



Appraisal Report
REAL ESTATE APPRAISAL
Of
FLEA MARKET PROPERTY



5760 Gulf Breeze Parkway
Gulf Breeze, FL

As of
August 19, 2021

Prepared For
Mr. Joseph Harrell
Santa Rosa County School District
6544 Firehouse Road
Milton, FL, 32570

Prepared by
FRUITTICHER-LOWERY APPRAISAL GROUP, INC.
Rodger Lowery, MAI, FL-RZ1922

Appraisal Order:
RL21143L-S

PART ONE: INTRODUCTION



**FRUITTICHER - LOWERY
APPRAISAL GROUP**

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September 13, 2021

Santa Rosa County School District
6544 Firehouse Road
Milton, FL 32570

Attn: Mr. Joseph Harrell,
Assistant Superintendent, Administrative Service

Letter of Transmittal

RE: An Appraisal Report of the 34.7-
Acres of land known as the Flea Market
Property located at 5760 Gulf Breeze
Parkway in Gulf Breeze, FL.
(SRCSD PO #731685)

Dear Mr. Harrell:

At your request, information was obtained and reviewed of the above referenced property for the purpose of estimating the current market value of the fee simple estate of the Flea Market Property. In compliance with the "Uniform Standards of Professional Appraisal Practice", this letter of transmittal is followed by an appraisal report in which all applicable approaches to value are used and with the value conclusion reflecting all known information about the subject property, current and projected market conditions, and other available data. This report contains to the fullest extent possible and practical, explanations of the data, reasoning and analysis used to develop the opinion of value. It also includes thorough descriptions of the subject property, the property's locale, the market for the property type, and my opinion of highest and best use.

Market value will be defined in the appraisal report, but basically assumes a willing buyer-seller, both knowledgeable of the subject real estate market and with the valuation at the property's highest and best use. Both exposure and marketing time periods are estimated to be between 3-6 Months. In accordance with USPAP, I am informing the client that I have performed no other services regarding the subject property within the past three years prior to the engagement of these services.

ii



RODGER K. LOWERY, MAI
State-Certified General Real Estate Appraiser
FL #RZ0001922 * AL #G00445

TOM FRUITTICHER, MAI
State-Certified General Real Estate Appraiser
FL #RZ0002029 * AL #G00788

The subject property consists of a currently vacant 34.70-acre parcel of land located in Gulf Breeze, Santa Rosa County, Florida. The property is zoned "HCD", Agricultural 2 with agricultural and residential uses being an allowable use for the site. The subject property is a 34.7-acre portion of three adjacent parent tracts located along the north side of Gulf Breeze Parkway (U.S. Highway 98). The property contains approximately 642 feet of frontage along Gulf Breeze Parkway and is zoned HCD, Highway Commercial District. The southern portion of the property is improved with two structures being an approximate 6,518 square foot and an approximate 5,593 square foot, open flea market structures that will be razed for redevelopment. The property is crossed by a 150-foot-wide overhead power line easement encompassing approximately 2.735-acres and has approximately 1.12-acres of jurisdictional wetlands in the northeast corner of the property.

1. This appraisal is based upon the extraordinary assumption that the subject property consists of a 34.7-acre portion of two adjoining parent tracts.
2. This appraisal is based upon the extraordinary assumption that there are minimal wetlands in the northeast corner of the subject property that do not appear to adversely affect the marketability or value of the property.

Subject to the above and the limiting conditions and certification as set forth herein, it is my opinion that the current market value of the Fee Simple estate as of the last date of inspection, August 19, 2021, was:

CURRENT MARKET VALUE

EIGHT MILLION SIX HUNDRED SEVENTY FIVE THOUSAND DOLLARS

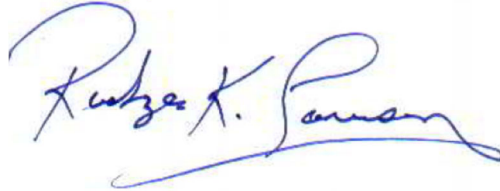
\$8,675,000

I hereby certify I have no interest, present or contemplated, in the appraised property. This appraisal has been prepared utilizing all of the requirements set forth as Standards for Real Estate Appraisals as established for federally related transactions and the State of Florida. The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA). The fee for this appraisal was not based on a minimum value nor was the assignment undertaken based on a pre-determined value or guaranteed loan amount.

Mr. Joseph Harrell
September 13, 2021
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I appreciate the opportunity of doing this work for you and your client. After your review, should you have questions, please don't hesitate to call.

Respectfully submitted,

A handwritten signature in blue ink, reading "Rodger K. Lowery". The signature is fluid and cursive, with a long horizontal flourish at the end.

Rodger K. Lowery, MAI
State-Certified General Real Estate Appraiser #RZ1922
RLowery@FLAG1.Net
Phone – (850) 477-0419, ext. 101

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

CLIENT:	Santa Rosa County School District
INTENDED USER:	Santa Rosa County School District. No other users are intended by the appraiser.
INTENDED USE:	The intended use is for purchase of the subject property by the Santa Rosa County School District..
PROPERTY LOCATION:	<p>The subject property is located along the north right-of-way of Gulf Breeze Parkway (U.S. Highway 98) in Gulf Breeze near Navarre.</p> <p>The Flea Market Property has a street address of 5760 Gulf Breeze Parkway, Gulf Breeze, Florida.</p>
SITE SIZE:	<p>The existing parcel contains approximately 1,511,532 square feet or 34.70-acres.</p> <p>The subject property has Good access with frontage as follows:</p> <ul style="list-style-type: none">• Gulf Breeze Parkway: 642 feet
ZONING:	The subject property is zoned HCD, Highway Commercial District. The current zoning allows for a wide variety of residential and commercial uses. According to the Land Development Code, educational facilities are a permitted use in the HCD zoning district.
ENVIRONMENTAL CONCERNS:	There is approximately 1.12-acres of jurisdictional wetlands located in the northeast corner of the parcel.
HIGHEST AND BEST USE:	The highest and best use as vacant is the redevelopment of the highway frontage as a commercial use with the rear acreage as a high-density residential use.
DATE OF VALUE:	The current date of value is August 19, 2021.
ASSESSED VALUE:	\$1,833,228
ANNUAL PROPERTY TAXES:	\$26,355.22
PROPERTY RIGHTS	Fee Simple Estate

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

APPRAISED:

VALUE INDICATIONS – MARKET VALUE

Summary of Values	
Value Premise	As Is
	8/19/2021
Sales Comparison Appr	\$8,675,000
Value Conclusion:	\$8,675,000

SCOPE OF THE APPRAISAL PROCESS

The client for this appraisal report is the Santa Rosa County School District which is also the intended user of this report. The intended use of this appraisal is for purchase of the subject property by the Santa Rosa County School District. The type of value opinion being provided is the market value of the fee simple estate. The current date of value is the date of the last inspection of the property of August 19, 2021.

In an effort to meet your requirements, as well as conforming to the Uniform Standards of Professional Appraisal Practice (USPAP) and FIRREA requirements, a visual inspection was made of the subject property. The client provided a wetland delineation report, surveys of portions of the property, purchase contract and information regarding other letters of intent to purchase portions of the property. I researched the Santa Rosa County Property Appraiser's website for additional information regarding the property, all of which were relied upon in the valuation of the subject. Notes were taken during the inspection of the property for use in the description write-ups found within this report.

In addition to the physical inspection, research was conducted on a regional and neighborhood basis in an effort to identify trends and factors, which have an effect on area property values. A search was conducted to find recent land sales similar to the subject property. The sales were extracted from public records information, confirmed with one of the parties to the sale, and then written up in detail. They were then adjusted for various differences and reconciled into a value indication via the sales comparison approach for the Current as-is value.

PURPOSE OF APPRAISAL

PURPOSE OF APPRAISAL

The purpose of this appraisal is determine the current market value of the fee simple estate of the subject property. The objective of this report is to present the data and reasoning used to form this opinion of value.

USE OF APPRAISAL

This appraisal is being prepared for use by Santa Rosa County School District. The intended use of this appraisals is for purchase of the subject property by the Santa Rosa County School District.

DATE OF VALUE AND OF PROPERTY INSPECTIONS

The property was last inspected on August 19, 2021, which is also the current date of value. This report was signed on September 13, 2021.

PROPERTY RIGHTS APPRAISED

There are several different types of ownership interest that can be appraised. These include the Fee Simple Estate ownership interest, the Leased Fee ownership interest and the Leasehold ownership interest.

“Fee Simple Estate” has been defined as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."¹

“Leased Fee Estate” has been defined as:

"An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease"²

“Leasehold estate” has been defined as:

"The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions."³

The property rights being appraised are those of the fee simple estate.

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Edition. (Chicago, Illinois: Appraisal Institute, 2015), pg. 90.

² Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Edition. (Chicago, Illinois: Appraisal Institute, 2015), pg. 128.

³ The Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Edition. (Chicago, Illinois: Appraisal Institute, 2015), pg. 128.

MARKET VALUE DEFINITION AND IMPLICATIONS

The definition of market value as currently stated by The Office of the Comptroller of the Currency is as follows:

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

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

⁴ The Office of the Comptroller of the Currency, 12CFR, Part 34

IDENTIFICATION OF THE PROPERTY

IDENTIFICATION OF THE PROPERTY

- PROPERTY ADDRESS:** The subject property is located along the north right-of-way of Gulf Breeze Parkway (U.S. Highway 98) in Gulf Breeze near Navarre.
- LEGAL DESCRIPTION:** Lengthy legal description being a portion of three parent parcels in Section 20, Township 2 South, Range 27 West.
- OWNER OF RECORD:** The owner of record is Santa Rosa County School Board
- TYPE OF OWNERSHIP:** Fee Simple Estate
- PHYSICAL:** The subject property is a 34.7-acre portion of three adjacent parent tracts located along the north side of Gulf Breeze Parkway (U.S. Highway 98). The property contains approximately 642 feet of frontage along Gulf Breeze Parkway and is zoned HCD, Highway Commercial District. The southern portion of the property is improved with two structures being an approximate 6,518 square foot and an approximate 5,593 square foot, open flea market structures that will be razed for redevelopment. The property is crossed by a 150-foot-wide overhead power line easement encompassing approximately 2.735-acres and has approximately 1.12-acres of jurisdictional wetlands in the northeast corner of the property.

HISTORY OF THE PROPERTY

Five Year Sales History – The subject property has remained under the current ownership of Fair Weather Properties and Alpha Land, LLC (related entities) for more than the past five years. The parent tract contains a total of approximately 65-acres and was listed by NAI Pensacola for \$7,200,000. There were several interested parties, and the property was placed under contract with Forest Bay Estates, LLC at an undisclosed price with the intent to either develop the property or sell it with a simultaneous closing. The School Board of Santa Rosa County, Florida has contracted to purchase the west 34.7-acres from the contracted buyer, Forest Bay Estates, LLC for \$250,000 per acre. Forest Bay Estates, LLC has received two other offers for portions of the property with Blackwater Real Estate, LLC offering \$270,000 per acre for 12 to 16 acres of the property with 800 feet of highway frontage and D.R. Horton offering \$25,000 per unit for an approximate 18.2-acre portion of the property allowing for 182 townhome lots reflecting a price of \$250,000 per acre. This information will be discussed in the sales comparison approach.

Other than noted above, I am unaware of any other transactions, options or listings regarding the subject property.

PART TWO: DESCRIPTIONS, ANALYSIS AND VALUE CONCLUSIONS

NEIGHBORHOOD ANALYSIS

NEIGHBORHOOD LOCATION MAP



NEIGHBORHOOD ANALYSIS

A neighborhood is defined in *The Dictionary of Real Estate Appraisal*, Fourth Edition 2002 as: "A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."⁵ Neighborhood boundaries are defined because properties within neighborhoods tend to be similar in characteristics with regard to land use, desirability, and are affected by similar physical, economic, governmental, and social forces.

Using the map on the preceding page, the subject neighborhood is considered to be the Gulf Breeze Peninsula. This Peninsula is a bedroom community to Pensacola and is bound on the north and west by Pensacola Bay and on the south by Santa Rosa Sound. The eastern boundary is made up of the Navarre community. With water on three sides and the Live Oak Reservation on the fourth, the city limits of Gulf Breeze has an island like location in that there is now very little remaining vacant land available for development. The majority of the growth taking place in the community is found east of the City of Gulf Breeze and includes numerous single family residential subdivisions, apartments, and neighborhood support commercial developments. The only major road running through this community is Gulf Breeze Parkway (Highway 98), which is a six and four-lane arterial that connects Gulf Breeze to Pensacola to the northwest and Fort Walton Beach to the east. Gulf Breeze Parkway within the City Limits has six lanes and a daily average traffic count of 57,000 cars. Shoreline drive is one of the City's major residential access arterials and it offers a daily traffic count of 6,400 cars.

The majority of the commercial development found within the neighborhood is located along Gulf Breeze Parkway and residential properties are found radiating away in both directions. The commercial developments consist of offices, strip shopping centers, and retail shops. Homes in the area are very well kept and range in value from about \$180,000 up to \$2,100,000+. The median price home within this community is \$429,000. The neighborhood within the city limits is about 90% developed. Recently developed and developing improvements include an assisted living facility on Daniel Drive, a new restaurant on Daniel Drive and an office building on the eastern end of the city. An office building is planned for the corner of Shoreline Drive and Gulf Breeze Parkway and a new hotel is being developed on an outparcel of the Publix Shopping Center.

⁵ The Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago, Ill: Appraisal Institute, 2002, page 193)

NEIGHBORHOOD ANALYSIS

The retail market extends primarily along Gulf Breeze Parkway and retail occupancy is reportedly in the range of 90% to 100%. Commercial rental rates range from about \$9.00/SF to \$35.00/SF. Large retail developments found east of Gulf Breeze include a Wal-Mart Super Center and a Lowe's Home Improvement Store. There is also a stadium seating movie theater.

To the east of Gulf Breeze, subdivision developers have experienced rapid absorption rates for their lot sales and homebuilders very active. This active market suffered during the recession; however, homes sales are increasing, and new subdivisions are being constructed for new home development. In addition to single-family developments, two new large-scale apartment developments were recently completed, and they realized stabilized occupancy right away. There are several other apartment and retirement communities planned east of the Live Oak Reservation.

According to a demographic profile obtained from the *Site To Do Business*, the Peninsula of Gulf Breeze (Zip codes 32561 & 32563, which includes Pensacola Beach) has a 2021 population estimate of 36,519 people. This is up 15% from the 2010 census information of 30,330 people. Over the next five years the population is expected to grow to 39,213 people or an average of 539 people per year. With an average household size of 2.41 people, the growing population will require about 215 new homes per year for the next five years.

Home values in the area have been increasing over the past five years, as have condo values. Lot values decreased but are now increasing once again. At the present time, there are shortages for single family homes, condos and residential lots and with the strong demand, values can be expected to continue to increase.

Median Sales Trends (Zip Codes 32561, 32563)						
Year	Condo Sales		Single-Family Sales		Resid. Land (< ½ Acre)	
	# Sales	Median \$	# Sales	Median \$	# Sales	Average \$
2014	193	\$285,000	602	\$220,000	82	\$109,000
2015	232	\$335,000	680	\$228,000	101	\$110,000
2016	191	\$355,000	762	\$235,382	107	\$95,000
2017	193	\$400,000	775	\$270,400	117	\$62,500
2018	191	\$449,000	793	\$300,000	72	\$63,500
2019	192	\$428,500	809	\$300,000	85	\$85,500
2020	184	\$457,500	936	\$329,900	69	\$116,500
2021	167	\$534,900	821	\$399,900	67	\$155,000
Active	57	\$609,000	194	\$460,100	43	\$129,000

*As of 9/2021

NEIGHBORHOOD ANALYSIS

One of the main draws for the city of Gulf Breeze is its “blue ribbon school system”. The elementary school, middle school and high school are centrally located along Gulf Breeze Parkway and continuously get high scores among state aptitude tests. An additional draw are the numerous parks found within the city. Shoreline Park South is found along shoreline drive and offers boat ramps, a swimming dock, bathroom facilities, picnic tables and a pavilion. Shoreline Park North is found across the street and offers baseball fields, softball fields, a football field, tennis courts, children’s park and a recreation center. Woodlawn Park is found at the Northeast corner of Fair Point Drive and High Point Drive within the city central area and offers a children’s park, picnic tables and a small dock for fishing. There are additional boat ramps located at the northern entrance to the city, as well as picnic tables and a fishing pier and another boat ramp located in the Oriole Beach area. Located at the foot of the beach bridge are two additional fishing piers and associated parking. Baseball fields, soccer fields, tennis courts and basketball courts can also be found to the West of the Walmart Supercenter on Tiger Park Lane.

While this community remains very popular due to its high-quality school system and island like nature of its borders, the slow population growth is a result of the lack of developable, vacant, residential land. The majority of the area population growth will take place to the east, outside of the city limits; however, the City has a long-range redevelopment plan for Gulf Breeze that could aid in increasing the population within the City limits. There are three 50-year redevelopment concepts, all of which have to do with the redevelopment of the core area along Gulf Breeze Parkway (aka Highway 98).

Due to the developed nature of the City, it was determined that the area with the greatest potential for change was the athletic facilities owned by Santa Rosa County School District. This triangular 19-acre parcel has frontage on US 98, and is bound by the north by Kenilworth Avenue, and to the east by Daniel Street. Because this parcel is in public ownership, it does not generate Tax Increment Financing (TIF) revenue that would contribute to the Community Redevelopment Area (CRA). Each Alternative examined a different approach for the physical layout of the ballfields, existing school campus, and Shoreline Park.

Due to the increasing population between the City of Gulf Breeze to the west and the Navarre area, the demand for new schools to accommodate the increasing population has been brought to the forefront of the County discussions. The Santa Rosa County School Board has

NEIGHBORHOOD ANALYSIS

purchased a couple of parcels recently, with one under construction and additional infrastructure needed. Finding adequate large acreage tracts with good access and limited to no wetlands or easements is a challenge as most of the land in the area has been purchased by developers for residential and commercial development. This will continue to be a challenge into the foreseeable future as prices for the remaining developable land continues to escalate.

Overall, the subject neighborhood is considered to be very desirable and has a bright future. Demand for commercial and residential properties within the neighborhood has historically been strong and should remain so. There is also strong demand for commercial facilities and there are very few available for rent or sale. The main strip centers found in the area have a total rentable area of 308,284 square feet and as of the writing of this report, 25,310 square feet is vacant or 8%. Additionally, there is very little commercial or residential land currently for sale within the neighborhood so little new competition is expected. The neighborhood remains in strong demand and the past trends are expected to continue.

TAXES AND ASSESSMENT ANALYSIS

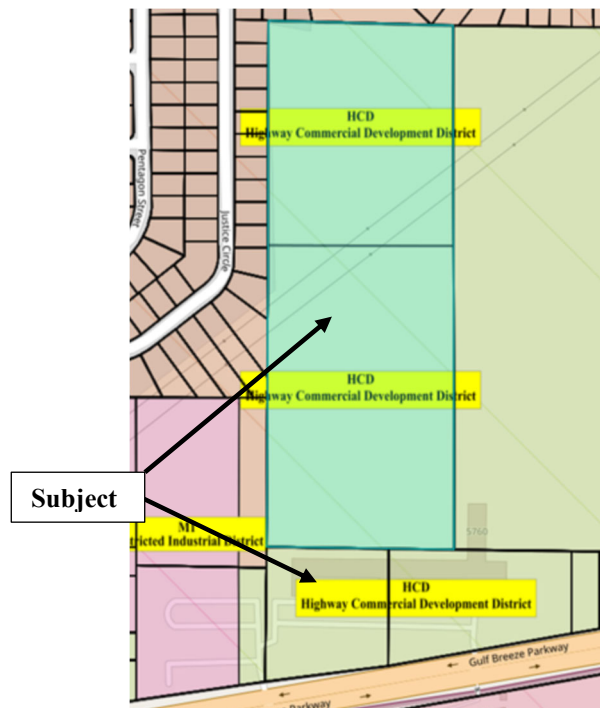
TAXES AND ASSESSMENT ANALYSIS

The subject property is assessed by the Santa Rosa County under three separate parcel numbers with the subject encompassing parcel 2101 and a portion of 2202 and 22203. The combined assessment for these parcels is allocated \$96,801 for the land, \$402,328 for the improvements and \$2,500 for other features for a combined \$501,629. The annual taxes are \$6,418.02 and all property taxes are paid and current.

It is noted that the sale of the property would likely trigger a reassessment of the property with property taxes possibly increasing.

Real Estate Assessment and Taxes									
Tax ID	Land	Improvements	Other	Total Assessment	Per SF GBA	Per Acre	Tax Rate	Taxes	Assessment Year
20-2S-27-0000-02202-0000	\$313,588	\$0	\$0	\$313,588	\$0.00	\$9,037.12	\$1.44	\$4,508.27	2020
20-2S-27-0000-02203-0000	\$415,360	\$488,709	\$20,000	\$924,069	\$0.00	\$26,630.23	\$1.44	\$13,284.79	2020
20-2S-27-0000-02101-0000	\$595,571	\$0	\$0	\$595,571	\$0.00	\$17,163.43	\$1.44	\$8,562.17	2020
Totals	\$1,324,519	\$488,709	\$20,000	\$1,833,228				\$26,355.22	

LAND USE PLANNING, ZONING, CONCURRENCY



ZONING CODE:

HCD

ZONING DESCRIPTION:

The Highway Commercial District is intended to be situated along selected segments of major thoroughfares in the vicinity of major intersections to provide for a wide range of commercial uses in appropriate and easily accessible locations adjacent to major transportation corridors.

ZONING DENSITY/FAR:

10 DU/Acre

CURRENT USE LEGALLY
CONFORMING:

legally permissible use

ZONING CHANGE LIKELY:

Not likely.

ZONING COMMENTS:

The current zoning allows for a wide variety of residential and commercial uses. According to the Land Development Code, educational facilities are a permitted use in the HCD zoning district.

PUBLIC AND PRIVATE RESTRICTIONS

PUBLIC AND PRIVATE RESTRICTIONS

The only known public and private restrictions are those imposed by the zoning ordinance for Santa Rosa County. I am unaware of any other public or private restrictions regarding the subject property.

ENVIRONMENTAL CONCERNS

Other than the 1.12-acres of jurisdictional wetlands in the northeast corner of the parcel, I am unaware of any environment conditions that would adversely affect the marketability or value of the subject property.

The above is a very important assumption and limiting condition to the appraisal. From the viewing of the site, no evidence of hazardous substances “obvious to the untrained person” were observed, and no communication “through a reasonably reliable person” indicating possible contamination was received; however, I am not an expert in the environmental field and this information should be confirmed by an expert.

SITE PLAT



PARCEL AERIAL



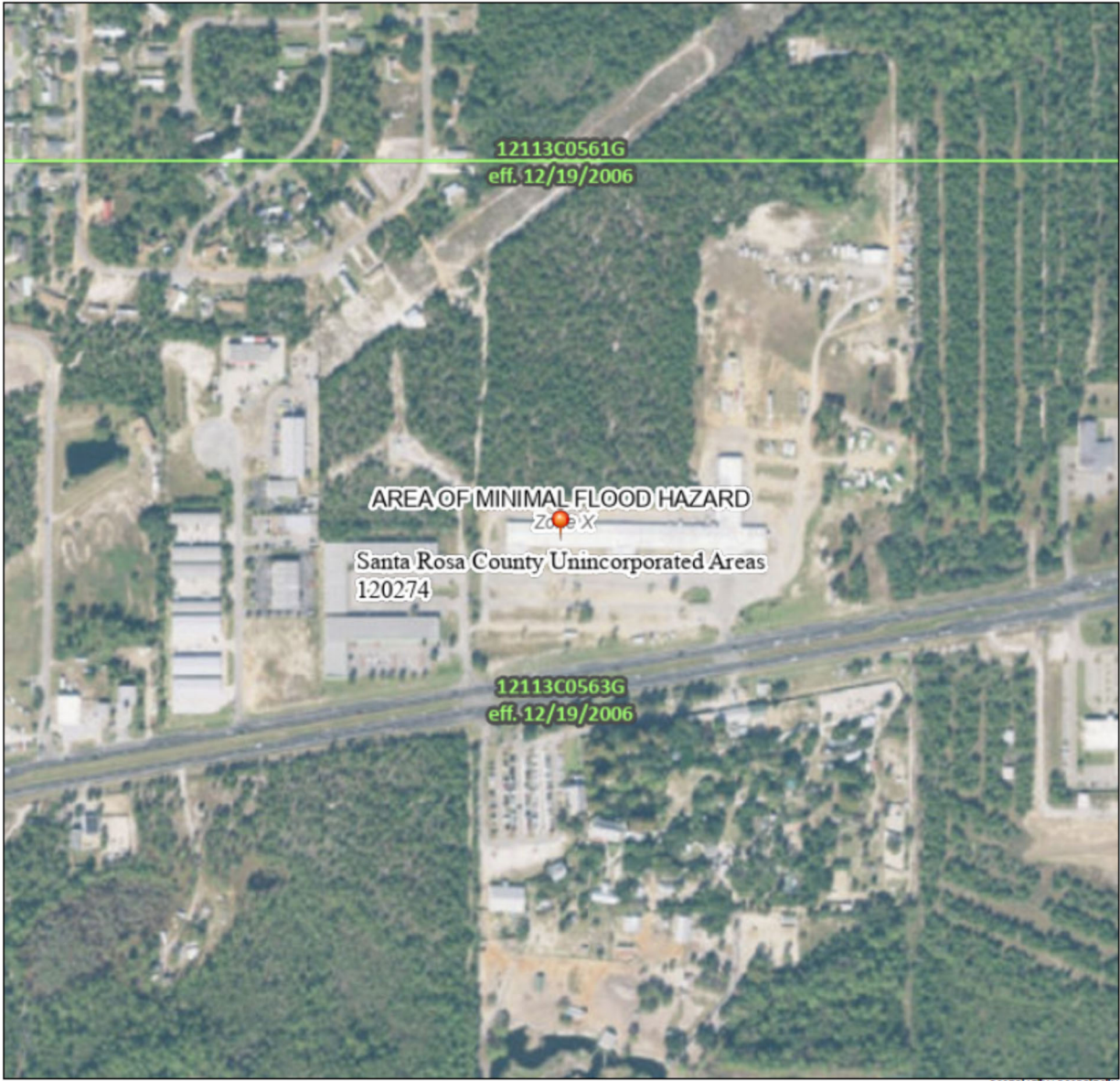
AERIAL SITE PLAN



FLOOD MAP National Flood Hazard Layer FIRMette



86°59'23"W 30°24'27"N



Feet

1:6.000

86°58'45"W 30°23'56"N

PHOTOGRAPHS

PHOTOGRAPHS



View of Subject from Gulf Breeze Parkway



View of Subject's Improved Parcel

PHOTOGRAPHS



View East along Gulf Breeze Parkway



View West along Gulf Breeze Parkway

SITE DESCRIPTION

SITE DESCRIPTION

For better visualization of this narration, please refer to the preceding drawings and photographs.

LOCATION:	The subject property is located along the north right-of-way of Gulf Breeze Parkway (U.S. Highway 98) in Gulf Breeze near Navarre.
AREA:	The existing parcel contains approximately 1,511,532 square feet or 34.70-acres.
SHAPE:	The shape of the parcel is rectangular.
DIMENSIONS:	I was not provided with a survey of the property as it is being completed. The acreage is estimated based upon the information provided and is assumed to be correct.
INGRESS/EGRESS:	The subject property has Good access with frontage as follows: <ul style="list-style-type: none">• Gulf Breeze Parkway: 642 feet
TOPOGRAPHY:	The site is basically level with no irregular topographical features.
FLOOD DATA:	<p>The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area.</p> <p>FEMA Map Number: 2113C0563G FEMA Map Date: December 19, 2006</p> <p>The subject is outside the 500-year flood plain. The appraiser is not an expert in this matter and is reporting data from FEMA maps.</p>
DRAINAGE:	The drainage of the site is reportedly good. Percolation test have been completed and no wetlands are noted on the property.
SOIL COMPOSITION:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
UTILITIES ON SITE:	All utilities are available to the subject site.
Electricity:	Gulf Power
Water Supply Type:	Midway Water System
Sewer:	South Santa Rosa Utilities System
Natural Gas:	Unknown

SITE DESCRIPTION

EASEMENTS/

ENCROACHMENTS:

There is a 150-foot-wide power line easement that crosses through the center of the property from northeast to southwest encompassing approximately 2.735-acres.

RESTRICTIONS:

The only known restrictions are imposed by Santa Rosa County. No other restrictions are known.

CONCLUSION OF CONFORMITY:

The subject property is a 34.7-acre portion of three adjacent parent tracts located along the north side of Gulf Breeze Parkway (U.S. Highway 98). The property contains approximately 642 feet of frontage along Gulf Breeze Parkway and is zoned HCD, Highway Commercial District. The southern portion of the property is improved with two structures being an approximate 6,518 square foot and an approximate 5,593 square foot, open flea market structures that will be razed for redevelopment. The property is crossed by a 150-foot-wide overhead power line easement encompassing approximately 2.735-acres and has approximately 1.12-acres of jurisdictional wetlands in the northeast corner of the property.

HIGHEST AND BEST USE

A brief definition of the term "highest and best use" would be:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."⁶

Implied within this definition is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximization. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skills, i.e., that the use determined represents an opinion, not a fact.

The Highest and Best Use section of this report is the pivotal point in the appraisal process. All previous data is used to test the four criteria of: (1) legally permitted, (2) physically possible, (3) economically feasible, and (4) maximally productive.

LAND AS THOUGH VACANT

Legally Permissible - All legally permissible uses should be analyzed when considering a site's highest and best use. The zoning maps indicate the subject property is zoned "HCD", Highway Commercial District allowing for a variety of residential and commercial development up to ten dwelling units per acre. The property has operated as a Flea Market for more than 20 years and is in the path of growth. Given the limited amount of undevelopable land, numerous uses would be legally permissible to include a public school.

Physically Possible - Of the legally permissible adaptations of the site, those physically possible uses require consideration and analysis. The size and location of the parcel are important aspects of value. The subject property consists of an approximate 34.70-acre site with extensive frontage along Gulf Breeze Parkway in the Midway area between Gulf Breeze and Navarre in South Santa Rosa County, Florida. Given the size and location of the site, as well as the road frontage, most all of the legally permissible uses would be physically possible uses of the site.

⁶ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Edition, 2015, pg. 109.

HIGHEST AND BEST USE

Financial Feasibility - Of the legally permissible and physically possible adaptations of the site, only those uses which are financially feasible should be considered. Given the location and zoning of the parcel, numerous potential uses are financially feasible. As mentioned in the history of the subject section, there were two other offers for portions of the parent tract with one being for a retail shopping center (reportedly grocer anchored) and the other for a 182-lot townhome development by a national homebuilder. The lack of remaining large acreage land tracts along the main thoroughfare between Gulf Breeze and Navarre available for purchase continues to drive the prices higher. There is a 10.4-acre commercial parcel west of the subject available for sale at \$312,325/Acre and there is a 79.98-acre parcel available for sale for \$36,490/Acre, however the majority of the land is zoned R-1, Single Family Residential. Another 10.2-acre parcel east of the subject is listed for \$127,401/Acre, but this parcel has 3-acres of commercial land with the remainder being R-1. With the subject being all HCD, it allows for both residential and commercial uses as well as public school use. Given the location of the subject, a commercial use or a high-density residential use would be a financially feasible use of the site. Given the continued demand for the area, either use would appear to be the most productive use of the land.

Maximally Productive - The financially feasible use which results in the greatest return to the land is the one which is considered to be the highest and best use of the land. Based upon the location of the subject, the most productive use of the vacant land would be a commercial or high-density residential use with a school use supporting the development in the area being an alternative use.

EXPOSURE TIME

According to the *2017-2018 USPAP*, the definition of the term “exposure time” would be:

“The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.”;⁷

In other words, this is a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Based on the sales found within this report and conversations with local market participants, the subject’s exposure time is estimated to be 3-6 Months. This exposure time assumes the sale to have been handled by a knowledgeable real estate broker familiar with the subject real estate market.

⁷ USPAP 2018-2019 Edition. (The Appraisal Foundation, 2018-2019), pg. 4.

MARKETING TIME

A brief definition of the term “marketing time” would be:

“The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.”⁸

Based on the sales found within this report, current listings and conversations with local market participants, the subject’s marketing time is estimated to be 3-6 Months. This marketing time assumes the sale to be handled by a knowledgeable real estate broker familiar with the subject real estate market. It also assumes aggressive real estate sales tactics and readily available contacts active in the subject real estate market. The subject’s marketing time is considered to be reflective of the exposure time as little change is expected in the market.

⁸ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), pg. 140.

THE VALUATION PROCESS

There are three (3) commonly accepted approaches to value: The Cost Approach, Income Approach, and Sales Comparison Approach. All three utilize market derived information and are “market driven” approaches, as will be shown in the analysis.

The Cost Approach is a summation of land value and improvement value. The land is valued as though vacant and available for its highest and best use. The improvement is valued by first estimating the reproduction costs new from which all forms of depreciation are deducted. Depreciation can be both from deterioration and obsolescence. Obsolescence is further categorized as functional or external. The analysis of obsolescence, based on the highest and best use analysis, accounts for deductions necessary if the improvement is not adequate for the site.

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

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

These approaches do not make value. They are merely tools in the hands of the appraiser who must carefully weigh each value indication, give appropriate weight to the approach and reconcile into a final value conclusion. Given this is the valuation of vacant land, only the sales comparison approach to value will be employed.

SALES COMPARISON APPROACH

The sales comparison approach involves direct comparisons to the subject property of similar properties that have sold in the marketplace. The approach consists of searching the market for sales, qualifying the sales prices and terms with one of the participants in the sale, comparing the sales to the subject property for differences, adjusting the sales for those differences and formulating an opinion of value from the adjusted value indications. The improved sales which are utilized will be compared on a cost per unit basis depending on the “typical” unit used by market participants.

The market derived adjustments follow a specific, logical order so as not to skew the results. The adjustments listed in order include Property rights, financing, condition of sale, date of sale or market conditions, location and various physical adjustments which can be considered together. While an adjustment for each may not be required, they are considered resulting in a comparable unit of measure.

The units of comparison may be physical, such as dollars per square foot of area, or they may be economic, such as gross rent multipliers. These units of comparison yield a pattern which is reconciled and converted to a value indication for the subject via the sales comparison approach.

Land Comparables Map



Comp	Address City	Date Price	Acres Price Per Acre	Land SF Price Per Land SF
Subject	5760 Gulf Breeze Parkway Gulf Breeze	3/29/2020 --	34.70 --	1,511,532 --
1	Navarre Parkway at Ortega Navarre	12/29/2020 \$3,175,000	\$9.42 \$337,049	410,335 \$7.74
2	Navarre Parkway Navarre	4/13/2020 \$4,850,000	41.11 \$117,991	1,790,534 \$2.71
3	7334 Navarre Parkway Navarre	1/23/2020 \$3,295,000	9.10 \$362,088	396,396 \$8.31
4	1255-A Country Club Road Gulf Breeze	6/6/2019 \$1,525,000	12.97 \$117,579	564,973 \$2.70

LAND COMPARABLES MAP

Land Comparable 1

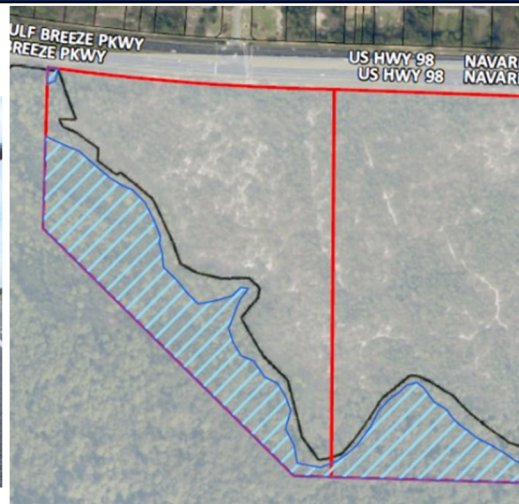


Transaction			
ID	6260	Date	12/29/2020
Address	Navarre Parkway at	Price	\$3,175,000
City	Navarre	Conditions of Sale	Arm's Length
State	FL	Financing	Cash to Seller
Tax ID	21-2S-26-0780-0aa00-0000	Property Rights	Fee Simple
Grantor	Navarre 19, LLC	Days on Market	925
Grantee	Destiny Worship Center, Inc.	Verification	Rodger Lowery, MAI confirmed this sale with Harry Bell, listing agent in August 2021
Location	NA	County	Santa Rosa
Property Major Type	Land	Zip	32566
Site			
Acres	9.4	Topography	Level
Land SF	410,335	Zoning	Highway Commercial
Road Frontage	NA	Flood Zone	X
Shape	Irregular	Encumbrance or	None noted.
Utilities	All public and private	Environmental Issues	Wetlands
Book/Page or Reference	4049/516	Dimensions	Numerous
Improvements			
Price Per Acre	\$337,049	Condition	NA
Price Per Land SF	\$7.74	Ancillary Buildings	NA
Price Per Land Unit	NA	Parking	
Price Per Usable Land SF	\$10.63	Total Assessment	NA
Sale Comments	NA	Assessment Year	NA
Comments			

This is the purchase of an approximate 9.42-acre parcel of land being the main parcel of a larger development that included out-parcels that were already sold and storm-water ponds, interior road and utilities in place. Of the parcel purchased, approximately 6.86-acres was usable due to wetlands on the parcel. The property had been listed for sale for \$3,768,000 for 925s prior to selling for \$3,175,000. The property is zoned HCD, Highway Commercial District allowing for a variety of commercial uses.

LAND COMPARABLES MAP

Land Comparable 2



Transaction			
ID	6261	Date	4/13/2020
Address	Navarre Parkway	Price	\$4,850,000
City	Navarre	Conditions of Sale	Arm's Length
State	FL	Financing	Cash to Seller
Tax ID	22-2S-27-0000-00148-0000	Property Rights	Fee Simple
Grantor	John & Debra Axley and	Days on Market	Unknown
Grantee	Santa Rosa County School Board	Verification	Rodger Lowery, MAI confirmed this sale through an appraisal of
Location	NA	County	Santa Rosa
Property Major Type	Land	Zip	32566
Site			
Acres	41.1	Topography	Rolling
Land SF	1,790,534	Zoning	Highway Commercial
Road Frontage	NA	Flood Zone	X
Shape	Irregular	Encumbrance or	Conservation Easement
Utilities	All public and private	Environmental Issues	Wetlands
Book/Page or Reference	3941/212	Dimensions	NA
Improvements			
Price Per Acre	\$117,991	Condition	NA
Price Per Land SF	\$2.71	Ancillary Buildings	NA
Price Per Land Unit	NA	Parking	
Price Per Usable Land SF	\$3.64	Total Assessment	NA
Sale Comments	NA	Assessment Year	NA
Comments			

This is the purchase of two parcels containing a total of 41.105-acres along the south side of Navarre Parkway across from Edgewood Drive in the Holley By The Sea area of Navarre. Approximately 10.5-acres of the property in the south and west portion of the property is under a conservation easement restricting any development. The developable area of the property is 30.605-acres. The property was listed for sale at \$4 million for a few years and had recently been increased to \$5 million. A contract at \$3.5 million was signed, but did not consummate due to the developer losing the tenant. Reportedly two other developers were bidding over the summer prior to the sale with the price getting as high as \$5.5 million, however neither were able to close on the purchase. The listing broker was approached by the buyers broker about selling to the School Board and a price was negotiated.

Land Comparable 3



Transaction			
ID	6259	Date	1/23/2020
Address	7334 Navarre Parkway	Price	\$3,295,000
City	Navarre	Conditions of Sale	Arm's Length
State	FL	Financing	Cash to Seller
Tax ID	24-2S-27-0000-00101-0000	Property Rights	Fee Simple
Grantor	Titan Ventures	Days on Market	Unknown
Grantee	Sacred Heart Health Systems, Inc.	Verification	Rodger Lowery, MAI confirmed this sale through an appraisal of
Location	NA	County	Santa Rosa
Property Major Type	Land	Zip	32566
Site			
Acres	9.1	Topography	Level
Land SF	396,396	Zoning	Highway Commercial
Road Frontage	NA	Flood Zone	X
Shape	Irregular	Encumbrance or	None noted.
Utilities	All public and private	Environmental Issues	None noted.
Book/Page or Reference	3911/2044	Dimensions	Numerous
Improvements			
Price Per Acre	\$362,088	Condition	NA
Price Per Land SF	\$8.31	Ancillary Buildings	NA
Price Per Land Unit	NA	Parking	
Price Per Usable Land SF	\$8.31	Total Assessment	NA
Sale Comments	NA	Assessment Year	NA
Comments			

This is the purchase of an approximate 9.1-acres parcel of land located along the north side of Navarre Parkway (U.S. Highway 98), adjacent west of the Walmart Neighborhood Market. The site contains approximately 601.09 feet of frontage along the highway with access at a traffic-light. The property is zoned HCD, Highway Commercial District allowing for a variety commercial uses. The property was purchased for \$3,295,000.

LAND COMPARABLES MAP

Land Comparable 4



Transaction			
ID	4601	Date	6/6/2019
Address	1255-A Country Club	Price	\$1,525,000
City	Gulf Breeze	Conditions of Sale	Arm's Length
State	FL	Financing	Cash to Seller
Tax ID	29-2S-28-0000-03900-0000	Property Rights	Fee Simple
Grantor	City of Gulf Breeze,	Days on Market	756
Grantee	GB Parkway Exchange, LLC	Verification	Rodger Lowery, MAI confirmed this sale with Gary Wise, Selling Agent
Location	NA	County	Santa Rosa
Property Major Type	Land	Zip	32561
Site			
Acres	13.0	Topography	Level
Land SF	564,973	Zoning	PUD
Road Frontage	70	Flood Zone	X
Shape	Irregular	Encumbrance or	None
Utilities	All Public and Private	Environmental Issues	None
Book/Page or Reference	3838/1414	Dimensions	NA
Improvements			
Price Per Acre	\$117,579	Condition	NA
Price Per Land SF	\$2.70	Ancillary Buildings	NA
Price Per Land Unit	\$15,721.65	Parking	
Price Per Usable Land SF	\$2.70	Total Assessment	NA
Sale Comments	NA	Assessment Year	NA
Comments			

This is the purchase of the Tiger Point Golf Club driving range containing approximately 12.97-acres of land with a small holding pond in the south corner of the property. The parcel is vacant land zoned PUD, Planned Unit Development with frontage along Country Club Road. The property had been listed for \$1,925,000 for 756 days prior to selling for \$1,525,000. According to the Selling Agent, the buyer purchased the property to provide additional access to the parcel that had purchased adjacent to the east. The property was purchased for the development of the Azalea Bay Apartment Complex that will include 222 units on two tax parcels. This portion of the development will have 97 units. The property had been purchased along with the Tiger Point Golf Course in 2012 by the City of Gulf Breeze. The City had an offer from DR Horton for \$1.5 million, but the buyer eventually backed out of the offer.

LAND COMPARABLES MAP

Land Analysis Grid	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Address	5760 Gulf Breeze	Navarre Parkway at	Navarre Parkway	7334 Navarre Parkway	1255-A Country Club
City	Gulf Breeze	Navarre	Navarre	Navarre	Gulf Breeze
State	FL	FL	FL	FL	FL
Date	8/19/2021	12/29/2020	4/13/2020	1/23/2020	6/6/2019
Price	--	\$3,175,000	\$4,850,000	\$3,295,000	\$1,525,000
Acres	34.70	9.42	41.11	9.10	12.97
Acre Unit Price	\$0	\$337,049	\$117,991	\$362,088	\$117,579
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Cash to Seller	0.0%	Cash to Seller	0.0%
Conditions of Sale	Cash	Arm's Length	0.0%	Arm's Length	0.0%
Adjusted Acre Unit Price		\$337,049	\$117,991	\$362,088	\$117,579
Market Trends Through	8/19/2021	10.0%	6.7%	13.3%	15.8%
Adjusted Acre Unit Price		\$359,631	\$133,683	\$419,298	\$143,094
Location		Superior	Similar	Similar	Similar
% Adjustment		-10%	0%	0%	0%
\$ Adjustment		-\$35,963	\$0	\$0	\$0
Acres	34.70	9.42	41.11	9.10	12.97
% Adjustment		-15%	0%	-15%	-10%
\$ Adjustment		-\$53,945	\$0	-\$62,895	-\$14,309
Topography	Level	Level	Rolling	Level	Level
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Shape	Rectangular	Irregular	Irregular	Irregular	Irregular
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Utilities	All Public and Private	All public and private	All public and private	All public and private	All public and Private
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Zoning	HCD	Highway Commercial	Highway Commercial	Highway Commercial	PUD
% Adjustment		0%	0%	0%	0%
\$ Adjustment		\$0	\$0	\$0	\$0
Adjusted Acre Unit Price		\$269,723	\$133,683	\$356,403	\$128,784
Net Adjustments		-25.0%	0.0%	-15.0%	-10.0%
Gross Adjustments		25.0%	0.0%	15.0%	10.0%

Comparable Land Sale Adjustments

The subject property is a 34.7-acre portion of three adjacent parent tracts located along the north side of Gulf Breeze Parkway (U.S. Highway 98). The property contains approximately 642 feet of frontage along Gulf Breeze Parkway and is zoned HCD, Highway Commercial District. The southern portion of the property is improved with two structures being an approximate 6,518 square foot and an approximate 5,593 square foot, open flea market structures that will be razed for redevelopment. The property is crossed by a 150-foot-wide overhead power line easement encompassing approximately 2.735-acres and has approximately 1.12-acres of jurisdictional wetlands in the northeast corner of the property.

As previously discussed in this report, the contracted buyer of the property, Forest Bay Estates, LLC, has the property under contract from the owner. The contracted buyer has had two offers to purchase portions of the property with Blackwater Real Estate, LLC offering \$270,000 per acre for between 12 and 16 acres having 800 feet of highway frontage for a retail development and D.R. Horton offered \$250,000 for approximately 18.2-acres at the rear of the property for a townhouse development. Given the size of the subject property, I searched the Gulf Breeze and Navarre area for recent commercial land sales resulting in the four sales outlined on the previous pages and summarized in the previous chart. These sales occurred between June 2019 and December 2020 and reflected overall prices ranging from \$1,525,000 to \$4,850,000 or \$117,579 to \$362,088 per acre. Again, I am also aware of a 10.4-acre commercial parcel available for sale just west of the subject for \$3,250,000 or \$312,500 per acre. With the properties compared on a “value per acre” basis, the adjustments considered follow.

PROPERTY RIGHTS SOLD – The property rights being considered are those of the fee simple estate. The property rights transferred in the comparable sales were also those of the fee simple interest. As the interests sold are similar to the interest being appraised, no property rights adjustments are considered to be necessary.

FINANCING - The comparable properties also sold for cash or terms considered similar to a cash sale requiring no financing adjustments.

CONDITIONS OF SALE - All of the sales were arms-length transactions requiring no conditions of sale adjustments.

COMPARABLE LAND SALE ADJUSTMENTS

EXPENDITURES IMMEDIATELY AFTER PURCHASE – None of the sales required expenditures immediately after the sale so no adjustments are necessary.

MARKET CONDITIONS ADJUSTMENT – The sale dates ranged from June 2019 and December 2020. Land values have been increasing for developable properties due to the demand for new residential and commercial developments to support the influx in population. subdivisions. Based upon the increasing prices, I apply an approximate 10% annual increase in developable land prices for market conditions. This results in an upward market conditions adjustment of 6.7% for sale one, 13.3% for sale two, 15.8% for sale three and 21.7% for sale four.

LOCATION & PHYSICAL CHARACTERISTIC CONSIDERATIONS – Although the comparable sales are located in the Gulf Breeze and Navarre area, the locations and size vary requiring adjustments. These adjustments are discussed as follows.

LOCATION ADJUSTMENT – The subject property is located along the north side of Highway 98 between Gulf Breeze and Navarre. This location is inferior to sale one located near the heart of Navarre commercial development but similar to comps two and three. Comp four is located in the Tiger Point area of Gulf Breeze, but an analysis of this comp to comps two and three does not support a location adjustment. Based upon a comparison of sale one to the subject and sales two and three, I apply a downward location adjustment of 10% to sale one.

SIZE ADJUSTMENT – The subject contains approximately 34.7-acres being most similar to sale two. Comps one, three and four are smaller with comps one and three being 9.42-acres and 9.1-acres and comp four containing 12.97-acres. Typically, as the size of a property increases, the price per unit decreases, and vice versa. Given the comparison of the subject with the four comps, I apply a downward adjustment of 15% to sales one and three with a downward size adjustment of 10% to sale four.

Reconciliation – Once the four sales are adjusted, the comparables reflect an adjusted value range from \$128,784 to \$356,403 per acre with an average of \$222,149/Acre. I also noted that there were two offers for portions of the property between \$250,000 and \$270,000 per acre and there is one active listing in close proximity to the subject offered for \$312,325/Acre. The subject is crossed by a power line easement however this area can be used for parking. The wetlands encompass a very smaller portion of the land in the northeast corner. Given the lack of other available large acreage tracts in the area and considering all of the listings, offers and sales

SALES COMPARISON APPROACH CONCLUSION – LAND VALUATION

comps, I reconcile at a value for the land at \$250,000 per acre. Applying this to the subject's 34.7-acres indicates a value of \$8,675,000 as of August 19, 2021. While there are some improvements on the site, it is my opinion that these improvements could continue to function as a portion of the existing flea market with the rent from the improvements offsetting the razing cost to demolish and dispose of the improvements.

Sales Comparison Approach Conclusion – Land Valuation

Land Value Ranges & Reconciled Value				
Number of Comparables:	4	Unadjusted	Adjusted	% Δ
	Low:	\$117,579	\$128,784	10%
	High:	\$362,088	\$356,403	-2%
	Average:	\$233,677	\$222,149	-5%
	Median:	\$227,520	\$201,703	-11%
Reconciled Value/Unit Value:			\$250,000	
Subject Size:			34.70	
Indicated Value:			\$8,675,000	
Reconciled Final Value:			\$8,675,000	
Eight Million Six Hundred Seventy Five Thousand Dollars				

FINAL AS-IS MARKET VALUE OPINION

**EIGHT MILLION SIX HUNDRED SEVENTY FIVE THOUSAND
DOLLARS
\$8,675,000
(August 19, 2021)**

PART THREE: CERTIFICATIONS AND ADDENDA

CERTIFICATION

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I am informing the client that I have performed no other services regarding the subject property within the past three years prior to the engagement of these services.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
- As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute.
- The subject of this appraisal report is identified as a 34.7-acre portion of the Flea Market Property located along 5760 Gulf Breeze Parkway in Gulf Breeze, FL. The estimated current market value of the fee simple estate as of the last date of inspection, August 19, 2021, was \$8,675,000.



Rodger K Lowery, MAI
State-Certified General Real Estate Appraiser #RZ1922

ASSUMPTIONS AND LIMITING CONDITIONS

1. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
2. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
3. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
11. 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.
12. 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.
13. 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.
14. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
15. The distribution, if any, of the total valuation in this report between land and improvements applies

EXTRAORDINARY ASSUMPTION:

only under the stated program of utilization. The separate allocations of land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

16. 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.
17. 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.

Extraordinary Assumption:

An extraordinary assumption is an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.⁹

1. This appraisal is based upon the extraordinary assumption that the subject property consists of a 34.7-acre portion of two adjoining parent tracts.
2. This appraisal is based upon the extraordinary assumption that there are minimal wetlands in the northeast corner of the subject property that do not appear to adversely affect the marketability or value of the property.

Hypothetical Conditions:

A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis.¹⁰

⁹ USPAP 2018-2019 Edition (The Appraisal Foundation) Page 4

¹⁰ USPAP 2018-2019 Edition (The Appraisal Foundation) Page 4

POLICY STATEMENT OF THE APPRAISAL INSTITUTE

1. It is improper to base a conclusion or opinion of value upon the premise that the racial, ethnic or religious homogeneity of the inhabitants of an area or of a property is necessary for maximum value.
2. Racial, religious, and ethnic factors are deemed unreliable predictors of value trends or price variance.
3. It is improper to base a conclusion or opinion of value or a conclusion with respect to neighborhood trends upon stereotyped or biased presumptions relating to the effective age or remaining life of the property being appraised or the life expectancy of the neighborhood in which it is located.

QUALIFICATIONS AS AN APPRAISER

RODGER K. LOWERY, MAI

EDUCATION

Bachelor of Science Degree - 1991
Florida State University
Tallahassee, Florida

Core Courses - Real Estate Major

Real Estate Feasibility Analysis, Real Estate Market Analysis, Real Estate Finance, Real Estate Appraisal, Legal Environment of Real Estate, Commercial Bank Administration, Urban Planning and Growth Management, Comprehensive Planning

Appraisal Institute Courses:

110: Appraisal Principles – 1994, 120: Appraisal Procedures – 1994, 310: Basic Income Capitalization – 1993, 410/420: Standards of Professional Practice – 1992, 430: Standards of Professional Practice Part C – 1999, 510: Advanced Income Capitalization – 1993, 520: Highest and Best Use and Market Analysis – 2000, 530: Advanced Sales Comparison and Cost Approaches – 1998, 540: Report Writing and Valuation Analysis – 1994, 550: Advanced Applications – 1994

Appraisal Institute Seminars

Reassigning, Readdressing and Reappraising – 2005, Supervisor/Trainee Roles and Relationships – 2010, Data Confirmation and Verification Methods – 2001, Scope of Work and Business Practices and Ethics – 2005, Effective Report Writing – 2003, Intro. To GIS Appl. For Real Estate – 2006, Analyzing Operating Expenses – 2006, Feasibility, Market Value, Investment Timing: Option Value – 2007, Using Your HP12C Financial Calculator – 2007, Online Data Verification Methods – 2009, Online Appraisal of Nursing Facilities – 2009, Analyzing the Effects of Environmental Contamination on Real Property – 2010, Online Appraisal Curriculum Overview – General – 2011, Online Appraisal Curriculum Overview – Residential – 2011, Online Business Practices and Ethics – 2016, Online Comparative Analysis – 2011, Online Subdivision Valuation – 2011, Online Real Estate Appraisal Operations – 2011, USPAP Update – 2016, Florida Core Law Update – 2016, Small Hotel/Motel Valuation – 2012, Appraisal of Fast Food Facilities – 2016, Distribution Warehouse Valuation – 2016

APPRAISAL EXPERIENCE

5/97 - Present

Residential and Commercial Real Estate Appraiser, Fruitticher-Lowery Appraisal Group (Owner/Appraiser). Performing commercial and residential real estate appraisals, reviews and consultations. Specializing in the Northwest Florida and South Alabama markets.

QUALIFICATIONS AS AN APPRAISER

- 6/95 - 4/97 Residential and Commercial Real Estate Appraiser, RKL Appraisal Services, Inc. (President). Performing commercial and residential real estate appraisals, reviews and consultations. Specializing in the Northwest Florida and South Alabama markets.
- 6/95 - 9/96 Commercial Real Estate Appraiser, Laureate Realty Services, Inc. (Formerly Camp and Company), Mobile, Alabama. Income analysis and appraisal of neighborhood, community and regional shopping centers, malls, multi-tenant office buildings, apartments and hotels. Properties located in the southeast region, primarily Florida, Alabama, Mississippi and Louisiana.
- 9/92 - 5/95 Residential and Commercial Real Estate Appraiser, M. Eugene Presley and Associates. Commercial and residential fee appraiser. Responsibilities include the valuation of commercial properties, vacant commercial land, large acreage tracts, and environmentally sensitive properties. Numerous eminent domain appraisals, specifically including the Burgess Road and Airport Boulevard DOT projects. Eminent domain appraisals performed for the property owners.
- 12/91 - 9/92 Commercial Real Estate Appraiser, Marshall Appraisals, Inc. Associate appraiser. Responsibilities include the valuation of office buildings, banks, hotels, and other large commercial properties throughout Florida.
- 4/91 - 12/91 Research Assistant, State of Florida, Office of the Auditor General, Division of Real Estate. Responsibilities include the review of State of Florida county appraisal files audited by the Department of Revenue, as well as the review and confirmation of data within privately contracted appraisals performed for the Department of Natural Resources.

Expert Witness Experience

U.S. Bankruptcy Court, Mobile, Alabama, U.S. District Court, Northern District of Florida, Circuit Court, Baldwin County, Circuit Court, Bay County, Circuit Court, Santa Rosa County, Florida, Circuit Court, Escambia County, Florida, Circuit Court, Okaloosa County, Florida

Specialty Projects

Federal Express Facilities (Freight, Ground and Express)
Medical Facilities (Single and Multi-tenant Facilities)

QUALIFICATIONS AS AN APPRAISER

PROFESSIONAL LICENSES/AFFILIATIONS

Designated MAI Member, Appraisal Institute, Member #11029
State-Certified General Real Estate Appraiser, State of Florida, License #RZ 0001922
State-Certified General Real Property Appraiser, State of Alabama, License #G00445
Real Estate Broker, State of Florida, License # BK0573361; FLAG Realty, Inc.
Real Estate Broker, State of Alabama, License #065378 (Reciprocal Brokers License)
Member - Pensacola Association of Realtors, Florida Association of Realtors and the National Association of Realtors
Past Member – Escambia County Planning Board
Past Member - Home Builders Association of West Florida
Past Member – City of Pensacola Zoning Board of Adjustments
Member – Leadership Escambia And Pensacola (LEAP) Class of 2001
Past Member – American Diabetes Association of Northwest Florida, Board of Directors
Past Member – Fiesta of Five Flags, Board of Governors
Past Member – WSRE Planned Giving Council, Board of Directors
Past Member - Pensacola Chamber of Commerce Relocation Committee

CLIENTS

American Equity Investments LIC	Beal Service Corporation
American National Bank of Minnesota	Clayton Bank and Trust
First National Bank and Trust	Community and Southern Bank
Lehman Brothers	Grandbridge Realty Services
Saad Development Group	Smart Bank
Trustmark National Bank	State Bank and Trust Company
Pen Air Federal Credit Union	Centennial Bank
Charter Bank	PNC Bank
ServisFirst Bank	BBVA Compass Bank
Southtrust Bank	SunTrust Bank
Summit Bank	Iberia Bank
Regions Bank	First National Bank of Baldwin County
Mark Bednar, Esquire	Beroset and Keene, Attorneys at Law
Borowski & Traylor	Donald W. Stewart, P.C.
Whitaker, Mudd, Simms, Luke & Wells	Brogdon, Davis and Adams
Phillip Bates	Armbrecht Jackson, LLP
Samuel Bearman, P.C.	Tyler & Hamilton

ADDENDUM



Ron DeSantis, Governor

Halsey Beshears, Secretary



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

FLORIDA REAL ESTATE APPRAISAL BD

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

LOWERY, RODGER K

3000 LANGLEY AVENUE #402
PENSACOLA FL 32504

LICENSE NUMBER: RZ1922

EXPIRATION DATE: NOVEMBER 30, 2022

Always verify licenses online at MyFloridaLicense.com



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