



Hoffman & Associates, P.A.
Commercial Real Estate Appraisers

APPRAISAL REPORT REAL ESTATE APPRAISAL

Of
Vacant Acreage

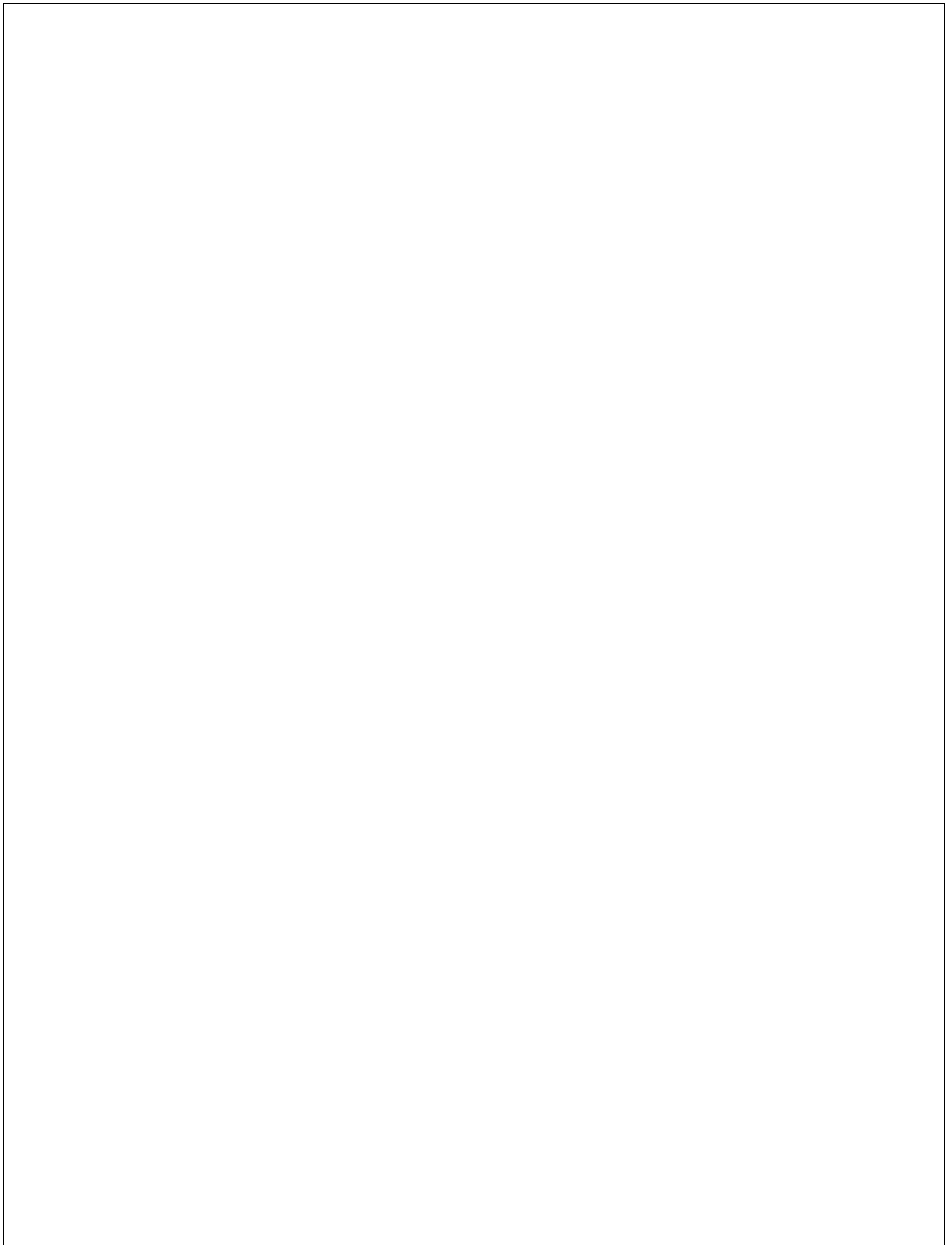


Rear acreage of Whisper Creek S/D, Milton
Santa Rosa County
Florida, 32570

As of
May 18, 2022

Prepared For
Mr. Joey Harrell
School Board of Santa Rosa County
6544 Firehouse Road
Milton, FL, 32570

Prepared by
HOFFMAN & ASSOCIATES, P. A.
Kirsten Hoffman Philip
FL-State-Certified General Real Estate Appraiser RZ2661
Terry G. Hoffman, MAI
FL-State-Certified General Real Estate Appraiser RZ46



HOFFMAN & ASSOCIATES, P. A.



Hoffman & Associates, P.A.
Commercial Real Estate Appraisers

Commercial Real Estate Appraisers & Consultants

1550 Creighton Road, Suite 4

Pensacola, FL, 32504

Phone: 850-478-7818

Fax: 850-478-1922



Terry G. Hoffman, MAI

State-Certified General Real Estate Appraisers (FL)

Terry G. Hoffman, MAI RZ #46

Kirsten Hoffman Philip RZ #2661

Jennifer L. Hoffman, GAA RZ #2978

June 3, 2022

Mr. Joey Harrell
School Board of Santa Rosa County
6544 Firehouse Road
Milton, FL
32570

Re: Appraisal Report, Real Estate Appraisal
Vacant Acreage
Rear acreage of Whisper Creek S/D, Milton,
Santa Rosa County, Florida, 32570

Dear Mr. Harrell:

At your request, we have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject property is a removed 24.22 acre site located adjacent to the northeast section of Whisper Creek Subdivision.

Please reference page 10 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, and highest and best use analysis and valuation methodology.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. We completed an appraisal on the subject property for the client in December 2022.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 9). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.



Hoffman & Associates, P.A.
Commercial Real Estate Appraisers

Extraordinary Assumptions:

- Site dimensions were obtained from the county property appraiser's records since no survey was provided at the time of this report. If proven incorrect, this could adversely affect the final value as stated.
- We are unaware of any contaminants on the site which may adversely affect the marketability of the subject property.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

Current As Is Market Value:

The "As Is" market value of the Fee Simple estate of the property, as of May 18, 2022, is

**One Million One Hundred Forty Thousand Dollars
(\$1,140,000)**

The market exposure time preceding May 18, 2022 would have been 4 to 6 months and the estimated marketing period as of May 18, 2022 is 4 to 6 months.

The final valuation does not include any personal property or FF&E.

This appraisal is not a building inspection, structural inspection, environmental inspection or pest inspection. By preparing this report, the appraiser is not acting as a building inspector, structural engineer, environmental specialist or pest inspector. In performing the limited inspection of this property, areas that were readily accessible were visually observed and the review is superficial only. This inspection is not technically exhaustive and does not offer warranties or guarantees of any kind. We advise our clients and/or the client's agents or assignees to have the property inspected by a professional in that specific field that offers such warranties or guarantees if there are any concerns of adverse or negative conditions.

Respectfully submitted,
Hoffman & Associates, P. A.



Kirsten Hoffman Philip
FL-State-Certified General Real Estate
Appraiser RZ2661



Terry G. Hoffman, MAI
FL-State-Certified General Real Estate
Appraiser RZ46

TABLE OF CONTENTS

Summary of Important Facts and Conclusions	7
Limiting Conditions and Assumptions.....	9
Scope of Work	11
Sales History	13
Current Listing/Contract(s)	13
Property Rights Appraised	13
Market Area Analysis	14
Location Map	15
Property Description.....	16
Site Plan/Tax Map/Survey	18
Subject Photographs	21
Assessment and Taxes.....	24
Zoning.....	25
Highest and Best Use.....	27
Valuation Methodology.....	28
Analyses Applied.....	28
Sales Comparison Approach – Land Valuation.....	29
Land Comparables.....	29
Comparables Map.....	34
Analysis Grid	34
Comparable Land Sale Adjustments	35
Sales Comparison Approach Conclusion – Land Valuation.....	36
Value Conclusion	37
Certification Statement.....	38
Addenda.....	40
Engagement Letter.....	41
Qualifications.....	42
Glossary.....	49

Summary of Important Facts and Conclusions

GENERAL

Subject: Vacant Acreage
Rear acreage of Whisper Creek S/D, Milton,
Santa Rosa County, Florida, 32570

The subject property is a removed 24.22 acre site located adjacent to the northeast section of Whisper Creek Subdivision.

Owner: Santa Rosa County School Board

Legal Description: See addendum

Census Tract: 12133-0105.04

Date of Report: June 3, 2022

Intended Use: The intended use is for portfolio management.

Intended User(s): The client and only the client.

Assessment:

Real Estate Assessment and Taxes							
Tax ID	Land	Improvements	Special	Total	County	Tax	Taxes
			Assessment		Rate	Rate	
26-2N-29-0000-00203-0000	\$183,525	\$0	\$0	\$183,525	\$12.09	\$12.09	\$2,218

Sale History: The subject has not sold in the last three years, according to public records.

Current Listing/Contract(s): The subject is not currently listed for sale, or under contract.

Land:

Land Summary				
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Shape	Topography
Rear Acreage of Whisper Creek	24.22	1,055,023	Irregular	Slight slope

Zoning: R-1, Single Family Residential

Highest and Best Use of the Site: The highest and best use of the subject site, as vacant, would be for single family residential development.

Type of Value: Market Value

VALUE INDICATIONS

Land Value: \$1,140,000

Reconciled Value(s): As Is

Value Conclusion(s) \$1,140,000

Effective Date (s) May 18, 2022

Property Rights Fee Simple

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Hoffman & Associates, P. A.. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Hoffman & Associates, P. A.'s regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Hoffman & Associates, P. A. has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for Mr. Joey Harrell, Assistant Superintendent School Board of Santa Rosa County. The problem to be solved is to estimate the current 'As Is' market value for asset management purposes. The intended use is for portfolio management. This appraisal is intended for the use of the client and only the client.

SCOPE OF WORK	
Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number provided by the County Property Assessor's Office.
Inspection:	A complete exterior inspection of the subject property has been made from a public roadway, and photographs taken. In addition, a review of topography and aerial maps has been reviewed.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was

concluded.

Type of Value:
Valuation Analyses

Market Value

Cost Approach:

A cost approach was not applied as this approach is not applicable in the valuation of vacant land.

Sales Comparison Approach:

A sales approach was applied as there is adequate data to develop a value estimate by this approach. This approach reflects the typical market behavior for this type property and is therefore a good indicator of potential value of the subject property.

Income Approach:

An income approach was not applied as this approach is not applicable in valuing vacant land.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- Site dimensions were obtained from the county property appraiser's records since no survey was provided at the time of this report. If proven incorrect, this could adversely affect the final value as stated.
- We are unaware of any contaminants on the site which may adversely affect the marketability of the subject property.

Comments

The scope of this appraisal requires the gathering of material facts affecting the value of the property appraised as of the date of the appraisal. This includes gathering and analyzing regional, neighborhood, and economic trends and characteristics which might affect the value of the property. Also, specific features and characteristics of the property are analyzed.

Comparable land sales and listing information of similar properties are gathered and analyzed and compared to the property using indicated unit prices as demonstrated by market actions.

Sources used for gathering data include personal office files and records maintained in computer data bases, the public records of the appropriate county, Metro Market Trends, Inc. (public records recordings), personal interviews with property owners, sellers, buyers and brokers. An attempt is made to verify each sale and lease used in this report with a

party to the transaction. If verification by the parties involved is not available, public records recordings are relied upon.

Sales History

The subject has not sold in the last three years, according to public records.

Current Listing/Contract(s)

The subject is not currently listed for sale, or under contract.

Property Rights Appraised

The subject property is appraised as a Fee Simple ownership of the title holder as of the date of the appraisal. It is assumed that the ownership is competent and that the property is free and clear of all encumbrances.

Market Area Analysis

Area Description & Boundaries

The neighborhood boundaries extend from Jay, Fl to Milton, Fl on a north south axis and from Highway 87 to Glover Lane on an east west axis. This is a centrally located area of Milton with easy access to other commercial and residential areas of north Santa Rosa County.

Area & Property Use Characteristics

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Population Trend	<input checked="" type="checkbox"/> Up	<input type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Build Up	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Employment Trend	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Built Up <input type="checkbox"/> Fully Dev.	<input checked="" type="checkbox"/> Rapid	<input type="checkbox"/> Steady	<input type="checkbox"/> Slow	Personal Income Level	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	Retail Sales	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Demand/Supply	<input checked="" type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	New Construction	<input checked="" type="checkbox"/> Up	<input type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Vacancy Trend	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Vacancy Trend	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Change in Economic Base	<input type="checkbox"/> Likely	<input checked="" type="checkbox"/> Unlikely	<input type="checkbox"/> Taking Place	Rental Demand	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn

Land Use Trends

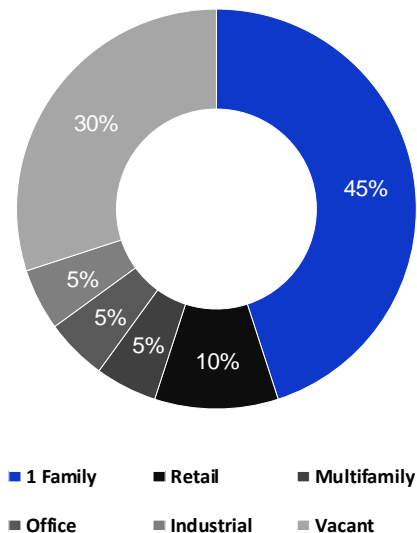
		Supply/Demand			Vacancy
Present Land Use		Under	In Bal.	Over	
45% 1 Family	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3%
10% Retail	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5%
5% Multifamily	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3%
5% Office	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5%
5% Industrial	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5%
30% Vacant	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
100%					

Change in Land Use	Likely	<input type="checkbox"/>
	Not Likely	<input checked="" type="checkbox"/>
	Taking Place	<input type="checkbox"/>

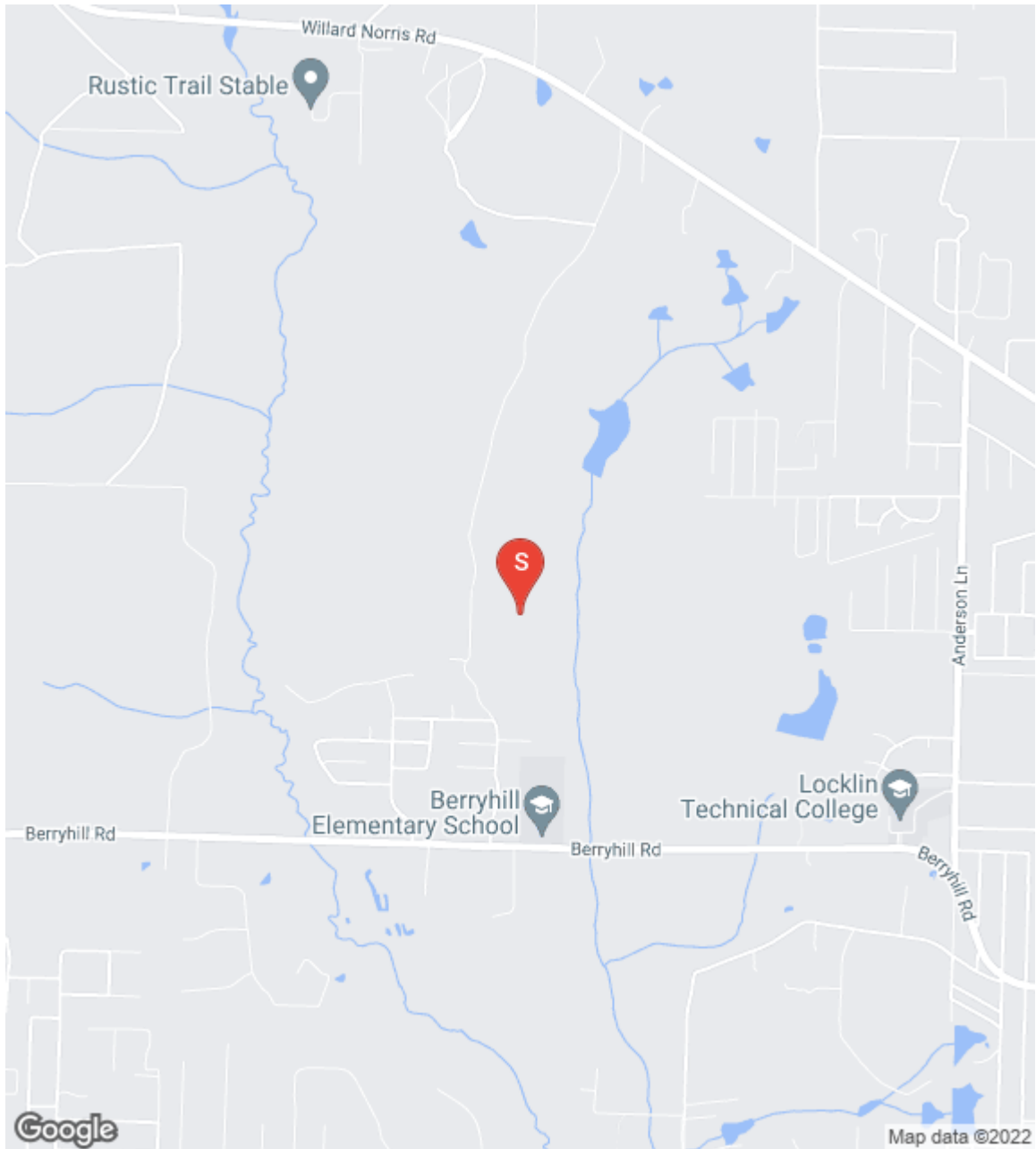
Land uses in the neighborhood consist of commercial uses east of the subject on Highway 87 (Stewart Street), Berryhill Road to the east and west of the subject and the main commercial area along Highway 90. Residential use is scattered throughout the neighborhood with several new residential projects in the neighborhood.

The subject neighborhood is just east of the Pace area which has shown strong demand for residential development in the past and continues. With this increased demand, growth and demand has expanded north and east to the subject area, as well as north, northeast and east. The Pea Ridge connector from Highway 90 to Berryhill Road will be a new north/south artery in the Milton area just east of the subject which will create easier access to the surrounding areas. Growth in the Pace and Milton areas has shown tremendous demand with developers not able to build houses fast enough. Homes typically don't stay on the market for more than a week. Currently there are several new developments in the area with several in the pipeline. This strong market has continued for approximately a year and it is unknown when the demand will slow. Interest rates have increased, but have not slowed the market much in our area at the moment. This continued increase can not continue for long periods and it is expected a market check is in the horizon.

Land Use



Location Map



Property Description

The subject property is a removed 24.22 acre site located adjacent to the northeast section of Whisper Creek Subdivision.

SITE	
Location:	The subject property is located adjacent and east of the Whisper Creek subdivision on Berryhill Road.
Site Size:	Total: 24.22 acres; 1,055,023 square feet
Shape:	Irregular
Frontage/Access:	The subject property is rear acreage with no frontage on a roadway. There are two access points that are part of the county maintained roadway, Whisper Creek Boulevard.
Visibility:	Removed
Topography:	The subject has a slight slope to the south, at grade and no areas of wetlands.
Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Utilities:	Electricity: The site is served by public electricity. Sewer: Sewer available Water: Public water Natural Gas: None Utility Service: The site is serviced by above ground cable lines. Adequacy: The subject's utilities are typical and adequate for the market area.
Site Improvements:	<ul style="list-style-type: none">• No public street lighting• No sidewalks• No concrete curbs and gutters• Natural vegetation

Flood Zone: 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.

FEMA Map Number: 12113C0313H
FEMA Map Date: November 19, 2021

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.

Wetlands/Watershed: No wetlands were observed during our site inspection.

Environmental Issues: There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.

Encumbrance /
Easements: There are no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.

Site Comments: The subject property is rear acreage at the northeast corner of Whisper Creek Subdivision on Berryhill Road. This was a portion of the larger acreage tract that was planned for a future school. It has a 300' FLP easement along the southern border and has two access points from Whisper Creek Boulevard that appear to be proposed access roads to the subject. They are not paved at this time. The property slopes slightly to the south, but does not affect the utility or develop potential of the site.

Site Plan/Tax Map/Survey





MERRILL PARKER SHAW, INC.

4928 N. DAVIS HWY. — PROFESSIONAL ENGINEERING & SURVEYING SERVICES — PH: (850) 478-4923
PENSACOLA, FL 32503 FAX: (850) 478-4924

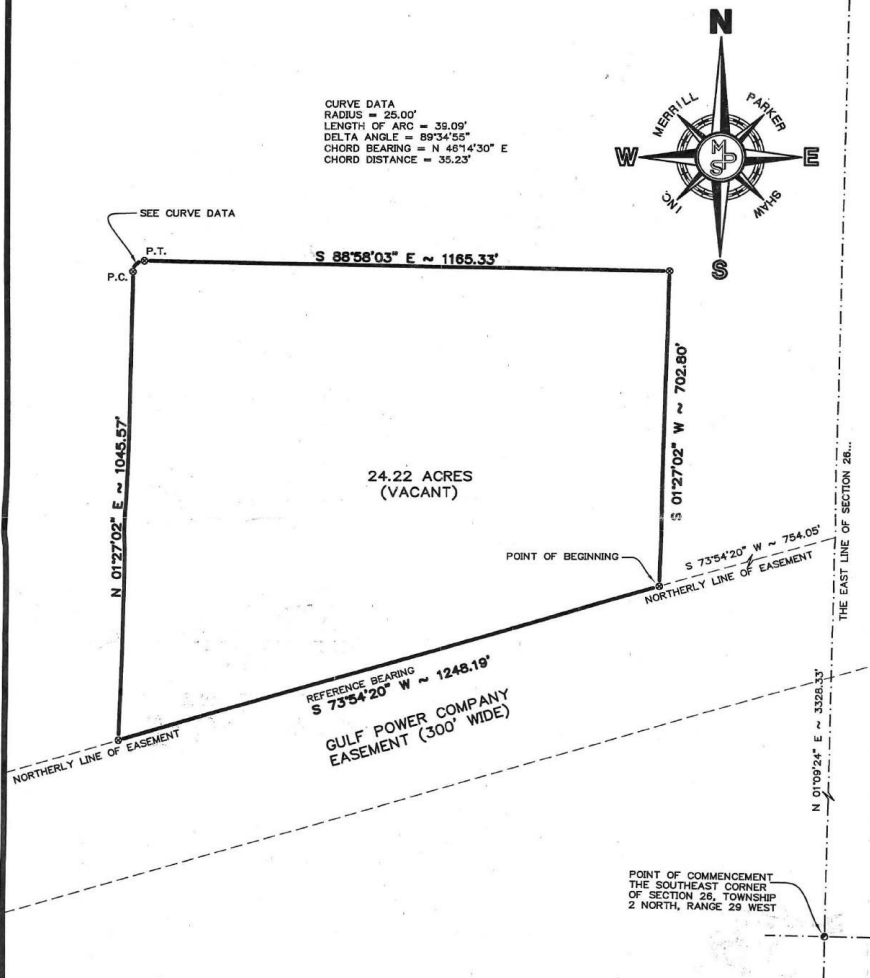


PREPARED FOR: SANTA ROSA COUNTY SCHOOL DISTRICT
REQUESTED BY: JOHN S. "STEVE" RATLIFF

JOB NO.: 04-1560
DATE: MAY 13, 2005

PROPERTY ADDRESS:

SCALE: 1" = 200'



'BOUNDARY SURVEY'

SHEET 1 OF 2

MEASUREMENTS MADE TO UNITED STATES STANDARDS

COPYRIGHT © 2005 BY MERRILL PARKER SHAW, INC.
P.E., D.A., DRAFTED: M.P. TYPED: M.P. CHECKED: E.W.P.

DESCRIPTION: "SEE SHEET 2 OF 2"

SECTION 26, TOWNSHIP -2-N, RANGE -29-W, SANTA ROSA COUNTY, STATE OF FLORIDA.

RECORDED N/A BOOK N/A PAGE N/A *THE ENCROACHMENTS ARE AS SHOWN*

FIELD DATE: 5/08/05, FIELD BOOK: 79, PG. 79

MERRILL PARKER SHAW, INC.

CORPORATION NUMBER 7174

REVISIONS:

E. Wayne Parker DATE: 5/16/05
E. WAYNE PARKER PROFESSIONAL LAND SURVEYOR
FLORIDA REGISTRATION NUMBER 3683 STATE OF FLORIDA

NOT VALID WITHOUT THE
SIGNATURE AND THE
ORIGINAL RAISED SEAL OF
A FLORIDA PROFESSIONAL
SURVEYOR & MAPPER

Americans With Disabilities Act

Please reference the Limiting Conditions and Assumptions section of this report on page 10.

Hazardous Substances

Please reference the Limiting Conditions and Assumptions section of this report on page 10.

Subject Photographs



Subject Property



Subject Property at FLP easement



Access point to subject property



Whisper Creek Boulevard Looking North



Whisper Creek Boulevard Looking South

Assessment and Taxes

Taxing Authority Santa Rosa County

Assessment Year 2021

Real Estate Assessment and Taxes							
Tax ID	Land	Improvements	Special Assessment	Total	County Rate	Tax Rate	Taxes
26-2N-29-0000- 00203-0000	\$183,525	\$0	\$0	\$183,525	\$12.09	\$12.09	\$2,218

Comments

The assessment as shown is typical of properties in the surrounding areas. No major changes are expected in the near future. Since the property is owned by the Santa Rosa School County School Board, taxes are exempt.

Zoning

LAND USE CONTROLS	
Zoning Code	R-1, Single Family Residential
Current Use Legally Conforming	The subject property is vacant land and is available for a variety of uses allowed in the zoning classification.
Zoning Comments	

R-1 - Single Family Residential District

A. Purpose: This district is designed to provide suitable areas for low density residential development where appropriate urban services and facilities are provided or where the extension of such services and facilities will be physically and economically facilitated. This district will be characterized by single-family detached structures and such other structures as are accessory thereto. This district also may include, as specifically provided for in these regulations conditional uses for community facilities and utilities which service specifically the residents of this district, or which are benefited by and compatible with a residential environment. Such facilities should be accessibly located and appropriately situated in order to satisfy special requirements of the respective community facilities. It is the express purpose of this Section to exclude from this district all building or other structures and uses having commercial characteristics, whether operated for profit or otherwise, except those home occupations and conditional uses specifically provided for in this Ordinance.

B. Permitted Uses: In this district as a permitted use a building or premises may be used only for the following purposes: detached single-family residential structures, group homes, and accessory structures and facilities. Mobile homes are prohibited.

C. Conditional Uses: In this district as a conditional use, a building or premises may be used only for the following purposes, upon determination by the county Board of Adjustment (Zoning Review and Appeals Board) that the respective use complies with site plan review requirements listed in Section 4.04.00: educational institutions; golf courses; places of worship; recreation and park areas; public and private utilities and public facilities; recreational activities; placement of an accessory building on a lot directly across the right-of-way from lot where the principle single family dwelling is located.

D. Site Plan Review: Site plan review is required for all subdivision proposals.

E. Subdivision Conformance: Any lot within a plat of record as of the effective date of this Ordinance shall not be re-divided into two (2) or more lots unless the provisions of the Subdivision Regulations are satisfied (reference Article 4).

F. Density: For residential development, property in this district may be developed at the option of the owner, to a maximum of four (4) units per acre.

G. Lot Size: The minimum width of any lot used for single family dwelling units shall be seventy (70) feet when measured at the minimum front setback line. The minimum lot width shall be maintained through the rear of the residential structure. The minimum width at the street right-of-way line shall not be less than fifty (50) feet when measured in a straight line from front lot corner to front lot corner. The total square footage shall not be less than 10,890 for lots which are created through metes and bounds subdivision. There shall be no minimum lot size for lots which are created through the platting process. The minimum lot width may be reduced on dead-end cul-de-sac lots. In no case shall a lot width be less than fifty (50) feet when measured at the top of the arc of the street right-of-way line. Page 6 - 35 The lot width of a cul-de-sac lot shall not be less than seventy (70) feet when measured at the top of the arc of the minimum front setback line. The dividing of a parent parcel resulting in a parcel(s) which will not possess the required road frontage may be allowed as a special exception upon determination by the County Board of Adjustments that the resulting parcel complies with the provisions listed in Section 2.04.00(C)(6) or Section 2.04.00(C)(9).

H. Building Height: No building or structure shall exceed thirty-five (35) feet above the lowest habitable floor elevation, exclusive of chimneys, elevator shafts, air conditioning condensing units or cooling towers, except as provided in Section 2.10.01.

I. Minimum Required Setbacks: 1. Setbacks Along Collector or Arterial Roads: The minimum required building setback along a collector or arterial road, as described in Section 4.04.03(D), shall be as follows: a) Along a collector road, the minimum required building setback shall be twenty-five (25) feet. b) Along an arterial road, the minimum required building setback shall be fifty (50) feet. If any other setback requirement of this Code conflicts with the above requirements, the more restrictive requirements will apply. 2. Front Setback: Except as provided in Section 4.03.03(B)(2)(b) and Section 2.10.02, there shall be a front building setback on every lot of not less than twenty-five (25) feet. 3. Side Setback: There shall be a side building setback of seven (7) feet on each side of every main building when measured at the minimum front setback line for lots having widths between seventy (70) and ninety (90) feet. For lots wider than ninety (90) feet and narrower than seventy (70) feet, there shall be a side building setback of no less than ten percent (10%) of the lot width to a maximum requirement of fifteen (15) feet on each side of every main building. Modifications to this requirement shall be in accordance with Section 2.10.04. Lot widths shall be determined at the minimum front setback line. 4. Rear Setback There shall be a rear building setback on every lot of not less than twenty-five (25) feet, except as provided in Section 2.10.03.

J. Performance Standards: Refer to Article 7 of this Ordinance.

Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

The subject property is zoned R-1, Single Family Residential which allows for single family residences, associated structures and community uses such as churches or schools. The density for this zoning classification is four dwelling units per acre.

The site is located at the rear of Whisper Creek Subdivision on the north side of Berryhill Road. The subject is approximately 24 acres with access from two points off Whisper Creek Boulevard that are proposed to be roadways. The site has all utilities including sanitary sewer.

Observing surrounding uses and new development in the area is helpful to determine a financially feasible use. North Santa Rosa county has continued to show strong residential growth. The Pace community has shown stronger demand than the Milton area, due to good schools and easier access to Pensacola. With the continued population growth in our general area of Escambia, Santa Rosa and Okaloosa counties, residential development has continued to show strong growth with new subdivision development indicating absorption rates from 3 to 8 units per month. As will be seen in the sales comparison approach, large acreage parcels in the Milton and Pace areas have been purchased for new residential developments. With the subject's location at the rear of an established residential subdivision, the maximally productive use would be for expansion of the subdivision with additional residential homes.

The highest and best use of the subject site, as vacant, would be for single family residential development..

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

$$\begin{array}{r} \text{Cost New} \\ - \text{Depreciation} \\ + \text{Land Value} \\ = \text{Value} \end{array}$$

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Final Reconciliation

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

Analyses Applied

A **cost analysis** was considered and was not developed because this approach is not applicable in the valuation of vacant land.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate by this approach. This approach reflects the typical market behavior for this type property and is therefore a good indicator of potential value of the subject property.

An **income analysis** was considered and was not developed because this approach is not applicable in valuing vacant land.

Sales Comparison Approach – Land Valuation

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparables

We have researched several vacant commercial land sales in the subject's market area and competing market areas and have selected the following four comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction when possible.

Land Comparable 1



Transaction

ID	3455	Date	4/6/2021
Address	Berryhill Rd	Price	\$1,385,900
City	Milton	Financing	Cash
State	Florida		
Tax ID	26-2N-29-0000-00108-0000		
Grantor	Whisper Creek, LLC	Price Per Acre	\$68,338
Grantee	Whisper Creek Apartments,	Official Records Book	4100
Verification Source	Public Records	Recorded Page	1160

Site

Acres	20.3	Topography	Level
		Shape	Irregular
Road Frontage	1,025	Zoning	HCD
Depth	861	Utilities	All

Comments

This is an acreage parcel at the corner of Berryhill Road and Whisper Creek Boulevard. The parcel was purchased to develop an apartment complex.

Land Comparable 2



Transaction

ID	3451	Date	7/15/2021
Address	Ridgeside Way	Price	\$2,545,800
City	Pace	Financing	Conv.
State	Florida		
Tax ID	11-1N-29-0000-00459-0000		
Grantor	The John Spencer Family	Price Per Acre	\$45,307
Grantee	Breland homes Coastal, LLC	Official Records Book	4151
Verification Source	Public Records	Recorded Page	923

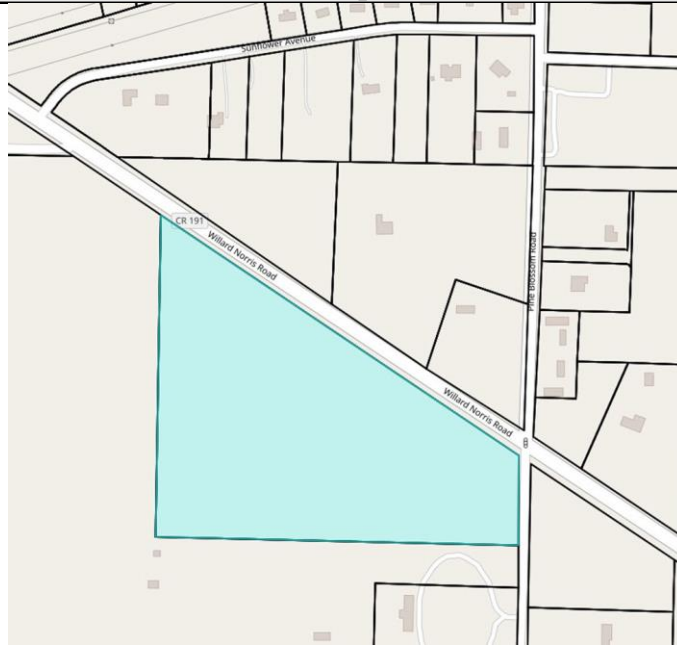
Site

Acres	56.2	Topography	Level
		Shape	Irregular
Road Frontage	--	Zoning	AG-RR
Depth	--	Utilities	All

Comments

This is rear acreage of Spencer Ridge in Pace off Highway 90. Breland Homes, a residential developer purchased the acreage to develop a residential subdivision.

Land Comparable 3



Transaction

ID	3452	Date	10/14/2021
Address	Willard Norris Rd &	Price	\$1,177,500
City	Milton	Financing	Cash
State	Florida		
Tax ID	30-2N-28-0000-00206-0000		
Grantor	Gale H Thames, Trustee et al	Price Per Acre	\$39,408
Grantee	Santa Rosa School Board	Official Records Book	4195
Verification Source	Public Records	Recorded Page	1853

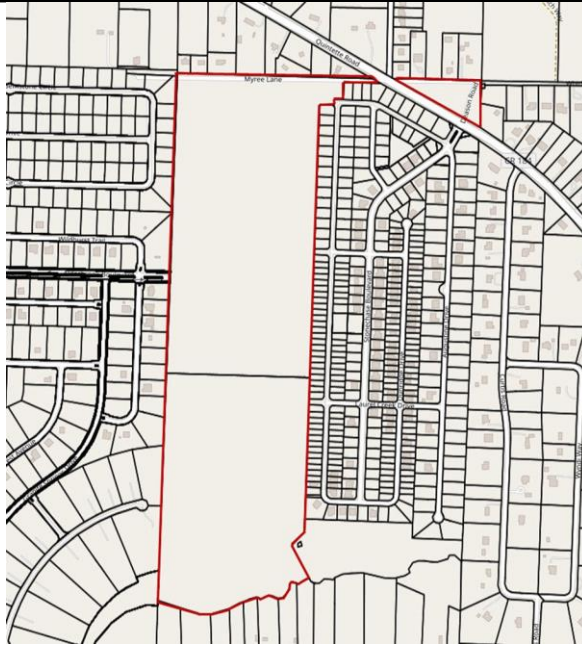
Site

Acres	29.9	Topography	Level
		Shape	Irregular
Road Frontage	1,221	Zoning	RR-1
Depth	--	Utilities	No sewer *

Comments

This is a vacant acreage parcel at the southwest corner of Willard Norris Rd and Tanglewood Drive in Milton. The school board purchased the property for future school development. As the time of the sale, no sewer was available; however, the city has plans to bring sewer to the immediate area according to the school board.

Land Comparable 4



Transaction

ID	3453	Date	12/6/2021
Address	Dunridge Dr.	Price	\$6,000,000
City	Pace	Financing	Owner
State	Florida		
Tax ID	25-2N-30-0000-00101-0000; 0000-		
Grantor	Pace Properties, LLC	Price Per Acre	\$39,819
Grantee	Breland Homes Coastal, LLC	Official Records Book	4218
Verification Source	Public Records	Recorded Page	913

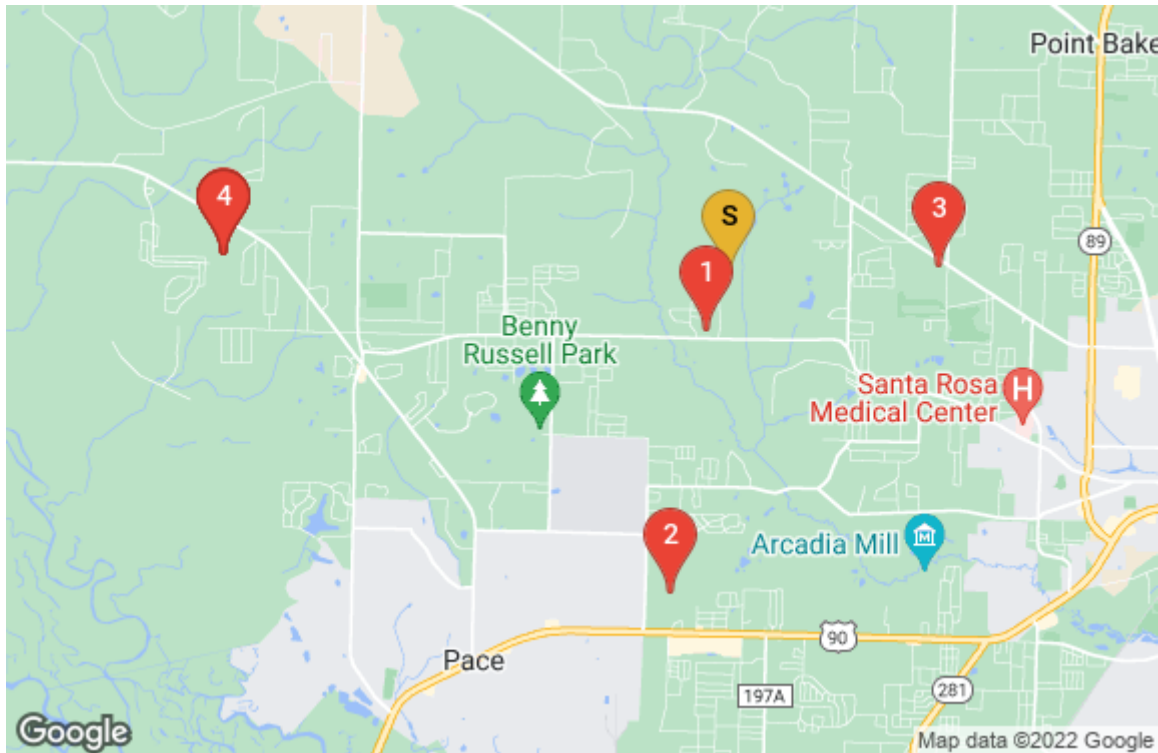
Site

Acres	150.7	Topography	Level
		Shape	Irregular
Road Frontage	50	Zoning	R2
Depth	--	Utilities	All

Comments

This is an acreage parcel adjacent to Stonechase Subdivision on the south side of Quintette Road. The purchaser is a residential developer in the area.

Comparables Map



Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Analysis Grid			Comp 1		Comp 2		Comp 3		Comp 4	
Address	Rear acreage of		Berryhill Rd		Ridgeside Way		Willard Norris Rd		Dunridge Dr.	
City	Milton		Milton		Pace		Milton		Pace	
State	Florida		Florida		Florida		Florida		Florida	
Date	5/18/2022		4/6/2021		7/15/2021		10/14/2021		12/6/2021	
Price	--		\$1,385,900		\$2,545,800		\$1,177,500		\$6,000,000	
Acres	24.22		20.28		56.19		29.88		150.68	
Acre Unit Price	\$0		\$68,338		\$45,307		\$39,408		\$39,819	
Transaction Adjustments										
Property Rights	Fee Simple	Simple	0.0%	Simple	0.0%	Simple	0.0%	Simple	0.0%	
Financing	Conventional	Cash	0.0%	Conv.	0.0%	Cash	0.0%	Owner	0.0%	
Conditions of Sale	Cash	Typical	0.0%	Typical	0.0%	Typical	0.0%	Typical	0.0%	
Adjusted Acre Unit Price			\$68,338		\$45,307		\$39,408		\$39,819	
Market Trends Through	5/18/2022	0.0%	0.0%		0.0%		0.0%		0.0%	
Adjusted Acre Unit Price			\$68,338		\$45,307		\$39,408		\$39,819	
Location	Removed	Superior		Similar		Inferior		Similar		
% Adjustment		-10%		0%		10%		0%		
\$ Adjustment		-\$6,834		\$0		\$3,941		\$0		
Acres	24.22	20.28		56.19		29.88		150.68		
% Adjustment		0%		0%		0%		20%		
\$ Adjustment		\$0		\$0		\$0		\$7,964		
Zoning	R-1, Single Family	HCD		AG-RR		RR-1		R2		
% Adjustment		-15%		0%		0%		0%		
\$ Adjustment		-\$10,251		\$0		\$0		\$0		
Utilities	All	All		All		No sewer *		All		
% Adjustment		0%		0%		0%		0%		
\$ Adjustment		\$0		\$0		\$0		\$0		
Adjusted Acre Unit Price			\$51,254		\$45,307		\$43,348		\$47,783	

Comparable Land Sale Adjustments

Transitional Adjustments

The sales shown occurred between April 2021 and April 2022. We have seen increased real estate activity and demand, but we have not seen significant data to make an appropriate time adjustment. Reviewing these sales indicated no significant change in the price within this time frame; therefore, no time adjustment will be made.

All the sales are arms length transactions and do not require a condition of sale adjustment.

Location

Sale 1 and 5 have good exposure and considered superior in location. A 10% upward adjustment was applied. Sale 2 and 4 are removed locations similar to the subject and no adjustment is required. Sale 3 is located further east of the subject considered an inferior location and a 10% upward adjustment was applied.

Size

Sale 4 is much larger than the subject and a 20% downward adjustment. The remaining sales were considered similar in size and no adjustments were necessary.

Zoning

Sale 1 is zoned HCD with a higher density than subject. This sale was purchased for the development of apartments in the front of Whisper Creek Subdivision. A 20% downward adjustment was applied. The remaining sales are zoned similar to the subject or purchased for similar residential development.

Sales Comparison Approach Conclusion – Land Valuation

The subject area has shown strong demand and increased activity in the past several years. Unit rates of vacant acreage range from approximately \$25,000 per acre for acreage parcels further north to \$68,000 per acre for higher density acreage like Sale 1. The adjusted values of the comparable properties range from \$43,348 to \$51,254; the average is \$46,923. All of the value indications have been considered in arriving at our final reconciled per acre value of \$47,000.

As Is Market Value

Indicated Value per Acre: \$47,000

Subject Size: 24.22 acres

Indicated Value: \$1,138,340

Rounded: \$1,140,000

One Million One Hundred Forty Thousand Dollars

Value Conclusion

The sales comparison approach utilized the direct comparison method. The price per acre from similar sales was used in arriving at an estimate of value by this approach. Ample data was available and the sales comparison approach should be well reflective of the value for the subject property.

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), as of May 18, 2022, subject to the Limiting Conditions and Assumptions of this appraisal.

Reconciled Value(s): Premise: As Is
 Interest: Fee Simple
 Value Conclusion: \$1,140,000
 One Million One Hundred Forty Thousand Dollars

The final valuation does not include any personal property or FF&E.

Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- We completed an appraisal on the subject property for the client in December 2022.
- Kirsten Hoffman Philip has made an inspection of the subject property. Terry G. Hoffman has not made an inspection of the subject property.
- 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, Terry G. Hoffman **has** completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Terry G. Hoffman **has** completed the Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute.
- Neither our engagement to make this appraisal (or any future appraisals for this client), nor any compensation therefore, are contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- It is assumed that all water, sewer facilities and utilities (existing or proposed) are or will be in good working order, are safe for use and are or will be sufficient to serve the current or proposed use of the subject property or any structures or other improvements. Determining and reporting on such matters were not part of the scope of work for this assignment.
- Unless otherwise stated in this report, the past or current existence of hazardous materials or environmental contamination on, below or near the subject property was not observed or known by the appraiser. The appraiser, however, is not qualified to detect such substances or to make determinations about their presences. No responsibility is assumed for such possible conditions or for any expertise or engineering assistance required to discover them. The intended user is urged to retain an expert in this field, if desired.
- Use of or reliance on this appraisal or appraisal report, regardless of whether such use or reliance is known or authorized by the appraiser, constitutes acknowledgment and acceptance of the general

assumptions and limiting conditions, any extraordinary assumptions or hypothetical conditions and any other terms and conditions stated in this report.



Kirsten Hoffman Philip
FL-State-Certified General Real Estate
Appraiser RZ2661



Terry G. Hoffman, MAI
FL-State-Certified General Real Estate
Appraiser RZ46

Addenda

Engagement Letter



State Tax Exemption #
858012622341C0
Federal Employer Identification #
596000845

SANTA ROSA COUNTY
SCHOOLS
Purchase Order
Blanket -
Hoffman.Update.WhisperCrk

PO# 732977
05/02/2022
Vendor (V000016982)

Show P.O. Number on all shipping containers,
packing lists, correspondences, and invoices.

Center/School Contact: Cathy Ward

☐ Checked box indicates order must be fully received and invoiced by 06/30/2022.
Cancellations must be in writing. No backorders without buyer approval.

HOFFMAN & ASSOCIATES PA
1550 CREIGHTON RD STE 4
PENSACOLA, FL 32504

Ship To
GENERAL ADMINISTRATION 6544 FIREHOUSE ROAD MILTON, FL 32570
Bill To
GENERAL ADMINISTRATION 6544 FIREHOUSE ROAD MILTON, FL 32570 850-983-5123

Item #	Description	Quantity	UOM	Unit Price	Amount
	Whisper Creek Appraisal Update	1		1,950.00	1,950.00
Total					1,950.00

Fund	Function	Object	Facility	Project	Program	Amount
390	7410	672	9995	340022		1,950.00

Cindy Norton

Cindy Norton
Deputy Director of Purchasing and
Contract Administration

Comments for vendor:

Terms & Conditions:

- Do not exceed quantities or price without prior approval.
- No substitutions without prior approval.
- Payment will not be made until an order is completed in full.
- Payment will be made only to the vendor listed above.
- Collect shipments will be refused.
- The Jessica Lunsford Act: The Santa Rosa County School District reserves the right to refuse to accept services from any personnel deemed by the Santa Rosa County School District to be unqualified, disorderly, or otherwise unable to perform assigned work. This law, effective September 1, 2005, affects your business if you, your employees or your agents will have access to school grounds when students are present, have direct contact with students or have access to or control of school funds. A copy of House Bill 1877, which was approved by the Governor on May 2, 2005 (Chapter 2005-28, L.O.F., section 21) may be found by accessing the following link on the internet:
http://laws.flrules.org/files/Ch_2005-028.pdf. The requirements of this new law must be met in order for the School Board to continue working with you. The implementation procedures for this new law, as well as the amendment of July 2007, are posted on our website, at:
<http://srcsdhumanresources.weebly.com/jessica-lunsford.html>
- (Service proposals only) Insurance required to be carried shall include (for specific limits contact Risk Management at (850) 983-5006): a. The Company shall furnish proof of the following insurance to the Board by Certificate of insurance. b. The Certificate of Insurance shall state that the School Board, including its agents and employees, are additional insureds under the policy or policies. c. Workers' Compensation Insurance. d. Comprehensive General Liability Insurance. e. Business Automobile Liability.
- It is a condition of this Purchase Order 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.

Qualifications

Hoffman & Associates, P.A.
REAL ESTATE APPRAISERS - CONSULTANTS
1550 CREIGHTON ROAD, STE. 4
PENSACOLA, FLORIDA 32504

QUALIFICATIONS
KIRSTEN HOFFMAN PHILIP

STATE CERTIFICATION

April 29, 2003 I was state certified for Florida as a "State-Certified General Real Estate Appraiser RZ2661" after successfully completing the required courses and examinations by the Department of Professional Regulation, Florida Real Estate Appraisal Board.

EDUCATION BACKGROUND

University of West Florida, Pensacola, Florida. Senior in Science Degree in Marketing with a minor in Communication Arts, 1994; Successfully completed three real estate classes within the marketing department

Successfully completed "Real Estate Appraisal Principles" given by the Appraisal Institute in Gainesville, Florida, February 1990.

Successfully completed "Basic Valuation Procedures" given by the Appraisal Institute in Winter Park, Florida, October, 1990.

Successfully completed "Standards of Professional Practice Parts A and B" given by the Appraisal Institute in Orlando, Florida, August 1993.

Successfully completed "RREAB Residential Appraisal-AB1" given by the Ed Klopfer Schools of Real Estate in Pensacola, Florida, June 1999.

Successfully completed "RREAB Residential Appraisal-ABII and ABIIB" given by the Real Estate Education Specialists in Orlando, Florida, July 2000.

Attended "The Good, The Bad, The Board" Seminar in Panama City Beach, Florida, November 1999.

Attended "Florida State Law and USPAP Review for Real Estate Appraisers" Seminar in Tallahassee, Florida, September 2000.

Attended "Data Confirmation & Verification" Seminar in Tallahassee, Florida, March 2001

Attended "State of the Profession", given by the Northwest Florida Chapter of the Appraisal Institute, April 2001.

Successfully completed "Basic Income Capitalization" given by the Appraisal Institute in Tampa, Florida, August 2001.

Successfully completed "Highest & Best Use and Market Analysis" given by the Appraisal Institute in Tampa, Florida, April 2002.

Attended "The Emerging Market Valuation for Financial Reporting Purposes" given by the Northwest Florida Chapter of the Appraisal Institute, November 2003.

Attended "Course 400: National USPAP Course Update" given by the Northwest Florida Chapter of the Appraisal Institute, November 2003.

Attended "Florida Law" given by the Northwest Florida Chapter of the Appraisal Institute, November 2003.

Successfully completed "Communicating the Appraisal" given by Bert Rodgers Schools, November 2004.

Successfully completed "Neighborhood Analysis: Residential Applications" given by Bert Rodgers Schools, November 2004.

Successfully completed "Residential Subdivision Analysis" given by Bert Rodgers Schools, November 2004.

Successfully completed “Sales Comparison Approach: General Applications” given by Bert Rogers Schools, November 2004.

Attended “Reappraising, Readdressing, Reassigning” given by the Northwest Florida Chapter of the Appraisal Institute, November 2005.

Attended “Scope of Work” given by the Northwest Florida Chapter of the Appraisal Institute, November 2005.

Attended “Uniform Standards of Professional Appraisal Practice” given by the Northwest Florida Chapter of the Appraisal Institute, August 2006.

Attended “Florida State Law for Real Estate Appraisers” given by the Northwest Florida Chapter of the Appraisal Institute, August 2006.

Attended “Basic Income” given by the Northwest Florida Chapter of the Appraisal Institute, September 2006.

Attended “Highest and Best Use Applications” given by the Northwest Florida Chapter of the Appraisal Institute, September 2007.

Attended “Real Estate Investing & Development - A Valuation Perspective” given by the Northwest Chapter of the Appraisal Institute, September 2007.

Attended “Hypothetical Conditions & Assumptions” given by the Northwest Florida Chapter of the Appraisal Institute in Destin, Florida, May 2008.

Attended “Florida Law Update” given by the Northwest Florida Chapter of the Appraisal Institute in Destin, Florida, May 2008.

Attended “7-Hour National USPAP Update Course” given by the Northwest Florida Chapter of the Appraisal Institute in Destin, Florida, May 2008.

Attended “Analyzing the Effects of Environmental Contamination on Real Property”, given by the Northwest Florida Chapter of the Appraisal Institute in Pensacola, Florida, September 2010.

Successfully completed “Online Analyzing Operating Expenses” given by the Appraisal Institute, November 2010.

Successfully completed “Online Analyzing Distressed Real Estate” given by the Appraisal Institute, November 2010.

Attended “Florida Law Update” given by the West Florida Chapter of the Appraisal Institute in Tallahassee, Florida, March 2012.

Attended “7-Hour National USPAP Update Course” given by the West Florida Chapter of the Appraisal Institute in Tallahassee, Florida, March 2012.

Successfully completed “Real Estate Finance, Statistics and Valuation Modeling” given by the Florida Gulf Coast Chapter of the Appraisal Institute in Tampa, Florida, October 2012.

Successfully completed “Online Using Your HP12C Financial Calculator” given by the Appraisal Institute, November 2012.

Successfully completed and passed “General Appraiser Report Writing and Case Studies” given by the Appraisal Institute, October 2013.

Successfully completed “Advanced Income Capitalization” given by the Atlanta Chapter of the Appraisal Institute in Atlanta, GA, April 2016.

Successfully completed “Florida Appraisal Laws and Regulations” given by McKissock Appraisal School in October 2016.

Successfully completed “National USPAP Update (2018-2019)” given by McKissock Appraisal School in April 2018.

Successfully completed “Florida Appraisal Laws and Regulations Update” given by Mc Kissock Appraisal School in April 2018

Successfully completed “the Dirty Dozen” given by Mc Kissock Appraisal School in November 2018

Successfully completed “Supporting Your Adjustments: Methods for Residential Appraisers” given by Mc Kissock Appraisal School in November 2018

Successfully completed “Residential Property Inspection for Appraisers” given by Mc Kissock Appraisal School in November 2018

Successfully completed “Understanding Residential Construction” given by Mc Kissock Appraisal School in November 2018

Successfully completed “Florida Appraisal Laws and Regulations” given by Mc Kissock Appraisal School in November 2020.

Successfully completed “The Income Approach: An Overview” given by Mc Kissock Appraisal School in November 2020.

Successfully completed “Income Approach Case Studies for Commercial Appraisers” given by Mc Kissock Appraisal School in November 2020.

Successfully completed “That’s a Violation” given by Mc Kissock Appraisal School in November 2020

Successfully completed “Residential Report Writing: More Than Forms” given by Mc Kissock Appraisal School in November 2020

Successfully completed “2020-2022 7 hour National USPAP Update Course” given by Mc Kissock Appraisal School in November 2020

PROFESSIONAL EXPERIENCE

Employed by Terry Hoffman from 1992 to 1993; Served as a researcher with duties including verifying sales data and assisting with the completion of appraisals.

January 1994 I was employed by the firm of Swaine, Hoffman & Vallimont, a real estate appraisal company specializing in appraising real estate properties. I was specializing in commercial properties and sponsored by Terry G. Hoffman, MAI up to December 1995.

November 1998 I was employed by the firm Hoffman & Associates, a real estate appraisal company specializing in appraising real estate properties.

I have had appraisal experience in single family residences, multi-family residential properties, townhouses, condominiums, warehouses, retail stores, office buildings, churches, various commercial properties, vacant acreage, and vacant and improved commercial and industrial properties.

COMPLETED APPRAISALS FOR

Bank of America

BB&T Bank

Beach Community Bank, Pensacola, Florida

Centennial Bank, Pensacola, Florida

Charter Bank, Pensacola and Milton, Florida

City First National Bank

Coastal Bank and Trust, Pensacola, Florida

Gulf Coast Community Bank, Pensacola, Florida

Hancock Bank

Harvester’s Federal Credit Union

RBC Bank

Regions Bank

ServisFirst Bank

Synovus Bank

SunBank, Pensacola, Florida

Wells-Fargo Bank

United Bank, Atmore, Alabama and various attorneys, individuals and firms in the Pensacola area



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

PHILIP, KIRSTEN HOFFMAN

1550 CREIGHTON ROAD
SUITE 4
PENSACOLA FL 32504

LICENSE NUMBER: RZ2661

EXPIRATION DATE: NOVEMBER 30, 2022

Always verify licenses online at MyFloridaLicense.com



Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.

Hoffman & Associates, P.A.

Real Estate Appraisers – Consultants

1550 Creighton Road Ste. #4

Pensacola, Florida 32504

hoffmanappraiser.com

QUALIFICATIONS

TERRY G. HOFFMAN, MAI



STATE CERTIFICATION

April 7, 1990 I was state certified for Florida as "State Certified General Real Estate Appraiser #RZ46" after successfully completing the required courses and examinations.

MEMBER

National Association of Realtors

Florida Association of Realtors

Pensacola Association of Realtors

Baldwin County Association of Realtors

Pensacola Area Chamber of Commerce

Appraisal Institute-MAI (Designated 1992)

EDUCATION BACKGROUND

I was awarded a Bachelor of Science Degree in Business Management and Administration by the University of West Florida, Pensacola, Florida, in June 1970.

I have taken real estate and real estate appraising courses (70+) from the winter of 1969 to most recently as part of my continuing education and required courses in pursuit of the MAI designation which I received in November 1992. Most of the courses were sponsored by the American Institute of Real Estate Appraisers and later the Appraisal Institute. I continue to stay current with available courses to meet the 20 hour and 18 hour per every two year requirement of Florida and Alabama and the 100 hour requirement every four years by the Appraisal Institute.

I have served as an instructor at Pensacola Jr. College teaching the required salesman's course for licensing in the State of Florida.

I have served as an instructor for the "Metro-Merica" school, "Real Estate for the New Practitioner", a required course for all prospective real estate salesmen in the State of Florida.

I also taught real estate course "REE 4810 Principles of Real Estate Marketing" at the University of West Florida.

I received the MAI designation from the Appraisal Institute November 25, 1992 (MAI, Member: 9731).

PROFESSIONAL EXPERIENCE

- Employed by the Escambia County Tax Assessor's office from September 1965 until June 1970 in the Land Department. Three years of this time was spent in full time appraising.
- I entered the real estate profession in Pensacola, Florida in October 1970 employed as a real estate salesman with Better Homes Realty.
- I was employed with Adkinson and Associates, under the supervision of F. Earle Adkinson, MAI for one and one half years, specializing in appraisals of commercial and investment properties.

- January 1974 I became a partner in the firm of Swaine, Hoffman & Associates, a real estate appraisal company specializing in all aspects of real estate appraising.
- January 1997 I formed Hoffman & Associates, P.A., I hold a broker's license with the Florida Real Estate Commission and state-certification general real estate appraiser certificate with the Florida Real Estate Appraisal Board.
- I have had appraisal experience in single-family residences, multi-family residential properties, town homes, condominiums, warehouses, retail stores, shopping centers, restaurants, office buildings, vacant acreage, and vacant and improved commercial and industrial properties.
- I served as Vice Chairman of the Associate Realtors of the Pensacola Board of Realtors in 1973, Director for the Board in 1974, Treasurer in 1975, 1st Vice President of the Board in 1976, President of the Board in 1977, and Director of the Board in 1978.
- I have served as a Director for the Florida Association of Realtors for the years 1976 and 1977 and National Director for the year 1977.
- I was awarded the MAI designation by the Appraisal Institute in November 1992 (#9731).
- I was the candidate's guidance chairman and Vice President of the Northwest Florida Chapter of the Appraisal Institute for 1994.
- I was president of the Northwest Florida Chapter of the Appraisal Institute for 1995. At that time the district extended from the Florida/Alabama line east approximately 50 miles east of Tallahassee. Total membership in the chapter was approximately 200.

BUSINESS OVERVIEW

The majority of our work is within a 60 mile radius of Pensacola, Florida. The metropolitan area of Pensacola is slightly more than 450,000 people and cover Escambia and Santa Rosa County. We specialize in commercial work doing no individual residential appraisals (form work). Our primary clients are local and national banks including Bank America, Wells Fargo Bank, BB&T Bank, Beach Community Bank, Centennial Bank, Pen Air Federal Credit Union, Navy Federal Credit Union, Smart Bank, Harvesters Federal Credit Union, United Bank, First Community Bank and most of the local banks within our working area. We also do work for individual banks outside our area upon request along with local clients including individuals, Realtors, attorneys, CPA, etc.

We work closely with the local commercial brokers and developers to keep abreast of the changing market trends and market conditions. We belong to the commercial and residential MLS services extending from Baldwin County, Alabama to Panama City, Florida (150 miles of the Gulf Coast). We subscribe to Metro Market Data providing sales data for these areas along with other regional and national data sources for both regional and local data.

Our office is staffed by three State Certified General Appraisers with a total of over 70 years full time appraisal experience. Our concerns and business practices have always been to be as accurate as possible in valuing property, reasonable in the fees we charge for our services and timely in producing the results of our appraisals not risking any one at the expense of the other.



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

HOFFMAN, TERRY GENE

1550 CREIGHTON RD STE 4
PENSACOLA FL 32504

LICENSE NUMBER: RZ46

EXPIRATION DATE: NOVEMBER 30, 2022

Always verify licenses online at MyFloridaLicense.com



Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.

Glossary

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate*. 13th ed. Chicago: Appraisal Institute, 2008. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 5th ed. 2010. Print.

Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment (Dictionary, 5th Edition)

Common Area

1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 5th Edition)

Common Area Maintenance (CAM)

1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.
 - CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas

and sometimes the exterior walls of the buildings.

- CAM can refer to all operating expenses.
- CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative

Load; an example would be a 15% addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee.

2. The amount of money charged to tenants for their shares of maintaining a center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. The area maintained in common by all tenants, such as parking lots and common passages. The area is often defined in the lease and may or may not include all physical area to be paid for by all tenants. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenances, snow

removal, security, and upkeep. (ICSC)
(Dictionary, 5th Edition)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI/Im$), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary, 5th Edition)

Discount Rate

A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. (Dictionary, 5th Edition)

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary, 5th Edition)

Effective Date

1. The date on which the analyses, opinion, and advice in an appraisal, review, or consulting service apply.
2. In a lease document, the date upon which the lease goes into effect. (Dictionary, 5th Edition)

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the

appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary, 5th Edition)

External Obsolescence

An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, tenant (Dictionary, 5th Edition)

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2010-2011 ed.) (Dictionary, 5th Edition)

Fee Simple Estate

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. (Dictionary, 5th Edition)

Functional Obsolescence

The impairment of functional capacity of a property according to market tastes and standards (Dictionary, 5th Edition)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout,

traffic patterns, and the size and type of rooms. (The Appraisal of Real Estate, 13th Edition)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region. (Dictionary, 5th Edition)

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary, 5th Edition)

Highest & Best Use

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; the four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value. (Dictionary, 5th Edition)

Highest and Best Use of Land or a Site as Though Vacant

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (Dictionary, 5th Edition)

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (Dictionary, 5th Edition)

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis; hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary, 5th Edition)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease) (Dictionary, 5th Edition)

Market Area

The area associated with a subject property that contains its direct competition. (Dictionary, 5th Edition)

Market Rent

The most probable rent that a property should bring is a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant

improvements (TIs). (Dictionary, 5th Edition)

Market Value

The major focus of most real property appraisal assignments; both economic and legal definitions of market value have been developed and refined.

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.
2. Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. (USPAP, 2010-2011 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:
 - Identification of the specific property rights to be appraised.
 - Statement of the effective date of the value opinion.
 - Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
- If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.
3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the 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:
 - Buyer and seller are typically motivated;
 - Both parties are well informed or well advised, and acting in what they consider their best interests;
 - A reasonable time is allowed for exposure in the open market;
 - Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 - The price represents the normal consideration for the property sold unaffected by special or creative

financing or sales concessions granted by anyone associated with the sale. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

4. The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. (International Valuation Standards, 8th ed., 2007)
5. Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure of time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 5th Edition)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

(Advisory Opinion 7 of the Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary, 5th Edition)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. (Dictionary, 5th Edition)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (Dictionary, 5th Edition)

Parking Ratio

A ratio of parking area or parking spaces to an economic or physical unit of comparison; minimum required parking ratios of various land uses are often stated in zoning ordinances. (Dictionary, 5th Edition)

Rentable Area

For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor; alternatively, the amount of space on which the rent is based;

calculated according to local practice. (Dictionary, 5th Edition)

using modern materials and current standards, design, and layout. (Dictionary, 5th Edition)

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised,

Scope of Work

The type and extent of research and analyses in an assignment (Dictionary, 5th Edition)

Stabilized Occupancy

An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent. (Dictionary, 5th Edition)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed and paid for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 5th Edition)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. Often vacancy and collection loss is expressed as a percentage of potential gross income and should reflect the competitive market. Its treatment can differ according to the interest being appraised, property type, capitalization method, and whether the property is at stabilized occupancy. (Dictionary, 5th Edition)