07%	5.56%	5.65%	5.39%	5.30%
Change (b.p.)		- 10		- 41		- 9		+ 9
Residual Cap Rate								
Range	4.25% - 9.00%	4.25% - 9.00%	4.50% - 8.00%	4.50% - 9.00%	5.25% - 7.25%	5.25% - 7.25%	4.25% - 8.50%	4.25% - 8.50%
Average	6.63%	6.65%	6.11%	6.48%	6.19%	6.33%	5.88%	5.93%
Change (b.p.)		- 2		- 37		- 14		- 5
<i>a. Rate on unleveraged, all-cash transactions. Definitions: b.p. basis points; Discount Rate (IRR). Internal rate of return in an all-cash transaction, based on annual year-end compounding. Overall Cap Rate (OAR). Initial rate of return in an all-cash transaction. Residual Cap Rate. Overall capitalization rate used in calculation of residual price; typically applied to the NOI in the year following the forecast. Source: PwC Real Estate Investor Survey, formerly known as the Korpacz Real Estate Investor Survey. Personal survey conducted by PwC during July 2015. For subscription information, please visit www.pwc.com/us/realestatesurvey or call 1-800-654-3387.</i>								
For continuously updated economic indicators, visit www.appraisalinstitute.org/ano/econ_indicator/indicators.aspx .								

The PwC survey depicts a range of 4.00% to 9.00%, with an average of 6.03% for regional mall properties in the 3rd Quarter 2015.

A review of the results of the various methods of estimating capitalization rates is summarized as follows:

1	From Comparable Sales Data	9.00%
2	From EGIM	8.81%
3	From Mortgage/Equity	7.93%
4	From DCR	9.60%
5	From Publications	4.00% to 9.00%, Avg. 6.03%

We have reviewed the above data and considered the relevance of each indication in reconciling an overall rate for the application of direct capitalization in the

subject valuation. Considering the range produced by our various applications, we lean toward the indications from the sales comparable data and reconcile at 9.00%.

Summary of Direct Capitalization Approach - The \$153,646 estimate of net operating income is divided by the reconciled 9.00% capitalization rate to render a value opinion via the direct capitalization method, of \$1,707,178, which we round to \$1,700,000 "R".

Indicated Value by Income Approach: \$1,700,000 – "As-Is"

RECONCILIATION AND FINAL VALUE OPINION, “AS-IS”

The approaches to fee simple value give the following value indications:

Cost Approach	Not Used
Sales Comparison Approach	\$1,500,000
Income Approach	\$1,700,000

The sales comparison approach is typically a good indicator because it is a very direct and straightforward valuation methodology, and we have a number of comparable sales with which to employ it. This approach has support, and is given weight in the reconciliation analysis.

The income approach is also a good indicator of value as it converts anticipated future benefits of property ownership into an estimate of present value. We researched several comparable leases in the market and were able to make reliable assumptions about anticipated cash flow for the property. For these reasons, we have placed weight on this approach as well.

We reconcile at the value of the fee simple estate, as of the effective date, at \$1,600,000.

FINAL VALUE OPINION, “AS-IS” ONE MILLION SIX HUNDRED THOUSAND DOLLARS \$1,600,000

Allocated as:

Land:	\$1,075,000
Improvements:	\$ 525,000

ASSUMPTIONS AND LIMITING CONDITIONS

1. This is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2 of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report.
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 a 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.
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.

ASSUMPTIONS AND LIMITING CONDITIONS – CONT'D.

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. It may not be used for any purpose by 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.
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.

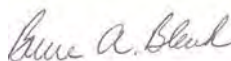
CERTIFICATION

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

1. The statements of fact contained in this appraisal report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.
6. 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.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
8. We have made a personal inspection for the property that is the subject of this report.
9. No one provided significant professional assistance to the person(s) signing this certification other than duly authorized employees of Brantley & Associates Real Estate Appraisal Corp., which includes: Bruce Black, M.S., FL Cert Gen RZ 2714; David Singleton, MAI, MBA, FL Cert Gen RZ 3501 & AL Certified General Real Property Appraiser G01003; John Price, B.S., FL Trainee RI23955 & AL Trainee Real Property Appraiser T02003; Rosanna Banks, Clerical and Davis Allen, Clerical. Any Trainee contributing to this report has contributed no more than 16 hours in the appraisal process.
10. This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, R. Shawn Brantley, MAI, has completed the continuing education program of the Appraisal Institute.
14. We have performed no services, either as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
15. We certify, as the Appraiser(s), that we have completed all aspects of this valuation, including reconciling our opinion of value, free of influence from the client, client's representatives, borrower, any other party to the transaction, or anybody else on this planet.
16. We are competent to perform this assignment.



R. Shawn Brantley, MAI, CCIM
State-Certified General Appraiser
Florida #RZ289



Bruce A. Black, Associate
State-Certified General Appraiser
Florida #RZ2714

CURRICULUM VITAE
R. SHAWN BRANTLEY, MAI, CCIM, SRA
BRANTLEY & ASSOCIATES REAL ESTATE APPRAISAL CORP.
850-433-5075 shawnbrantley@brantleyassociates.com

AFFILIATIONS/DESIGNATIONS:

MAI Designation: Commercial appraisal designation awarded in 1994, Member #10514

CCIM Designation: Commercial investment designation awarded in 1999, Member #8500

SRA Designation: Residential appraisal designation awarded in 1990, Member #42488

AI – GRS Designation: Review appraisal designation awarded in 2015

State Certified in Florida (Cert Gen RZ289) and Alabama (State Certified General Real Property Appraiser, #G00419) to appraise all types of real property.

FHA Appraiser: Member of Federal Housing Administration's Fee Appraisal Panel, 1986-1994.

VA Appraiser: Member of Veteran's Administration's Fee Appraisal Panel, 1993-2004.

Realtor: Member of Local Association, Florida Association, and National Association of Realtors.

Professional Service: Past President of NWF Chapter of Appraisal Institute for 1997, Admissions Chair for Appraisal Institute in 1996, Have served extensively on Appraisal Institute's Regional Ethics & Counseling Panel, Have served extensively on commercial (MAI) & residential (SRA) candidate experience review committees & professional standards committees for the Appraisal Institute. Past President of Santa Rosa Co. Board of Realtors in 1991, Have served on Realtor's board of directors for many years, Past chairman of Realtors grievance, professional standards, long-range planning & awards committees.

EXPERIENCE:

Over 30 Years of Experience: Owner/President of Brantley and Associates Real Estate Appraisal Corp. from 2004 to present. Owner of Martin, Brantley & Associates, Inc. from 1997-2004. Owner/President of Brantley Real Estate, Inc. from 1990-1996. Employed as Staff Appraiser with Presley Real Estate, Inc. from 1984-1989.

Court Experience: Have testified in proceedings pertaining to values and damages on more than 100 occasions, including order of takings for eminent domain, jury trials, divorce cases, partition suits, bankruptcy matters, etc. Have qualified in County and Federal Courts.

Varied Experience: Experience includes appraisals in the following property types: Agricultural, Apartments, Automotive dealerships, Banks, Borrow Pits, Cemeteries, Churches, Condemnation matters, Condominiums, Convenience stores, Cropland, Dental facilities, Easements, Eminent domain matters, Extended stay motels, Farms, Fast food facilities, Golf courses, Grain bins, Greenhouses, Hair salons, High-rise condominiums, Homes up to over 9,000SF, Hotels, Industrial properties, Land tracts up to 422,000 acres, Leasehold interests, Liquor stores, Manufacturing plants, Medical facilities, Mobile home parks, Motels, Night Clubs, Offices, Oceanfront properties, Partial Interests, Restaurants, Retail, Right-of-way corridors, RV Parks, Self-storage facilities, Service stations, Shopping centers, Subdivisions, Supermarkets, Timberland, Warehouses, Waterfront property, Wetlands, etc.

Geography of Experience: Most extensive experience is within the Florida counties of Escambia, Santa Rosa, Okaloosa, Walton, & Bay, and the Alabama counties of Baldwin, Mobile, and Escambia.

Other Experience: Employed by ETS (Educational Testing Service) as a test question writer & reviewer for Florida's examination for the state certification of real estate appraisers. Selected by the Florida Dept. of Revenue as participant in its bi-annual Florida Real Estate Value Survey. Selected by University of Florida, Institute of Food & Agricultural Sciences, as participant in its bi-annual survey of North Florida Land Values. Have published magazine articles relevant to real estate appraisal issues.

Partial List of Prior Clients:

Law Firms: Balch & Bingham, LLP; Borowski & Duncan; Chase, Quinnell & Jackson; Clark, Partington, Hart, Larry, Bond & Stackhouse; Greenburg, Traurig; Johnson, Green & Miller; Lindsay, Andrews & Leonard; Litvak, Beasley, Wilson; Locklin, Jones & Saba; Lyons, Pipes & Cook; Moore, Hill & Westmoreland; Shell, Fleming, Davis & Menge; Thompson, Garrett & Hines; Werre & Fitzgerald

Banks: Bank of America, BB&T, Hancock Bank, Centennial Bank, Coastal Bank & Trust, Compass Bank, First American Bank, Regions Bank, SunTrust, Synovus, Wells Fargo.

Governmental Agencies & Political Subdivisions: City of Destin, City of Gulf Breeze, City of Milton, City of Pensacola, Escambia County, Florida Dept. of Environmental Protection, Florida Dept. of Transportation, Okaloosa County, Mobile County, Santa Rosa Bay Bridge Authority, Santa Rosa County, Santa Rosa County School Board, U.S. Army Corps of Engineers, U.S. Department of Housing & Urban Development, U.S. Department of Veterans Affairs.

Corporate Clients: Associates Relocation, American Cyanamid, Baptist Hospital, Baskerville-Donovan, Inc., Blue Sky Timber, LLC, Chicago Title Insurance Co., CBRE, Coldwell Banker Relocation, Cushman Wakefield, Education Credit Union, Elliot-Cooke & Co. CPA's, Equitable Relocation, Farm Credit, Figg Engineers, Inc., General Electric Corp., Gulf Power Co, International Paper Corporation, Medical Center Clinic, P.A., Monsanto Employees Credit Union, Moreland-Altobelli Assoc., Inc., Old Republic Title Insurance Co., Pace Water System, Inc., Sacred Heart Hospital, Saltmarsh, Cleveland & Gund, CPA's, Southern Farm Bureau Casualty Insurance Co, Teachers Federal Credit Union.

EDUCATION:

M.S. Real Estate Appraisal, University of St. Thomas, St. Paul, Minnesota, 2007.

B.S., Finance & Investment Management, University of Alabama, Tuscaloosa, Alabama, 1984.

Over 1,000 classroom hours of specialized appraisal education specific to real estate appraisal:

COURSE DESCRIPTION	DATE	HOURS	SPONSOR
USPAP	08/15	07	Appraisal Institute
Diminution of Value and Severance Damages	05/15	02	American Society of Appraisers
USPAP Update and Core Law	10/14	7/3	Bert Rodgers
Review Theory - General	08/14	20	Appraisal Institute
USPAP Update	10/12	07	Bert Rodgers
Challenging Assignments for Residential Appraisers	10/12	07	Bert Rodgers
Appraisal of 2-4 Family & Multi-Family Properties	10/12	07	Bert Rodgers
Foreclosure Basics for Appraisals	09/12	07	Bert Rodgers
Florida Laws & Regulations	08/12	03	Bert Rodgers
Business Practices & Ethics	12/10	07	Appraisal Institute
Advanced Appraisal Review	06/10	17	Florida Department of Transportation
Supervisor and Trainee Appraiser	06/10	03	Florida Department of Transportation
USPAP Update and Core Law	06/10	7/3	Florida Department of Transportation
Aviation Valuation	01/09	02	Pensacola Regional Airport
USPAP Update and Core Law	04/08	7/3	Florida Department of Transportation
Supervisor & Trainee Rules & Roles	04/08	03	Florida Department of Transportation
Advanced Appraisal Review	04/08	17	Florida Department of Transportation
Appraisal of Sovereign Submerged Lands	03/08	06	Dept. of Environmental Protection
Valuation of Conservation Easements	01/08	31	Appraisal Institute
Using the HP12C Calculator	11/06	07	Appraisal Institute
Appraisal of Nursing Facilities	11/06	07	Appraisal Institute
Analyzing Operating Expenses	11/06	07	Appraisal Institute
Market & Feasibility Analysis	08/06	40	University of St. Thomas
National USPAP	04/06	07	McKissock
Florida Laws & Regulations	04/06	03	McKissock
Advanced Appraisal Topics	01/06	40	University of St. Thomas
Business Practices & Ethics	12/05	08	Appraisal Institute
Statistical Analysis for Appraisal	08/05	40	University of St. Thomas
USPAP	10/04	07	McKissock
Legal Issues in Valuation	08/04	40	University of St. Thomas
Effective Communication	08/04	40	University of St. Thomas
Uniform Standards for Federal Land Acq.	03/04	16	Appraisal Institute
Timberland Appraisal Methods	02/04	12	Appraisal Institute

EDUCATION (CONT'D)

COURSE DESCRIPTION	DATE	HOURS	SPONSOR
Effective Appraisal Writing	08/03	07	Appraisal Institute
USPAP	11/02	04	Bert Rodgers
Communicating the Appraisal	11/02	04	Bert Rodgers
Neighborhood Analysis	11/02	04	Bert Rodgers
Residential Subdivision Analysis	11/02	05	Bert Rodgers
Sales Comparison Approach	11/02	06	Bert Rodgers
Appraisal Research and Analysis	11/02	04	Bert Rodgers
Urban Land Economics	08/01	26	Univ. of St. Thomas
USPAP Update	06/01	07	S. Vehmeier
Uniform Standards & Prof. App. Practices	11/00	10	McKissock
Factory-Built Housing	11/00	10	McKissock
Automated Valuation Models	11/00	10	McKissock
USPAP "Core" Law	08/99	07	NWF Ch. Appraisal Inst.
Comp. Commercial Review	06/99	20	CCIM
Real Estate Decision Analysis	01/99	30	CCIM
Real Estate Market Analysis	09/98	30	CCIM
Real Estate Financial Analysis	03/98	30	CCIM
Standard of Professional Practice "C"	04/98	15	Appraisal Institute
USPAP "Core" Law for Appraisers	10/97	07	Appraisal Institute
Condemnation Valuation	05/97	04	EC Ch. Appraisal Inst.
Tomorrows Appraiser	10/96	04	Appraisal Institute
Standards of Prof. App. Prac. A	1996	16	Appraisal Institute
Tools for Better Appraising	1996	01	NWF Ch. Appraisal Inst.
Complex Residential Properties	1995	07	Mid-S AI C
Appraising FHA Insured Prop.	1995	07	Appraisal Institute
Exp. Review Training Program	1995	04	NWF Ch. Appraisal Inst.
Understanding Limited Appraisals	1994	07	Appraisal Institute
Standards of Prof App Pract. B	1994	11	Appraisal Institute
Standards of Prof App Pract. A	1994	15	Appraisal Institute
USPAP Core Law Seminar	1994	07	NWF Ch. Appraisal Inst.
Comp. Appraisal Workshop	1994	23	T. Whitmer Co
USPAP/Environ. Hazards	1992	10	Real Estate Ed. Spec
Litigation Valuation	1991	15	Appraisal Institute
Adv. Income Capitalization	1989	15	Appraisal Institute
State Cert. Real Est Appr Cs-II	1989	60	Bert Rodgers
State Cert. Real Est Appr Cs-I	1989	60	Bert Rodgers
Valuation & Report Writing	1988	48	AIREA/Univ. Florida
Case Studies in RE Valuation	1987	48	AIREA/Univ. North Carolina
Standards of Professional Prac	1987	28	AIREA/Texas Christian University
Appl Residential Prop Valuation	1987	challenged	SREA
Capitalization Theory & Tech B	1987	challenged	AIREA
Capitalization Theory & Tech A	1986	challenged	AIREA
Basic Valuation Proc. (Exam 1A2)	1986	challenged	AIREA
Real Estate Appr Prin. (Exam 1A-1)	1985	challenged	AIREA
Real Estate Brokers Course	1984	48	Bert Rodgers
Principals of Real Estate (FI431)	1984	60	University of Alabama
Real Estate Finance (FI 436)	1983	60	University of Alabama
Real Estate Salesman's Course	1979	51	Bert Rodgers

QUALIFICATIONS AS AN APPRAISER

BRUCE A. BLACK

EDUCATION:

Bachelor of Science Degree, University of South Florida, Tampa, Florida, 1991, Major: Biology.

Master of Science Degree, University of North Florida, Jacksonville, Florida, 1996, Major: Health Science, Graduate Certificate in Public Health.

Successful completion of the following courses and/or exams, which are specific to real estate appraisal:

<u>COURSE DESCRIPTION</u>	<u>DATE</u>	<u>HOURS</u>	<u>SPONSOR</u>
Appraisal Course (AB-1)	1999	75	Florida RE Institute
RE Salesmen's Pre Licensing Course	1999	60	Florida RE Institute
RE Salesmen's Post Licensing Course	1999	60	Florida RE Institute
Appraising the Appraisal	2000	23	RE Ed. Specialists
USPAP/Florida Law Update	2000	07	RE Ed. Specialists
USPAP/Florida Law Update	2002	10	McKissock
Appraisal Courses (AB 2 and AB 2b)	2002	45	Florida RE Institute
Effective Appraisal Writing	2003	07	Appraisal Institute
Appraisal Course (AB-3)	2003	60	RE Ed. Specialists
USPAP/Florida Law Update	2004	10	McKissock
Using HP12C Financial Calculator	2006	07	Appraisal Institute
I310 – Basic Income Capitalization	2006	39	Appraisal Institute
USPAP/Florida Law Update	2006	10	McKissock
II510 – Advanced Income Capitalization	2007	40	Appraisal Institute
400G – General Market Analysis and Highest & Best Use	2007	30	Appraisal Institute
FL Sup/Trainee Roles & Relationships	2008	03	McKissock
USPAP/Florida Law Update	2008	10	McKissock
420 – Business Practices and Ethics	2008	08	Appraisal Institute
15 Hr. National USPAP	2008	15	Appraisal Institute
II530 – Advanced Sales Comparison and Cost Approaches	2008	40	Appraisal Institute
II540 – Report Writing and Valuation Analysis	2009	40	Appraisal Institute
II550 – Advanced Applications	2009	40	Appraisal Institute
Business Practices and Ethics (New)	2010	08	Appraisal Institute
FL Sup/Trainee Roles & Relationships	2010	03	McKissock
USPAP/Florida Law Update	2010	10	McKissock
USPAP Update	2012	7	RE Ed. Specialists
Florida Law Update	2012	8	RE Ed. Specialists
Foreclosures and Short Sales	2012	7	RE Ed. Specialists
2-4 Family and Multifamily	2012	8	RE Ed. Specialists
USPAP Update	2014	7	RE Ed. Specialists
Florida Law Update	2014	8	RE Ed. Specialists
Unique and Complex Properties	2014	15	RE Ed. Specialists

EXPERIENCE:

Employed by Brantley & Associates Real Estate Appraisal Corp. (formerly Martin, Brantley & Associates, Inc.) as an Appraiser from 1999 to present.

Employed as a Scientist II with Columbia Analytical Services, Inc. of Jacksonville, Florida from May 1998 to August 1999.

Employed as a Laboratory Technician with St. Johns County Utility Department of St. Augustine, Florida from March 1995 to May 1998.

AFFILIATIONS:

State-Certified General Real Estate Appraiser

State of Florida, #RZ2714

SCOPE OF CLIENTS (Brantley & Associates): Bank of America, Coastal Bank & Trust, BBVA/Compass Bank, Charter Bank, Wachovia/Wells Fargo Bank, Regions Bank, SunTrust Bank, Whitney/Hancock Bank, Florida Department of Transportation, area attorneys, individuals, accountants and estates.

ADDENDA

GENERAL AREA ANALYSIS

The Pensacola Metropolitan Statistical Area (MSA) consists of the two westernmost counties in Northwest Florida, Escambia and Santa Rosa. The MSA contains the cities of Pensacola, Milton and Gulf Breeze, and the towns of Century and Jay. The counties are situated along the Gulf of Mexico and the Intracoastal Waterway in the area dubbed as “The Western Gate to the Sunshine State”. Pensacola itself is known as the City of Five Flags. The area is strategically placed between various large southern cities. It is located approximately 60 miles from Mobile, Alabama; 200 miles from New Orleans, Louisiana; 200 miles from Tallahassee, Florida; and 325 miles from Atlanta, Georgia. Escambia County has approximately 661 square miles with Santa Rosa County encompassing 1,024 square miles. There is an additional 100 square miles of water area within the county boundaries. A delineation of the boundaries is shown on the map below:



There are four forces that have significant influence on property values in the region. They are listed as follows:

ECONOMIC FORCES
SOCIAL FORCES
GOVERNMENTAL FORCES
ENVIRONMENTAL FORCES

The interaction of these forces influences the value of real property in the market. The regional analysis is presented with these factors in mind.

ECONOMIC FORCES: The analysis of economic trends will be confined to the local economy as most applicable to the subject of the appraisal. This category will evaluate trends in employment and housing trends within the MSA.

Employment: Pensacola's regional economy continues to rely heavily upon governmental expenditures, which are primarily military. However, tourism, industry, health care and education make up the majority of its workforce and economy. At the present time, 32 percent of the workforce in the area work in business, science, and the arts, 22 percent work in the service industry, 27 percent work in sales, 9 percent work in construction and maintenance, and 10 percent work in production and transportation of goods. In an effort to diversify the past/existing labor trend, local government has intensified their efforts in securing new industry to the area. This effort commenced in the late 1980s and continues through the present time.

Military personnel have had a profound effect upon the area's economy. Escambia and Santa Rosa Counties are host to numerous military installations including Naval Air Station Pensacola, Saufley Field, Corry Stations and NAS Whiting Field. Known as the "Cradle of Naval Aviation", Naval Air Station Pensacola serves as the launching point for the flight training of every Naval Aviator, Naval Flight Officer (NFO), and enlisted air crewman. In addition, approximately 32,000 aviation personnel in aeronautical technical phases of naval operations are trained here. The Pensacola Naval Complex in Escambia and Santa Rosa counties employs more than 16,000 military and 7,400 civilian support personnel.

The majority of naval activities in the area are concentrated on the west side of the metropolitan area. The largest base is NAS Pensacola, which is located southwest of Pensacola's central business district at the entrance to Pensacola Bay. Additional military facilities include Eglin Air Force Base and Hurlburt Field. These facilities are located mostly in Okaloosa County but do provide economic impact to Santa Rosa County, and to a lesser extent, Escambia County.

Thirty-five percent of Northwest Florida's economy is related to the military. This military-oriented community provides an economic impact of more than \$7.8 billion a year. The financial impact of the military is approximately 20% of the total economic base, which is why it is often referred to as the 'cradle of naval aviation' and is forever recognized as a military-friendly community. Completed in 2010 was a \$46 million construction project for training facilities for the Air Force at NAS Pensacola. Another project recently completed involved renovating a historical building on base and converting it to base headquarters.

Whiting Field near Milton provides primary and intermediate flight training for the U.S. Navy. One in every six hours of flying time for the Navy across the globe is flown from there. Santa Rosa County, in partnership with the Navy, The Nature Conservancy, the Florida Division of Forestry and others, has acquired or otherwise protected more than 20,000 acres from encroachment around Whiting Field and its six nearby landing fields. This partnership is known throughout the Navy as the 'Santa Rosa Model'.

Other major employers in the region include:

company	Employees	Company Description	Headquarters	NAICS
Baptist Health Care	4494	Healthcare	Pensacola, FL	621110 Hospitals, general medical and surgical
Navy Federal Credit Union	3845	Financial Service Center	Vienna, VA	522130, 522320 Credit Union, Financial Service Center
Sacred Heart Health Systems	3483	Healthcare	St. Louis, MO	621110 Hospitals, general medical and surgical
Gulf Power Company	1774	Electric Provider	Pensacola, FL	221122 Electric Power Generation, Transmission & Distribution
West Florida Healthcare	1300	Healthcare	Nashville, TN	621110 Hospitals, general medical and surgical
Ascend Performance Materials	800	Manufacturing	Houston, TX	325211 Plastics Material and Resin Manufacturing
West Corporation	800	Business, Processing, Outsourcing	Omaha, NE	561422 CRM Solution Provider, Customer Care Center
Medical Center Clinic	500	Healthcare	Pensacola, FL	621111 Medical Centers and Clinic
Santa Rosa Medical Center	498	Healthcare	Milton, FL	621111 Medical Centers and Clinic
International Paper	450	Manufacturing	Memphis, TN	322121 Paper (except Newsprint) Mills
Cox Communications	400	Communications	Atlanta, GA	515210 Cable and other subscription programming
CHCS Services/iGate	380	Customer Service Center	Pensacola, FL	524292 Third Party Administration, Insurance
Blackwater Correctional Facility	348	Business Services	Milton, FL	561210 Correctional facility operation (contract basis)
Armstrong World Industries	300	Manufacturing	Lancaster, PA	238310 Drywall and Insulation Contractors
MediaCom	300	Communications	Middletown, NY	517110 Cable Television Distribution Services
American Water	298	Customer Service Center	Voorhees, NJ	924110 Water Control and Quality Program Administration
Hitachi Cable Florida, Inc.	284	Manufacturing	Pensacola, FL	326220 Rubber & Plastics Hoses & Belting Manufacturing

Regions Telemarketing	272	Customer Service Center	Birmingham, AL	561422 Telemarketing Bureaus and Other Contact Centers
GE Wind Energy	257	Manufacturing	Fairfield, CT	335312 Motor & Generator Manufacturing
L-3 Communications	240	Aerospace & Defense	New York, NY	488190 Maintenance Rework Operations
The Mundy Companies	200	Operations Support	Houston, TX	541614 Production Handling, Packaging/Loading, Warehousing
Pall Corporation	196	Manufacturing	Port Washington, NY	325411 Biotechnology, R&D, Manufacturing
Synergy Solutions	185	Customer Relationship Management	Phoenix, AZ	561422 Telemarketing Bureaus and Other Contact Centers
Buffalo Rock	185	Warehouse/Distribution	Birmingham, AL	424490 Soft Drink Merchant Wholesale distribution
Overhead Door	180	Manufacturing	Lewisville, TX	321911 Garage Door Manufacturing
AppRiver	180	Information Technology	Pensacola, FL	541511 - Custom Computer Programming Services
Mansfield Industrial	175	Manufacturing	Pensacola, FL	561790 Other Services to Buildings and Dwellings
Landrum Human Resource Companies	142	Human Resources	Pensacola, FL	561320 Temporary Help Services
HT Hackney	140	Warehouse/Distribution	Knoxville, TN	424490 Grocery and Related Products Merchant Wholesaler
Marianna Airmotive	135	Manufacturing	Pensacola, FL	336411, 336413 Aircraft Manufacturing, Remanufacture and Overhaul
Lifeguard Ambulance Service	130	Business Services	Gulf Breeze, FL	621910 Medical Transport
Saltmarsh, Cleaveland, & Gund CPA	104	Certified Public Accountants	Pensacola, FL	541211 Offices of Certified Public Accountants
The Studer Group	100	Private Healthcare Consulting	Pensacola, FL	541611 Administrative and General Management Consulting Services
Pegasus Laboratories	100	Manufacturing	Pensacola, FL	325412 Pharmaceutical Preparation Manufacturing
Lewis Bear Company	100	Warehouse/Distribution	Pensacola, FL	221310, 424810 Beverage Distribution

Taminco	89	Chemical Manufacturing	Allentown, PA	325199 Chemical Manufacturing
Cerex	85	Manufacturing	Cantonment, FL	313230 Non-Woven Fabrics
Bell Steel Company	81	Manufacturing	Pensacola, FL	332312 Fabricated Structural Metal Manufacturing
Global Business Solutions, Inc.	68	Information Technology	Pensacola, FL	518210 Data processing, hosting, and related services
Power Secure	62	Business Services	Wake Forest, NC	811310 Electrical generating and transmission equipment and services
Avalex	60	Aviation Related Manufacturing	Pensacola, FL	334511 Aeronautical System & Instrument
IMS Expert Services	60	Business Services	Pensacola, FL	541110 Expert Witness and Litigation Consultant
Heliworks	48	Aviation	Pensacola, FL	336411 Aircraft Manufacturing
DAWS Manufacturing	45	Manufacturing	Pensacola, FL	332116 Metal Fabrication and stamping

Compiled by: Greater Pensacola Chamber and Santa Rosa Economic Development

These employers represent a broad base of industries.

A significant number of jobs in the service sector are provided by the health care industry. Pensacola is a regional center for medical care in Northwest Florida and South Alabama, offering specialized health care services for people in a wide multi-state area. The three regional hospitals include Baptist Hospital, Sacred Heart Hospital, and West Florida Hospital. The three centers have a total of 1,489 beds and feature a variety of medical specialties for the Southeast region.

The following table provides a summary of job sources in the Standard Metro area:

Description	2013 Jobs	2014 Jobs	Growth	% Growth	2012 EPW
Agriculture, natural resources, and mining	6,083	6,441	358	6%	\$29,363
Construction	12,428	12,442	14	0%	\$40,361
Education and health services	33,396	34,089	693	2%	\$48,197
Financial activities	20,016	20,511	495	2%	\$38,158
Government	40,660	40,762	102	0%	\$60,516
Information	3,309	3,278	31	1%	\$53,022
Leisure and hospitality	22,805	23,081	276	1%	\$17,810
Manufacturing	6,018	5,970	48	1%	\$65,889
Other services	14,215	14,398	183	1%	\$19,320
Professional and business services	27,613	27,837	224	1%	\$38,840
Trade, transportation, and utilities	34,154	34,370	216	1%	\$35,587
Total	220,697	223,179	2,482	1%	\$41,097

Unemployment: The unemployment rates for the area is as follows:

	Total Civilian Labor Force: 7/2015	Number Unemployed: 7/2015	Unemployment Rate: 7/2015	Unemployment Rate: 7/2014
Pensacola MSA	215,217	11,737	5.4%	6.5%
Escambia County	140,813	7,984	5.7%	6.8%
Santa Rosa County	74,404	3,753	5.0%	6.0%

During this same period, State of Florida's unemployment rate was 5.4% and the U.S. unemployment rate was 5.3%

Source: Florida Research and Economic Information Database Application; Local Area Employment Statistics (LAUS); updated monthly; <http://freida.labormarketinfo.com>; data current as of 09/2015. Not seasonally adjusted.

As you can see in the following graphs these rates have been steadily decreasing since the peak of unemployment in 2010:





Housing: Both counties offer a wide variety of housing options ranging from affordable to luxury, waterfront, secluded, or suburban residence. Growth within the housing market had been rapid in the past, and from 2004 to late 2005 it accelerated considerably due to housing shortages created by recent hurricanes. There was a great demand for residential property in the general market, and from 2004 through the third quarter of 2005, real estate values were rapidly increasing, and most land deals went down with multiple developers in the hunt.

Conversely, in late 2005, the demand for residential homes (single-family homes, townhomes, condominiums, etc.) began to take a downward turn. This has been attributed to several factors. Initially, recent hurricanes, and the extensive damage they produced, caused construction costs and insurance premiums to rise exponentially. This also created in the general public an awareness of the vulnerability of this hurricane prone area. Local Realtors subsequently began reporting a downward trend in residential sales.

The following chart summarizes the housing market in Escambia and Santa Rosa Counties since January 2012:

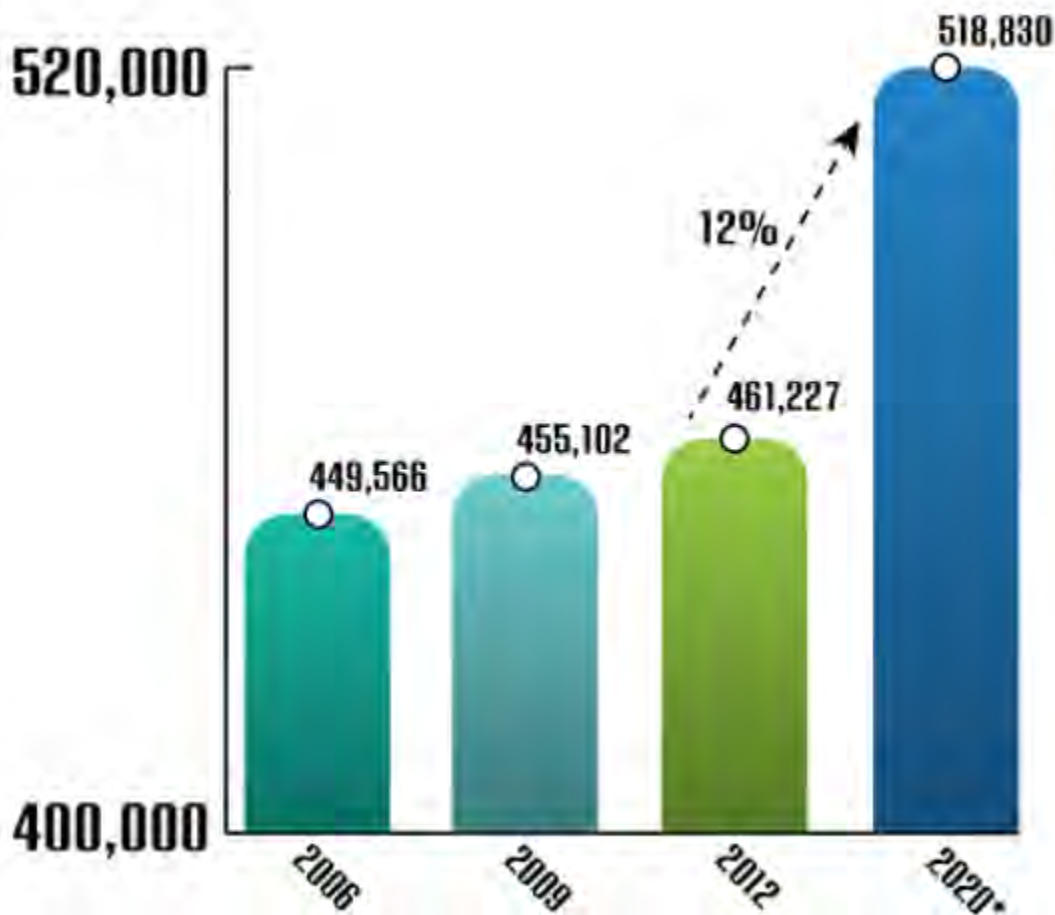
Year	Total Listed	Monthly Sales	Avg List \$	Avg Sale \$	Avg DOM	% Sold/List
2010	9,261	772	\$168,762	\$159,597	149	94.57%
2011	7,650	638	\$176,353	\$165,975	175	94.12%
2012	7,748	646	\$175,236	\$166,416	165	95.97%
2013	9,459	788	\$179,332	\$172,373	133	96.12%
2014	10,034	836	\$180,816	\$174,073	104	96.27%

From the presented information, we see that the average sale price has slowly ticked upward since 2010 and the average DOM has declined. We also see more monthly sales since 2010.

SOCIAL FORCES: This category is primarily concerned with population characteristics and demographics. A study of an area's population characteristics produces much information about the basic demand for real estate in that market. Following is regional data pertinent to that topic.

Population:

Population Growth



Source: U.S. Census Bureau; 2010 Census, ACS 2011 1-Yr Estimates, and Annual Population Estimates 2000-2009; Internal Revenue Service, Statistics of Income, 2009-2010 County-to-County Migration;
*Projected Growth - Woods & Poole CEDDS 2012.

Demographic Overview

Pensacola-Ferry Pass-Brent, FL Metro Area	
Population	461,227
Average Family Size	3.14
Average Household Size	2.54
Occupied Homes	172,413
Total Housing Units	203,515
Source: 2012 American Community Survey 1 Yr Estimates - Updated 8/2014	

Income Level

	Pensacola-Ferry Pass-Brent, Florida - Metro Area	Florida	U.S.
Per Capita	\$24,751	\$25,428	\$27,319
Median Household	\$49,917	\$45,040	\$51,371
Average Household	\$62,957	\$64,229	\$71,317
Source: 2012 American Community Survey 1 Yr Estimates - Updated 8/2014			

Educational Attainment of Population Age 25 Years or Older

	Pensacola-Ferry Pass-Brent, FL Metro Area	Florida	U.S.
Population 25 years and over	308,513	13,503,747	208,731,498
Less than 9th grade	3.20%	5.30%	5.80%
9th to 12th grade, no diploma	8.10%	8.20%	7.90%
High school graduate (includes equivalency)	28.90%	29.80%	28.00%
Some college, no degree	22.80%	20.80%	21.30%
Associate's degree	12.80%	9.20%	8.00%
Bachelor's degree	16.60%	17.30%	18.20%
Graduate or professional degree	7.60%	9.60%	10.90%
Percent high school graduate or higher	88.70%	86.50%	86.40%
Percent bachelor's degree or higher	24.20%	26.80%	29.10%
Source: 2012 American Community Survey 1 Yr Estimates - Updated 8/2014			

GOVERNMENTAL FORCES: This category addresses state and local government forces within the regional area.

Type of Government: Santa Rosa and Escambia Counties are governed by, a board of commissioners. Specified districts with some “at large” seats elect the commissioners. The board in turn appoints a county manager who oversees the day-to-day operations of the respective governments.

Building Codes/Zoning: The various cities of Pensacola, Gulf Breeze and Milton and the Santa Rosa and Escambia County governments all operate separate planning and zoning departments. The various departments are responsible for establishing and enforcing land use regulations. These departments are extremely helpful in deciphering land use regulations.

The City of Pensacola, Escambia County, the City of Milton, and Santa Rosa County also operate separate building inspection departments. This office is responsible for enforcing codes for building, electrical, mechanical, plumbing, and gas installations.

The state of Florida has certain requirements before new development can take place. Under Florida's concurrency laws, an area must have adequate public facilities before new development may occur. All comprehensive plans across the state must include concurrency for roads, sanitary sewer, solid waste, drainage, potable water, parks and recreation, and mass transit, where applicable.

Law Enforcement/Fire Department: Escambia County and Santa Rosa County Sheriff Departments within the MSA and the respective City Police Departments provide adequate law enforcement within the immediate market area. Fire departments are staffed by volunteers in the County and paid employees in the City.

Utilities: Northwest Florida is served with electrical power by Gulf Power Company, which owns three modern generating stations. The Bell South Telephone Company provides telephone service throughout the MSA. The Emerald Coast Utilities Authority supplies water and sanitary sewage disposal service to Escambia County. It also disposes of trash within the unincorporated area of the County with Sanitation Services of Pensacola having jurisdiction within the city limits. Natural gas is available for most areas by Energy Services of Pensacola. South Santa Rosa Utility supplies the city of Gulf Breeze with water and sewer service. Natural gas is also available in Gulf Breeze through the Gulf Breeze Natural Gas Department. The Public Works Department of Milton provides natural gas, sanitation, and water for the areas of Milton, East Milton, and Pace.

Transportation: Federal Highway Interstate 10 runs through the MSA in its course from Los Angeles, California to Jacksonville, Florida. Additionally, the MSA is dissected by an ample variety of State, County and local roads, providing access throughout the area. The Pensacola Regional Airport is a commercial airport served by American Eagle, Continental Airlines, Delta Airlines, Northwest Airlin, and US Airways with an average total of 90 flights per day. The City of Pensacola operates the Port of Pensacola, which can accommodate ocean-going vessels with drafts up to 33 feet.

Taxes: The State of Florida has no personal income tax. Additionally, there is no sales tax on food, medicine, packaging, boiler fuels or inventories. Sales taxes targeted toward tourism (retail sales, rentals, transient living accommodations) comprise 65% to 70% of Florida's tax revenue. There is a corporate state income tax of 5.5%. Ad valorem taxes are levied on property throughout the county to provide operating revenue to local government. Escambia County sales tax is at \$0.075 on the dollar and Santa Rosa County is subject to \$0.065 on the dollar.

ENVIRONMENTAL FORCES: Environmental forces relate to the characteristics of a property's geographic location.

Climate: The MSA is located in a generally warm climate, typical of the region along the upper Gulf Coast. The average temperature in January is 52 degrees and in July is 83 degrees. High winds, tropical storms or hurricanes have occurred in late summer and in early fall.

Topography/Soil: The MSA is located on the Gulf Coastal Plain, which generally consists of level and flat land. The soils are mostly of the sandy loam nature and are generally well suited for buildings, roads and other common urban improvements.

Recreation: A wide variety of cultural activities such as music, art, theatrical productions and dance are located in the area. Canoeing, boating, hunting, fishing and other outdoor sporting activities are popular throughout the MSA. Several popular state and national parks are located in the MSA: Blackwater River State Park, Big Lagoon State Park, and the Gulf Islands National Seashore Park, which contains Fort Pickens. It is home to the Pensacola Ice Flyers, who began playing in the 2009-2010 season as a member of the Southern Professional Hockey League. The team plays their home games in the Pensacola Civic Center. The MSA is also home to the Pensacola Blue Wahoos, who began their 1st season in 2012 as an AA minor league baseball team affiliated with the Cincinnati Reds. The Blue Wahoos currently play their games at the Pensacola Blue Wahoos Stadium at the Community Maritime Park.

Transportation: Escambia and Santa Rosa Counties are located along a sheltered 12-foot draft barge route, which runs from Brownsville, Texas to Apalachicola, Florida. Amtrak and CSX Transportation provide rail service to and from Pensacola. Greyhound Lines, Inc. provides bus service to and from the Pensacola MSA.

Regional Resources: Agriculture has continued to be a major contribution to the economy. It remains one of the prime resources of the area for row crop and tree farming. There are also extensive petroleum deposits offshore in the Gulf of Mexico. However, at the current time, only exploratory drilling has been permitted. The future impact of this resource is questionable as the prospect of full production drilling is vehemently opposed by environmentalists and local and state government.

Perhaps one of the most recognized resources of the Pensacola MSA are the sparkling white sandy beaches, which extend from Mobile Bay to peninsular Florida. The beaches in the Pensacola area are a major tourist attraction.

The skepticism of state officials on the issue of offshore drilling was justified by BP's oil spill in the Gulf of Mexico. The crisis started when an offshore oilrig exploded and sank in the gulf on April 20, 2010. The incident ruptured the oil well and caused a blowout, or an uncontrollable spill. The well spewed millions of gallons of crude oil into the Gulf of Mexico. The environmental and economical repercussions of this spill were immense and continue to be seen to a lesser degree. The oil spill caused the federal government to declare a fisheries disaster for neighboring states, but Northwest Florida escape the worst of the effects. However, the area did see dead dolphins, fish, birds, and turtles wash up on the beaches. The realization that the oil slick could have made landfall in Pensacola reminded residents how important the beaches and waterways of the Pensacola MSA are to the economy.

Hurricanes: As Florida endures the majority of Atlantic hurricane landfalls, with statistics identifying Pensacola as having a 1 in 8 chance of being the target, hurricane damage and their

repercussions are major concerns for the Pensacola MSA. As described earlier in the Housing section, Hurricane Ivan was the initial onset of the current market decline for the Pensacola MSA.

The Atlantic hurricane season extends from June to November. Within the past twelve years the Pensacola MSA has encountered six damaging and even deadly hurricanes, among multiple tropical depressions, tropical storms, and minor hurricanes. Following is a table briefly describing each:

MAJOR HURRICANES IN PENSACOLA MSA						
Name	ERIN	OPAL	GEORGES	IVAN	DENNIS	KATRINA
Date	August-95	October-95	September-98	September-04	July-05	August-05
Landfall	Pensacola, FL	Gulf Breeze, FL	Biloxi, MS	Gulf Shores, AL	Pensacola, FL	New Orleans, LA
Category	1	3	2	3	3	3
Winds	99 mph	116 mph	104 mph	120 mph	120 mph	175 mph
Area Storm-Related Deaths	None	None	None	18	5	1,836
Total U.S. Loss	\$700 Million	\$5.2 Million	\$2.96 Billion	\$12 - \$14 Billion	\$1.8 Billion	\$84 Billion

These storms, along with several other 2004-2005 Florida hurricanes, created in the general public an awareness of the vulnerability of this hurricane prone area. Due to these natural disasters frequently targeting the Escambia and Santa Rosa County areas, multiple hurricane shelters, evacuation planning guides and assistance programs, have been formed to support local residents in preparing for and dealing the outcomes of these storms. There has been no detrimental hurricanes impact the area since Hurricane Katrina in August 2005.

SUMMARY: The Pensacola MSA remains an evolving metropolitan area, traditionally dependent on tourism and an extensive military presence. The intensification of efforts to secure other industries shows the willingness of local government officials and community leaders to achieve a diversified economy. The MSA also has natural resources, affordable housing, and a growing, young workforce, all of which provide a good foundation for future growth. We conclude that the MSA is an economically viable environment with demand levels for affordable housing within this general area sufficient for an operative market, but clearly slower than we have historically seen.

SUBJECT DATA



Santa Rosa County Property Appraiser
Gregory S. Brown, CFA



Sales In Area Sales In Section Sales In Subdivision	Previous Parcel	Next Parcel	Field Definitions	Return to Main Search	Santa Rosa Home
Owner and Parcel Information					
Owner Name	MILTON LLC	Today's Date		March 18, 2016	
Mailing Address	2780 E OAKLAND PARK BLVD FORT LAUDERDALE, FL 33306	Parcel Number		08-1N-28-0000-02003-0000	
Situs/Physical Address	6032 HWY 90 MILTON	Tax District		Milton (District 3)	
Property Usage	SUPERMARKE (001400)	2015 Millage Rates		16.9682	
Section Township Range	08-1N-28	Acreage		8.98	
		Homestead		N	

[Tax Collector Btl](#) [Permits](#) [Display Building Information](#) [Show Parcel Maps](#) [Generate Owner List By Radius](#) [Show Zoning](#)

Value Information				Legal Description
	2013 Certified Values	2014 Certified Values	2015 Certified Values	
Building Value	\$1,037,092	\$1,058,086	\$990,906	COM SE SEC CORN THN S88°58'14"W 2651.03 FT THN N0°38'13"W 703.82 FT FOR POB & CONT 559.70 FT THN N67°51'47"E 265.94 FT THN S30°30'E 449.89 FT THN N71°29'29"E 267.50 FT TO CURV (R=74.80 FT CB=563°23'49"E) GOON CURV 117.68 FT THN S18°21' 0"E 400.00 FT THN S64°21'08"E 128.32 FT THN S15°21'08"E 115.30 FT TO CURVD N R/W OF HWY 90THN ON CURV (R=2764.93 FT CB= 569°58'29"W)GO 973.20 FT THN N10°57'13"W 548.28 FT THN S89° 21'47"E 170.00 FT TO POB AS DES IN OR 2738 PG 1266 LESS PARCEL #20.4 (KMART)
Extra Feature Value	\$162,545	\$171,100	\$171,100	
Land Value	\$817,542	\$860,571	\$860,571	
Land Agricultural Value	\$0	\$0	\$0	
Agricultural (Market) Value	\$0	\$0	\$0	
Just (Market) Value*	\$2,017,179	\$2,089,757	\$2,022,577	
Assessed Value	\$2,017,179	\$2,089,757	\$2,022,577	
Exempt Value	\$0	\$0	\$0	The legal description shown here may be condensed for assessment purposes. Exact description should be obtained from the recorded deed.
Taxable Value	\$2,017,179	\$2,089,757	\$2,022,577	

Just (Market) Value description - This is the value established by the Property Appraiser for ad valorem purposes. This value does not represent anticipated selling price.

Extra Features Data				
Description	Number of Items	Units	Year	Extra Feature Value
PAVEMENT	1	126,000 SF	1994	\$157,500
FLOOD LIGHT, LIGHTS	1	12 UT	1994	\$6,500
FENCE - CHAIN LINK 6	1	1,050 LF	1994	\$2,100
LIGHT POLE	1	10 UT	1994	\$5,000

Land Information							
Item	Land Code	Description	Zoning	Frontage	Depth	Unit Type	Land Value
1	001400	SUPERMARKT	HCD	0	0	391169	\$860,571

Sale Information									
Multi-Parcel Sale	Sale Date	Sale Price	Instrument	Deed Book	Deed Page	Sale Qualification	Vacant or Improved	Grantor	Grantee
No	05-08-2007	\$ 100	SPECIAL WARRANTY	2738	1275	Unqualified	Improved	GUNDLACH WILLIAM TRUSTEE (85.92% INT)	MILTON LLC
No	05-08-2007	\$ 100	SPECIAL WARRANTY	2738	1266	Unqualified	Improved	GUNDLACH WILLIAM III & JON ERIK CO-TRUSTEES	MILTON LLC
No	12-31-2006	\$ 100	Quit Claim Deed	2690	1926	Unqualified	Improved	AMOS PAUL S & MARY JEAN	MILTON ASSOCIATES S C INC
No	12-01-1994	\$ 366,100	Warranty Deed	1449	968	Unqualified	Improved	MILTON ASSOCIATES S C INC	GUNDLACH WILLIAM III & JON ERIK TRUSTEES
No	12-01-1994	\$ 2,234,000	Warranty Deed	1449	963	Unqualified	Improved	MILTON ASSOCIATES S C INC	GUNDLACH WILLIAM TRUSTEE 85.92% INT
No	06-01-1993	\$ 290,000	Warranty Deed	1358	300	Unqualified	Improved		
No	06-01-1993	\$ 100	PERSONAL REP	1358	298	Unqualified	Vacant		
No	06-01-1993	\$ 813,700	Warranty Deed	1358	296	Unqualified	Vacant		

Sales In Area Sales In Section Sales In Subdivision	Previous Parcel	Next Parcel	Field Definitions	Return to Main Search	Santa Rosa Home
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The Santa Rosa County Property Appraiser's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The Senior Exemption Does Not Apply to All Taxing Authorities. Just (Market) Value is established by the Property Appraiser for ad valorem tax purposes. It does not represent anticipated selling price. Working values are subject to change. Website Updated: March 14, 2016

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2015 Roll Details — Real Estate Account At 6032 HWY 90, MILTON

[Print this page](#)

Real Estate Account #081N280000020030000

[Parcel details](#)
[Latest bill](#)
[Full bill history](#)

2015
2014
2013
2012
...
2005

PAID
PAID
PAID
PAID
PAID

[Get Bills by Email](#)

PAID 2015-12-01
\$32,178.19
Receipt #HSP4-16-
00033158

Owner: MILTON LLC
2780 E OAKLAND PARK BLVD
FORT LAUDERDALE, FL 33306
Situs: 6032 HWY 90
MILTON




Account number: 081N280000020030000
Alternate Key: 1017519
Millage code: 03
Millage rate: 16.5724
Assessed value: 2,022,577
School assessed value: 2,022,577
Unimproved land value: 860,571

2015 Annual bill
[View](#)

Ad valorem: \$33,516.95
Non-ad valorem: \$0.00
Total Discountable: 33516.95
No Discount NAVA: 0.00
Total tax:

Legal description

COM DE SEC CORN THIN 308*58*14" W
3651.03 FT THN N0*36*13*8 703.82 FT FOR
POB 4 CORN 559.70 FT THN N67*51*47"E
265.94 FT THN S30*30*E 449.89 FT THN
N71*29*29"E 367.50 FT TO CORN (B-74,80
FT PERMANENTLY ADJUTED AS PER 317.29 FT

Location

Range: 28
Township: 1N
Section: 06
Neighborhood: 200706.99
Use code: 1400
Total acres: 0.960

3

THIS INSTRUMENT PREPARED BY
AND RETURN TO:
William Gundlach, Esquire
2780 East Oakland Park Boulevard
Fort Lauderdale, Florida 33306

Parcel ID No. 08IN28-0000-02003-0000

SPECIAL WARRANTY DEED

THIS INDENTURE made this 8th day of May, 2007, by **WILLIAM GUNDLACH, Trustee, under Trust Agreement of July 28, 1969**, having a post office address of 2780 E. Oakland Park Blvd., Ft. Lauderdale, FL 33306, hereinafter referred to as the "Grantor," and

MILTON, LLC, a Florida limited liability company, whose address is 2780 E. Oakland Park Blvd., Ft. Lauderdale, FL 33306, hereinafter called the "Grantee."

WITNESSETH: That said Grantor, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration to said Grantor in hand paid by said Grantee, the receipt whereby is hereby acknowledged, has granted, bargained and sold to the said Grantee and Grantee's successors and assigns forever, an undivided 85.92% interest as tenant in common, in the following described premises, situate, lying and being in Santa Rosa County, Florida, to-wit:

See Exhibit "A" attached hereto and by this reference made a part hereof.

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

This conveyance is subject to:

Taxes for the Year 2007 and subsequent years, zoning and other restrictions and prohibitions imposed by governmental authority and easements, restrictions and reservations of record not coupled with a right of reverter and taxes for the current year.

That certain Lease, the short form of which is recorded in Official Records Book 1419 at Page 233 of the Public Records of Santa Rosa County, Florida.

TO HAVE AND TO HOLD the same in fee simple unto the Grantee, its successors and assigns forever.

AND the said Grantor hereby covenant with said Grantee that he is lawfully seized of said

gund-gund.umd 4/18/2007

(4)

premises in fee simple; that he has good right and lawful authority to sell and convey said premises; and that he hereby fully warrants the title to said premises and will defend the same against the lawful claims of all persons claiming by, through and under Grantor, and no others.

IN WITNESS WHEREOF, Grantor has hereunto set Grantors' hand and seal the day and year first above written.

JULY 28, 1969 TRUST AGREEMENT

Sign Name: Carolyn M. Swanson By: William Gundlach, Jr.
Print Name: Carolyn M. Swanson WILLIAM GUNDLACH Trustee
Sign Name: Edna Lockhart
Print Name: Edna Lockhart

STATE OF FLORIDA)
) ss.:
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this day before me, an officer duly qualified to take acknowledgments, personally appeared **WILLIAM GUNDLACH, Trustee of the July 28, 1969 Trust Agreement**, personally known and known to be the person described in and who executed the foregoing instrument and acknowledged before me that he executed the same on behalf of the Trust, for the purposes therein expressed.

WITNESS my hand and official seal in the County and State last aforesaid this 8th day of May, 2007.

Edna A. Lockhart
Notary Public
My Commission Expires: 3/7/2011



gndi-gndi.wd 4/18/2007

Exhibit "A"

BRUNO'S PARCEL

All that lot, tract or parcel of land situate, lying and being in Section 8, Township 1 North, Range 28 West, Santa Rosa County, Florida and being more particularly described as follows:

COMMENCE at the Southeast corner of Section 8, Township 1 North, Range 28 West, Santa Rosa County, Florida; thence go South 88 degrees 58 minutes 14 seconds West along the South line of Section 8 a distance of 2651.03 feet to the Southwest corner of the Southeast Quarter of Section 8; thence go North 00 degrees 38 minutes 13 seconds West along the East line of a parcel described in O.R. Book 606 at Page 604 a distance of 703.82 feet for the POINT OF BEGINNING; thence continue North 00 degrees 38 minutes 13 seconds West a distance of 559.70 feet; thence go North 67 degrees 51 minutes 47 seconds East a distance of 263.94 feet; thence go South 30 degrees 30 minutes 00 seconds East a distance of 449.89 feet; thence go North 71 degrees 29 minutes 29 seconds East a distance of 367.50 feet to a point of curvature; thence go along a curve to the right having a radius of 74.80 feet, an arc distance of 117.69 feet, (Delta = 90 degrees 09 minutes 23 seconds, Chord = 105.92 feet, Chord Bearing = South 63 degrees 25 minutes 49 seconds East) to a point of tangency; thence go South 18 degrees 21 minutes 08 seconds East a distance of 400.00 feet; thence go South 64 degrees 21 minutes 08 seconds East a distance of 128.32 feet; thence go South 15 degrees 21 minutes 08 seconds East a distance of 115.30 feet to the curved Northerly right-of-way line of U.S. Highway 90 (150 foot right-of-way); thence go Westerly along the aforesaid curved Northerly right-of-way line being concave Northwesterly and having a radius of 2764.93 feet (Delta = 20 degrees 10 minutes 01 seconds, Chord = 968.19 feet, Chord Bearing = South 69 degrees 58 minutes 29 seconds West) go along the arc of said curved right-of-way line a distance of 973.20 feet; thence go North 10 degrees 57 minutes 13 seconds West a distance of 548.28 feet; thence go South 89 degrees 21 minutes 47 seconds West a distance of 170.00 feet to the point of beginning. The above described parcel of land is situated in Section 8, Township 1 North, Range 28 West, Santa Rosa County, Florida, and contains 18.50 acres.

LESS AND EXCEPT:

All that lot, tract or parcel of land situate, lying and being in Section 8, Township 1 North, Range 28 West, Santa Rosa County, Florida and being more particularly described as follows:

COMMENCE at the Southeast corner of Section 8, Township 1 North, Range 28 West, Santa Rosa County, Florida; thence go South 88 degrees 58 minutes 14 seconds West along the South line of Section 8 a distance of 2651.03 feet to the Southwest corner of the Southeast Quarter of Section 8; thence go North 00 degrees 38

minutes 13 seconds West along the East line of a parcel of land described in O.R. Book 606 at Page 604 a distance of 133.81 feet to the curved Northerly right-of-way line of U.S. Highway 90 (150 foot right-of-way); thence go Northeasterly along said curved Northerly right-of-way line being concave Northwesterly and having a radius of 2764.93 feet, an arc distance of 614.93 feet, (Delta = 12 degrees 44 minutes 34 seconds, Chord = 613.66 feet, Chord Bearing North 79 degrees 16 minutes 58 seconds East) for the POINT OF BEGINNING; thence go North 19 degrees 04 minutes 13 seconds West a distance of 665.55 feet; thence go South 70 degrees 55 minutes 47 seconds West a distance of 15.00 feet; thence go North 19 degrees 04 minutes 13 seconds West a distance of 125.50 feet; thence go North 70 degrees 55 minutes 47 seconds East a distance of 108.27 feet; thence go South 30 degrees 30 minutes 00 seconds East a distance of 58.06 feet; thence go North 71 degrees 29 minutes 29 seconds East a distance of 367.50 feet to a point of curvature; thence go along a curve to the right having a radius of 74.80 feet, an arc distance of 117.69 feet (Delta = 90 degrees 09 minutes 23 seconds, Chord = 105.92 feet, Chord Bearing = South 63 degrees 25 minutes 49 seconds East) to a point of tangency; thence go South 18 degrees 21 minutes 08 seconds East a distance of 400.00 feet; thence go South 64 degrees 21 minutes 08 seconds East a distance of 128.32 feet; thence go South 15 degrees 21 minutes 08 seconds East a distance of 115.30 feet to the aforesaid curved Northerly right-of-way line of U.S. Highway 90 (150 foot right-of-way); thence go Westerly along the arc of the aforesaid curved Northerly right-of-way line being concave Northwesterly and having a radius of 2764.93 feet, an arc distance of 628.32 feet (Delta = 13 degrees 01 minutes 13 seconds, Chord = 626.97 feet, Chord Bearing = South 66 degrees 24 minutes 05 seconds West) to the point of beginning. The above described parcel of land is situated in Section 8, Township 1 North, Range 28 West, Santa Rosa County, Florida, and contains 9.52 acres.

TOGETHER with an undivided interest as tenant-in-common in and to that certain Lease dated February 22, 1993, as amended May 18, 1993, pertaining to the above-described property. A Memorandum of said Lease was recorded on May 31, 1994, in O.R. Book 1419, page 233, public records of Santa Rosa County, Florida.

Prepared by:
J. Edward Spawse
Spawse, Tucker & Ford, P.C.
P.O. Box 1888
Columbus, GA 31902



.. OFFICIAL RECORDS ..
BK 1448 PG 850

FILE# 9438755
RCD: DEC 5 1994 @ 12:56 PM

STATE OF FLORIDA
COUNTY OF SANTA ROSA

DECLARATION OF RIGHTS,
RESTRICTIONS AND EASEMENTS

THIS DECLARATION OF RIGHTS, RESTRICTIONS AND EASEMENTS is made and entered into this 1st day of December, 1994, by MILTON ASSOCIATES S.C., INC. ("Declarant"), an Alabama corporation with its principal office at 753 East Glenn Avenue, Auburn, Alabama 36830, in favor of itself, its successors and assigns, and the present lessees of the Shopping Center Parcel described in Exhibit "A".

RECITALS:

Declarant is the fee simple owner of those certain tracts of land containing approximately 18.50 acres, located in Section 8, Township 1 North, Range 28 West on US. Hwy. 90 in Santa Rosa County, Florida, being more particularly described as the Shopping Center Parcel in Exhibit "A" attached hereto (collectively the "Shopping Center Parcel"). Part of the Shopping Center is leased to Bruno's, Inc., an Alabama corporation (the "Bruno's Parcel") and part to the Kmart Corporation (the "Kmart Parcel") (the Bruno's Parcel and the Kmart Parcel are sometimes hereinafter referred to as a "Parcel") as shown on the site plan attached hereto as Exhibit "B" (the "Site Plan").

Declarant desires to provide for certain reciprocal rights, easements and restrictions affecting the Shopping Center Parcel as hereinafter set forth.

DECLARATION:

THEREFORE, for the benefits inuring to Declarant, Bruno's, Inc., the Kmart Corporation and all who shall hold, own or occupy all or any part of the Shopping Center Parcel by, through, or under Declarant, Bruno's, Inc., or Kmart Corporation, Declarant hereby imposes and places the following restrictions and easements upon the Shopping Center Parcel, reserving unto itself and such future grantees and ground lessees certain rights and privileges, all as more particularly set forth in this Declaration:

parking areas, driveways, and access roads and other common areas located on the respective Owner's Parcel. Each respective Owner, or lessee, shall have the non-exclusive right, privilege, easement and license over the Shopping Center Parcel to perform such obligations.

(e) The tenant under the Kmart Lease and its subtenants and assigns (all of whom are hereinafter referred to as the "tenant under the Kmart Lease") shall have the non-exclusive right to use the Common Facilities on the Kmart Parcel for outdoor shows, entertainment or such other uses which in said tenant's judgment tend to attract the public, but, in such event, tenant shall give the Owner of the Kmart Parcel and the store manager of the Bruno's store five (5) days' prior written notification of such intended use and on request supply the Owner with reasonable proof of adequate insurance or indemnification against damage to property, injuries to persons and loss of life sustained in connection therewith. In addition, the tenant under the Kmart Lease shall be responsible for any physical damage to the Common Areas on the Kmart Parcel resulting from said use. In no event, however, will the tenant under the Kmart Lease establish any such outdoor show, entertainment or other public attraction within 200 feet of the front door of the supermarket located on the Bruno's Parcel.

(f) The tenant under the Kmart Lease may, at its own expense, from time to time expand its building to the east side or make such alterations, additions or changes, structural or otherwise, in and to its building as it may deem necessary or suitable; provided, however, said tenant shall obtain the owner of the Kmart Parcel's prior written consent as required by the Kmart Lease and no such expansion shall cause the overall parking ratio of the Shopping Center Parcel to be less than the Parking Standard set forth in Paragraph 2 below or result in the expansion out of the front wall of the building on the Kmart Parcel.

(g) Except as expressly provided herein or as shown on the Site Plan, there will be no buildings or other structures constructed on the Shopping Center Parcel without the prior written consent of Bruno's and Kmart.

2. Parking Standard: A ratio of parking spaces of not less than five (5.0) full sized automobile parking spaces per one thousand (1,000) square feet of gross building area shall be maintained on the Shopping Center Parcel. In the event Declarant sells or ground lease any Parcel, each Owner or Ground Lessee of such Parcel shall comply with the foregoing restriction on the Parcel owned by it. For purposes of this paragraph, "gross building area" shall mean the total floor area designed for Tenant or Owner occupancy, including basements, mezzanines and

1. Easement Over Common Areas: (a) The owners of fee simple title to any Parcel ("Owners"), their tenants, subtenants, concessionaires and licensees, and their respective officers, employees, agents, customers and invitees, shall have the non-exclusive right, privilege, easement and license to use all of the vehicular roadways, entrances and exits, sidewalks and other facilities designated for common use located from time to time on the Shopping Center Parcel ("Common Facilities"), for the purpose for which such Common Facilities are designed, without payment of any fee or other charge being made therefor, subject to the right of any Owner to relocate any such Common Facilities located on its Parcel from time to time; provided, however, that no changes shall be made in the Common Facilities that deprive any Parcel from reasonably direct two-way access to and from each entrance into the Shopping Center Parcel over a paved roadway.

(b) The Owners of any portion of the Bruno's Parcel or the Kmart Parcel, their tenants, subtenants, concessionaires and licensees, and their respective officers, agents, customers and invitees, shall have the non-exclusive right, privilege, easement and license to use the parking spaces located from time to time on the Shopping Center Parcel for the purpose for which they are intended without payment of any fee or other charge being made therefor. Notwithstanding the foregoing, tractor-trailers and similar sized trucks shall park only in the rear of the buildings located on the Shopping Center Parcel.

(c) Notwithstanding anything herein to the contrary, the Owner of the applicable portion of the Shopping Center Parcel will maintain and illuminate ingress and egress facilities to the adjoining public streets and highways in the number and substantially in the locations and in the layout depicted on Exhibit "B", and the parking and service area behind the Shopping Center Improvements as so depicted, subject to unavoidable temporary closings or temporary relocations necessitated by public authority, to avoid a public dedication, or by or other circumstances beyond the applicable Owner's control. Notwithstanding anything to the contrary herein, without the written consent of Kmart Corporation ("Kmart") and Bruno's, Inc. ("Bruno's") no changes shall be made in the entrances or exits to the Shopping Center Parcel, the service drive behind the Shopping Center Improvements or the Retention Ponds (as hereinafter defined).

(d) All buildings and other improvements located on the Shopping Center Parcel shall be kept in good order, condition and repair by the respective Owners or lessees at all times. In addition, such Owners or lessees shall maintain and keep the developed areas in a clean and orderly condition, including but not limited to the building, improvements, grass, landscaping,

upper floors, if any, that are used for sales areas, expressed in square feet, and measured from the center line of joint partitions and exteriors of outside walls. Notwithstanding the foregoing neither the garden shop area of the building on the Kmart Parcel nor any outdoor sales area on the Kmart Parcel shall be included in the gross building area for purposes of this section relating to parking standard. Not less than 730 full-sized automobile parking spaces shall be maintained on the Shopping Center Parcel. The parking spaces for the Bruno's Parcel shall be not less than two hundred forty (240) parking spaces and the parking spaces for the Kmart Parcel shall be not less than four hundred ninety (490) parking spaces.

3. No Barriers: No barriers, fences, or other obstructions shall be erected so as to impede or interfere in any way with the free flow of vehicular and pedestrian traffic between these portions of the Shopping Center Parcel from time to time devoted to parking, pedestrian access or vehicular roadways, or in any manner restrict or interfere with the full and complete use and enjoyment by any of the parties described in Paragraph 1 of the rights and easements created by Paragraph 1. Notwithstanding the foregoing, each Owner may, from time to time, temporarily fence off portions of its Parcel for purposes of repair, construction, or reconstruction, with the written permission of the adjacent Owner provided the request for permission shall include the duration of the fence, type of fence, and the duration of the repairs, construction or reconstruction. Any such fencing shall be conducted in a manner least likely to (i) inhibit vehicular ingress and egress to the Shopping Center Parcel; and (ii) interfere with any business operations conducted on the Shopping Center Parcel.

4. Utility Easements: Each Owner and ground lessee of the Bruno's Parcel and the Kmart Parcel is hereby granted a non-exclusive easement appurtenant to its Parcel over and across the remainder of the Shopping Center Parcel for the purpose of installation, maintenance, repair and use of underground utilities (including storm sewers) serving such Parcel; provided, however, that such utilities shall not be located initially under the proposed location of buildings included within the Shopping Center Improvements (as shown on the Site Plan), or under any other building constructed on the Shopping Center Parcel, or in such a fashion as to interfere with the use and appearance of the Shopping Center Parcel. If, pursuant to the terms hereof, any Owner or ground lessee installs underground utilities across the Parcel of a second Owner, the installing Owner or ground lessee shall: (i) relocate that utility at its expense if such relocation is required as a result of construction by the Owner of the

Parcel across which the utility is installed; (ii) repair at its expense any damage to improvements or landscaping caused by such installation and maintenance; and (iii) perform such installation and maintenance in a manner so as to minimize any disruption of business on or utility service for the Parcel on which the utility is located. If the Owner or ground lessee of the Bruno's Parcel, in connection with the installation of such utilities, desires to cross the Kmart Parcel with such installation, or to cross any driveway in the Shopping Center Parcel providing access to any public street so that the driveway might be temporarily closed or otherwise affected during the business hours of Kmart then the requesting owner or ground lessee must submit plans for the utility installation to Kmart and have those plans approved in writing by Kmart prior to commencing construction; provided, however, that this sentence shall be applicable only for so long as Kmart is the lessee of the Kmart Parcel. In addition, if the Owner or ground lessee of the Kmart Parcel, in connection with the installation of such utilities, desires to cross the Bruno's Parcel with such installation, or to cross any driveway in the Shopping Center Parcel providing access to any public street so that the driveway might be temporarily closed or otherwise affected during the business hours of the Food World store located on the Bruno's Parcel, then the requesting Owner or ground lessee must submit plans for the utility installation to Bruno's and have those plans approved in writing by Bruno's prior to commencing construction; provided, however, that this sentence shall be applicable only for so long as Bruno's is the lessee of the Food World store located on the Bruno's Parcel.

5. Maintenance Standard: The Owner or lessee of each Parcel shall maintain or cause to be maintained that Parcel, and any improvements located thereon, in good order and condition, which obligations shall include, but not be limited to, the following:

- (a) To keep and maintain the exterior of all buildings and all sidewalks, roadways, walkways and paved parking surfaces in a good, safe, clean and sightly condition at all times.
- (b) To remove promptly, to the extent reasonably practicable, snow, ice, surface water and debris.
- (c) To keep all directional signs, pavement signs and parking lot striping distinct and legible.
- (d) To repair, replace and renew exterior lighting fixtures and bulbs, tubes and ballasts therefor as may be necessary.
- (e) To care for and replant all landscaped and planted areas so as not to allow dead or unsightly plants to remain within its Parcel.

(f) To store all trash and garbage in adequate containers within its Parcel, maintained in a clean and neat condition, and located so as not to be visible to the public and so as not to create any health or fire hazard, and to arrange for regular removal thereof at Owner's or ground lessee's expense.

(g) Not to burn any papers, trash or garbage of any kind in or about the Shopping Center Parcel.

(h) Not to distribute any handbills or other advertising matter on or about any part of the Shopping Center Parcel.

(i) Not to install in or about its Parcel any exterior amplification or similar devices and not to use in, on or about its Parcel any advertising medium which may be heard or experienced outside its Parcel, such as flashing lights, searchlights, loudspeakers, phonographs, television or radio broadcasts.

(j) To locate all mechanical equipment in such a fashion so as not to be visible to the public.

(k) Not to install any signs on its Parcel which violates control ordinances or other statutes of the County of Santa Rosa, Florida.

(l) To keep its Parcel clean, orderly, sanitary and free from objectionable odors and from termites, insects, vermin and other pests, and not to keep any live animals of any kind in, upon or about its Parcel (except for animals held for resale by a pet store operating on the Shopping Center Parcel).

If any Owner or ground lessee fails to maintain or cause to be maintained its Parcel in good order and condition in accordance with the standards set forth in Subparagraphs (a) through (l) above, and such failure continues for a period of thirty (30) days after that Owner or ground lessee (the "Responsible Owner") has been given written notice specifying the nature of the default (provided, however, that no notice shall be required in an emergency), then Declarant and any Owner of all or part of the Bruno's Parcel or the Kmart Parcel shall have the right to go on the Parcel of the Responsible Owner and reasonably cure such default. Any party performing maintenance or repair work on the Parcel of a Responsible Owner under this Paragraph 3 shall be deemed to have contracted with the Responsible Owner to perform that work, and shall be entitled to file a mechanic's lien against the interest of the Responsible Owner, all in accordance with the applicable laws of the State of Florida.

5. Use Restrictions: (a) For so long as Bruno's, its successors and assigns, remains a tenant on the Bruno's Parcel, the Kmart Parcel shall not be used as a supermarket, grocery, convenience store, or any facility for the sale of grocery, meat, fish, poultry, produce, dairy, bakery products, bread or pastry sales, pharmaceutical supplies, prescription drugs, and medi-

cines. Notwithstanding anything herein to the contrary, for so long as Kmart, its successors or assigns, operates a retail store on the Kmart Parcel, the aforementioned restrictions shall be limited as follows:

(i) Kmart shall be allowed to operate a pharmacy, engaging in the sale of pharmaceutical supplies, prescriptions, drugs and medicine on the Kmart premises;

(ii) Kmart may engage in the sale of grocery, meat, produce, dairy and bakery products for on and off-premises consumption in an area not to exceed eight thousand six hundred (8,600) square feet in the Kmart premises in manner which is incidental to its general retail business;

(iii) Kmart may engage in the operation of a deli, lunch counter, cafeteria or similar facility for the sale of food and beverages for consumption on or off the Kmart premises.

(h) The Shopping Center Parcel shall not be used for a discotheque, dance hall, nightclub, movie theater, bowling alley, skating rink, flea market, health club, bingo parlor, office building, entertainment or recreational facility, a training or educational facility, an amusement theater, billiard parlor, massage parlor, game or amusement room, adult book store, car wash, or automobile lubrication and oil change operation.

7. Retention Area: Declarant has constructed a retention pond on each of the Kmart Parcel and the Bruno's Parcel (the "Retention Ponds") for the purpose of accepting storm water drainage from the remainder of the Shopping Center Parcel. Declarant hereby grants to the Owner or ground lessee of each of the Kmart Parcel and Bruno's Parcel a non-exclusive easement appurtenant to its respective Parcel to use the Retention Ponds as well as the pipes and other drainage facilities connecting to the Retention Ponds, for the sole purpose of draining and discharging storm water from its Parcel in accordance and consistent with the common use of the Retention Ponds and the requirements of all municipal or other authorities or public utilities. The Owner of a Parcel on which all or any portion of a Retention Pond is located, as part of its maintenance obligations under Paragraph 5, shall keep the Retention Pond and the related storm drainage improvements located on such Owner's Parcel in good order and repair, and fully functional and operative to allow for their continuous use as part of the storm drainage system on a Parcel. The Owner of a Parcel shall have the right to dedicate the Retention Pond located on such Owner's Parcel and related storm drainage improvements to the appropriate municipal authority or public utility, provided the Retention Pond and storm drainage system continues to be available for use to the Owner or ground lessee, tenants and occupants of each Parcel.

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8. Casualty Loss: In the event of casualty loss, complete or partial, to the Shopping Center Improvements or any other building subsequently constructed on the Shopping Center Parcel, such building shall either be restored to its previous architectural and structural quality by the party responsible therefor, or it shall be razed and the affected Parcel maintained as paved parking or as landscaped area pending future construction thereon by the party responsible therefor.

9. Successor to Declarant: If the approval or consent of Declarant is required under the terms of this Declaration and Declarant no longer owns or leases any portion of the Shopping Center Parcel, the right of approval shall be exercised by the Owner of the Shopping Center Parcel.

10. Remedies for Breach: The terms and conditions of this Declaration shall be enforceable by any Owner, by any ground lessee of an entire Parcel, and by any tenant leasing building improvements on the Shopping Center Parcel containing at least forty thousand (40,000) square feet of "gross building area" (as defined in Paragraph 2), by actions for specific performance or injunction, in addition to any other remedies available at law or in equity.

11. Survival: The conditions, restrictions and covenants contained herein are covenants running with the land; they are made by Declarant for the benefit of and shall burden itself, its successors and assigns in title to all or part of the Shopping Center Parcel, each tenant now or hereafter leasing any part of the Shopping Center Parcel, each lender making a loan secured by a mortgage or deed of trust on all or any part of the Shopping Center Parcel; and they shall continue in full force and effect until modified or terminated by a written agreement signed by all parties then holding fee simple title to portions of the Shopping Center Parcel, any Tenant leasing at least forty thousand (40,000) square feet of "gross building area", and all holders of first lien mortgages or deeds of trust creating a lien on any portion of the Shopping Center Parcel.

12. Private Agreement: This Declaration is not intended to be, and shall not be construed as, a dedication of any right created hereby to the general public.

13. Real Estate Taxes: The Owners of each Parcel shall pay and discharge all real estate taxes, assessments, water and sewer charges, and all other governmental charges, general and special, which are levied against their respective Parcel on or before the same shall be subject to interest, penalty, lien, foreclosure or sale, failing which any other Owner may pay said taxes, assessments and charges and, if the curing owner is not reimbursed for all costs incurred thereby within fifteen (15) days of demand

END

therefor with a copy to any institutional first mortgage or institutional beneficiary of a first deed of trust of record at the address for notices under such mortgage or deed of trust, the curing owner shall have a lien on the defaulting Owner's parcel for the unpaid amount, which amount shall bear interest from the time such payment was due until paid at the rate of fifteen percent (15%) per annum or the highest rate permitted by law, whichever is lower.

14. Term: The term of this Declaration and of the covenants, licenses and rights granted herein and the restrictions imposed hereunder shall run with the land and shall be binding upon the fee owners of the Shopping Center Parcel until the last to terminate or expire of the Kmart Lease or the Bruno's Lease.

15. Kmart Lease and Bruno's Lease: Notwithstanding anything contained herein or implied hereby, this Declaration shall not impair or affect the rights, obligations, agreements, warranties and representations between the landlords and the respective tenants under the Kmart Lease and the Bruno's Lease, and, if this Declaration shall be in conflict with the terms and conditions of the Kmart Lease or the Bruno's Lease, the language of said leases shall control. Upon the first to terminate or expire of the Kmart Lease or the Bruno's Lease, then all restrictions, limitations, and encumbrances and all obligations or duties, and all rights, grants, and benefits contained in the terminated or expired lease which inured directly or indirectly to the other tenant, shall continue to be binding and shall be enforceable by the other tenant against the fee owner of the Other Parcel as the "landlord" under the terminated or expired lease to the same degree and in the same manner as though the terminated or expired lease continued, as such covenants, restrictions, and obligations shall run with the land until the last to terminate or expire of the Bruno's Lease or the Kmart Lease.

16. Relationship to Mortgages: A breach of any of the covenants or restrictions contained in this Declaration shall not defeat nor render invalid the lien of any mortgage or deed of trust made in good faith and for value as to the Shopping Center Parcel, or any part thereof, but all of the foregoing provisions, restrictions and covenants shall be binding and effective against any Owner or user of said Shopping Center Parcel, or any part thereof, whose title thereto is acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

17. Partial Invalidity: Invalidity of any one of the covenants, conditions, restrictions, or other provisions herein contained by judgment or court order shall in no way affect the other covenants, conditions, restrictions or provisions hereof, and the same shall remain in full force and effect.

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18. No Joint Venture: Except as may be expressly provided herein, nothing herein shall be construed to make any party to this Declaration partners or joint venturers or to render any party liable for the debts or obligations of any other party. Nothing shall restrict a party's right to sell, lease, mortgage or otherwise convey its interest in the Parcels herein described, or to assign its rights hereunder to any successor in title.

19. Modification: This Declaration may be cancelled, changed, modified or amended in whole or in part only by a written and recorded agreement executed by the then record fee owners of the Parcels.

IN WITNESS WHEREOF, Declarant has executed this Declaration under seal as of the date set forth above.

NILTON ASSOCIATES S.C., INC.,
an Alabama corporation

Signed, sealed and
delivered in the
presence of:

By: [Signature] President
Attest: [Signature] Secretary

Sign [Signature]
Print [Signature]
Sign [Signature]
Print [Signature]

(CORPORATE SEAL)

STATE OF ALABAMA
COUNTY OF LEE

I, the undersigned Notary Public in and for said County, in said State, hereby certify that C. Hadley Weaver, Jr. and Michael V. Shannon, whose names as President and Secretary, respectively, of NILTON ASSOCIATES S.C., INC., a Corporation, are signed to the foregoing instrument, and who have properly identified themselves to me, acknowledged before me on this day that, being informed of the contents of said instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal on December 1, 1994.

[Signature]
NOTARY PUBLIC
Comm. Exp. 12/1/97
(NOTARIAL SEAL)

(SIGNATURES CONTINUED ON NEXT PAGE)

2010-006
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120106

SUBORDINATION

.. OFFICIAL RECORDS ..
BK 1448 PG 200

The undersigned, AmSouth Bank of Florida, hereby executes this Declaration for the purpose of subordinating its rights under that certain Mortgage from Milton Associates S.C., Inc. in favor of AmSouth Bank of Florida in the original principal amount of \$5,000,000.00, recorded in O.R. Book 1358, Page 302, Public Records of Santa Rosa County, Florida, to the force and effect of this Declaration; provided, however, that there is expressly excluded from this Subordination any consent to or subordinating of its rights under the aforesaid Mortgage to that portion of Section 4(b) of the Declaration which prohibits use of the Shopping Center Parcel for office purposes or training or educational facilities.

Dated the 2 day of December, 1984.

Signed, sealed and delivered
in the presence of:

Annelle L. Austin
Print Name: Annelle L. Austin

AmSOUTH BANK OF FLORIDA

By: John W. Harrison
John W. Harrison
Vice President

Ruby E. Boone
Print Name: Ruby E. Boone

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 2 day of December, 1984, by John W. Harrison, the Vice President of AmSouth Bank of Florida, a Florida banking corporation, on behalf of the corporation. Such person did not take an oath and:

☒ is/are personally known to me.
☐ produced current Florida driver's license as identification.
☐ produced _____ as identification.

(Notary Seal must be affixed)

ANNELLE L. AUSTIN
"Notary Public - State of FL."
My Comm. Exp. Jan. 21, 1988
00000000

Annelle L. Austin
Signature of Notary Public
Name of Notary Printed
My Commission Expires: 1/21/88
Commission Number: 0033468

GUNDLACH ENTERPRISES
2206 NE 26th Street
Fort Lauderdale, Florida, 33305
Of-954-564-8993 Cell-954-868-6370 Fax-954-568-0188

Mr. Andrew E. Stevens
521 North Aline Drive
Beverly Hills, California, 90210

Re: Recorded copy of Nullification
of wild deed, Milton, Florida Shopping
Center, Milton,, Florida.

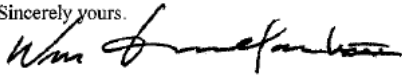
January 7, 2015

Dear Mr. Stevens.

I enclose, for your file, a copy of the recorded " Declaration of Nullity and Termination of that Document entitled
Declaration of Rights, Restrictions and Easements" involving the Milton Shopping Center, recorded 12/19/14 in
Santa Rosa Florida.

Thank you for your prompt execution and return of this document.

Sincerely yours.


William Gundlach, III

Encl:Agr/ Decl.

wg/gw



Donald Spencer
Clerk of Court/Comptroller
Santa Rosa County
P.O. Box 472
Milton, FL 32572
850 983-1966

Transaction #: **623152**
Receipt #: **608578**
Cashier Date: **12/19/2014 2:16:17 PM (PN)**



Print Date:
12/19/2014 2:16:20
PM

Customer Information	Transaction Information	Payment Summary
0 MILTON LLC 2780 E OAKLAND PARK BLVD FT LAUDERDALE, FL 33306	Date Received: 12/19/2014 Source Code: OVERNIGHT FEDEX Return Code: Mail Trans Type: Recording Agent Ref Num:	Total Fees \$35.50 Total Payments \$35.50

1 Payments

CHECK 1388	\$35.50
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1 Recorded Items

(TER) TERMINATION	BK/PG: 3395/485 CFN: 201444594 Date: 12/19/2014 2:16:16 PM From: To:
Indexing Fee	3 \$0.00
Recording Fee	4 \$35.50

0 Search Items

1 Miscellaneous Items

(COVER LETTER) COVER LETTER

This instrument was prepared by and should be returned to
William Gundlach, P.A. 2780 E. Oakland Park Blvd, Ft. Lauderdale, FL 33306

File # 201444594
OR BK 3395 Pages 485 - 488
RECORDED 12/18/14 14:16:16
Donald C. Spencer, Clerk
Santa Rosa County, Florida

DEPUTY CLERK PM
#1
Trans # 623152

DECLARATION OF NULLITY AND TERMINATION OF
THAT DOCUMENT ENTITLED "DECLARATION OF RIGHTS,
RESTRICTIONS AND EASEMENTS"

On December 5, 1994 there was filed in Official Records Bk1449 at page 950, Santa Rosa, Florida, a document entitled "Declaration of Rights, Restrictions and Easements" on lands in Santa Rosa County, described in Exhibit A, attached hereto and made a part hereof. This was a unilaterally drawn and executed document by Milton Associates S.C. in favor of itself and the Lessees of the shopping center described in Exhibit A.

The document purported to restrict the 18.5 acre exhibit A property as to it's use.

At the time that the purported restrictive covenants were executed by Milton Associates, S.C., it had sold, on December 1, 1994, 8.98 acres of the Exhibit A property, known as the Bruno's Parcel to the present owners. It's ownership in the 18.5 acres was reduced to 9.52 acres. As it did not own the Bruno property which it purported to restrict, it could not restrict something it didn't own without the consent of the other owner and all interested parties. It recognized this in an acknowledgment in writing, executed at the time of the sale of the Bruno's property on December 1, 1994. The acknowledgment stated:

"1. Seller will use its best efforts to obtain an amendment and restatement of the Declaration of Rights, Restrictions and Easements executed by Seller of December 1, 1994, approved and executed by both Bruno's Inc. and Kmart Corporation: provided however, there can be no assurance that said Declaration will be agreed to and executed by Bruno's Inc. and/or Kmart Corporation".

The Kmart and Bruno's leases both existed and had been in being long before the purported restrictive covenants were placed of record by Milton Associates, S.C. Neither Bruno's Inc. nor Kmart signed or have ever agreed to sign the restrictive covenants.

Milton Associates S.C. only owned part of the 18.5 acres it sought to restrict, the 8.98 part of the 18.5 acre center having been sold prior to the time the purported restrictions were placed of record.

The parties hereto, being the sole fee owners of record of the 18.5 acre shopping center described in Exhibit "A" attached hereto, declare the document entitled "Declaration of Rights, Restrictions and Easements" recorded in Official Records book 1449 at page 850 in the public records of Santa Rosa County, Florida, to be a nullity, without any force and effect and non binding and we here join together to declare the purported document to be a "wild" instrument as not affecting title, and cancelled.

In witness whereof we have executed and sealed this document on the date set forth opposite our signatures.

Page 1. Signatures and Notarization on Page 2

(1)

Signed, sealed and delivered
in the presence of:

Sign Annette P. DeLeon
Print Annette P. DeLeon
Sign Sylvia White
Print Sylvia White

William Gundlach, III (date) 11/14/14
William Gundlach, III

Jon E. Gundlach (date) 11/14/14
Jon E. Gundlach

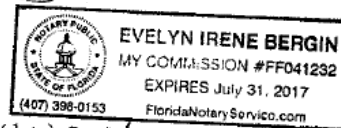
State of Florida)
Broward County)

Personally appeared before me a Notary Public in and for the State of Florida, William Gundlach, III and Jon E. Gundlach, to me well known, who after being duly sworn did upon oath acknowledge executing this document for the purposes set forth therein, this 14 day of November, 2014.

Witness my hand and official seal in the County and State aforesaid this November 14 2014.

My Commission Expires: 7-31-2017

Evelyn Irene Bergin
Notary Public (Seal)



(2)

Signed, sealed and delivered
in the presence of:

Sign Annette P. DeLeon
Print Annette P. DeLeon
Sign Sylvia White
Print Sylvia White

November 14 (date) 2014

Andrew E. Stevens
Andrew E. Stevens, Manager

State of California)
County of Los Angeles

Personally appeared before me a Notary Public in and for the State of California Andrew E. Stevens, to me well known, and who, after being duly sworn did upon oath, acknowledge executing this document for the purposes therein set forth, this 22 day of December, 2014.

Witness my hand and official seal in the County and State aforesaid this November 22 2014.

My Commission Expires: 27 AUG 2017

Glenn E. Stevens
Notary Public (Seal)

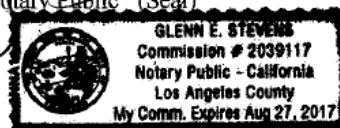
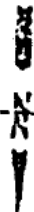


Exhibit "A"

All that lot, tract or parcel of land situate, lying and being in Section 8, Township 1 North, Range 28 West, Santa Rosa County, Florida and being more particularly described as follows:

COMMENCE at the Southeast corner of Section 8, Township 1 North, Range 28 West, Santa Rosa County, Florida; thence go South 88 degrees 58 minutes 14 seconds West along the South line of Section 8 a distance of 2651.03 feet to the Southwest corner of the Southeast Quarter of Section 8; thence go North 00 degrees 38 minutes 13 seconds West along the East line of a parcel described in O.R. Book 606 at Page 604 a distance of 703.82 feet for the POINT OF BEGINNING; thence continue North 00 degrees 38 minutes 13 seconds West a distance of 559.70 feet; thence go North 67 degrees 51 minutes 47 seconds East a distance of 265.94 feet; thence go South 30 degrees 30 minutes 00 seconds East a distance of 449.89 feet; thence go North 71 degrees 29 minutes 29 seconds East a distance of 367.50 feet to a point of curvature; thence go along a curve to the right having a radius of 74.80 feet, an arc distance of 117.69 feet, (Delta = 90 degrees 09 minutes 23 seconds, Chord = 105.92 feet, Chord Bearing = South 63 degrees 25 minutes 49 seconds East) to a point of tangency; thence go South 18 degrees 21 minutes 08 seconds East a distance of 400.00 feet; thence go South 64 degrees 21 minutes 08 seconds East a distance of 128.32 feet; thence go South 15 degrees 21 minutes 08 seconds East a distance of 115.30 feet to the curved Northerly right-of-way line of U.S. Highway 90 (150 foot right-of-way); thence go Westerly along the aforesaid curved Northerly right-of-way line being concave Northwesterly and having a radius of 2764.93 feet (Delta = 20 degrees 10 minutes 01 seconds, Chord = 968.19 feet, Chord Bearing = South 69 degrees 58 minutes 29 seconds West) go along the arc of said curved right-of-way line a distance of 973.20 feet; thence go North 10 degrees 57 minutes 13 seconds West a distance of 548.28 feet; thence go South 89 degrees 21 minutes 47 seconds West a distance of 170.00 feet to the point of beginning. The above described parcel of land is situated in Section 8, Township 1 North, Range 28 West, Santa Rosa County, Florida, and contains 18.50 acres.

EXHIBIT
A



Sec. III-4.9. - General commercial district (C-2).



- (a) *Intent and purpose.* This district is composed of certain land and structures used to provide for the retailing of commodities and the furnishing of several major services, selected trade shops, and automotive repairs. Characteristically, this type of district:
- (1) Occupies an area larger than that of the neighborhood retail commercial district;
 - (2) Is intended to serve a considerably greater population; and
 - (3) Offers a wider range of services.
- (b) *Uses permitted.* The following uses shall be permitted within any C-2 general commercial district:
- (1) Any use permitted in the C-1 neighborhood retail commercial district;
 - (2) Amusement and recreational facilities such as, but not limited to:
 - a. Arcades;
 - b. Amusement parks;
 - c. Shooting galleries;
 - d. Miniature golf courses;
 - e. Golf driving ranges;
 - f. Baseball batting ranges; and
 - g. Trampoline centers;An establishment where amusement devices are kept for public use within 300 feet of any school or house of worship is prohibited.
 - (3) Carnival type amusement, when located more than 500 feet from any residential district;
 - (4) Car wash;
 - (5) Community food banks, food distribution;
 - (6) Drive-in restaurants, when the boundaries of the tract of land on which it is located is in excess of 200 feet from any residential district;
 - (7) Mechanical garages with body work and painting services; provided that storage yards shall have a privacy fence with a minimum of six feet in height;
 - (8) Printing, bookbinding, lithography, and publishing plants;
 - (9) Pawn shops and second-hand stores;
 - (10) Veterinary hospitals and kennels when confined within structure;
 - (11) Frozen food lockers;
 - (12) Washing and packaging of fruit when accessory to retail fruit sales on the premises;
 - (13) Movie theaters;
 - (14) Private clubs, lodges and therapeutic massage clinics;
 - (15) Bowling alleys, skating rinks, and billiard parlors; provided such activities and facilities are enclosed within a soundproof building;
 - (16) Taverns, and night clubs, in accordance with the requirements of section V-4, as applicable;
 - (17) Country clubs and golf courses;
 - (18) Radiator cleaning, repair and installation;
 - (19) Retail heating and air conditioning sales and service; provided that all refrigerators and freezers in outside storage must comply with state laws pertaining to the removal of doors. Storage areas shall have a privacy fence with a minimum height of six feet;
 - (20) Machine and welding shops;
 - (21) Trade shops, including tinsmith, cabinet maker, rug and carpet cleaning, upholstery, mattress renovation, electrical, roofing and plumbing; provided that storage yards shall have a privacy fence with a minimum height of six feet.
 - (22) Retail building supplies;
 - (23) Light garment manufacturing;
 - (24) Other uses which are substantially similar to the uses permitted herein, which would promote the intent and purposes of this district. A determination shall be made by the development approval authority which shall be without any public notice or public hearing. The development approval authority may, at its discretion, request a determination from the board of adjustment. Such a determination shall be final;
 - (25) Planned development projects as provided for under section III-6; and
 - (26) Apartment complexes; provided the complex does not abut a residential district and complies with section III-4.5, site and building requirements.
- (Ord. No. 1078, 9-13-2001)

- (c) *Uses permitted as special exceptions.* The following uses are permitted exceptions in C-2 districts:
- (1) One single-family dwelling which is accessory and attached to a permitted principal building, which principal building is actively engaged in a permitted use;
 - (2) Apartment complexes which abut a residential district, which complies with III-4.5, Site and Building Requirements;
- (Ord. No. 1078, 9-13-2001)
- (3) Assisted living facilities; and
- (Ord. No. 993, 5-12-1998)
- (4) Uses permitted in C-3 high intensity commercial district, except that special conditions may be required as a condition of approval. Special conditions may include, but are not limited to:
 - a. Landscaping requirements;
 - b. Screening requirements;
 - c. Lot area, lot coverage, lot width and yard requirements;
 - d. Building height requirements; and
 - e. Any other requirement that the planning and development department and/or the board of adjustments may deem necessary.
- (Ord. No. 1052, 7-11-2000)
- (d) *Site and building requirements.* The following site and building requirements apply to commercial property located within C-2 districts:
- (1) *Lot area.* There shall be no minimum lot size;
 - (2) *Lot coverage.* The maximum combined area occupied by all principal and accessory buildings shall not exceed 50 percent of the total lot area;
 - (3) *Lot width.* There shall be no minimum lot width;
 - (4) *Yard requirements.* There shall be the following requirements:
 - a. Rear yard: at least 15 feet;
 - b. Side yard: of not less than ten feet in depth; and
 - c. Minimum front yard depth: of not less than 15 feet, except as provided for in these regulations by section III-5.3, general regulations;
- (Ord. No. 1026, 11-9-1999)
- (5) *Building height requirements.* No building shall exceed a height at the required front, rear or side yard lines of three stories or 45 feet from grade, except as provided for in these regulations by section III-5.1, general regulations;
 - (6) *Screening requirements.* Where a lot line of a lot within a C-2 general commercial district abuts a side or rear lot line in any residential district, the open storage of equipment, vehicles, materials, or commodities shall be screened from said residential lot line.
 - a. Such screening:
 1. May be in the form of walls, fences or landscaping;
 2. Shall be at least six feet in height; and
 3. Shall be at least 50 percent opaque as views from any point along said residential lot line.
 - b. Where such open storage exists unscreened as of the date of adoption of these regulations, the nonresidential property owner shall be required to meet the screening requirements of this subsection by January 1, 1993. When landscaping is used for screening, the height and opacity requirements shall be attained within 18 months of planting;
 - (7) *Other requirements.* Driveways, streets and facilities for routing traffic shall be designed in such a manner that entrances and exits to public streets shall not be hazardous and that traffic congestion is minimized. Furthermore, no entrances or exits shall direct traffic into adjacent residential districts. (Refer to the Milton Public Works Manual, section II, streets and highways, for technical design standards for streets and roadways); and
 - (8) *Landscape requirements.* There shall be a ten-foot landscape buffer provided along the front of the property line, which shall be at least one tree, six feet in height, for every 50 linear foot, or part thereof, of frontage. Between said trees, three shrubs shall be planted.
- (Ord. No. 1008, 5-11-1999)
- (e) *Performance standards.* Each use, activity or operation within this district shall comply with the performance standards specified in section III-10.
- (Ord. No. 854, § III-4.9, 10-1-1991)



RETAIL PROPERTY FOR SALE OR LEASE

Big Box Retail - Reduced \$900K

6032 Hwy 90, Milton, FL 32570



This information has been secured by Beck Partners CRE, LLC, from sources believed to be reliable. It is not guaranteed, however, and should be verified prior to consummating any transaction.

Stacy Taylor, CCIM
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C 404.936.8936
staylor@teambeck.com

Justin Beck, CCIM, CPM
President
850.477.7044
C 850.529.7499
jbeck@teambeck.com

John Fifer, CCIM
Senior Associate
850.477.7044
C 850.261.4684
jfifer@teambeck.com



RETAIL PROPERTY FOR SALE

Big Box Retail - Reduced \$900K

6032 Hwy 90, Milton, FL 32570



OFFERING SUMMARY

Sale Price:	\$1,500,000
Lease Rate:	\$4.75/sf NNN
Building Size:	45,700 SF
Sales Price/SF:	\$53.94
Traffic Count:	33,500 AADT
Average HH Income:	\$58,000
Year Built:	1994
Zoning:	HCD
Market:	Pace/Milton, FL Santa Rosa County
Parcel Size:	8.98 Acres

PROPERTY OVERVIEW

Big box retail space available for lease or purchase. This property is a former Food World grocery store adjoining K-Mart located in the high growth Santa Rosa County and high traffic Hwy 90. The property has tremendous visibility on Hwy 90, which boasts some of the strongest traffic counts in the region. This facility is located in close proximity to numerous retail establishments as well as residential neighborhoods just minutes from downtown Milton and Interstate access.

PROPERTY HIGHLIGHTS

- Owner is motivated to move the property!
- No Use Restrictions in place.
- Retail Big Box - Available for Purchase or Lease.
- Former Food World box adjoining K-Mart
- Great Access to Hwy 90 w/ Incredible Visibility
- Over 200' or Road Frontage
- Strong Traffic Counts / 33,500
- Large Glass Storefront with Abundant Parking



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NOTE: PER STACY TAYLOR, AS OF THE EFFECTIVE DATE THE CURRENT ASKING RENT IS \$4.50/SF NNN BASIS.



RETAIL PROPERTY FOR SALE

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Parcel Outline



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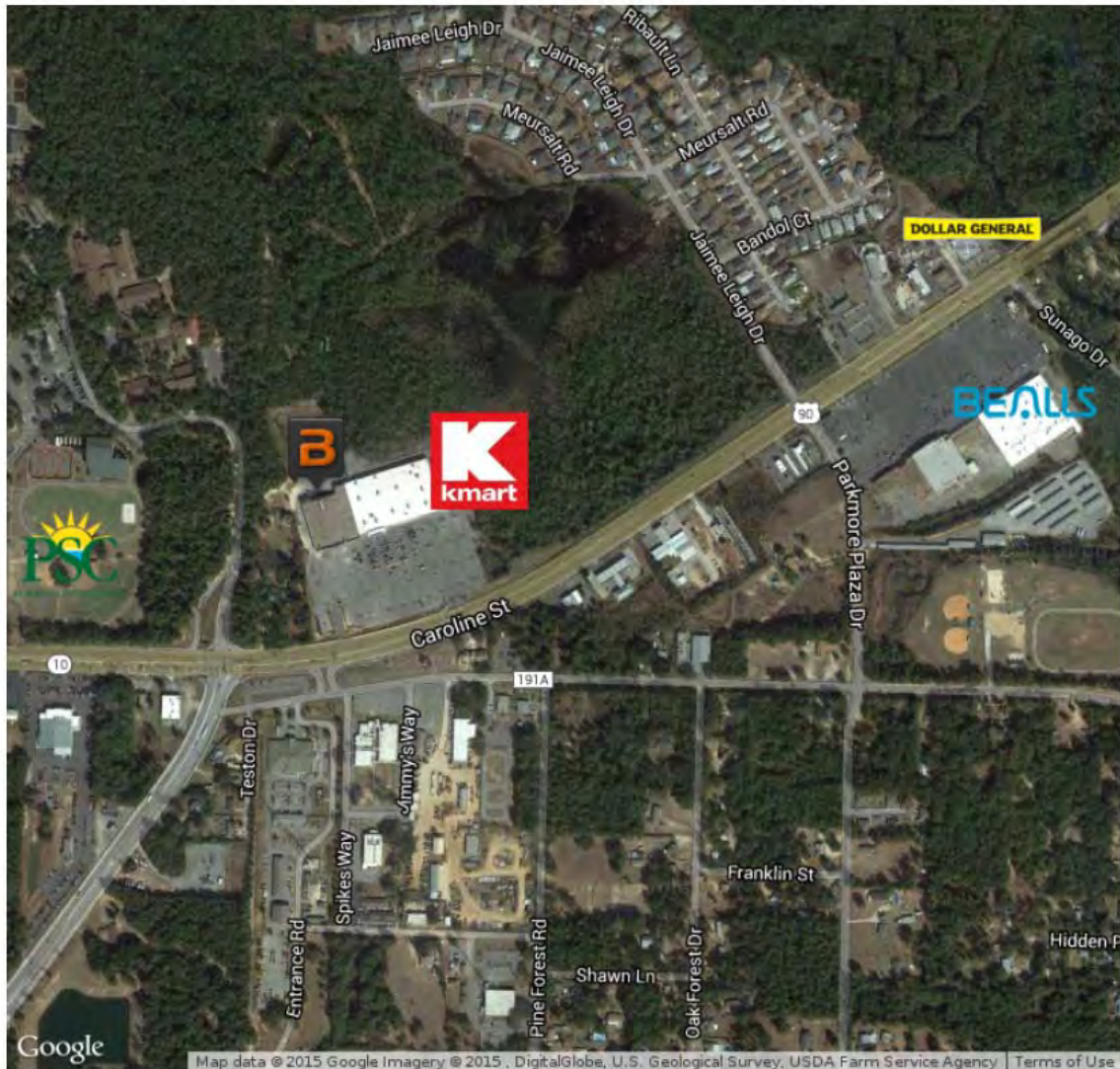
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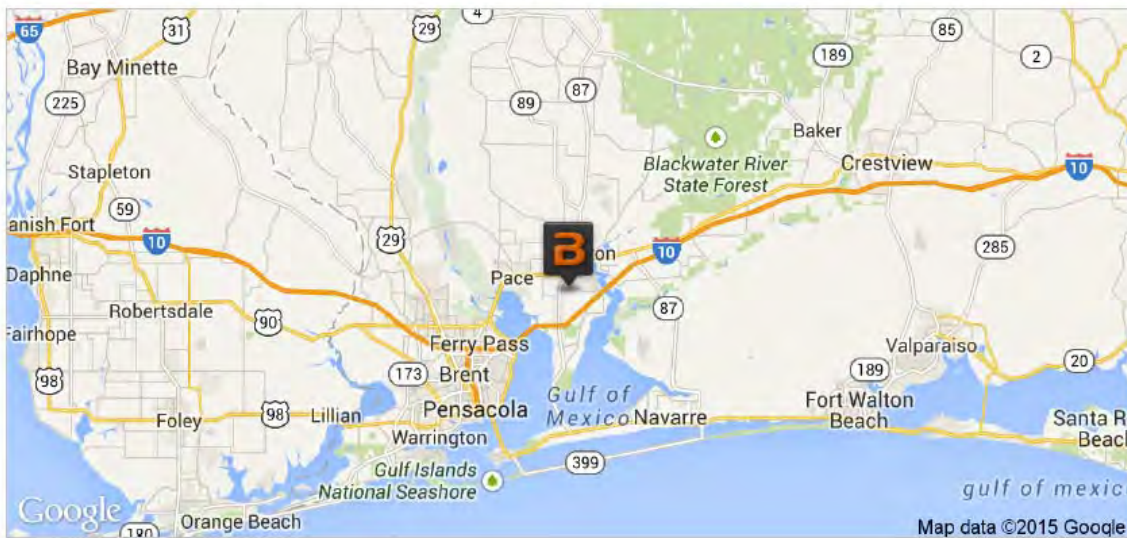
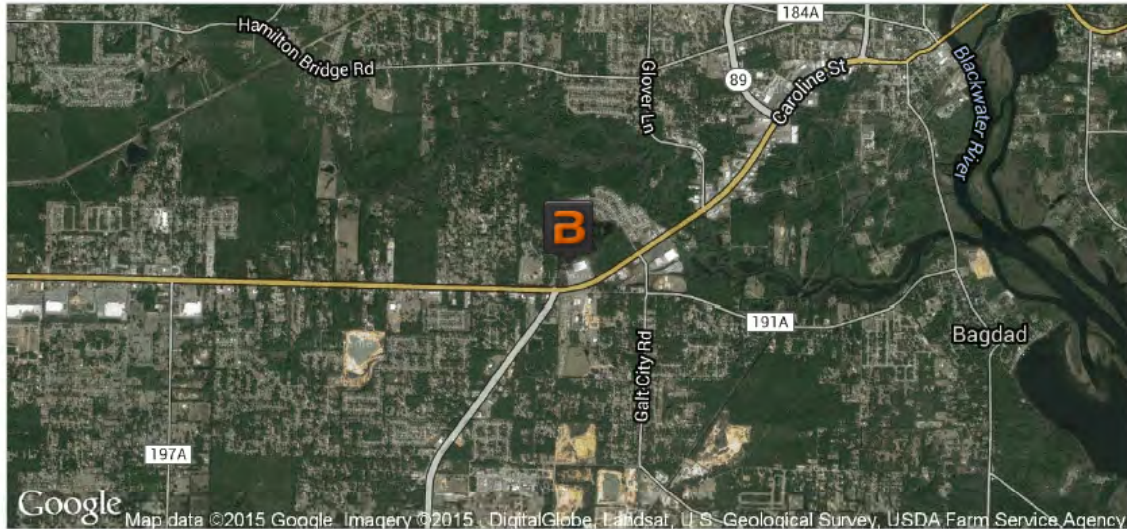
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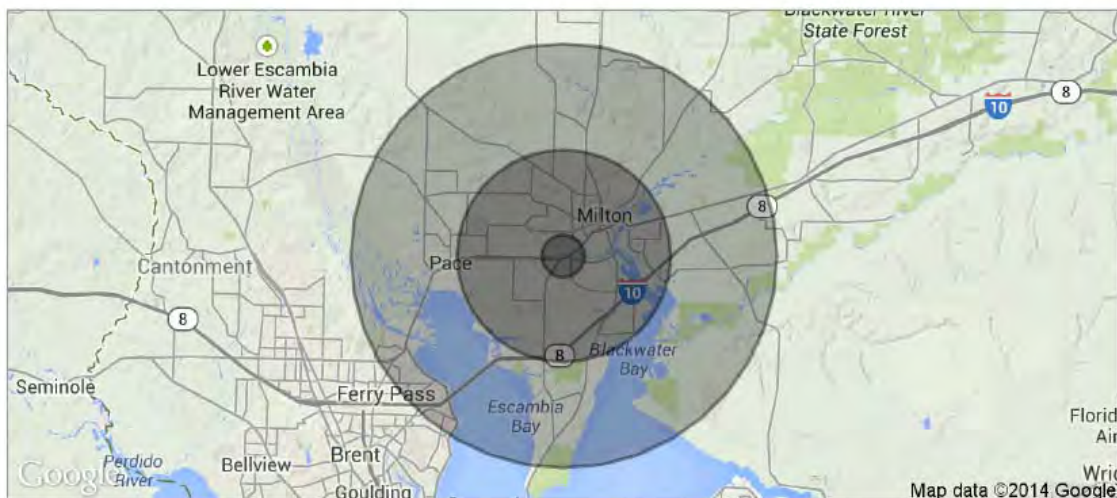
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RETAIL PROPERTY FOR SALE

Big Box Retail - Reduced \$900K

6032 Hwy 90, Milton, FL 32570



POPULATION	1 MILE	5 MILES	10 MILES
TOTAL POPULATION	2,173	36,578	85,483
MEDIAN AGE	34.9	38.0	39.4
MEDIAN AGE (MALE)	34.8	37.0	38.8
MEDIAN AGE (FEMALE)	35.5	39.9	40.6
HOUSEHOLDS & INCOME	1 MILE	5 MILES	10 MILES
TOTAL HOUSEHOLDS	798	14,041	33,336
# OF PERSONS PER HH	2.7	2.6	2.6
AVERAGE HH INCOME	\$58,273	\$55,505	\$61,447
AVERAGE HOUSE VALUE	\$149,837	\$146,509	\$179,160

* Demographic data derived from 2010 US Census



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REAL ESTATE PURCHASE OPTION AGREEMENT

FOR AND IN CONSIDERATION of Ten and no/100s Dollars (\$10.00), receipt of which is hereby acknowledged by the Optionor, Milton, LLC, a Florida Limited Liability Company whose address is 27806 Oakland Park, Fort Lauderdale, FL 33306 ("Optionor"), hereby grants to the School Board of Santa Rosa County, Florida, a District School Board constituted as provided in Article IX, Section 4, of the Florida Constitution, whose address is 5086 Canal Street, Milton, Florida 32570 ("Optionee"), the right and option to purchase that real property more particularly described in the attached Exhibit A ("Real Property").

1. Option Period. This Option shall be irrevocable for a period of one hundred twenty (120) days from the Effective Date, as defined in paragraph 7 below, and shall expire at the conclusion of such period automatically without notice to the Optionee. However, this Option may be amended or modified during the term of the Option upon the express, written consent of both parties.

2. Purchase Price; Terms. The purchase price for the Real Property shall be One Million Five Hundred Thousand and no/100s Dollars (1,500,000.00).

3. Inspection During Option Period. During the period this Option is in effect, the Optionee may enter upon, make such inspections of, and conduct such tests on the Real Property as the Optionee reasonably deems appropriate, provided that the party conducting such tests is bonded or maintains liability insurance in an amount reasonably acceptable to the Optionor. Subject to the limitations set forth in Section 768.28, Florida Statutes, the Optionee agrees to indemnify the Optionor against any and all claims against the Optionor arising out of the Optionee's inspection and/or testing of the Real Property. Within five (5) days of the Effective Date, as defined in paragraph 7 below, the Optionor:

(a) Shall make available to the Optionee copies of all documentation possessed by or under the control of the Optionor and its agents and contractors respecting the use, development, or condition of the Real Property, including but not limited to any policy of title insurance; boundary or topographic survey; aerial photograph, environmental assessment, audit or report; soils test; zoning or rezoning resolution or ordinance; site plan or planned unit development approval; development order; construction plan or approval; building permit; building plan; certificate of occupancy; or governmental agency notice, complaint, order, or citation; and

(b) Shall advise the Optionee of the identity and location of any additional such documentation known by the Optionor to exist but not in the possession or control of the Optionor or its agents or contractors.

4. Exercise of Option. In the event the Optionee elects to purchase the Real Property, the Optionee shall, prior to expiration of the Option Period, as defined in paragraph 1 above, execute and deliver in triplicate an Agreement for Sale and Purchase, and deliver such Agreement to the Optionor as provided in paragraph 6 below.

5. Binding Effect. This Option shall be binding upon the heirs, administrators, legal representatives, successors, and assigns of the parties, provided, however, that this Option shall not be assignable by the Optionee.

6. Delivery. Delivery of an Agreement for Sale and Purchase under this Option shall be deemed accomplished when such Agreement has been personally delivered, executed in triplicate by the Optionee, to the Optionor or their designated agent.

7. Effective Date. This Option shall be effective on the date when the last one of the Optionor and the Optionee has executed this instrument and the fact of the execution has been communicated in writing or by facsimile transmission between the parties.

8. This Option Agreement shall be and is entered into pursuant to the provisions of Section 1013.14 (2014 Florida Statutes, as amended). It is further subject to any provisions of the Florida law pertaining to the purchase of property by District School Boards.

IN WITNESS WHEREOF, the parties have caused this Real Estate Purchase Option Agreement to be executed as of the dates indicated below.

Witnesses:

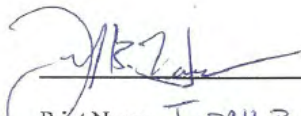
Print Name: _____

OPTIONOR:

MILTON, LLC
a Florida Limited Liability Company

By: _____

Date: _____, 2016

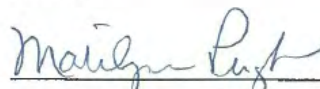


Print Name: JOSEPH B. HAZZELL


OPTIONEE:

THE SCHOOL BOARD OF SANTA
ROSA COUNTY, FLORIDA

ATTEST:






By: _____
Timothy Wyrosdick
Superintendent of Schools

Date: 3/17/16, 2016



DESCRIPTION: (OVERALL PROPERTY)

COMMENCE AT THE SOUTHEAST CORNER OF SECTION 8, TOWNSHIP 1 NORTH, RANGE 28 WEST, SANTA ROSA COUNTY, FLORIDA; THENCE GO SOUTH 88 DEGREES 58 MINUTES 14 SECONDS WEST ALONG THE SOUTH LINE OF SECTION 8 A DISTANCE OF 2651.03 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF SECTION 8; THENCE GO NORTH 00 DEGREES 38 MINUTES 13 SECONDS WEST ALONG THE EAST LINE AS DESCRIBED IN O.R. BOOK 606 AT PAGE 604 A DISTANCE OF 703.82 FEET FOR THE POINT OF BEGINNING; THENCE CONTINUE NORTH 00 DEGREES 38 MINUTES 13 SECONDS WEST A DISTANCE OF 559.70 FEET; THENCE DEPARTING THE AFORESAID LINE GO NORTH 67 DEGREES 51 MINUTES 47 EAST A DISTANCE OF 265.94 FEET; THENCE GO SOUTH 30 DEGREES 30 MINUTES 00 SECONDS EAST A DISTANCE OF 449.89 FEET; THENCE GO NORTH 71 DEGREES 29 MINUTES 29 SECONDS EAST A DISTANCE OF 367.50 FEET TO A POINT OF CURVATURE; THENCE GO ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 74.80 FEET, AN ARC DISTANCE OF 117.69 FEET (DELTA = 90 DEGREES 09 MINUTES 23 SECONDS, CHORD = 105.92, CHORD BEARING = SOUTH 63 DEGREES 25 MINUTES 49 SECONDS EAST) TO A POINT OF TANGENCY; THENCE GO SOUTH 18 DEGREES 21 MINUTES 08 SECONDS EAST A DISTANCE OF 400.00 FEET; THENCE GO SOUTH 64 DEGREES 21 MINUTES 08 SECONDS EAST A DISTANCE OF 128.32 FEET; THENCE GO SOUTH 15 DEGREES 21 MINUTES 08 SECONDS EAST A DISTANCE OF 115.30 FEET TO A POINT ON THE CURVED NORTHERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY 90 (150' R/W), SAID CURVED NORTHERLY RIGHT-OF-WAY LINE BEING CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 2764.93 FEET; THENCE GO WESTERLY ALONG THE ARC OF SAID CURVED RIGHT-OF-WAY LINE A DISTANCE OF 973.20 FEET (DELTA = 20 DEGREES 10 MINUTES 01 SECONDS, CHORD = 968.19, CHORD BEARING = SOUTH 69 DEGREES 58 MINUTES 29 SECONDS WEST); THENCE GO NORTH 10 DEGREES 57 MINUTES 13 SECONDS WEST A DISTANCE OF 548.28 FEET; THENCE GO SOUTH 89 DEGREES 21 MINUTES 47 SECONDS WEST A DISTANCE OF 170.00 FEET TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PARCEL OF LAND IS SITUATED IN SECTION 8, TOWNSHIP 1 NORTH, RANGE 28 WEST, SANTA ROSA COUNTY, FLORIDA, AND CONTAINS 18.50 ACRES.

DO NOT EXCEED QUANTITIES OR PRICE WITHOUT PRIOR APPROVAL

SANTA ROSA COUNTY SCHOOL DISTRICT

THIS IS PAGE 1 OF 1 PAGE

716082

PURCHASE ORDER NUMBER:

FLORIDA SALES TAX EXEMPTION NUMBER:
85-8912622341C-0

NO SUBSTITUTIONS WITHOUT PRIOR APPROVAL
PURCHASE ORDER VOID IF NOT FILLED WITHIN 60 DAYS

COLLECT SHIPMENTS WILL BE REFUSED
PAYMENT WILL BE MADE ONLY TO VENDOR LISTED BELOW

DATE: 03/18/16

V-000017358
TO: BRANTLEY & ASSOCIATES REAL
ESTATE APPRAISAL CORP
100 N SPRING ST SUITE 2
PENSACOLA FL 32502

SHIP/INVOICE TO:
GENERAL ADMINISTRATION
6544 FIREHOUSE ROAD
MILTON FL 32570-6706
PHONE (850) 983-5123

SPECIAL INSTRUCTIONS:

STOCK#	MAKE/MODEL/DESCRIPTION OF ITEMS	QTY	UNIT PRICE	TOTAL PRICE
	APPRAISAL FOR PROPERTY LOCATED AT 6032 HIGHWAY 90, MILTON FL	1	2,500.00	2,500.00
QUOTE DATED 3/16/16 SHIPPING INCLUDED IN TOTAL PRICE				

----- AREA BELOW RESERVED FOR ACCOUNTS PAYABLE USE ONLY -----
FND-FUNC-OBJ-CNTR-PROJECT-PGM AMOUNT
REQUEST: 90202500 PO: 716082 392 7410 672 9020 350016 2,500.00

COMMENTS: PO TO HARRELL/CW
REQUISITIONED BY:

P.O. TOTAL: 2,500.00
RECEIVED IN GOOD ORDER BY:

JOEY HARRELL
ASS'T SUPERINTENDENT

CINDY LAMBETH
PURCHASING AGENT

DATE RECEIVED:

It is a condition of this purchase order contract that the vendor will comply with all Federal, State and Local laws, ordinances and rules, including but not limited to self reporting if listed on the Federal Suspension and Debarment list and if convicted of Public Entity Crimes.