

APPRAISAL REPORT

OF A

VACANT COMMERCIAL LAND PARCEL

LOCATED AT

**120 WEST GOVERNMENT STREET
PENSACOLA, ESCAMBIA COUNTY, FLORIDA 32502**

EXCLUSIVELY FOR

**CITY OF PENSACOLA
PLANNING SERVICES DIVISION**

AS OF

SEPTEMBER 28, 2016

BY

**CHARLES C. SHERRILL, JR., MAI
STATE - CERTIFIED GENERAL APPRAISER #RZ1665**

410 EAST GOVERNMENT STREET

**PENSACOLA, FLORIDA
32502**

APPRAISAL REPORT

The subject property consists of a vacant commercial land parcel that is located at 120 West Government Street in Downtown Pensacola, Florida. The property is currently operated as a metered surface parking lot, but the parking spaces that are leased are reported to be on relatively short-term (monthly) durations. Accordingly, the values of the fee simple title and the leased fee estate in the subject property are considered to be generally equivalent to one another. The client is considering the sale of the property at a yet-undetermined price.

The three traditional approaches to value income-producing properties are the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. Based upon the type and specific characteristics of the subject property, the Cost and Income Capitalization Approaches were not considered to be appropriate to provide credible results for this valuation. Commercial land parcels like the subject in the local market are not typically leased to tenants, so market data was not concluded to be adequate to estimate a credible market rent for the subject in the Income Capitalization Approach. Secondly, due to the absence of improvements, the performing of the Cost Approach was not considered to be applicable. Accordingly, the appraiser did not perform these two particular approaches to value the subject property in this assignment.

The subject is a vacant commercial land parcel with no improvements that is not encumbered by any long-term leases. Buyers of this type of property in the local market typically rely most heavily on the Sales Comparison Approach in making buying decisions. Additionally, recent sales activity of similar type properties in the local market is considered to be sufficient to produce credible results. Accordingly, the appraiser has determined that the performing of the Sales Comparison Approach in this appraisal process is sufficient to achieve credible assignment results based primarily upon the intended use of this appraisal. The appraiser has clearly identified and explained the scope of work for this assignment within this appraisal report.

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. As such, it clearly and accurately sets forth the appraisal in a manner that will not be misleading; contains sufficient information to enable the intended users of the appraisal to understand the report properly; and clearly and accurately discloses all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within this report. The appraiser is not responsible for the unauthorized use of this appraisal report.

CLIENT:

City of Pensacola
Planning Services Division
Attention: Ms. Helen Gibson, AICP
Neighborhood Revitalization Coordinator
222 West Main Street
Pensacola, Florida 32502

APPRAISER: Charles C. Sherrill, Jr., MAI
State - Certified General Appraiser #RZ1665
Sherrill Appraisal Company
410 East Government Street
Pensacola, FL 32502

APPRAISAL FILE NUMBER: N216-0367

CLIENT PURCHASE ORDER NO.: Not Provided

PROPERTY LOCATION: 120 West Government Street, Pensacola, Escambia County, Florida 32502

PROPERTY TYPE: Vacant Commercial Land Parcel

REPORTED PROPERTY OWNER: Community Redevelopment Agency of the City of Pensacola

TAX ACCOUNT NUMBER: 13-0244-000

PARCEL IDENTIFICATION NO.: 00-0S-00-9001-020-120

CURRENT PROPERTY TAX ASSESSMENT: \$438,930; However, the current tax expense of the subject is based upon a reduced assessed value of \$313,553 that results from an annual increase limit that applies to non-homesteaded properties in the State of Florida. There are no unpaid property taxes as the current owner is exempt from real estate taxation based upon its governmental status.

LEGAL DESCRIPTIONS: Legal descriptions of the subject property obtained from the Escambia County Property Appraiser's Office and a deed are presented in the addendum of this appraisal report.

ZONING CLASSIFICATION: C-2A; Downtown Retail Commercial

TYPE AND DEFINITION OF VALUE: The purpose of this appraisal is to provide the appraiser's best estimate of the market value of the subject real property as of the effective date. Market value is defined under 12 U.S.C. 1818, 1819 and title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA") as well as the Office of the Comptroller of the Currency, as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not

**TYPE AND DEFINITION OF
VALUE (CONTINUED):**

affected by undue stimulus". Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

**INTENDED USER OF
APPRAISAL REPORT:**

City of Pensacola, Planning Services Division; No other party is entitled to rely upon this report without written consent of the appraiser.

INTENDED USE OF REPORT:

For the sole purpose of assisting the client, City of Pensacola, Planning Services Division, in internal business decisions concerning the possible sale of the subject property.

OWNERSHIP INTERESTS VALUED:

Fee Simple Title (defined as absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, taxation, and/or any easements that may be present on the property) and Leased Fee Estate (defined as an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; usually consists of the right to receive rent and the right to repossession at the termination of the lease/leases).

DATE OF PROPERTY INSPECTION: September 28, 2016

EFFECTIVE DATE OF VALUE: September 28, 2016

DATE OF APPRAISAL REPORT: October 10, 2016

FINAL ESTIMATE OF VALUE: \$765,000 (Market Value as vacant, subject to the appraisal assumptions and limiting conditions that are presented in the addendum of this appraisal report).

SCOPE OF WORK PERFORMED IN THIS APPRAISAL ASSIGNMENT:

The three traditional approaches to value income-producing properties are the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. Based upon the type and specific characteristics of the subject property, the Cost and Income Capitalization Approaches were not considered to be appropriate to provide credible results for this valuation. Commercial land parcels like the subject in the local market are not typically leased to tenants, so market data was not concluded to be adequate to estimate a credible market rent for the subject in the Income Capitalization Approach. Secondly, due to the absence of improvements, the performing of the Cost Approach was not considered to be applicable. Accordingly, the appraiser did not perform these two particular approaches to value the subject property in this assignment.

In performing this appraisal of the subject property, Charles C. Sherrill, Jr., MAI first identified the problem to be solved. Based upon the property type and intended use of this appraisal, the appraiser determined and performed the scope of work necessary to develop assignment results that were credible, and disclosed this scope of work in the appraisal report. In doing so, the appraiser inspected the subject property, conducted a telephone interview with a representative of the property owner (client), and gathered information from the subject's neighborhood or similar competitive neighborhoods in the local area on comparable land sales. This information was applied in the Sales Comparison Approach to value the subject property as vacant.

This narrative appraisal report is the result of these processes. This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated above. The appraiser is not responsible for unauthorized use of this report.

DESCRIPTION OF REAL ESTATE APPRAISED:

Location Description: Known as the "City of Five Flags," Pensacola is the western-most city in the panhandle of Florida. Pensacola, the county seat, is located in the extreme southern portion of Escambia County. Escambia County encompasses 661 square miles of land and an additional 64,000 acres of waterways. Escambia County has experienced steady growth during its history as it represents the economic center for Northwest Florida. Its location generally bordering the Gulf of Mexico and three bays has resulted in outward growth in certain directions over the years. These growth areas include such neighboring cities/communities as Gulf Breeze, Milton, Pace, and Navarre (in Santa Rosa County), as well as the northern vicinity of Pensacola.

According to recent (2015) statistics from the U. S. Census Bureau, there are 311,003 residents in Escambia County, which ranked 20th in county population in Florida. Escambia County's population increased at a rate of 4.5 percent in the previous 5 years, and this gradual increase is anticipated for the near-term future. Escambia County has a diversified economic base which includes tourism, military (U. S. Navy), and a strong service sector. The area has a current unemployment rate of 4.5 percent, which is within the range that is indicated by the state and national averages (4.4 percent and 4.7 percent, respectively).

The quality of life afforded by the mild climate and abundant recreational activities and rich history and culture is an added feature that attracts new industries to the area. The availability of office and manufacturing facilities and an educated workforce give Escambia County the ideal catalyst for future growth and prosperity. Overall, the area's moderate anticipated population growth, diversified work force, and abundance of recreational activities provide for a relatively stable near-term outlook for this metropolitan area.

Neighborhood Description: The subject property is well-located immediately within the Downtown Central Business District. The subject neighborhood boundaries are generally defined as Cervantes Street on the north, North Ninth Avenue on the east, Pensacola Bay on the south, and Pace Boulevard on the west.

Land uses in the general area include retail establishments, offices, restaurants, banks, auto service garages, apartments, residences, warehouses, churches, motels, condominiums, lounges, and courthouses. The neighborhood is convenient to Pensacola Bay, Downtown Pensacola, churches, shopping facilities, schools, medical facilities, recreational facilities, and other major sources of employment. A significant amount of re-development has been occurring in Downtown Pensacola in recent years. The most notable of these developments is the Community Maritime Park with ballpark and related office/retail structures. This quality development is located 2 to 3 blocks from the subject property. It is concluded that the subject neighborhood conditions and near-term outlook are favorable.

Summary of Local Office Market: After a number of years of steady growth in the local office market (as well as other sectors), the health of the market weakened during 2006 to 2011. Demand for office space declined in the local market during that time period due to weakened economic conditions which resulted in an oversupply of inventory. The net result of this market weakness was an increase in vacancy rates, a decline in rental rates and values, an increase in property foreclosures, and extended marketing periods. However, the market began to stabilize in late 2011, and it has gradually increased in the past few years. It is concluded that the local market, as well as the subject property, should continue this slight improvement trend in the foreseeable future. Based upon the location, quality, and other physical characteristics of the subject property, its overall current relative position within the local marketplace is concluded to be favorable.

Property Description: The subject property is located on the north side of West Government Street, between South Spring and South Baylen Streets. The property is situated immediately adjacent to office buildings, a similar surface parking lot, and the Escambia County Judicial Center. The interior parcel is slightly irregular in shape. The site has 109 feet of frontage on the north side of West Government Street, 60 feet of frontage on the south side of West Intendencia Street, and an average depth of approximately 340 feet.

According to the Escambia County Property Appraiser's Office, the property contains 0.6508 acre. This equates by calculation to a land area of 28,349 square feet. The property is utilized as a metered surface parking lot with approximately 80 striped asphalt spaces. The parcel has asphalt paving, concrete pavers, partial wood-picket fencing, and two small storm water retention areas. It is concluded that these site improvements do not contribute materially to the overall value of the subject property.

The property is fairly level and appears to have satisfactory drainage. Public sanitary sewer service is apparently available to the subject. The public utilities available to the site are considered to be adequate. It appears that the parcel is partially located within a designated flood area (Flood Zone AE; Flood Panel Map #12033C0390G). However, this is fairly common for similar parcels that are located in close proximity to the Pensacola Bay.

West Government and West Intendencia Streets are two-laned roadway in front of the subject property. West Government Street provides for two-way traffic, and West Intendencia Street is a one-way road with a west-bound traffic direction. Overall access to the property is concluded to be somewhat favorable based upon the parcel having ingress/egress on two fronting roads.

The subject property is zoned C-2A; Downtown Retail Commercial under the zoning ordinances of the City of Pensacola. The commercial land use districts are established by the City of Pensacola for the purpose of providing areas of commercial development ranging from compact shopping areas to limited industrial/high intensity commercial uses. Conventional residential usage is allowed as well as residential uses on upper floors above ground floor commercial or offices and in other types of mixed use development. Specifically the C-2A (as well as C-2) district's regulations are intended to provide for major commercial areas intended primarily for retail sales and service establishments oriented to a general community and/or regional market. Permitted uses within this district are very broad and include single-family residential, multiple-family residential, offices, medical offices retail, restaurants, banks, warehouses, nightclubs, and marinas. However, outside storage and/or repairs are prohibited. There are no required minimum yard requirements for the subject and the maximum building height is 100 feet. There are generally no maximum lot coverage requirements in the C-2A district.

Property Description (Cont'd): The commercial land use districts are established by the City of Pensacola for the purpose of providing areas of commercial development ranging from compact shopping areas to limited industrial/high intensity commercial uses. Conventional residential use is allowed as well as residential uses on upper floors above ground floor commercial or office uses and in other types of mixed use development. The C-1 zoning district's regulations are intended to provide for conveniently supplying the immediate needs of the community where they types of services rendered and the commodities sold are those which are needed frequently. The downtown and retail commercial (C-2A and C-2) zoning districts' regulations are intended primarily for retail sales and service establishments oriented to a general community and/or regional market. The C-3 wholesale and light industry zoning district's regulations are intended to provide for general commercial services, wholesale distribution, storage, and light fabrication. The property has a Future Land Use Classification of HP; Historic and Preservation District.

SALES HISTORY OF SUBJECT PROPERTY:

According to the public records, the subject property was acquired by the current owner prior to 2009. The appraiser is unaware of any sales transactions of the property in the five years preceding the effective date of this valuation. Although a Notice of Intent to Dispose of the subject property with Request for Proposal for Redevelopment had been recently issued by the client, no current listings, options, or agreements of sale of the property were discovered by the appraiser in the course of this analysis. The subject client is considering the possible sale of the property at a yet-undetermined price.

HIGHEST AND BEST USE:

Highest and best use may be defined as "The reasonable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." The first determination (highest and best use of land as though vacant) reflects the fact that the land value is derived from potential land use. The second determination (highest and best use of property as improved) refers to the optimum use that could be made of the property considering the existing structures, when applicable.

Highest and best use as vacant. The legally permissible uses of the subject site include single-family residential, multiple-family residential, offices, medical offices retail, restaurants, banks, warehouses, nightclubs, and marinas. The potential for a zoning change appears to be unlikely. These land uses are generally compatible with other property types in the subject neighborhood.

The subject is comprised of a 0.65-acre land parcel with adequate shape, frontage on two paved roads, and level topography. There are generally no physical limitations on developable alternatives of the subject such that each of the legally permissible uses are physically possible. Based upon the size and physical characteristics, the zoning, the neighborhood and local market conditions, and the location of the subject parcel, an office use is concluded to be financially feasible. Additionally, the maximally productive and highest and best use of the subject site as vacant is concluded to be an office use.

APPRAISAL PROCESS:

The three traditional approaches to estimate the value of the income-producing properties are the Cost Approach, the Sales Comparison Approach (formerly called the Market Approach), and the Income Capitalization Approach. All three approaches are based upon the basic principle of substitution, which affirms that a prudent buyer will not pay more for a property than the cost of an equally desirable site plus the cost to construct a similar building (Cost Approach), the cost to acquire a competing property which is equal in desirability and utility (Sales Comparison Approach), or the cost to acquire a substitute income stream of equal quantity, quality, and durability (Income Capitalization Approach).

Based upon the subject property's being comprised of a vacant land parcel, the Cost and Income Capitalization Approaches were not considered to be appropriate for this valuation. Accordingly, the appraiser did not perform these two particular approaches to value the subject property. The subject property is a vacant commercial land parcel with no structures or long-term leases in place. Buyers of this type of property in the local market typically rely most heavily on the Sales Comparison Approach in making buying decisions. Additionally, recent sales activity of similar type properties in the local market is considered to be sufficient to produce credible results. Lastly, this appraisal process is concluded to be adequate based upon the intended use of this appraisal. Accordingly, the appraiser has determined that the performing of the Sales Comparison Approach in this appraisal process is sufficient to achieve credible assignment results based primarily upon the intended use of this appraisal. The appraiser has clearly identified and explained the scope of work for this assignment within this appraisal report

SUMMARY OF LAND VALUATION ANALYSIS:

A summary of the data pertaining to vacant land sales considered to be similar to the subject is presented below. Detailed information pertaining to each of these comparables, aerial photographs and site plans, and a location map are presented at the conclusion of this appraisal report.

<u>COMP. NO.</u>	<u>RECORD NO.</u>	<u>LOCATION</u>	<u>DATE OF SALE</u>	<u>SALE PRICE</u>	<u>SQ. FT.</u>	<u>PRICE/ SQ. FT.</u>
1	7648	223 East Garden Street	08/19/16	\$1,984,100	103,237	\$19.22
2	7435	201 East Garden Street	03/06/15	\$800,000	29,939	\$26.72
3	7518	57 South 9th Avenue	09/30/15	\$114,500	3,920	\$29.21
4	7578	660 East Government Street	06/02/16	\$450,000	11,761	\$38.26

The above land sales represent properties considered generally comparable to the subject. These parcels range very broadly in size from 3,920 to 103,237 square feet, which is generally reflective of the size of the subject. All are suitable for an office type of use like the subject. Each is located in the immediate subject vicinity in or near Downtown Pensacola. These comparables range broadly in price from \$114,500 to \$1,984,100 which equates to a broad unit price of \$19.22 to \$38.26 per square foot.

Various price adjustments were considered for such dissimilarities as property rights conveyed, atypical financing, conditions of the sale, market conditions (time), location, land size, shape, access/road frontage, topography, utilities availability, and zoning, when compared to the subject. A summary of the varying characteristics of the comparables, relative to the subject, and corresponding price adjustments is presented on the following pages.

Property Rights Conveyed

All of the comparables involve transactions which conveyed fee simple title in the respective properties. This is consistent with that of the subject, so no price adjustments were considered necessary for this element of comparison.

Atypical Financing Terms

Each comparable consisted of a purchase arrangement of cash to the seller. Since the appraisal of the subject property is based upon cash or its equivalent terms, no price adjustment was made to the comparables for this feature.

Conditions of Sale

Each of the comparables is concluded to have been based upon arm's length transactions without undue duress or influence. Accordingly, no price adjustments were deemed necessary to these comparables for conditions of sale.

Market Conditions (Time)

The comparable sales were transacted between March of last year (2015) and August of this year (2016). When compared to the subject, slight upward unit price adjustments were considered to be necessary to all but Comparable No. 1 to account for the improved local market conditions that have occurred since these transactions occurred.

Location

Although all of the comparables are situated in the Downtown Pensacola vicinity, each is considered to have a location that is slightly dissimilar to the subject. The locations of all but Comparable No. 4 were concluded to be slightly inferior to that of the subject. Accordingly, small upward adjustments were made to the unit price of these particular comparables when compared to the subject. Contrarily, the unit price of Comparable No. 4 was adjusted downward to reflect its superior location at the end of East Government Street with a view of Pensacola Bay.

Land Size

As previously mentioned, the land sizes of the comparables represent a broad range of 3,920 to 103,237 square feet. When compared to the size of the subject (28,349 square feet), varying unit price adjustments were made to all but Comparable No. 2 for this element of comparison.

Shape of Parcel

The parcel shapes of all but Comparable No. 3 were concluded to be generally similar to that of the subject. However, the narrow shape of Comparable No. 3 was concluded to be inferior to that of the subject. Accordingly, a small upward unit price adjustment was concluded to be necessary to this comparable for shape.

Access/Road Frontage

The access and road frontage of Comparable Nos. 1 and 4 were deemed to be similar to the subject. Accordingly, no price adjustments were made to these comparables for this characteristic. However, small varying unit price adjustments were made to Comparable Nos. 2 and 3 based upon their differing means of access and road frontage, relative to the subject.

Topography

No price adjustments were considered necessary to the comparables based upon their having similar topographies.

Utilities Availability

The availability of utilities to each of the comparables was deemed to be generally similar to that of the subject. Accordingly, no price adjustments were concluded necessary for this element of comparison.

Zoning

The zoning classifications of each comparable were considered to be similar to that of the subject. Accordingly, no price adjustments were made to the comparables for zoning.

After the above adjustments were made to the unit prices of the comparables, the indicated value range for the subject is \$24.98 to \$28.86 per square foot. In placing most weight on Comparable No. 2, which is the sale that resulted in the fewest and least price adjustments, a unit value towards the middle of the above range is concluded to be appropriate for the subject. Therefore, a value of \$27.00 per square foot is estimated for this valuation.

The estimated value of the subject property from this sales comparison analysis is shown below. A grid summarizing the price adjustments is presented on the following page of this appraisal report.

$$28,349 \text{ SQ. FT.} \quad \times \quad \$27.00/\text{SQ. FT.} \quad = \quad \$765,423$$

ROUNDED: \$765,000

The above total land value estimate is well within the broad total sales price range of \$114,500 to \$1,984,100 that is indicated by the above sales. This is concluded to be reasonable based upon the overall characteristics of the subject property, along with the current market conditions.

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SUMMARY OF LAND SALES ADJUSTMENTS
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	<u>Comp. No. 1</u>	<u>Comp. No. 2</u>	<u>Comp. No. 3</u>	<u>Comp. No. 4</u>
Index Number	7648	7435	7518	7578
Total Sales Price	\$1,984,100	\$800,000	\$114,500	\$450,000
Square Feet	103,237	29,939	3,920	11,761
Price Per Square Foot	\$19.22	\$26.72	\$29.21	\$38.26
<u>Price Adjustments</u>				
Property Rights Conveyed	0%	0%	0%	0%
Adjusted Unit Price	\$19.22	\$26.72	\$29.21	\$38.26
Atypical Financing Terms	0%	0%	0%	0%
Adjusted Unit Price	\$19.22	\$26.72	\$29.21	\$38.26
Conditions of Sale	0%	0%	0%	0%
Adjusted Unit Price	\$19.22	\$26.72	\$29.21	\$38.26
Market Conditions (Time)	0%	6%	4%	1%
Adjusted Unit Price	\$19.22	\$28.32	\$30.38	\$38.64
<u>Adjustments- Physical Characteristics</u>				
Location	10%	5%	5%	-20%
Size of Site	20%	--	-20%	-10%
Shape of Site	--	--	5%	--
Access/Road Frontage	--	-5%	5%	--
Topography	--	--	--	--
Utilities Availability	--	--	--	--
Zoning	--	--	--	--
Other Features	--	--	--	--
Cumulative Adjustments	30%	0%	-5%	-30%
Adjusted Price Per Square Foot	\$24.98	\$28.32	\$28.86	\$27.05

RECONCILIATION AND VALUE CONCLUSION:

For this valuation of the subject vacant land parcel, only the Sales Comparison Approach was performed. In doing so, the market value of the leased fee estate and fee simple title in the subject property as of September 28, 2016, based upon the appraisal assumptions and limiting conditions that are presented on the following pages, is estimated to be \$765,000. **As mentioned, this appraisal was prepared for the exclusive use of City of Pensacola, Planning Services Division.**

Exposure time is defined by USPAP as 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. It is a retrospective opinion based on an analysis of past events assuming a competitive and open market. The previously-presented comparable sales were on the market between 304 to 1,061 days (10 to 35 months) before being sold. However, many other sales in the local market have indicated much shorter marketing time periods. Based upon the subject's property type, overall characteristics, and concluded marketability, its estimated exposure time is concluded to have been approximately 6 to 12 months. Similarly, the estimated marketing time (i.e., the amount of time it would probably take to sell the subject property if it were exposed in the market, beginning on the date of this valuation) is projected to be approximately 6 to 12 months.

Attached are assumptions and limiting conditions of this appraisal, the certification of the appraiser, a copy of the appraiser's state certification, subject photographs, location maps, a legal description, a deed of the subject property, a plot plan, a site plan, an aerial photograph, a flood zone map, zoning maps, comparable land sales data sheets, site plans and aerial photographs, a comparable land sales location map, and the appraiser's professional qualifications.

ASSUMPTIONS AND LIMITING CONDITIONS:

This appraisal and the appraiser's certification that follows is subject to the following assumptions and limiting conditions:

1. The three traditional approaches to value income-producing properties are the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. Based upon the type and specific characteristics of the subject property, the Cost and Income Capitalization Approaches were not considered to be appropriate to provide credible results for this valuation. Commercial land parcels like the subject in the local market are not typically leased to tenants, so market data was not concluded to be adequate to estimate a credible market rent for the subject in the Income Capitalization Approach. Secondly, due to the absence of improvements, the performing of the Cost Approach was not considered to be applicable. Accordingly, the appraiser did not perform these two particular approaches to value the subject property in this assignment.
2. This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. As such, it clearly and accurately sets forth the appraisal in a manner that will not be misleading; contains sufficient information to enable the intended users of the appraisal to understand the report properly; and clearly and accurately discloses all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within this report. The appraiser is not responsible for the unauthorized use of this appraisal report.
3. The client is the party who engages an appraiser (by employment or contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identifies them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
4. 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. The property is appraised as though free and clear of any or all liens and encumbrances unless otherwise stated in this report. Responsible ownership and competent property management are assumed unless otherwise stated in this report. Typical mortgage loan encumbrances and utility easements are assumed to exist.
5. If the property is improved, it is assumed that the structural and mechanical components of the building are in good condition and operating properly, unless reported otherwise.

6. The information furnished by others is believed to be accurate, true, and reliable. However, no warranty is given for its accuracy.
7. 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.
8. 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 such conditions.
9. 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.
10. 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.
11. It is assumed that all required licenses, certificates of occupancy consents, 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 this report are based.
12. 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 by the appraiser for the purpose of this report.
13. It is assumed that the utilization of the land and improvement 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.
14. 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 substance 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 substance 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.

15. 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 communication barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
16. The appraiser warrants only that the value conclusion is his best opinion estimate as of the exact day of valuation. For prospective value estimates, the appraiser cannot be held responsible for unforeseeable events which might alter market conditions prior to the effective date of the appraisal.
17. Any proposed improvements are assumed to be completed in good workmanlike manner in accordance with the submitted plans and specifications.
18. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
19. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used, or reproduced in part or its entirety, for any purpose by any person other than **City of Pensacola, Planning Services Division** without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
20. 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.
21. Use of this appraisal constitutes acceptance of the stated limiting conditions and assumptions. The appraiser's liability extends to the current client and not to subsequent users of the appraisal.
22. The Americans with Disabilities Act (ADA) became effective January 26, 1992. For improved properties, we have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirement of ADA in estimating the value of the property.
23. The appraiser certifies that he has no debt relationship with **City of Pensacola, Planning Services Division**.

24. This valuation is contingent upon there being no contamination of the soil due to any source, including but not limited to underground tanks, if any.
25. This valuation is contingent upon a survey, legal description, and land area calculation being prepared by a qualified and properly licensed engineer to indicate the subject property to be basically the same as described in this appraisal report.

EXTRAORDINARY APPRAISAL ASSUMPTIONS:

There are no extraordinary assumptions of this appraisal.

HYPOTHETICAL CONDITIONS OF THE APPRAISAL:

There are no hypothetical conditions of this appraisal.

CERTIFICATION OF THE APPRAISER

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.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this appraisal report.
- I have discussed with the client and hereby disclose that I previously performed an appraisal of the subject property of this assignment for the client in December, 2015. However, I have not performed any other appraisal or other real estate services involving the subject property in the three years preceding the effective date of this valuation. I conclude that I have no conflict of interest in performing this appraisal assignment for the client.
- No one provided significant real property appraisal assistance to the person signing this appraisal report and certification.
- I currently hold an appropriate state license or certification allowing the performance of real estate appraisals in connection with federally related transactions of properties located in Florida.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the State of Florida for state-certified appraisers.

The Appraisal Institute and the State of Florida conduct mandatory programs of continuing education for its designated members and licensees, respectively. Appraisers who meet the minimum standards of these programs are awarded periodic educational certification. As of the date of this report, I have completed the requirements of the continuing education programs for designated members of the Appraisal Institute, and of the State of Florida, respectively.

The use of this report is subject to the requirements of the State of Florida relating to review by the Real Estate Appraisal Subcommittee of the Florida Real Estate Commission, as well as the Appraisal Institute.



Charles C. Sherrill, Jr., MAI
State - Certified General Appraiser #RZ1665

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

LICENSE NUMBER

RZ1665

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2016



SHERRILL, CHARLES C JR PA
410 E GOVERNMENT ST
PENSACOLA FL 32502

ISSUED: 08/20/2014

DISPLAY AS REQUIRED BY LAW

SEQ # L1408200003373

PHOTOGRAPHS OF SUBJECT PROPERTY



Front View of Subject Property (From West Government Street)



View of Subject Property From West Intendencia Street

PHOTOGRAPHS OF SUBJECT PROPERTY



Interior View of Subject Parcel

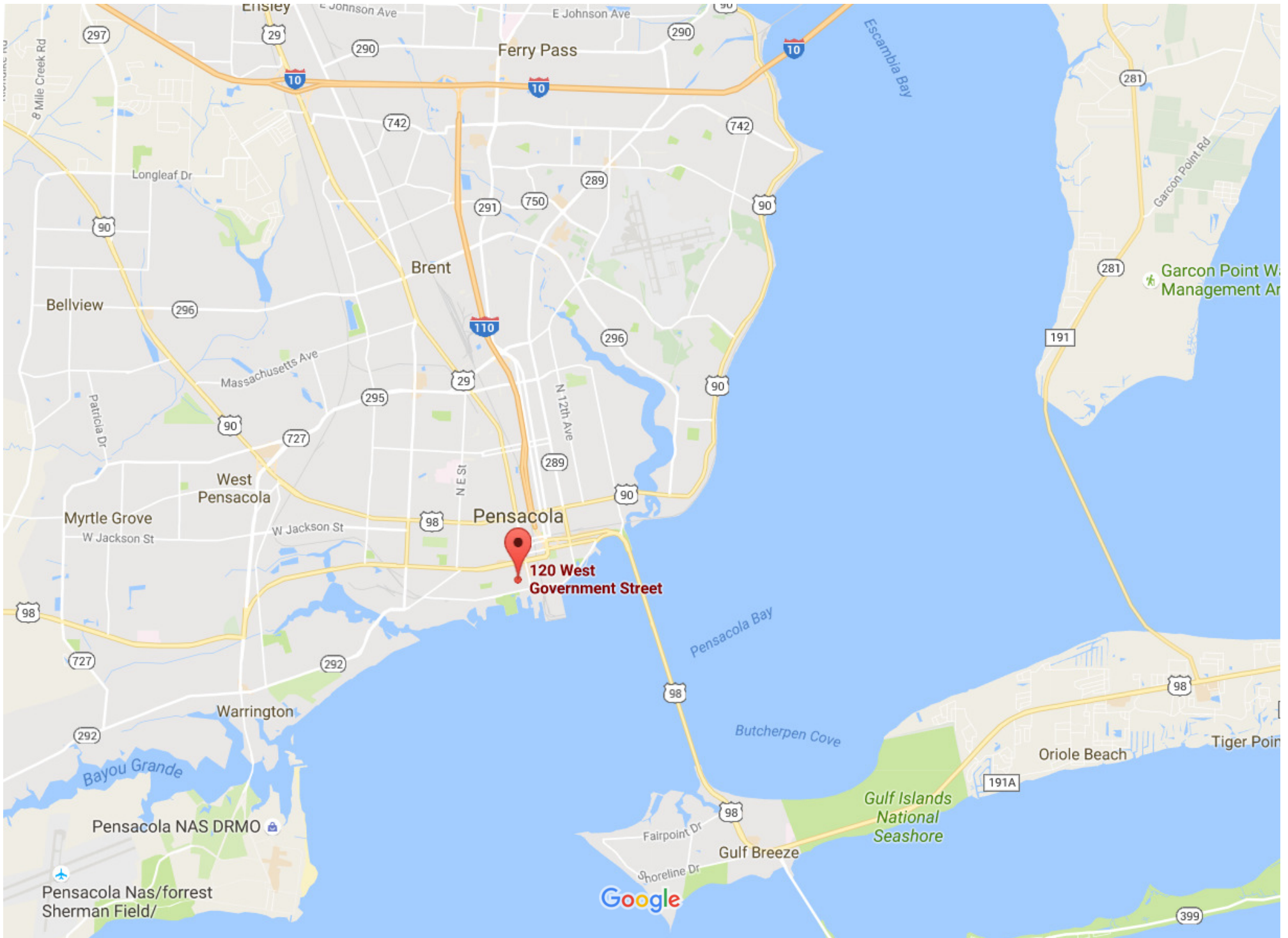


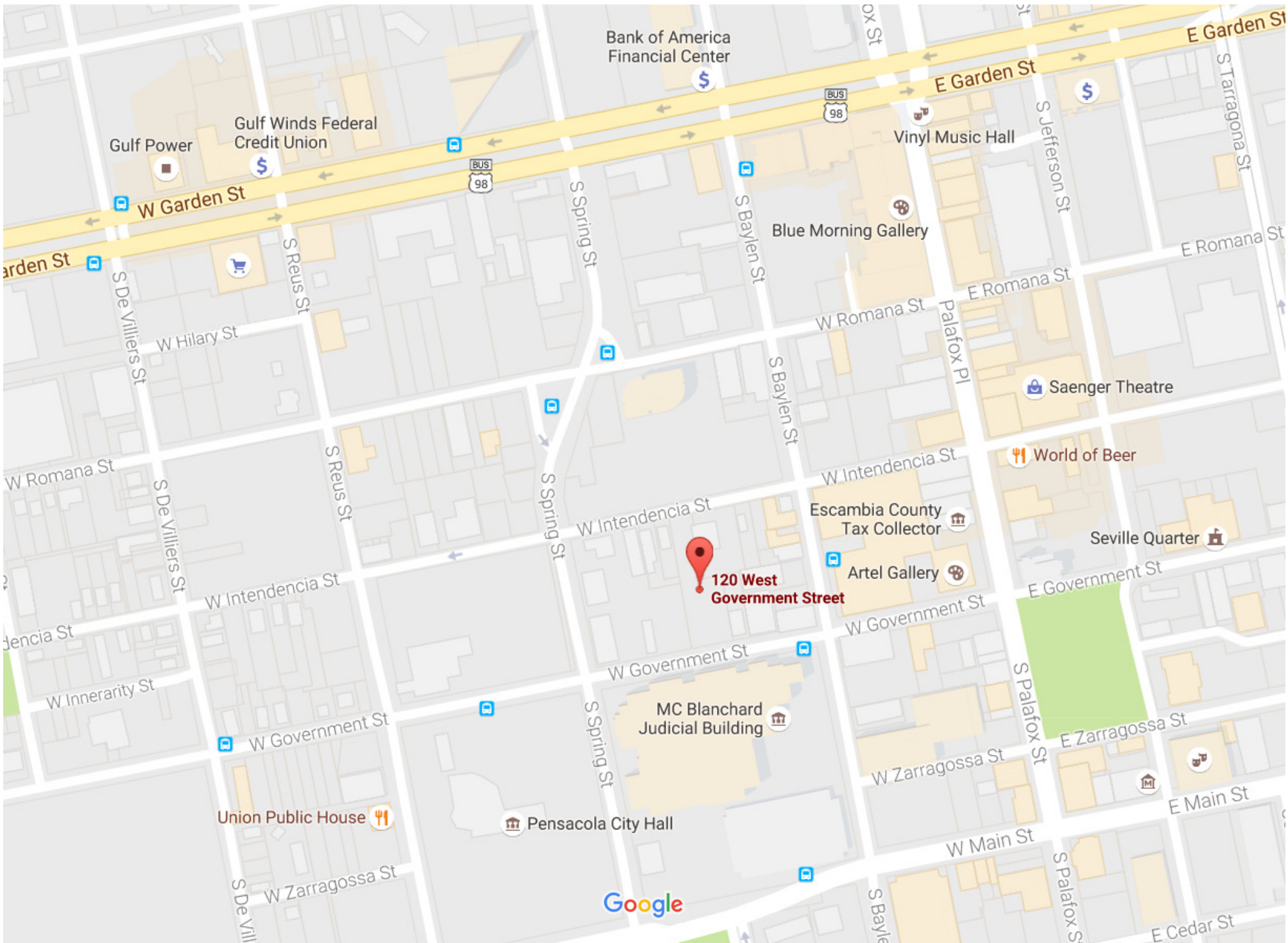
Subject Street Scene From West Government Street

PHOTOGRAPHS OF SUBJECT PROPERTY



Subject Street Scene From West Intendencia Street





120 West
Government Street

Bank of America
Financial Center

Gulf Power
Gulf Winds Federal
Credit Union

Vinyl Music Hall

Blue Morning Gallery

Saenger Theatre

World of Beer

Escambia County
Tax Collector

Artel Gallery

Seville Quarter

MC Blanchard
Judicial Building

Pensacola City Hall

Union Public House

Google

General Information

Reference: 000S009001020120
Account: 130244000
Owners: COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA
Mail: PO BOX 12910
 PENSACOLA, FL 32521
Situs: 120 W GOVERNMENT ST 32502
Use Code: VACANT COMMERCIAL-IMPRVD
Taxing Authority: DOWNTOWN, PENSACOLA CITY LIMITS
Tax Inquiry: [Open Tax Inquiry Window](#)
 Tax Inquiry link courtesy of Janet Holley
 Escambia County Tax Collector

Assessments

Year	Land	Imprv	Total	Cap Val
2016	\$425,250	\$13,680	\$438,930	\$313,553
2015	\$425,250	\$13,680	\$438,930	\$285,049
2014	\$425,250	\$13,740	\$438,990	\$259,136

[Disclaimer](#)

[Amendment 1/Portability Calculations](#)

Sales Data

Sale Date	Book	Page	Value	Type	Official Records (New Window)
02/13/2008	6288	1439	\$100	WD	View Instr
07/2000	4581	1350	\$438,600	WD	View Instr
01/1998	4216	710	\$50,000	WD	View Instr
01/1998	4216	706	\$25,000	WD	View Instr
01/1998	4216	704	\$100,000	CJ	View Instr

Official Records Inquiry courtesy of Pam Childers
 Escambia County Clerk of the Circuit Court and
 Comptroller

2016 Certified Roll Exemptions
 MUNICIPAL OWNED

Legal Description
 W 29 FT MORE OR LESS OF LT 120 & ALL LT 121 & W 60 FT OF LT 134 BLK 14 OLD CITY TRACT OR 6288 P 1439 CA 74

Extra Features
 ASPHALT PAVEMENT
 WOOD FENCE

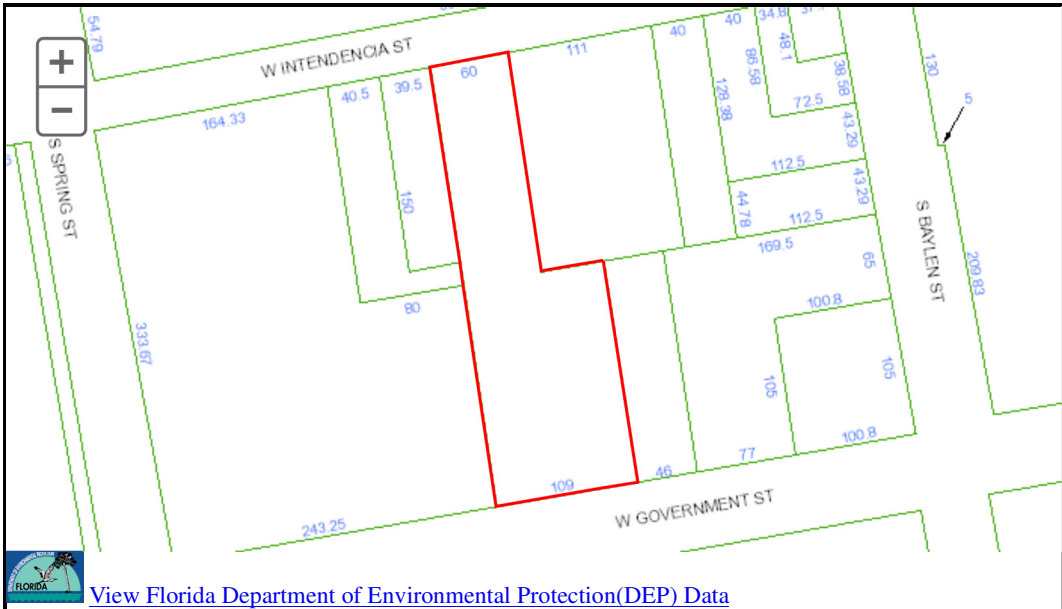
Parcel Information

Section Map Id:
[CA074](#)

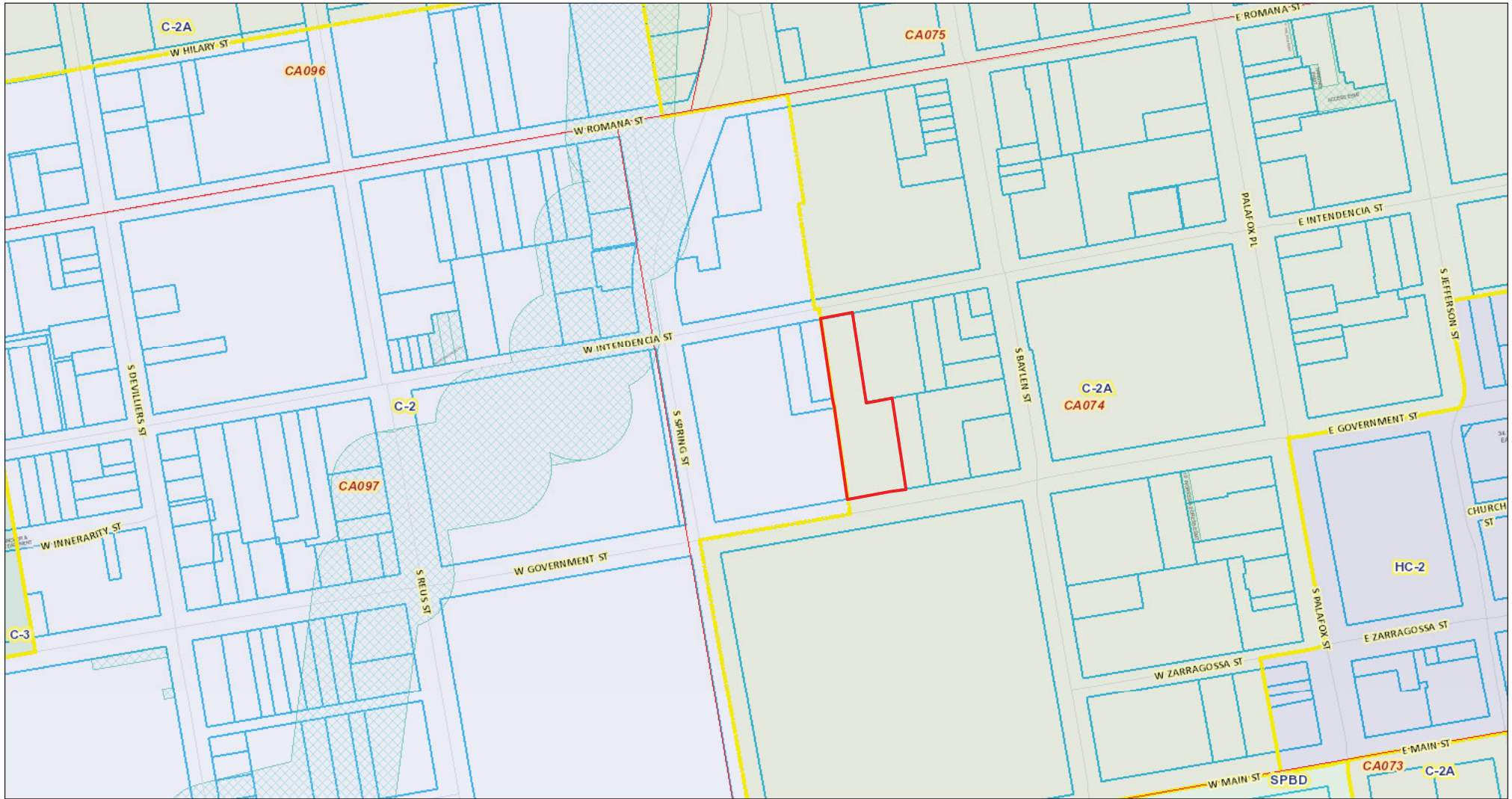
Approx. Acreage:
 0.6508

Zoned:
 C-2A

Evacuation & Flood Information
[Open Report](#)



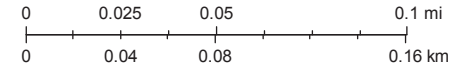
Chris Jones Escambia County Property Appraiser



September 27, 2016

- Map Grid
- All Roads
- City Road
- County Road
- Interstate
- State Road
- US Highway
- Easement
- Property Line

1:2,120



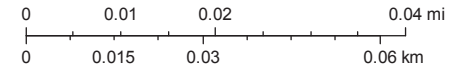
Chris Jones Escambia County Property Appraiser



September 27, 2016

1:852

- Map Grid
- City Road
- County Road
- Interstate
- State Road
- US Highway
- Easement
- Property Line



This document was prepared by:
Stephen G. West, Assistant County Attorney
Escambia County Attorney's Office
221 Palafox Place, Suite 430
Pensacola, Florida 32502
(850) 595-4970

**STATE OF FLORIDA
COUNTY OF ESCAMBIA**

DEED

THIS DEED is made this 13th day of February, 2008, by Escambia County, a political subdivision of the State of Florida, acting by and through its duly authorized Board of County Commissioners, whose address is 221 Palafox Place, Pensacola, Florida 32502 (Grantor), and the Community Redevelopment Agency of the City of Pensacola, a public body, corporate and politic, of the State of Florida, whose address is 180 Governmental Center, Pensacola, Florida 32502 (Grantee).


WITNESSETH, that Grantor, for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration in hand paid by Grantee, the receipt of which is acknowledged, conveys to Grantee and Grantee's heirs, executors, administrators, successors and assigns forever, land in Escambia County, Florida described in the attached Exhibit A (Property).

THIS CONVEYANCE IS SUBJECT TO taxes and assessments for the year 2008 and subsequent years; outstanding and unpaid taxes and assessments, if any, from previous years; conditions, easements, and restrictions of record, if any, but this reference does not operate to reimpose them; zoning ordinances and other restrictions and prohibitions imposed by applicable governmental authorities.

GRANTOR RESERVES an undivided 3/4 interest in, and title in and to an undivided 3/4 interest in, all the phosphate, minerals and metals that are or may be in, on, or under the Property and an undivided 1/2 interest in all the petroleum that is or may be in, on, or under the Property with the privilege to mine and develop the same.

IN WITNESS WHEREOF, Grantor has caused this deed to be executed in its name by its Board of County Commissioners acting by the Chairman of the Board, the day and year first above written.

ESCAMBIA COUNTY, FLORIDA by and through its duly authorized BOARD OF COUNTY COMMISSIONERS


D. M. "Mike" Whitehead, Chairman

Date Executed

2-13-2008

Date BCC Approved

1-10-2008

Not Agenda Backup
Orbis 2/13/2008



WITNESSETH: Ernie Lee Magaha
Clerk of the Circuit Court



Deputy Clerk

Exhibit A

That certain property described in the Special Warranty Deed recorded in Official Record Book 3857 at page 779 of the public records of Escambia County, more particularly described as:

Commence at the southwest corner of Block 26, Old City Tract, City of Pensacola as copyrighted by Thomas C. Watson in 1906; thence proceed N 89° 02' 20" East along the South line of said Block 26, a distance of 10.00 feet to the point of beginning, said point being the intersection of the north right of way (R/W) line of Intendencia Street (R/W varies) and the East R/W line of Baylen Street (R/W varies); thence proceed North 00° 08' 28" East along said East R/W line of Baylen Street a distance of 119.10 feet; thence depart said line, proceed North 89° 11' 00" East a distance of 66.55 feet; thence proceed North 00° 02' 03" West a distance of 53.84 feet; thence proceed North 89° 23' 23" East a distance of 60.08 feet; thence proceed South 00° 06' 23" East a distance of 172.39 feet to the aforementioned North R/W line of Intendencia Street; thence proceed South 89° 02' 20" West along said North R/W line a distance of 127.22 feet to the Point of Beginning. Lying and being part of Section 46, Township 2 South, Range 30 West, Escambia County, Florida.

That certain property described in the Warranty Deed recorded in Official Record Book 4581 at page 1350 of the public records of Escambia County, and more particularly described as:

Lot 121 and the West 29 feet of Lot 120 and the West 60 feet of Lot 134, Block 14, Old City Tract, according to the Map of the City of Pensacola, copyrighted by Thos. C. Watson in 1906.

That certain property described in the Tax Deed recorded in Official Record Book 5191 at page 706 of the public records of Escambia County, and more particularly described as:

S 27 7/10 FT OF S 90 FT OF LTS 16 17 AND OF W 8 FT 4 IN OF LT 15 MAXENT TRACT BEL NO BLK 83 BELMONT TRACT CA 95 SECTION 00, TOWNSHIP 0 SOUTH, RANGE 00 WEST, REFERENCE NUMBER 000S009010163083, TAX ACCOUNT NUMBER 131804000

ACCOUNT NUMBER	ESCROW CD	ASSESSED VALUE	MILLAGE CODE	PROPERTY REFERENCE NUMBER
13-0244-000		SEE BELOW	17	000S00-9001-020-120

2015 Property Taxes

COMMUNITY REDEVELOPMENT
 AGENCY OF THE CITY OF PENSACOLA
 PO BOX 12910
 PENSACOLA, FL 32521

120 W GOVERNMENT ST
 W 29 FT MORE OR LESS OF LT 120 & ALL
 LT 121 & W 60 FT OF LT 134 BLK 14 OLD
 CITY
 See Additional Legal on Tax Roll

OFFICE
 (850) 438-6500
 Ext. 3252

PAY DELINQUENT TAXES BY CASH, CASHIER'S CHECK OR MONEY ORDER

AD VALOREM TAXES						
TAXING AUTHORITY	MILLAGE RATE	ASSESSED VALUE	EXEMPTION AMOUNT	TAXABLE AMOUNT	TAXES LEVIED	
COUNTY	6.6165	285,049	285,049	0	0.00	
PUBLIC SCHOOLS						
BY LOCAL BOARD	2.1140	438,930	438,930	0	0.00	
BY STATE LAW	4.9990	438,930	438,930	0	0.00	
PENSACOLA	4.2895	285,049	285,049	0	0.00	
DOWNTOWN	2.0000	285,049	285,049	0	0.00	
WATER MANAGEMENT	0.0378	285,049	285,049	0	0.00	
M.S.T.U. LIBRARY	0.3590	285,049	285,049	0	0.00	
TOTAL MILLAGE		20.4158	AD VALOREM TAXES	\$0.00		

KEEP

RETAIN THIS
 PORTION
 FOR
 YOUR
 RECORDS

NON-AD VALOREM ASSESSMENTS		
LEVYING AUTHORITY	RATE	AMOUNT
		\$0.00
NON-AD VALOREM ASSESSMENTS		\$0.00

PLEASE
 PAY ONE
 AMOUNT
 SHOWN IN
 YELLOW
 SHADED
 AREA

COMBINED TAXES AND ASSESSMENTS	\$0.00	PAY ONE AMOUNT	See reverse side for important information
---------------------------------------	--------	-----------------------	--

If Received By Please Pay	Sep 30, 2016 \$0.00				
-------------------------------------	-------------------------------	--	--	--	--

AMOUNT
 DUE
 IF PAID
 BY

ACCOUNT NUMBER	ESCROW CD	ASSESSED VALUE	MILLAGE CODE	PROPERTY REFERENCE NUMBER
13-0244-000		SEE ABOVE	17	000S00-9001-020-120

2015 Property Taxes

COMMUNITY REDEVELOPMENT
 AGENCY OF THE CITY OF PENSACOLA
 PO BOX 12910
 PENSACOLA, FL 32521

120 W GOVERNMENT ST
 W 29 FT MORE OR LESS OF LT 120 & ALL LT
 121 & W 60 FT OF LT 134 BLK 14 OLD CITY
 See Additional Legal on Tax Roll

CURRENT
 YEAR
 TAXES
 BECOME
 DELINQUENT
 APRIL 1

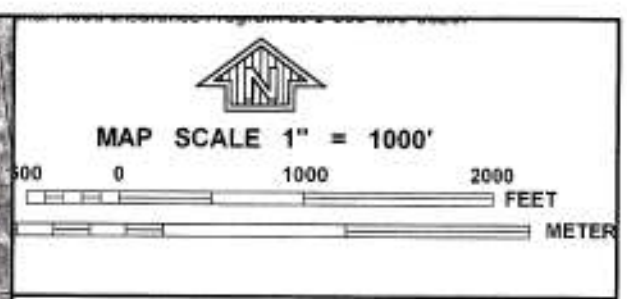
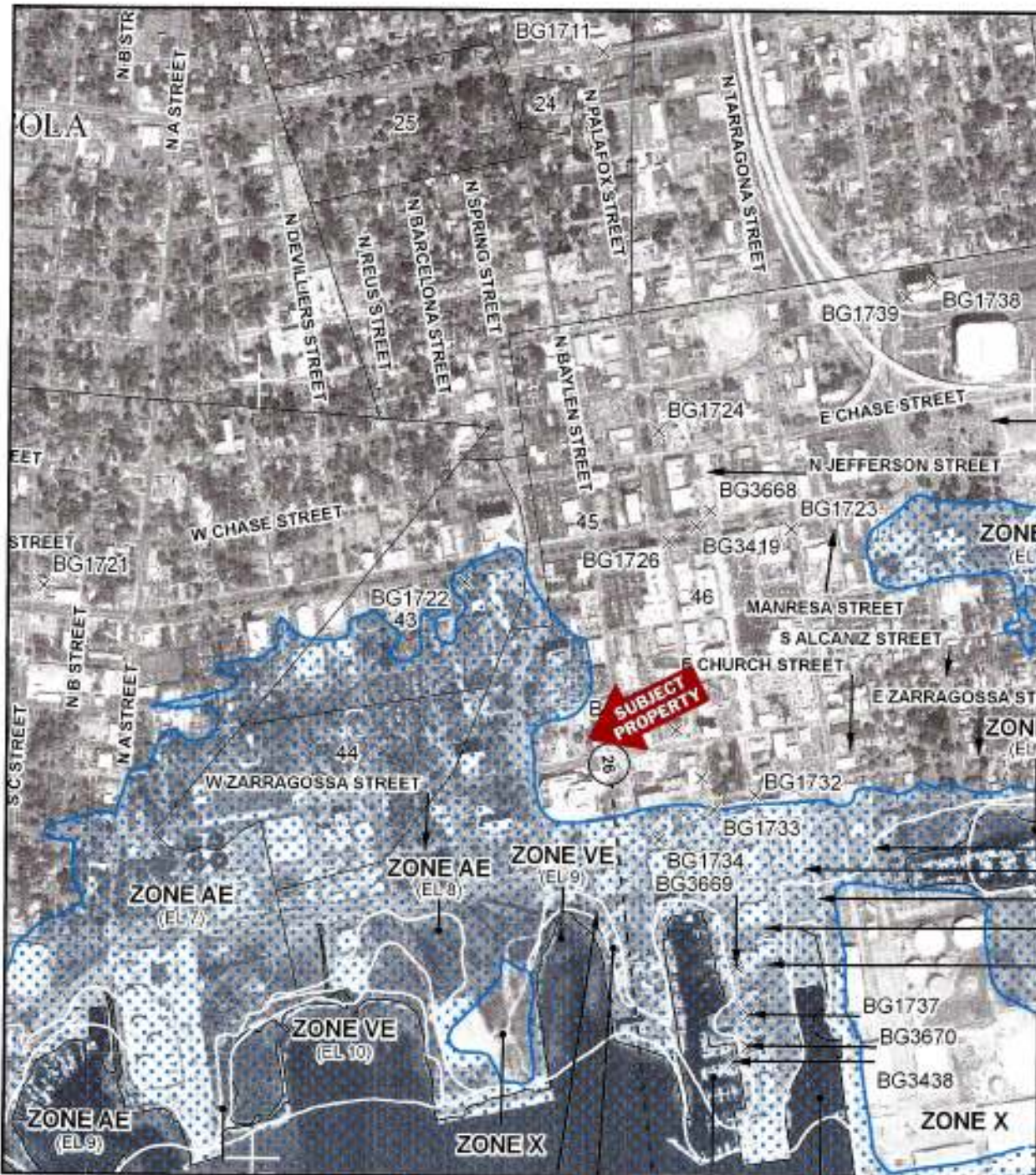
PAY DELINQUENT TAXES BY CASH, CASHIER'S CHECK OR MONEY ORDER

PAY IN U.S. FUNDS TO ESCAMBIA COUNTY TAX COLLECTOR • P.O. BOX 1312 • PENSACOLA, FL 32591-1312 (850) 438-6500 Ext. 3252

If Received By Please Pay	Sep 30, 2016 \$0.00				
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RETURN WITH
 PAYMENT

DO NOT FOLD, STAPLE, OR MUTILATE



NFP
NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0390G

FIRM
FLOOD INSURANCE RATE MAP
ESCAMBIA COUNTY,
FLORIDA
AND INCORPORATED AREAS

PANEL 390 OF 606

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS

COMMUNITY	NUMBER	PANEL	SUFFIX
ESCAMBIA COUNTY	12030	0390	G
PANACEA, CITY OF	12082	0390	G

Notice to User: The Map Number shown below should be used when placing map orders. The Community Number shown above should be used on insurance applications for the subject community.

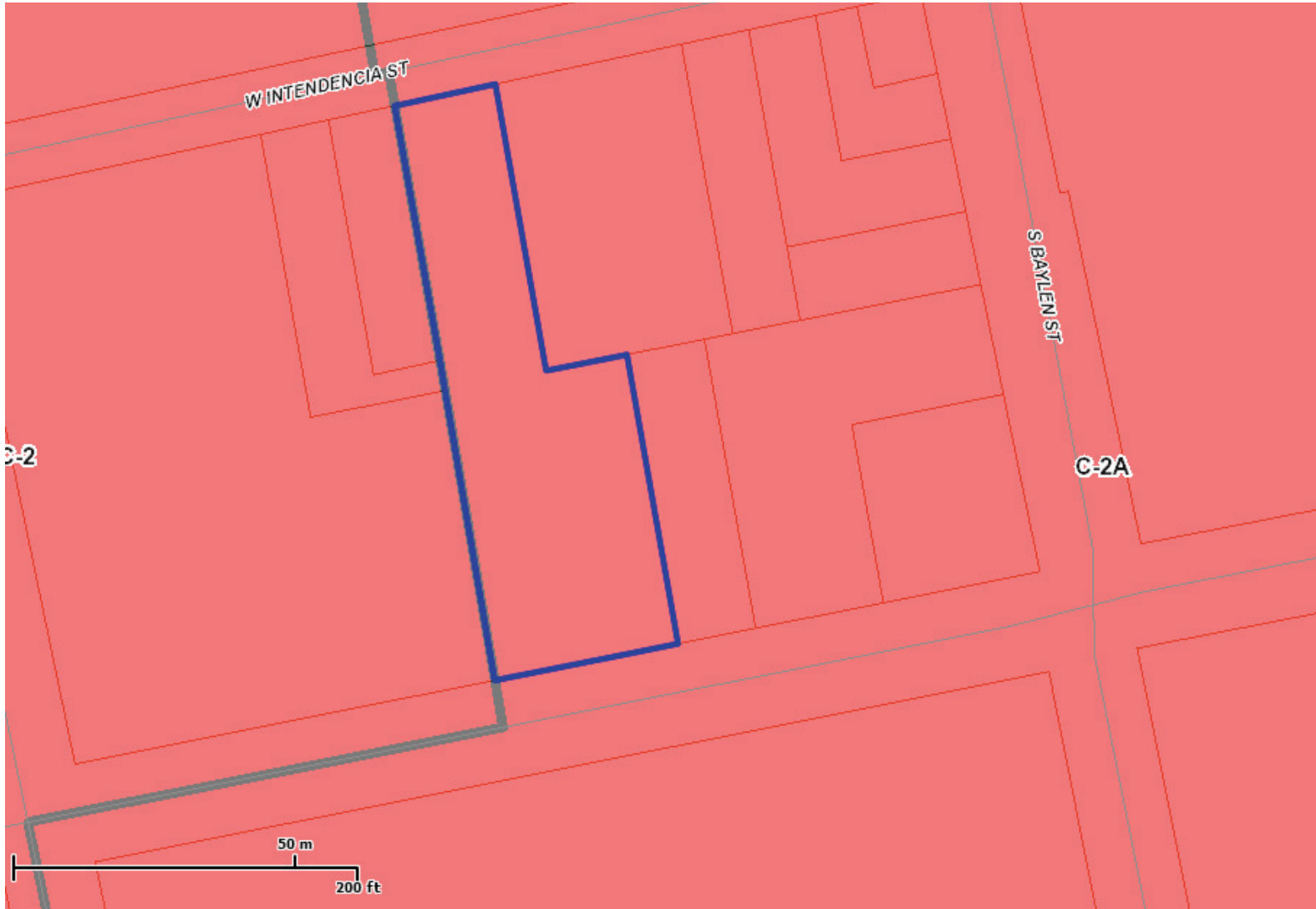


MAP NUMBER
12033C0390G

MAP REVISED
SEPTEMBER 29, 2006

Federal Emergency Management Agency

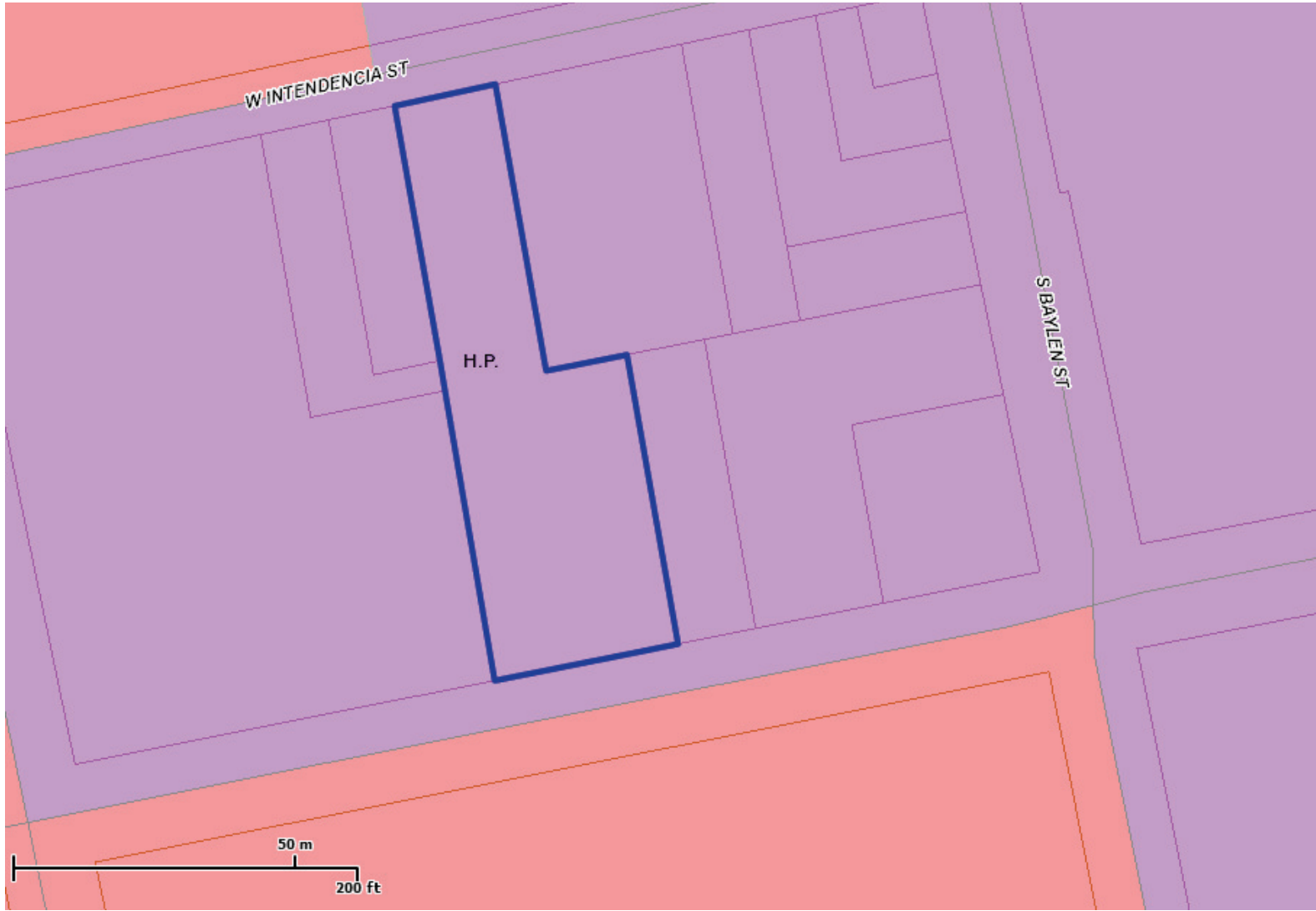
This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov



Disclaimer: This map was prepared by the GIS section of the City of Pensacola and is provided for information purposes only and is not to be used for development of construction plans or any type of engineering services based on information depicted herein. It is maintained for the function of this office only. It is not intended for conveyance nor is it a survey. The data is not guaranteed accurate or suitable for any use other than that for which it was gathered.



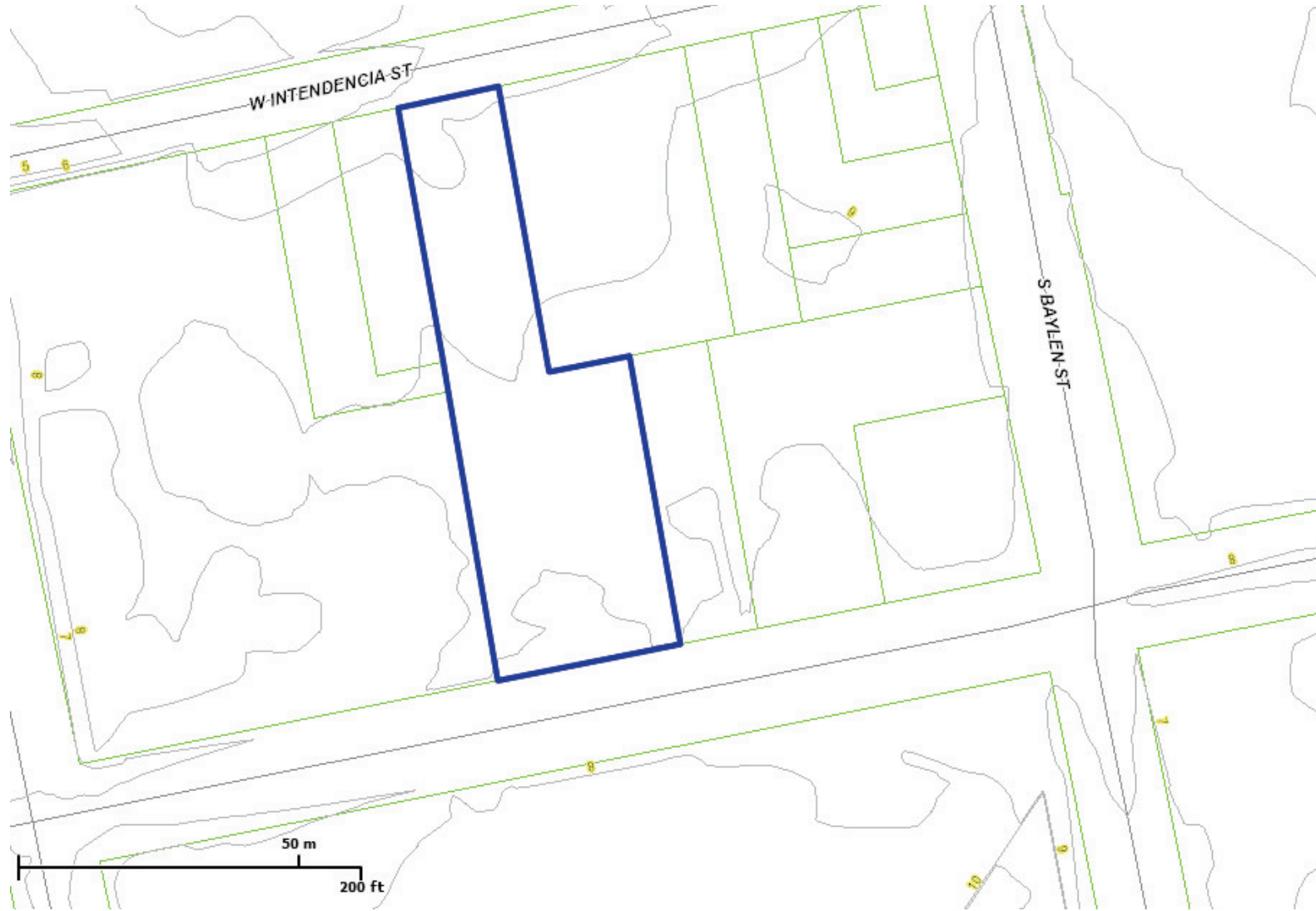
ZONING



Disclaimer: This map was prepared by the GIS section of the City of Pensacola and is provided for information purposes only and is not to be used for development of construction plans or any type of engineering services based on information depicted herein. It is maintained for the function of this office only. It is not intended for conveyance nor is it a survey. The data is not guaranteed accurate or suitable for any use other than that for which it was gathered.



FUTURE LAND USE

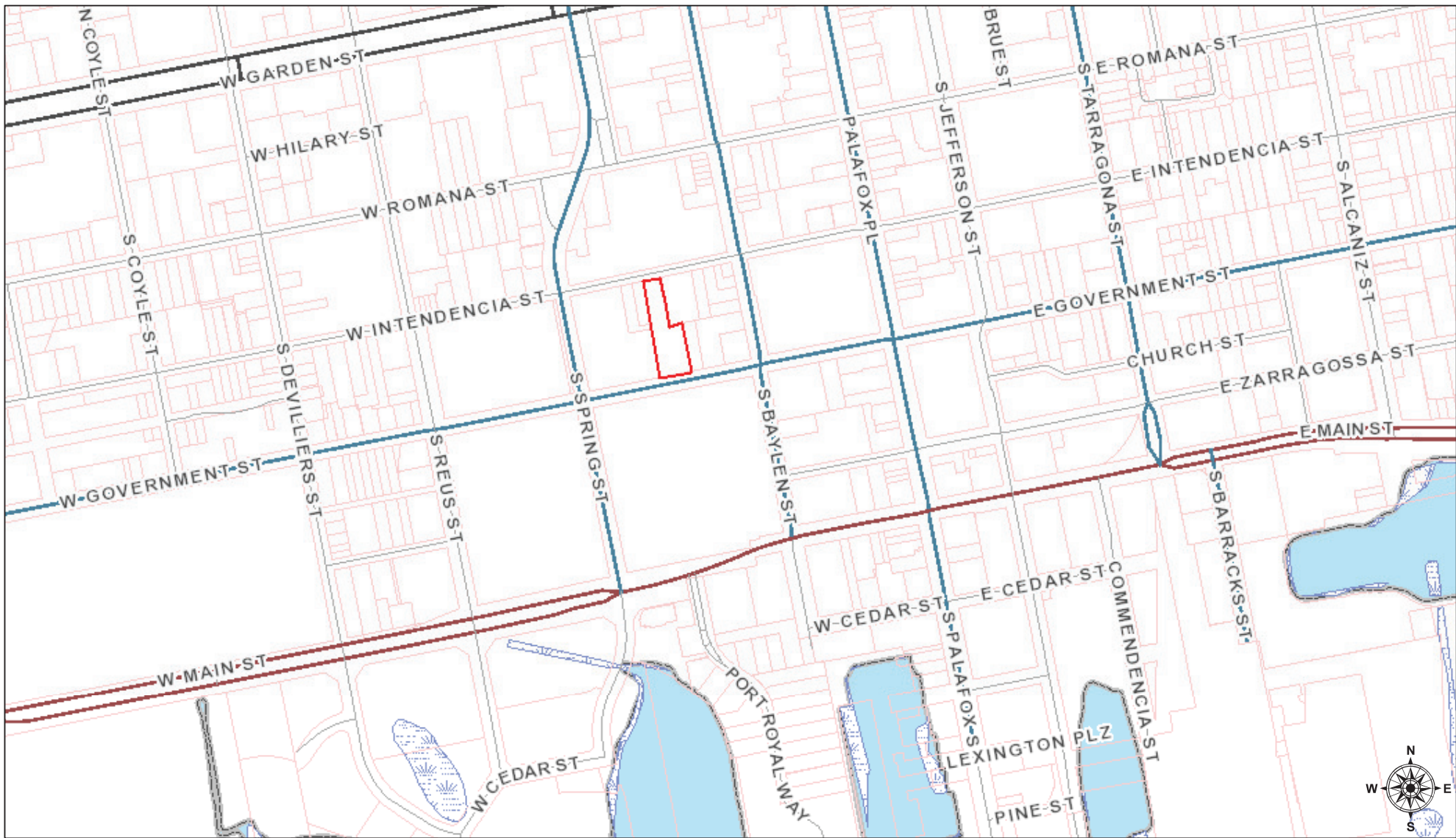


Disclaimer: This map was prepared by the GIS section of the City of Pensacola and is provided for information purposes only and is not to be used for development of construction plans or any type of engineering services based on information depicted herein. It is maintained for the function of this office only. It is not intended for conveyance nor is it a survey. The data is not guaranteed accurate or suitable for any use other than that for which it was gathered.



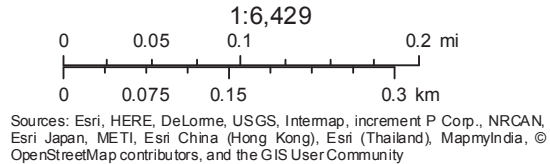
CONTOURS

WETLANDS



September 27, 2016

- | | | | |
|---------------------|--------------------|------------|-----------------------------|
| polygonLayer | Streets | COLLECTOR | Rivers, Creeks, and Streams |
| Override 1 | PRINCIPAL ARTERIAL | LOCAL ROAD | Wetlands |
| | MINOR ARTERIAL | Parcels | |



COMPARABLE LAND SALE

COMPARABLE NO.: 1 RECORD NUMBER: 7648

CLASSIFICATION: COMMERCIAL LAND

DATE: 8/19/2016

LOCATION: 223 EAST GARDEN STREET, PENSACOLA, FLORIDA

SALES PRICE: \$1,984,100

GRANTOR: SEVILLE CENTRE, LLC
GRANTEE: SFB OF NORTHWEST FLORIDA, LLC

REFERENCE: OR 7576 PAGE 567; GCMLS #2194593

BRIEF LEGAL DESCRIPTION: LOTS WITHIN BLOCK 32, OLD CITY TRACT,
ESCAMBIA COUNTY, FLORIDA

TERMS: CASH TO SELLER
ZONING: C-2A; DOWNTOWN RETAIL COMMERCIAL
HC-1; HISTORICAL COMMERCIAL

HIGHEST AND BEST USE: OFFICE/RETAIL

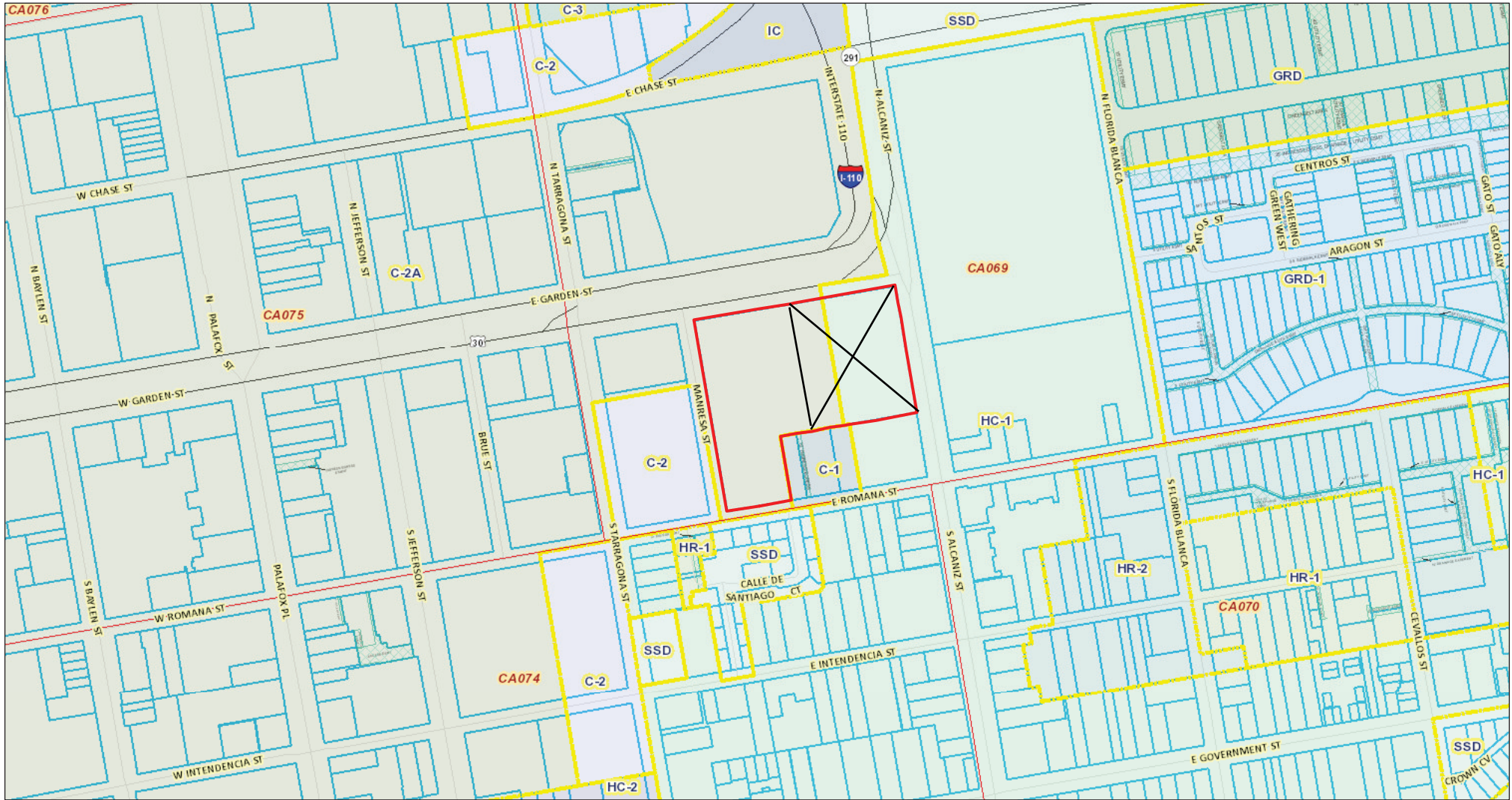
LAND SIZE: 103,237 SQ. FT.
NUMBER OF ACRES: 2.37 ACRES
FRONT FEET: 241 FT.

LAND UNIT PRICES:
PER SQUARE FOOT: \$19.22
PER ACRE: \$837,173
PER FRONT FOOT: \$8,232.78

REMARKS:

- PARTIAL SALE OF #7524
- PARCEL IS LOCATED AT THE SOUTHWEST CORNER OF EAST GARDEN AND SOUTH ALCANIZ STREETS.
- PROPERTY (PARENT TRACT) WAS LISTED FOR SALE WITH NEAL & COMPANY AT A PRICE OF \$5,081,000 (GCMLS #2194593). PROPERTY WAS ON THE MARKET FOR 304 DAYS BEFORE IT SOLD.
- COMPARABLE DATA WAS VERIFIED BY CHARLES C. SHERRILL, JR., MAI WITH ANDY TERHAAR (REAL ESTATE AGENT) WITH NEAL & COMPANY.
- PARCEL I.D. #: 00-0S-00-9001-001-217 (PARENT TRACT)
- JURISDICTION: CITY OF PENSACOLA, FLORIDA.

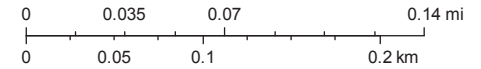
Chris Jones Escambia County Property Appraiser



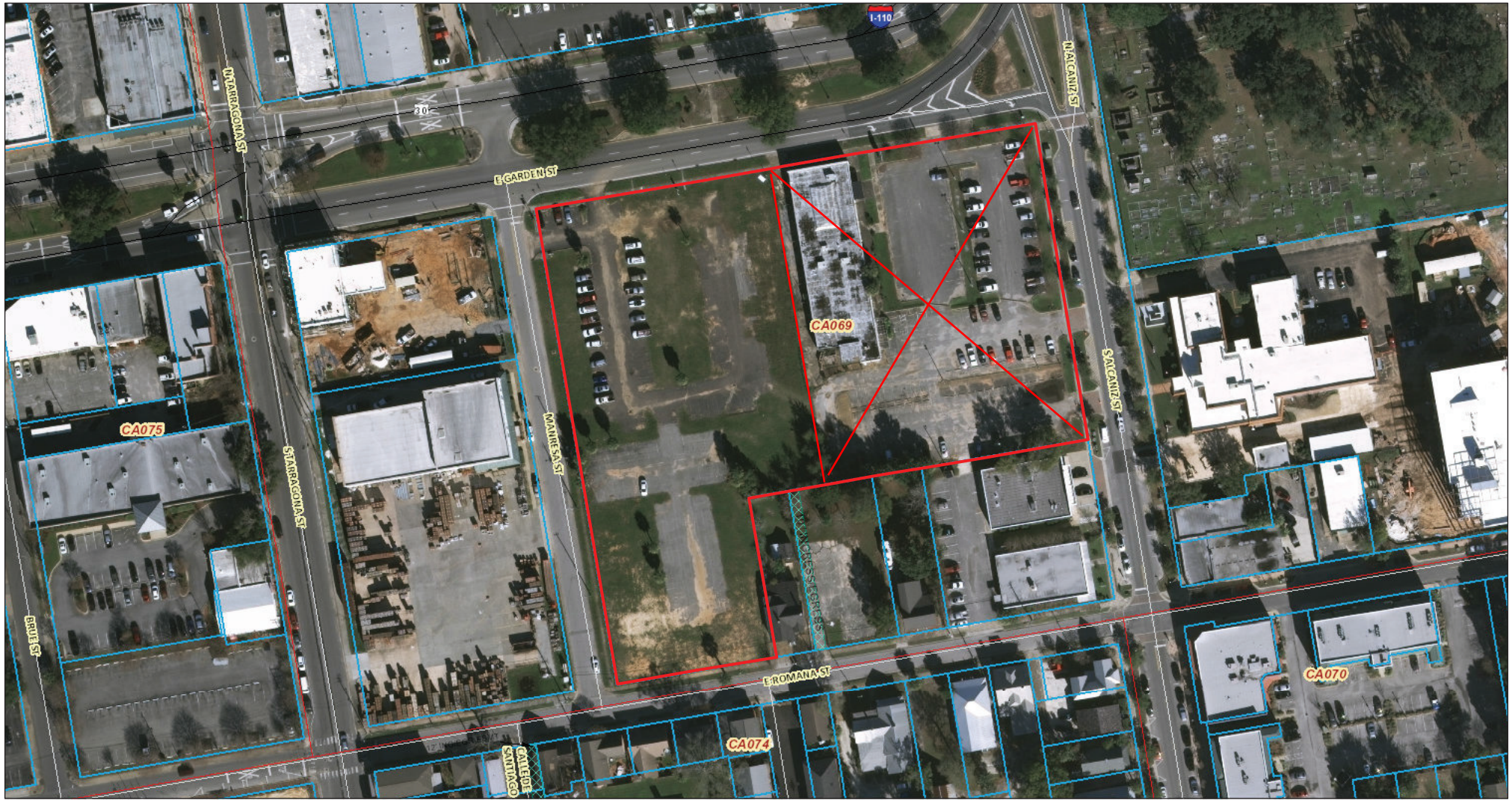
October 10, 2016

- Map Grid
- City Road
- County Road
- Interstate
- State Road
- US Highway
- All Roads
- Easement
- Property Line

1:2,841



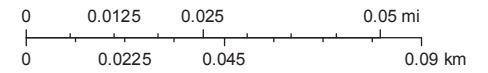
Chris Jones Escambia County Property Appraiser



October 10, 2016

- Map Grid
- All Roads
- City Road
- County Road
- Interstate
- State Road
- US Highway
- Property Line
- Easement

1:1,142



COMPARABLE LAND SALE

COMPARABLE NO.: 2 RECORD NUMBER: 7435

CLASSIFICATION: COMMERCIAL LAND

DATE: 3/6/2015

LOCATION: 221 EAST GARDEN STREET, PENSACOLA, FLORIDA

SALES PRICE: \$800,000

GRANTOR: SEVILLE CENTRE, LLC
GRANTEE: CENTENNIAL BANK

REFERENCE: OR 7310 PAGE 1074

BRIEF LEGAL DESCRIPTION: LOT 310, PORTIONS OF LOT 309 AND 311, BLOCK 31, OLD CITY TRACT, ESCAMBIA COUNTY, FLORIDA

TERMS: CASH TO SELLER
ZONING: C-2A; DOWNTOWN RETAIL COMMERCIAL
HIGHEST AND BEST USE: OFFICE/BANK

LAND SIZE: 29,939 SQ. FT.
FRONT FEET: 206.83 FT.

LAND UNIT PRICES:
PER SQUARE FOOT: \$26.72
PER FRONT FOOT: \$3,867.91

REMARKS:

- PARCEL LOCATED AT THE SOUTHEAST CORNER OF EAST GARDEN AND SOUTH TARRAGONA STREETS.
- SITE WAS PURCHASED FOR DEVELOPMENT WITH A BANKING FACILITY.
- COMPARABLE DATA WAS VERIFIED BY CHARLES C. SHERRILL, JR., MAI WITH ANDY TERHAAR (REAL ESTATE AGENT) WITH NEAL & COMPANY.
- PARCEL I.D. #: 00-0S-00-9001-001-309
- JURISDICTION: CITY OF PENSACOLA, FLORIDA.

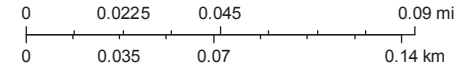
Chris Jones Escambia County Property Appraiser



December 22, 2015

- Map Grid
- City Road
- County Road
- Interstate
- State Road
- US Highway
- All Roads
- Easement
- Property Line

1:1,873

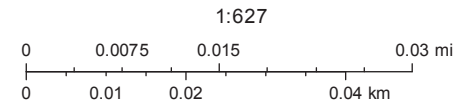


Chris Jones Escambia County Property Appraiser



December 22, 2015

- Map Grid
- City Road
- County Road
- Interstate
- State Road
- US Highway
- All Roads
- Easement
- Property Line



COMPARABLE LAND SALE

COMPARABLE NO.: 3 RECORD NUMBER: 7518

CLASSIFICATION: COMMERCIAL LAND

DATE: 9/30/2015

LOCATION: 57 SOUTH 9TH AVENUE, PENSACOLA, FLORIDA

SALES PRICE: \$114,500

GRANTOR: FRANK S. HUGHES AND JOAN C. HUGHES
GRANTEE: KELLY TAYLOR

REFERENCE: OR 7419 PAGE 80; MLS #432574

BRIEF LEGAL DESCRIPTION: LOT 7, BLOCK 1, ARAGON, ESCAMBIA COUNTY,
FLORIDA

TERMS: CASH TO SELLER
ZONING: GRD-1; GATEWAY REDEVELOPMENT DISTRICT-
ARAGON

HIGHEST AND BEST USE: OFFICE/RESIDENTIAL

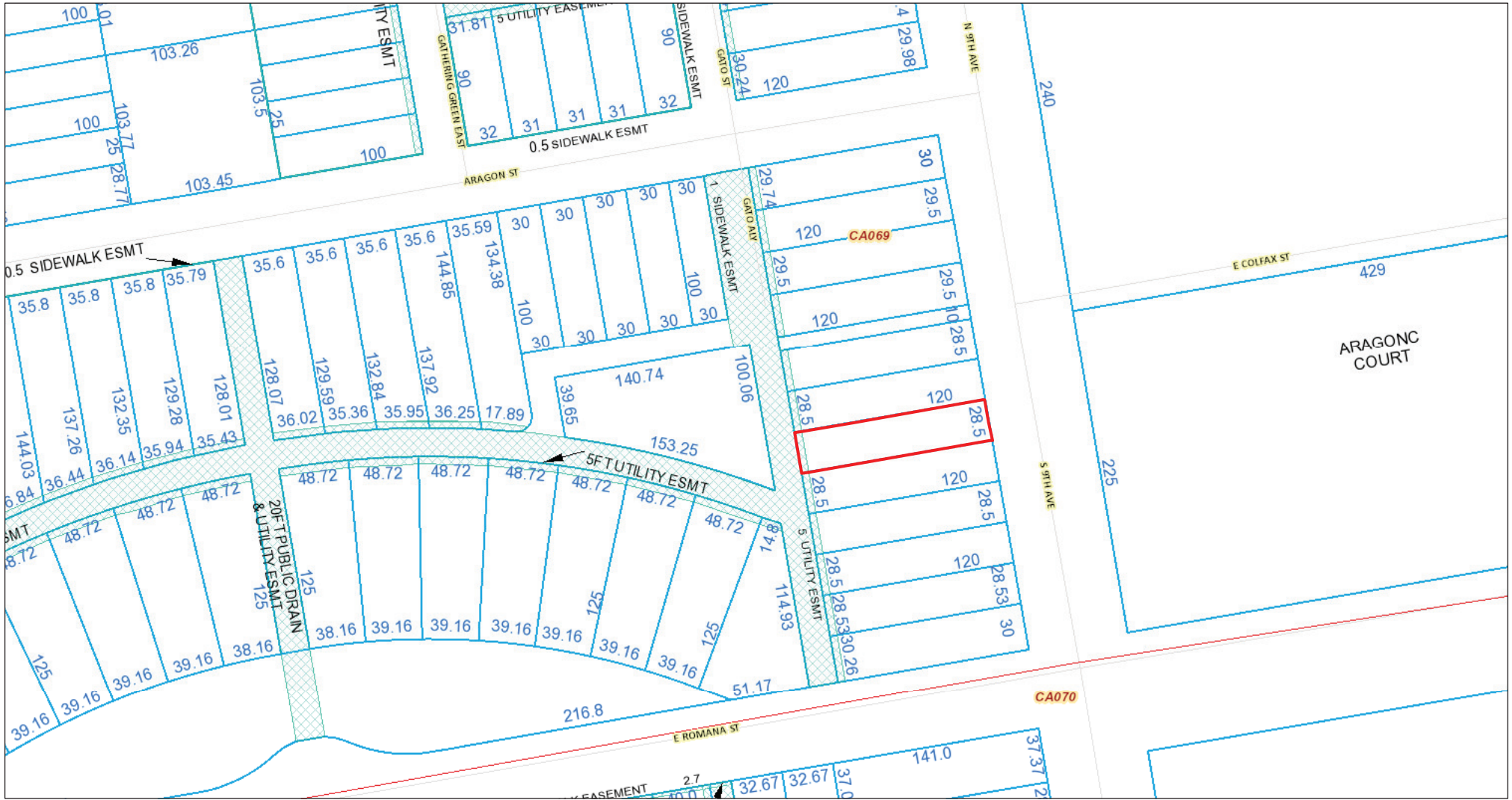
LAND SIZE: 0.09 ACRE (3,920 SQ. FT.)
FRONT FEET: 28 FT.

LAND UNIT PRICES:
PER SQUARE FOOT: \$29.21
PER FRONT FOOT: \$4,089.29

REMARKS:

- PARCEL IS LOCATED ON THE WEST SIDE OF 9TH AVENUE, SOUTH OF ARAGON STREET.
- PROPERTY WAS LISTED FOR SALE WITH NAI HALFORD AT A PRICE OF \$114,500 (MLS #432574). PROPERTY WAS ON THE MARKET FOR 1,061 DAYS BEFORE IT SOLD.
- PARCEL I.D. #: 00-0S-00-9017-070-009
- JURISDICTION: CITY OF PENSACOLA, FLORIDA.

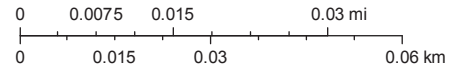
Chris Jones Escambia County Property Appraiser



December 22, 2015

- Map Grid
- All Roads
- City Road
- County Road
- Interstate
- State Road
- US Highway
- Easement
- Property Line

1:789



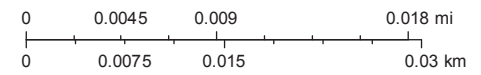
Chris Jones Escambia County Property Appraiser



December 22, 2015

- Map Grid
- City Road
- County Road
- Interstate
- State Road
- US Highway
- All Roads
- Property Line

1:381



COMPARABLE LAND SALE

COMPARABLE NO.: 4 RECORD NUMBER: 7578

CLASSIFICATION: COMMERCIAL LAND

DATE: 06/02/2016

LOCATION: 660 EAST GOVERNMENT STREET, PENSACOLA, FLORIDA

SALES PRICE: \$450,000

GRANTOR: QUARTER PORTIONS, INC.
GRANTEE: SEVENTEENTH AVENUE DEVELOPERS, LLC

REFERENCE: OR 7532 PAGE 1961; GCMLS #2186422

BRIEF LEGAL DESCRIPTION: PORTION OF LOT 149, BLOCK 20; ESCAMBIA COUNTY, FLORIDA

TERMS: CASH TO SELLER
ZONING: HC-1; HISTORICAL COMMERCIAL
HIGHEST AND BEST USE: RESIDENTIAL OR OFFICE

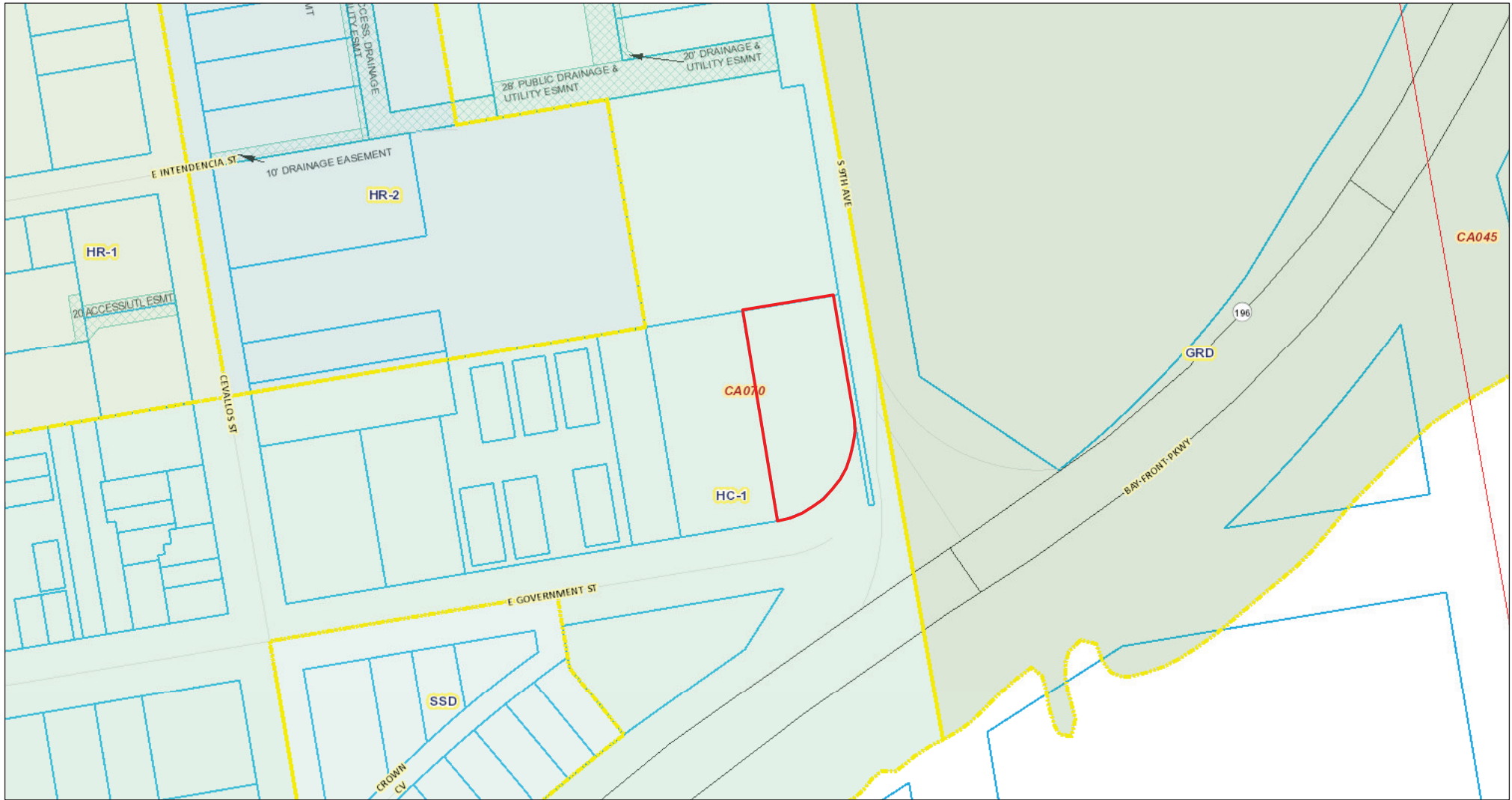
LAND SIZE: 11,761 SQ. FT. (0.27 ACRE)

LAND UNIT PRICES:
PER SQUARE FOOT: \$38.26

REMARKS:

- PROPERTY LOCATED ON THE NORTH SIDE OF EAST GOVERNMENT STREET, WEST OF 9TH AVENUE.
- PROPERTY WAS LISTED FOR SALE WITH SVN / SOUTHLAND COMMERCIAL REAL ESTATE AT A PRICE OF \$450,000 (GCMLS #2186422). PROPERTY WAS ON THE MARKET FOR 534 DAYS BEFORE IT SOLD.
- COMPARABLE DATA WAS VERIFIED BY CHARLES C. SHERRILL, JR., MAI WITH CHRIS BOUCHARD (REAL ESTATE AGENT) WITH SVN / SOUTHLAND COMMERCIAL REAL ESTATE.
- PARCEL I.D. #: 00-0S-00-9001-001-149
- JURISDICTION: CITY OF PENSACOLA, FLORIDA.

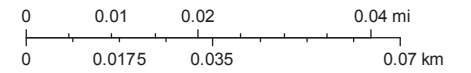
Chris Jones Escambia County Property Appraiser



October 6, 2016

- Map Grid
- All Roads
- City Road
- County Road
- Interstate
- State Road
- US Highway
- Easement
- Property Line

1:939



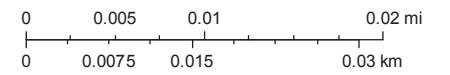
Chris Jones Escambia County Property Appraiser



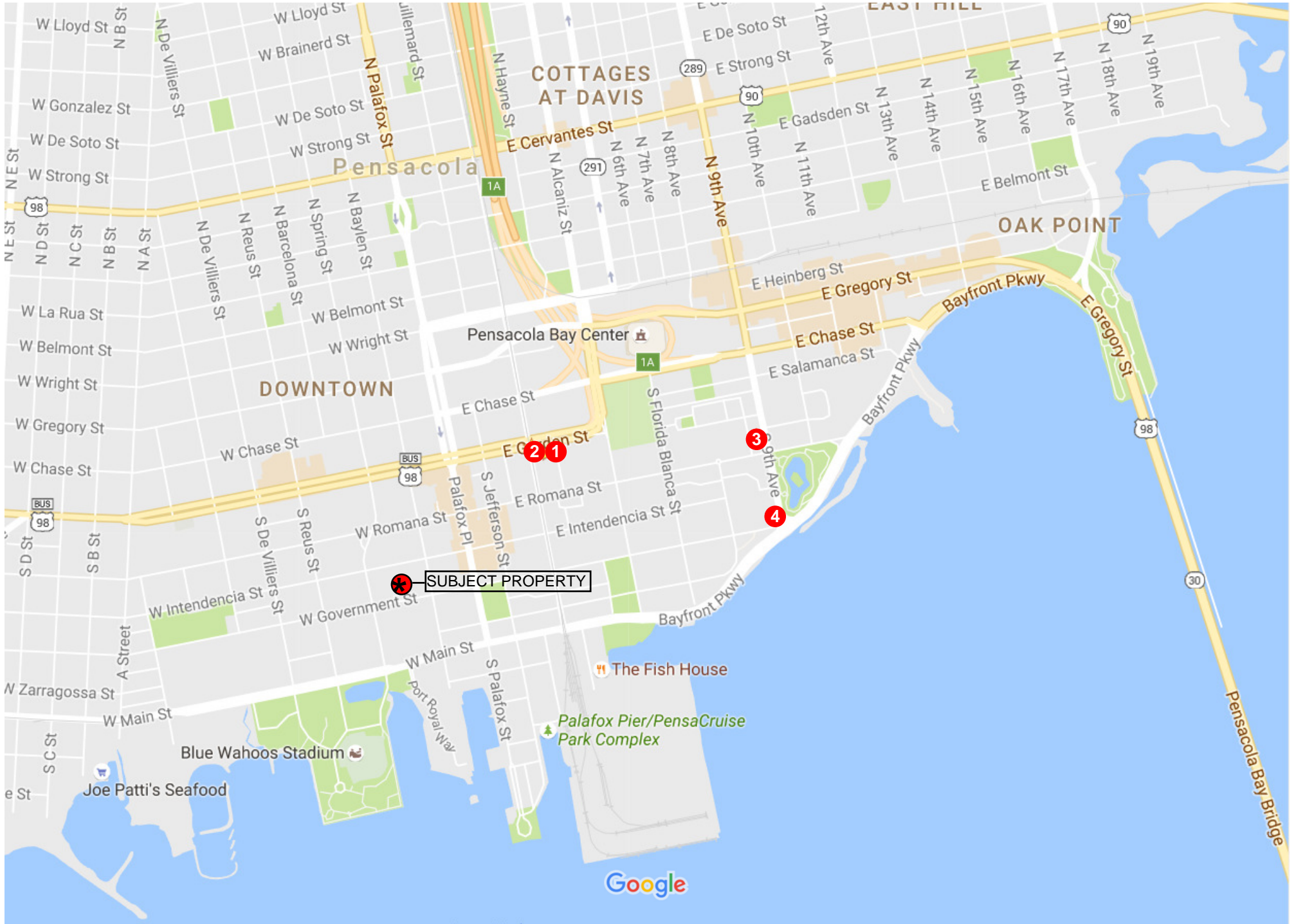
October 6, 2016

- Map Grid
- City Road
- County Road
- Interstate
- State Road
- US Highway
- All Roads
- Easement
- Property Line

1:453



COMPARABLE LOCATION MAP



APPRAISER'S QUALIFICATIONS

NAME: Charles C. Sherrill, Jr., MAI
TITLE: President
OFFICE ADDRESS: Sherrill Appraisal Company
410 East Government Street
Pensacola, Florida 32502
EDUCATION: Bachelor of Arts Degree in Economics, Washington & Lee University,
Lexington, Virginia (1984)

Successfully completed the following courses sponsored by the American Institute of Real Estate Appraisers:

- Course 1A-1 Real Estate Appraisal Principles (Tufts University, 1986)
- Course 1A-2 Basic Valuation Procedures (University of North Carolina, 1986)
- Course SPP Standards of Professional Practice (Atlanta, Georgia, 1987)
- Course 1B-A Capitalization Theory and Techniques - Part A (Florida State University, 1987)
- Course 1B-B Capitalization Theory and Techniques - Part B (University of Portland, 1988)
- Course 2-1 Case Studies in Real Estate Valuation (Colorado University, 1988)
- Course 2-2 Report Writing and Valuation Analysis (University of Central Florida, 1989)

Successfully completed the following course sponsored by the Commercial Investment Real Estate Institute:

- Course 401 Introduction to Commercial Real Estate Analysis (Pensacola, Florida, 1995/1998)

CONTINUING EDUCATION:

Credited with attendance/completion of the following seminars/courses:

Appraisal Institute

- Eminent Domain and Condemnation
- Uniform Standards of Professional Appraisal Practice
- Business Practices and Ethics
- Analyzing Operating Expenses
- Appraising from Blueprints and Specifications
- Feasibility, Market Value, and Investment Timing
- Analyzing Distressed Real Estate
- Hotel/Motel Valuation
- Effective Appraisal Report Writing
- FHA Homebuyer Protection Plan and The Appraisal Process
- Standards of Professional Practice - Part C
- Standards of Professional Practice - Part A
- Fair Lending and the Appraiser
- Appraisal of Retail Properties
- Standards of Professional Practice - Part B
- Understanding Limited Appraisals and General Reporting Options - General
- Accrued Depreciation
- Depreciation Analysis
- Rates, Ratios, and Reasonableness
- Comprehensive Appraisal Workshop
- Real Estate Risk Analysis

APPRAISER'S QUALIFICATIONS

CONTINUING EDUCATION (Continued):

Credited with attendance/completion of the following seminars/courses:

State Certification

USPAP Update

Florida Appraisal Laws and Regulations

Appraisal of 2-4 Family and Multi-Family Properties

Challenging Assignments for Residential Appraiser's

Foreclosure Basics for Appraiser's

Florida Appraiser Supervisor/Trainee Rules

Neighborhood Analysis

Communicating the Appraisal

Appraisal Principles

Sales Comparison Approach

Income Capitalization Approach

Cost Approach

Real Estate, Mortgages, and Law

EXPERIENCE:

Engaged since 1986 in valuation, consulting, and market studies of various property types, including office, retail, industrial, multi-family residential, churches, restaurants, motels, subdivision developments, commercial land, acreage, marinas, single family residential, and condominiums in numerous states. Have testified as an expert witness numerous times in the Circuit Courts of Escambia, Santa Rosa, and Okaloosa Counties. Prior to joining Sherrill Appraisal Company in 1992, employed by Landauer Associates, Inc., Atlanta, Georgia (1986-1992) as Vice President, Valuation and Technical Services Division.

PROFESSIONAL LICENSES:

State Certified General Appraiser (#RZ1665), State of Florida (1993-Present)

Licensed Real Estate Broker (#BK0436908), State of Florida (1996-Present)

Former Licensed Real Estate Salesman (#SL0436908), State of Florida (1985-1996)

Former State Certified Appraiser (#000439), State of Georgia (1991-1992)

PROFESSIONAL MEMBERSHIPS:

Member, Appraisal Institute; Awarded the MAI designation by the Appraisal Institute in 1991

Past Member, Regional Ethics and Counseling Panel - Appraisal Institute (1994-1996)

Past Member, Escambia County Value Adjustment Board (2008 – 2012)

Member, Pensacola Association of Realtors

Member, Florida Association of Realtors

Member, National Association of Realtors

Member, Branch Banking and Trust Company Local Advisory Board of Directors

Member, Pensacola Area Chamber of Commerce

CIVIC ACTIVITIES:

Member, Rotary Club of Pensacola (Former Board Director); Paul Harris Award Recipient

Past President and Executive Committee Member, Pensacola Sports Association Board of Directors

Current Board Member, Pensacola Sports Foundation

Past Secretary/Past Treasurer, Fiesta of Five Flags Association Board of Governors

Past Board Member and Trustee, Pensacola Historical Society Foundation

Past Member and Executive Committee Member, Pensacola State College Board of Governors

Member and Past Board Director & Executive Committee Member, Pensacola YMCA

Past Board Member and Former Treasurer, Pensacola Historical Society Board of Directors

Past President, Booker T. Washington High School Baseball Booster Club Board of Directors

Graduate, Leadership Pensacola (Class of 1999)

Other civic involvements include various fund raising activities for Boy Scouts of America, Junior Achievement, March of Dimes, American Cancer Society, Leukemia Society, and the American Heart Association.

APPRAISER'S QUALIFICATIONS

LISTING OF APPRAISER CLIENTS:

Mortgage Loan Purposes

Aegon Realty Advisors Company	Liberty Bank
Bank of America	Metric Realty
BBVA Compass	Metropolitan Life Insurance Company
Beach Community Bank	National Bank of Commerce (Alabama)
Branch Banking & Trust (BB&T)	Navy Federal Credit Union
Canadian Imperial Bank of Commerce	Pen Air Federal Credit Union
Centennial Bank	Pensacola Government Credit Union
Chase Manhattan Mortgage Corp.	PNC Bank
Charter Bank	Premier Bank (Louisiana)
Coastal Bank and Trust	RBC Bank
Colonial Bank of Alabama	Regions Bank
Cumberland Bank (Kentucky)	ServisFirst Bank
Dollar Bank	Smart Bank
Equity Valuation Partners	Statewide Mortgage Company
First American Bank	SunTrust Banks, Inc.
First City Bank of Fort Walton Beach	Travellers Realty Investment Company
First Coast Community Bank	Tyndall Federal Credit Union
First National Bank of Commerce (Louisiana)	United Bank (Alabama)
First National Bank of Florida	Valuation Management Group
First Navy Bank	Vanguard Bank & Trust Company
Gulf Coast Community Bank	Whitney National Bank
GulfSouth Private Bank	Wachovia Corporation
Hancock Bank	Wells Fargo Bank

Market Value Purposes

Aetna Realty Advisors	Ford Motor Company
Bank of Boston	Florida Department of Transportation
Bank South N. A.	Gulf American SBL, Inc.
Baptist Health Care Corp.	Lakeview Center
Barnett Banks, Inc.	Lasalle Realty Advisors
Barnett Bank Trust Company N. A.	Midway Water Company
Catholic Church Diocese	PHH Relocation and Real Estate
Chicago Title Company	Pensacola Area Chamber of Commerce
Citicorp Real Estate	Pensacola Historical Society
City of Fort Walton Beach	Pensacola State College
City of Milton	Pensacola Preservation Board (State of Florida)
City of Pensacola	Port of Pensacola
Dusco Property Management	Presbytery of Florida
Episcopal Church Diocese	Recoll Management Corporation Insurance Co.
Escambia County, Florida	Sacred Heart Hospital
Escambia County Employees' Credit Union	Saltmarsh, Cleaveland & Gund
Escambia County Utilities Authority	Southern Company
Fairfield Communities, Inc.	SouthTrust Bank of Alabama, N.A.
Federal Aviation Administration	Various Estates, Attorney's, Accountants, Insurance
Federal Deposit Insurance Corporation	Companies, Churches, & Property Owners
First Alabama Bank	Waterfront Rescue Mission
First National Bank of Georgia	Wachovia Settlement Services, LLC
Fisher Brown Insurance Company (Cost Analysis)	WSRE Television