



**Appraisal Report
REAL ESTATE APPRAISAL**

**Of
PENSACOLA MOTOR LODGE**



**2305 West Cervantes Street
Pensacola, FL 32505**

**As of
April 21, 2023**

Prepared For
Ms. Deana Stallworth
City of Pensacola
222 West Main Street
Pensacola, FL, 32502

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

Appraisal Order:
RL23033H-E

PART ONE: INTRODUCTION



**FRUITTICHER - LOWERY
APPRAISAL GROUP**

3000 LANGLEY AVENUE * SUITE 402 * PENSACOLA, FLORIDA 32504 * (850) 477-0419 FAX (850)477-7931

May 17, 2023

City of Pensacola
222 West Main Street
Pensacola, FL 32502

Attn: Ms. Deana Stallworth,
Property Lease Manager

Letter of Transmittal
RE: An Appraisal Report of the existing
Pensacola Motor Lodge located at 2305 West
Cervantes Street in Pensacola, FL 32505.

Dear Ms. Stallworth:

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

Market value will be defined in the appraisal report, but basically assumes a willing buyer-seller, both knowledgeable of the subject real estate market and with the valuation at the property's highest and best use. Both exposure and marketing time periods are estimated to be between 6-12 Months. In accordance with USPAP, I am informing the client that I have performed no other services regarding the subject property within the past three years prior to the engagement of these services.

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



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

The subject property consists of a 1.56-acre parcel of land located in Pensacola, Escambia County, Florida. The subject site contains approximately 67,800 square feet with 180 feet of frontage along the south side of West Cervantes Street, 240 feet of frontage along the north side of West Gadsden Street and 215 feet of frontage along the west side of North Q Street. The property is approximately two blocks west of the Pace Boulevard/Cervantes Street intersection. The parcel is zoned C-3, Commercial Zoning District (Wholesale and Limited Industry) allowing for numerous commercial uses. The parcel is also CDBG (Community Development Block Grant) eligible and is located in the Urban Design Overlay District designed to enable and encourage mixed-use development.

The improvements to the site consist of eleven buildings containing approximately 11,774 square feet of building area with 30 motel rooms and an office/manager apartment. The improvements were originally constructed in 1932 being stucco over concrete block on concrete slabs and have been renovated over the years. The improvements reflect an effective age of approximately 40 years. The rooms are reportedly rented nightly for \$60 or weekly for \$300.

This appraisal is based upon extraordinary assumptions or hypothetical conditions, that, if found to be incorrect or false, could have an effected on the value reported. The assumptions and/or conditions are noted below.

1. This appraisal is based upon the extraordinary assumption that there are no structural deficiencies, roof leaks, etc. that may adversely affect value. I inspected numerous units as noted in the photographs and this appraisal is based upon the assumption that all units are in similar condition.
2. It is an extraordinary assumption of this report that there are no long-term leases in place for the property. No income and expense information was provided by the owner with the exception being the daily rent of \$60 per unit or weekly rental of \$300 per unit. The owner's representative indicated most units are rented weekly.
3. It is an extraordinary assumption of this report that the calculations for building square footages on the Escambia County Property Appraiser's website are correct. I was unable to measure the improvements and an as-built survey was not provided.,

In valuing the subject, I search for similar types of motel properties in the Pensacola area that had sold with the four included in the sales comparison approach being the best and most recent that I could locate. I could only verify one of the comps income and expense information as the property owners (sellers and buyers) are reluctant to disclose information. The same problem exists in verifying the rental comp information. Due to this, the valuation of the subject was based upon the best information available.

In addition to the sales comparison and income approaches to value, I searched for recent land sales in the vicinity of the subject to determine the value of the land as vacant. This also added support for highest and best use of the property as vacant and as improved. Based upon

Ms. Deana Stallworth
May 17, 2023
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the recent land sales located in the area of the intersection of Pace Boulevard and Cervantes Street, values ranged from \$3.78 to \$10.69 per square foot with active listings ranging from \$6.77 to \$10.25 per square foot. Given the size and location of the subject, I estimate the vacant land value between \$7 and \$8 per square foot or \$474,600 to \$542,400 or approximately \$510,000. Assuming a cost new of \$112/SF for the improvements based upon Marshall Valuation Service cost for Fair quality, Class C Motel, the cost new would be approximately \$1,318,688. With an effective age of 40 years based upon an economic life of 50 years, the overall depreciation is estimated to be 80% or \$1,054,950. Subtracting this from the cost new indicates a depreciated cost new of \$263,738. Adding this to the land value of \$510,000 would indicate a value via the cost approach of \$773,738 or approximately \$775,000.

As will be noted in the following report, the sales comparison approach reflects a value of \$835,000 with the income approach reflecting a value of \$875,000. With about equal weight to these two approaches, a value of \$855,000 is estimated reflecting a contributory value of approximately \$80,000 over the depreciated cost of the improvement plus land value. This supports the reasoning of the buyers purchasing the older motels that are included in the sales comparison approach such as comp three located five blocks east of the subject. Further discussion of the subject and valuation approaches is included in the following report.

Subject to the above and the limiting conditions and certification as set forth herein, it is my opinion that the current market value of the Fee Simple estate as of the last date of inspection, April 21, 2023, was:

CURRENT MARKET VALUE

EIGHT HUNDRED FIFTY FIVE THOUSAND DOLLARS

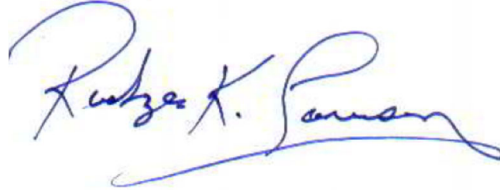
\$855,000

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

Ms. Deana Stallworth
May 17, 2023
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I appreciate the opportunity of doing this work for you and your client. After your review, should you have questions, please don't hesitate to call.

Respectfully submitted,



Rodger K. Lowery, MAI
State-Certified General Real Estate Appraiser #RZ1922
RLowery@FLAG1.Net
Phone – (850) 477-0419, ext. 1

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

CLIENT:	City of Pensacola
INTENDED USER:	City of Pensacola. No other users are intended by the appraiser.
INTENDED USE:	The intended use is for purchased negotiations by the client.
PROPERTY LOCATION:	<p>The subject is located along the south side of West Cervantes Street between North Q Street and North R Street in Pensacola.</p> <p>The Pensacola Motor Lodge has a street address of 2305 West Cervantes Street, Pensacola, FL.</p>
SITE SIZE:	<p>The existing parcel contains approximately 67,800 square feet or 1.56-acres.</p> <p>The subject property has Good access with frontage as follows:</p> <ul style="list-style-type: none">• West Cervantes Street: 180 feet• West Gadsden Street: 240 feet• North Q Street: 215 feet
IMPROVEMENTS:	<p>The improvements to the site consist of eleven buildings containing approximately 11,774 square feet of building area with 30 motel rooms and an office/manager apartment. The improvements were originally constructed in 1932 being stucco over concrete block on concrete slabs and have been renovated over the years. The improvements reflect an effective age of approximately 40 years. The rooms are reportedly rented nightly for \$60 or weekly for \$300.</p>
ZONING:	<p>The subject property is zoned C-3, Wholesale and Light Industry zoning district. In addition to the zoning district, the parcel is also CDBG (Community Development Block Grant) eligible and is located in the Urban Design Overlay District designed to enable and encourage mixed-use development. Numerous commercial and residential uses are allowed to include the existing use.</p>
ENVIRONMENTAL CONCERNS:	<p>The property appears to have no areas of environmental concerns. No evidence of surface soil stain was noted on the property and there does not appear to be any jurisdictional wetlands associated with the site.</p>

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

HIGHEST AND BEST USE: The highest and best use as vacant is a limited-service motel or affordable housing.

DATE OF VALUE: The current date of value is April 21, 2023.

ASSESSED VALUE: \$346,174

ANNUAL PROPERTY TAXES: \$6,563.91

PROPERTY RIGHTS APPRAISED: Fee Simple Estate

VALUE INDICATIONS – MARKET VALUE

Summary of Values	
Value Premise	As Is
	4/21/2023
Sales	\$835,000
Income Capitalization	\$875,000
Value Conclusion:	\$855,000

SCOPE OF THE APPRAISAL PROCESS

The client for this appraisal report is the City of Pensacola which is also the intended user of this report. The intended use of this appraisal is for purchased negotiations by the client. The type of value opinion being provided is the market value of the fee simple estate. The current date of value is the date of the last inspection of the property of April 21, 2023.

In an effort to meet your requirements, as well as conforming to the Uniform Standards of Professional Appraisal Practice (USPAP) and FIRREA requirements, a visual inspection was made of the subject property. I photographed the interior of several of the units and the exterior of all of the buildings. The manager provided limited income information and no expense information was provided.

In addition to the physical inspection, research was conducted on a regional and neighborhood basis in an effort to identify trends and factors, which have an effect on area property values. A search was conducted to find recent improved sales and comparable motel rents similar to the subject's existing improvements. The sales were extracted from public records information, confirmed with one of the parties to the sale, and then written up in detail. They were then adjusted for various differences and reconciled into a value indication via the sales comparison approach. Comparable rentals were also researched to determine market rent for the subject. Once completed, a reconciliation of approaches will be discussed and the final market value will be concluded for the Current as-is value.

PURPOSE OF APPRAISAL

PURPOSE OF APPRAISAL

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

USE OF APPRAISAL

This appraisal is being prepared for use by City of Pensacola. The intended use of this appraisals is for purchased negotiations by the client.

DATE OF VALUE AND OF PROPERTY INSPECTIONS

The property was last inspected on April 21, 2023, which is also the current date of value. This report was signed on May 17, 2023.

PROPERTY RIGHTS APPRAISED

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

“Fee Simple Estate” has been defined as:

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

“Leased Fee Estate” has been defined as:

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

“Leasehold estate” has been defined as:

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

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

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

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

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

MARKET VALUE DEFINITION AND IMPLICATIONS

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

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

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

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

IDENTIFICATION OF THE PROPERTY

IDENTIFICATION OF THE PROPERTY

- PROPERTY ADDRESS:** The subject is located along the south side of West Cervantes Street between North Q Street and North R Street in Pensacola.
- LEGAL DESCRIPTION:** All of Block 173, less the west 60 feet and less the east 60 feet of the north 90 feet, West King Tract
- OWNER OF RECORD:** The owner of record is Jai Hanuman Motel, LLC
- TYPE OF OWNERSHIP:** Fee Simple Estate
- PHYSICAL:** The improvements to the site consist of eleven buildings containing approximately 11,774 square feet of building area with 30 motel rooms and an office/manager apartment. The improvements were originally constructed in 1932 being stucco over concrete block on concrete slabs and have been renovated over the years. The improvements reflect an effective age of approximately 40 years. The rooms are reportedly rented nightly for \$60 or weekly for \$300.

HISTORY OF THE PROPERTY

HISTORY OF THE PROPERTY

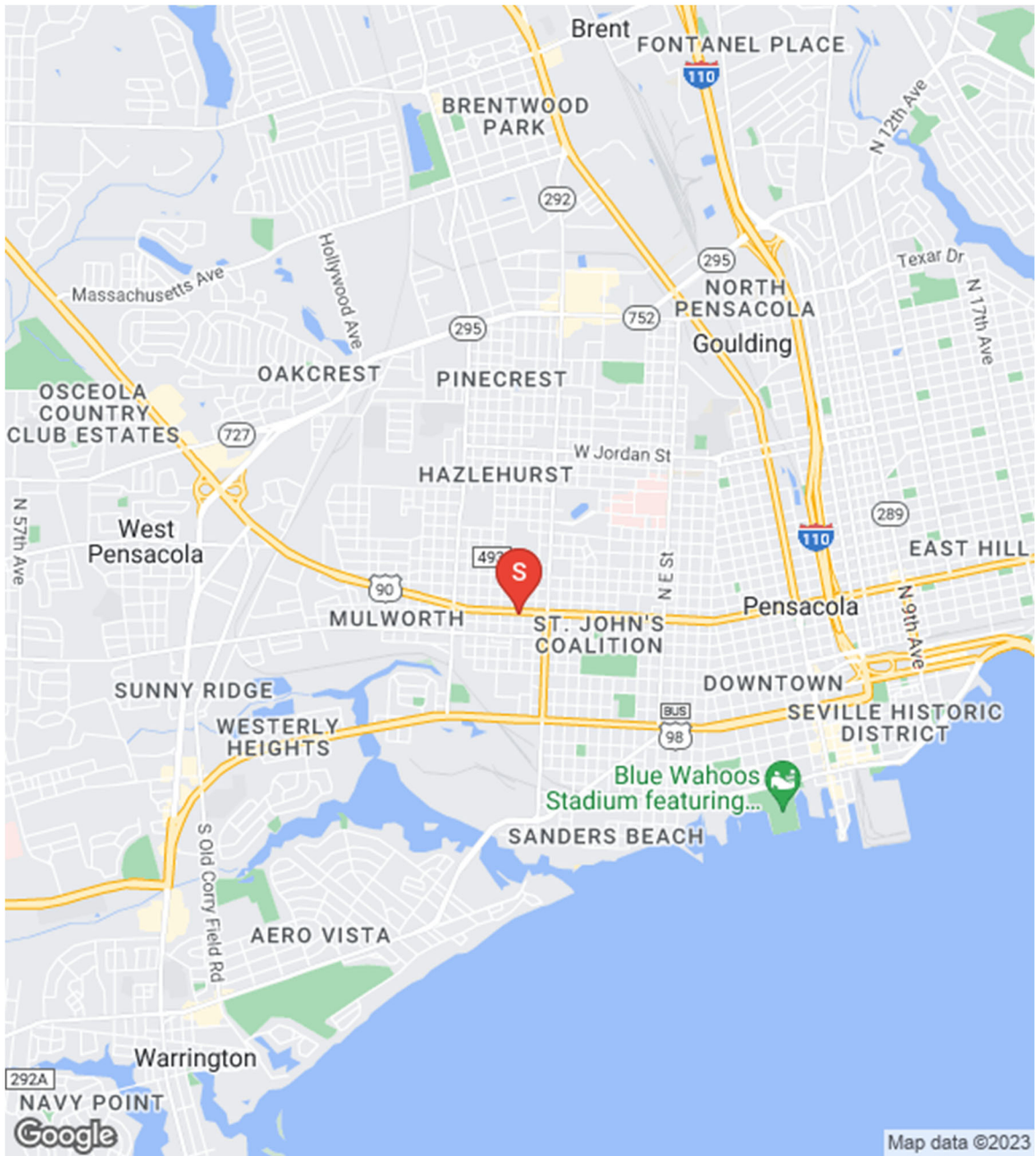
Five Year Sales History – The subject property has remained under the current ownership for more than the past five years.

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

HISTORY OF THE PROPERTY

PART TWO: DESCRIPTIONS, ANALYSIS AND VALUE CONCLUSIONS

NEIGHBORHOOD AREA ANALYSIS



NEIGHBORHOOD ANALYSIS

A neighborhood is defined in *The Dictionary of Real Estate Appraisal*, Fifth Edition 2010, as "A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."⁵ Neighborhood boundaries are defined because properties within neighborhoods tend to be similar in characteristics with regard to land use and desirability, and are affected by similar physical, economic, governmental, and social forces.

The subject neighborhood is considered to be the portion of the Pensacola area within the Pensacola City limits. This area's boundaries are considered to be, but are not limited to, Pace Boulevard to the west, Pensacola Bay to the south, Escambia Bay to the east, and I-10 to the north.

Major north/south arterials within this area include I-110, Palafox Street, Pace Boulevard, Fairfield Drive, 9th Avenue, and Scenic Highway. Major east/west arterials include Bayou Boulevard, Cervantes Street, Garden Street, Main Street, Brent Lane, Fairfield Drive, Airport Road and Bayfront Parkway. These arterials provide convenient and quick access within the subject neighborhood as well as other portions of the Pensacola MSA.

The downtown Business District of Pensacola includes typical private office buildings, government office buildings, courthouses, restaurants, shops and bars. There is also an historic district that includes a variety of residential and commercial buildings constructed around 200 years ago around several public parks. The majority of the buildings have been completely renovated and act as a historic tourist draw for the community. UWF is proposing to take greater advantage of the area's historic treasures by re-bricking the streets, creating a walking friendly environment and starting an advertising campaign aimed at the historic tourism industry. Festivals are held throughout the year in the many downtown parks. The current main tourist draw is Pensacola Beach, found about four miles to the south and provides white sand beaches, clear water and numerous hotels, shops, condominiums and homes but the new historic tourism industry is projected to increase annual tourism numbers by more than one million visitors per year.

⁵ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010), pg. 133.

NEIGHBORHOOD ANALYSIS

Neighborhood Analysis (Cont'd.)

The area residential markets are considered to be strong due to the increasing populations. At the present time, the City of Pensacola has a population within the city limits of 55,961 (2019), which is up 7.5% from the 2010 population estimate of 52,017. This growth is expected to continue with the 2024 population estimate expected to be 58,243. The expected growth rate is about 456 new people to the city per year for the next five years. The average household size is 2.19 people, so this growth would translate into the need for 208 new homes within the city limits per year for the next five years.

Sales among single family detached homes, single family attached, and condos have been strong in recent years and has continued to remain strong through the pandemic. The rapidly increasing values are continuing in 2021, as compared to 2020 and 2019 as can be seen on the following grid.

Median Sales Trends (Zip Code Areas 32501, 32502, 32503, 32504, 32505)						
Year	Single Family Detached Sales		Single Family Attached		Condo Sales	
	# Sales	Median \$	# Sales	Median \$	# Sales	Average \$
2015	1194	\$132,800	63	\$85,000	91	\$72,000
2016	1,183	\$146,500	68	\$92,000	89	\$77,000
2017	1,247	\$169,000	79	\$125,777	93	\$92,000
2018	1,249	\$179,900	136	\$191,500	117	\$100,000
2019	1,209	\$195,000	109	\$197,500	94	\$107,000
2020	1,319	\$227,000	135	\$220,000	112	\$119,950
2021*	1,128	\$237,000	82	\$173,500	110	\$135,000
Active	351	\$275,000	39	\$375,000	19	\$345,000

*As of 9/2021

One of the hottest markets in the Pensacola area is the downtown urban area found in zip code 32502. This market has realized rapid value increases and prices continue to increase due to the demand for this neighborhood. Again, the Covid19 virus did not appear to adversely affect the demand for this area. The sales from the downtown urban market can be seen on the following grid.

NEIGHBORHOOD ANALYSIS

Neighborhood Analysis (Cont'd.)

Median Sales Trends (Zip Code Area 32502)						
Year	Single Family Detached Sales		Single Family Sales	Attached	Condo Sales	
	# Sales	Median \$			# Sales	Median \$
2015	37	\$117,000	6	\$369,687	23	\$58,000
2016	53	\$125,000	6	\$356,350	18	\$205,500
2017	97	\$199,000	15	\$252,100	20	\$289,500
2018	71	\$259,000	48	\$251,812	20	\$238,750
2019	82	\$231,450	38	\$258,900	19	\$85,000
2020	88	\$247,500	53	\$268,900	19	\$122,000
2021*	70	\$317,450	16	\$318,750	21	\$340,000
Active	43	\$419,000	6	\$562,500	11	\$650,000

*As of 9/2020

There have been a number of new developments in the Downtown area of Pensacola, and a summary of the most significant of them follows. The Community Maritime Park is located between Main Street and Pensacola Bay, at the south end of Baylen Street. It includes numerous vacant land sites for future commercial and/or residential development. The project features an expansive public waterfront park, a community multi-use stadium facility suitable for baseball, football and other athletic events, festivals and other community activities. There is also a waterfront pavilion for music and entertaining events. The waterfront grassed and walkway areas on the south end of the property were designed for festivals. The other vacant land areas found on the north side of the property can be developed with commercial; office; retail; residential; restaurant and entertainment uses.

Quint Studer recently completed construction on a \$15 million four-story office building directly north of the Maritime Park Stadium and the building is fully leased. He has also optioned the remaining property around the stadium for future development of a mixed-use project. Beck Property Company completed construction on its \$4 million-plus, three-story, 26,715 square foot mixed-use building at the corner of Port Royal Way and Main Street, which is now fully occupied and includes retail on the ground floor, Beck office space on the second floor and luxury condominiums on the third floor. Just east of the Maritime Park, the Bank of Pensacola's new branch at Palafox and Main Street was completed.

NEIGHBORHOOD ANALYSIS

Neighborhood Analysis (Cont'd.)

Located at 701 South Palafox Street is a newly completed condominium project that was constructed by Ray Russenberger. This development includes 9 luxury condo units that are all sold with prices exceeding \$1,000,000 each. All of the units were pre-sold and have since closed.



701 South Palafox

A new YMCA building located at the southwest corner of Taragona Street and Intendencia Street. The building was recently completed and offers an open floor plan with 52,000 square feet, nearly doubling the size of their old downtown building. This building is creating additional demand for new living quarters in the downtown area and will greatly add to the quality of life.



New Downtown YMCA

NEIGHBORHOOD ANALYSIS

Neighborhood Analysis (Cont'd.)

Located to the northwest of the Maritime Park property is the old sewage treatment facility. The ECUA constructed a new state of the art treatment facility in the northern end of Escambia County and completed the demolition of the old sewer facility. The 18.5 acre cleared site is now grassed and available to be re-developed, which should further enhance the desirability of the downtown area. The owner of this site is now in the planning stages of a mixed-use development that will include a variety of uses including a hotel, apartments, residential condos and retail.

The Palafox Pier Restoration Project is a mixed-use development located at the southern end of Palafox Street. This project includes a 92-slip marina, a 7,200 square foot Harbormaster Building that is leased, the Icehouse Building with 21,000 square feet of office space currently leased and occupied by Merrill Lynch and EmCare. The City was said to have invested \$1.2 million in public infrastructure improvements with the mixed-use development being a combination of public and private funds.

The Palafox Pier & Yacht Harbour condominium development built in 2002 consists of two 35,206 square foot, four story buildings and a pedestrian plaza (park). Each building includes 7,500 square feet of retail/office space on the ground floor with four parking garages, 10,606 square feet of office space on the second floor and one-story and two-story condo units on the third and fourth floors.

Located immediately south of the Pensacola Bay Center is the Technology Park development constructed by the City of Pensacola. The streets and all infrastructure necessary for high tech developments are in place and this property is ready for new vertical development. The City of Pensacola, along with Escambia County has provided the land and will sell the land to private individuals who plan to develop the area with buildings designed for companies requiring the latest in technology and the needed infrastructure. In connection with this development, the City of Pensacola created a large regional storm water retention lake located on the north side of Bayfront Parkway and on the east side of 9th Avenue at Admiral Mason Park. This allows for vacant properties to the north to be fully developed without the

NEIGHBORHOOD ANALYSIS

Neighborhood Analysis (Cont'd.)

requirement of storm water run-off on site. The overall water retention design is a public park with the storm water retention lake landscaped and designed for public appeal and there is a walking path surrounding the lake and tasteful landscaping. A vacant site located across 9th Avenue from the Technology park was purchased and is proposed to be improved with two new hotels. The property directly north of the Admiral Mason Park was recently purchased for the development of a mixed-use project that will include retail and residential condo units.

In addition to the new development or redevelopment of this area downtown, several of the older building's downtown were completely gutted and renovated. All of these renovated buildings are historic structures that are largely found along and nearby Palafox Street, which is the main north/south downtown arterial and the center of much of the new activity. Recently renovated buildings have been converted for restaurants, bars, offices, shops and entertainment venues creating one of the most desirable areas in the MSA. The Studer Group purchased the old Pensacola News Journal building found directly north of the new YMCA building and demolished it to make way for a new upscale mixed use rental building that includes commercial uses on the ground floor and rental apartments on the upper floors. In association with the mixed-use building is a new 7 level parking garage. This building is now fully occupied and was sold to an investment group. The old Rex Theatre building, constructed in 1910, was purchased by Harvest Church and went through a \$1.7 million dollar renovation. Now completed, this building hosts live theater events, movies, concerts and other special events. The old YMCA building was purchased by a private developer who has demolished parts of the old building to create new residential lots and other parts of the building were renovated for office uses.

The Blount-Brent Building Complex located at the southwest corner of Palafox Street and Garden Street also had a massive renovation. This 100,000+ Square foot structure was recently completely renovated with boutique retail and restaurant uses on the ground floor and the upper floors were renovated into a 34-suite boutique hotel and newly renovated office space. A new 110 room Holiday Inn was recently completed on the south side of Main Street just two blocks east of Palafox Street.

NEIGHBORHOOD ANALYSIS

Neighborhood Analysis (Cont'd.)

Located on the South side of Garden Street is a site that was once improved with a motel, but the motel was removed so the site could be re-developed. The western portion of this site was re-developed with a new bank building and the eastern portion was purchased in 2017 by the Florida Institute for Human and Machine Cognition. Similarly, an older liquor store located on the south side of Gregory Street was demolished to make way for a condo development that has yet to be constructed.

There are four large multi-story office buildings in the downtown area. These buildings include the Studer Community Institute Building containing approximately 103,955 square feet, Harborview containing approximately 74,240 square feet, Southtrust Bank building containing approximately 77,400 square feet and One Pensacola Plaza containing approximately 108,997 square feet. Average occupancy in three of these buildings is above 90%. The Studer Building was recently vacated by SunTrust and was purchased by the Studer Group for a \$4 million renovation. There are also several other multi-tenant office buildings in the neighborhood that are reflecting occupancies from 80% to 90%. There are numerous other smaller condos, townhouse and single family developments in the area that are being developed and rapidly absorbed.

The Pensacola Community Redevelopment Agency has been working to promote Pensacola and bring people into the downtown area daily. Among the initiatives recently introduced, are tax incentives that will entice new redevelopment projects. The City also closes Palafox Street one Friday night per month to vehicular traffic and opens it to pedestrian traffic for "Gallery Night". Gallery Night attracts many thousands of people who enjoy the new shops, restaurants and bars which are showcased along Palafox. In addition, there are bands found on some of the balconies as well as street performers and musicians found on the street. Open alcohol containers are also allowed creating a festive walkable community.

NEIGHBORHOOD ANALYSIS

Neighborhood Analysis (Cont'd.)



Photos of a Typical Gallery Night

There is a clean air industrial park area found to the north along the east and west sides of Palafox Street south of Brent Lane and north of Fairfield Drive. Another one is found south of Brent lane between I-110 and Palafox Highway that will be redeveloped with the new \$550 million Baptist Hospital. Located on the west side of Palafox Street north of Fairfield Drive is a super fund site that has been cleaned and capped by the EPA and they indicated that this land is now suitable for additional industrial development. The City of Pensacola is working with the State of Florida and the EPA to create an additional industrial park on the super fund land site. Located north of Brent Lane on Palafox Street is what is known as “Car City”, which is an area with many of the area’s new and used car dealerships. The growing Pensacola Christian College and Pensacola Christian School is found north of Brent Lane between I-110 and Palafox Street and they are actively buying properties to their south in an effort to grow their campus and population and they are constructing new student housing.

NEIGHBORHOOD ANALYSIS

Neighborhood Analysis (Cont'd.)

The Cordova Mall and surrounding areas are also seeing good commercial growth and new development and redevelopment efforts are under way. ST Aerospace Pensacola, Inc. completed a new \$46 million aerospace facility at Pensacola International Airport. They are a Singapore-based company that does maintenance repairs and overhauls for large commercial aircraft. The maintenance and repair facility was constructed on 19 acres at Pensacola International Airport's commerce park and ST was said to have brought in about 163 high-skill, high-wage jobs. The company began their second construction project adjacent to the existing facility that will encompass 655,000 SF of Maintenance, Repair and Overhaul (MRO) complex reflecting a total cost of \$210 million. Combined with the existing two wide-bay hangar, the facility will employ 1,700 persons. Construction on the \$85 million expansion of the Studer Family Children's Hospital at Sacred Heart Hospital found on 9th Avenue was recently completed. West Florida Hospital had a \$7 to \$10 million expansion to open a new pediatric wing in 2018 as part of a new partnership between Nemours Children's Specialty Care and West Florida Healthcare that will bring in about 40 new staffers.

Overall, the subject's neighborhood is following the path of other downtown locations around the country, which have been revitalized and now project a positive image for the community. These past trends are expected to continue with the help of private developers and the City of Pensacola resulting in the new life cycle of the neighborhood. There are several condominium and apartment buildings planned and under construction in the downtown area, which will aid in the need for additional commercial support facilities. Continued revitalization efforts and increasing populations should place upward pressure on area property values and rents as the national economy recovers. With the past trends expected to continue, the subject neighborhood is considered to have a bright future for commercial and residential properties.

TAXES AND ASSESSMENT ANALYSIS

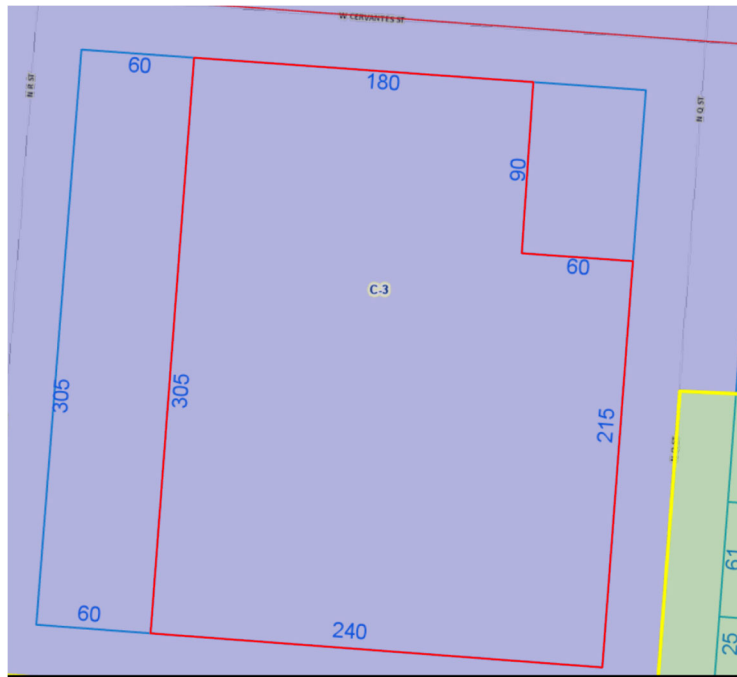
TAXES AND ASSESSMENT ANALYSIS

The subject property is assessed by the Escambia County Property Appraiser. The current assessment is allocated as \$111,870 for the land and \$234,304 for the improvements for a combined assessment of \$346,174. The annual taxes total \$6,563.91 and are paid in full with no taxes in arrears.

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

Real Estate Assessment and Taxes									
Tax ID	Land	Improvements	Other	Total Assessment	Per SF GBA	Per Acre	Tax Rate	Taxes	Assessment Year
00-0S-00-9060-010-173	\$111,870	\$234,304	\$0	\$346,174	\$29.40	\$222,409.14	\$1.90	\$6,563.91	2022

LAND USE PLANNING, ZONING, CONCURRENCY



ZONING CODE:

C-3

ZONING DESCRIPTION:

The Wholesale and Light Industry zoning district is intended to provide for general commercial services, wholesale distribution, storage and light fabrication. Conventional residential use is allowed as well as residential uses on upper floors above ground floor commercial or office uses and other types of mixed-use development.

ZONING DENSITY/FAR:

135 DU/Acre; 1:1

CURRENT USE LEGALLY CONFORMING:

legally permissible use

ZONING CHANGE LIKELY:

A zoning change is unlikely.

ZONING COMMENTS:

In addition to the zoning district, the parcel is also CDBG (Community Development Block Grant) eligible and is located in the Urban Design Overlay District designed to enable and encourage mixed-use development. Numerous commercial and residential uses are allowed to include the existing use.

PUBLIC AND PRIVATE RESTRICTIONS

PUBLIC AND PRIVATE RESTRICTIONS

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

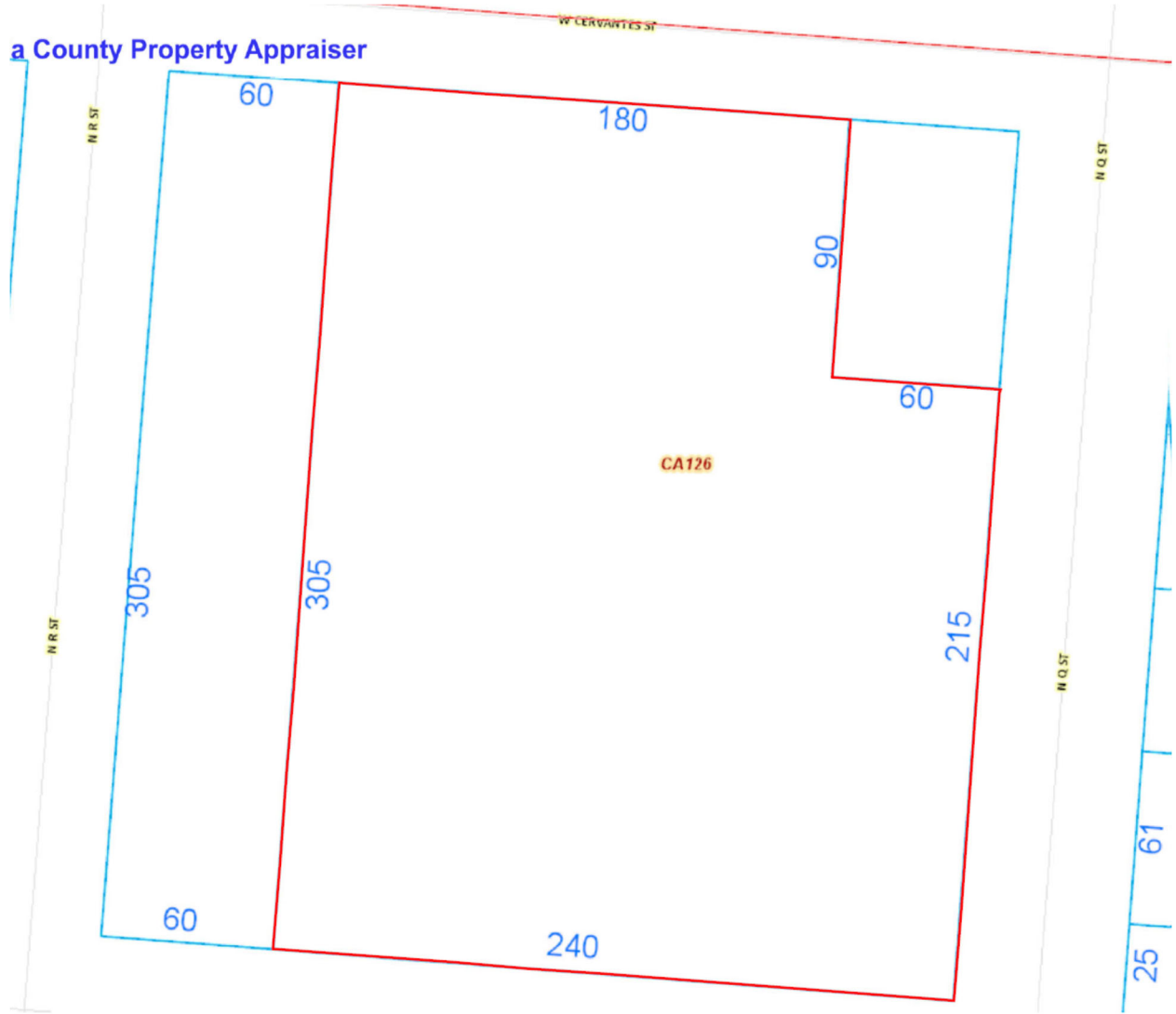
ENVIRONMENTAL CONCERNS

I am unaware of any environment conditions that would adversely affect the marketability or value of the subject property.

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

SITE PLAT

a County Property Appraiser



SITE AERIAL

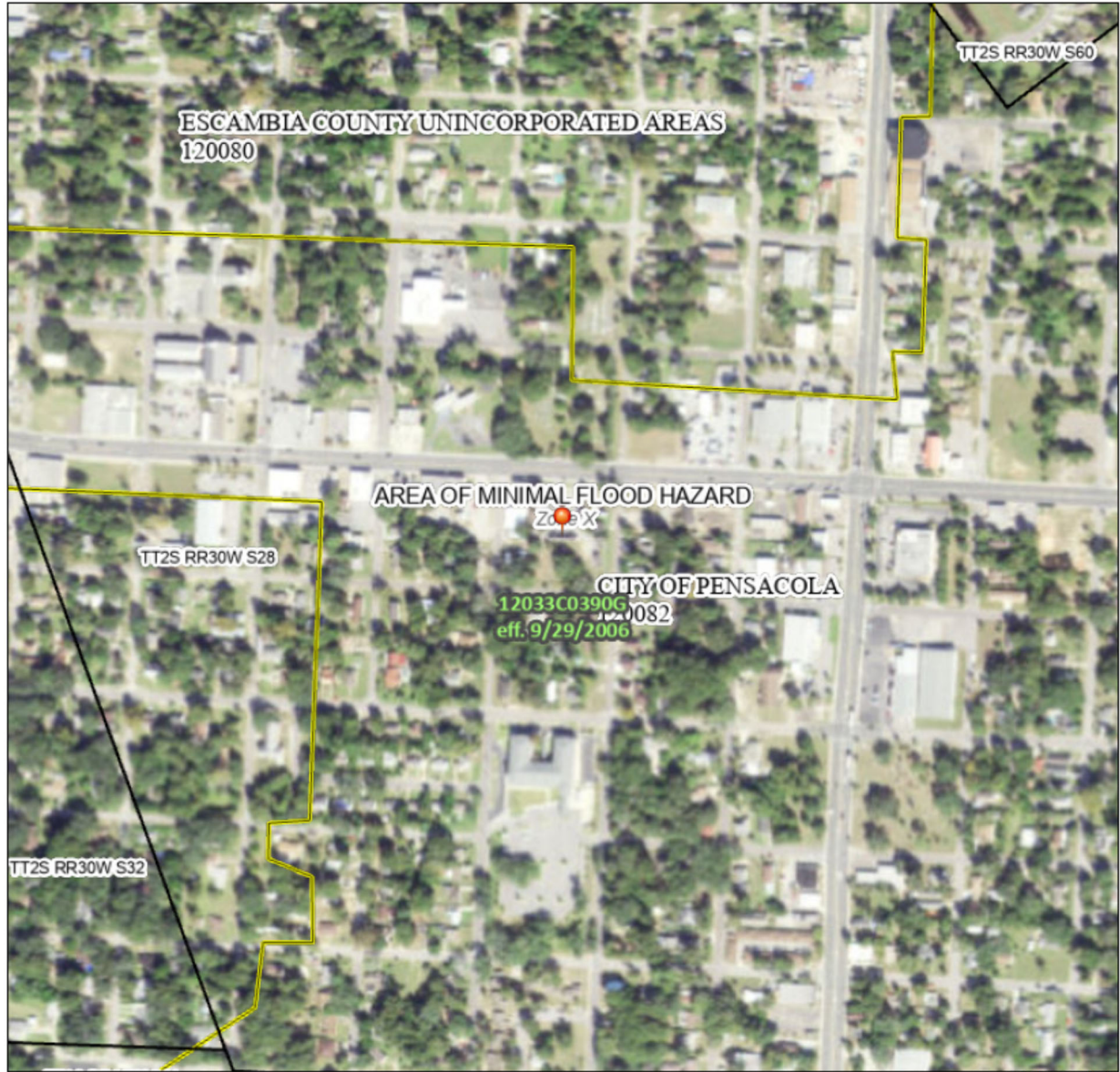


FLOOD MAP

National Flood Hazard Layer FIRMette



87°14'57"W 30°25'28"N



0 250 500 1,000 1,500 2,000 Feet 1:6,000

87°14'20"W 30°24'57"N

SITE DESCRIPTION

SITE DESCRIPTION

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

LOCATION: The subject is located along the south side of West Cervantes Street between North Q Street and North R Street in Pensacola.

AREA: The existing parcel contains approximately 67,800 square feet or 1.56-acres.

SHAPE: The shape of the parcel is basically rectangular.

DIMENSIONS: 180' x 305' x 240' x 215' x 60' x 90'

INGRESS/EGRESS: The subject property has Good access with frontage as follows:

- West Cervantes Street: 180 feet
- West Gadsden Street: 240 feet
- North Q Street: 215 feet

The site has an average depth of 305 feet.

TOPOGRAPHY: The site is basically level with no irregular topographical features.

FLOOD DATA: 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: 12033C0390G
FEMA Map Date: September 29, 2006

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.

DRAINAGE: The drainage for the site appears to be average for the area.

SOIL COMPOSITION: The soil is of a sandy composition. Based on the existing and nearby improvements located upon similar soil types, it appears that this land is well suited for commercial and residential development.

UTILITIES ON SITE: All utilities are available to the subject site.

Electricity: Florida Power & Light
Water Supply Type: ECUA
Sewer: ECUA
Natural Gas: Pensacola Energy

SITE IMPROVEMENTS: The improvements to the site consist of eleven buildings containing approximately 11,774 square feet of building area with 30 motel rooms and an office/manager apartment. The improvements were originally constructed in 1932 being stucco over concrete block on concrete slabs and have been renovated over the years. The improvements reflect an effective age of approximately 40 years. The rooms are reportedly rented nightly for \$60 or weekly for \$300.

**EASEMENTS/
ENCROACHMENTS:** None noted.

RESTRICTIONS: The only known restrictions are imposed by the City of Pensacola. No other restrictions are known.

**CONCLUSION OF
CONFORMITY:** The subject site contains approximately 67,800 square feet with 180 feet of frontage along the south side of West Cervantes Street, 240 feet of frontage along the north side of West Gadsden Street and 215 feet of frontage along the west side of North Q Street. The property is approximately two blocks west of the Pace Boulevard/Cervantes Street intersection. The parcel is zoned C-3, Commercial Zoning District (Wholesale and Limited Industry) allowing for numerous commercial uses. The parcel is also CDBG (Community Development Block Grant) eligible and is located in the Urban Design Overlay District designed to enable and encourage mixed-use development.

PHOTOGRAPHS



Front Exterior View of Improvements



Exterior View of Improvements

PHOTOGRAPHS



Front Exterior View of Office/Apartment and Upstairs Lodging Units



Front Exterior of Building with Units 101, 102, 103 and 104

PHOTOGRAPHS



Front Exterior of Units 105, 106, 107 and 108



Exterior View of Units 109 and 110

PHOTOGRAPHS



Front Exterior of Building with Units 114 thru 117



Front Exterior of Units 122 and 123

PHOTOGRAPHS



Interior View of Unit 102



Bathroom

PHOTOGRAPHS



Unit 101 Bedroom



Bathroom

PHOTOGRAPHS



Typical Two Bed Unit



Bathroom

PHOTOGRAPHS



One Bed Unit



Bathroom

PHOTOGRAPHS



One Bed Unit



Bathroom

PHOTOGRAPHS



Office



Manager's Apartment Living Room

PHOTOGRAPHS



Kitchen



Bedroom

PHOTOGRAPHS



Bedroom



Bathroom

PHOTOGRAPHS



Laundry Room



Storage Building

PHOTOGRAPHS



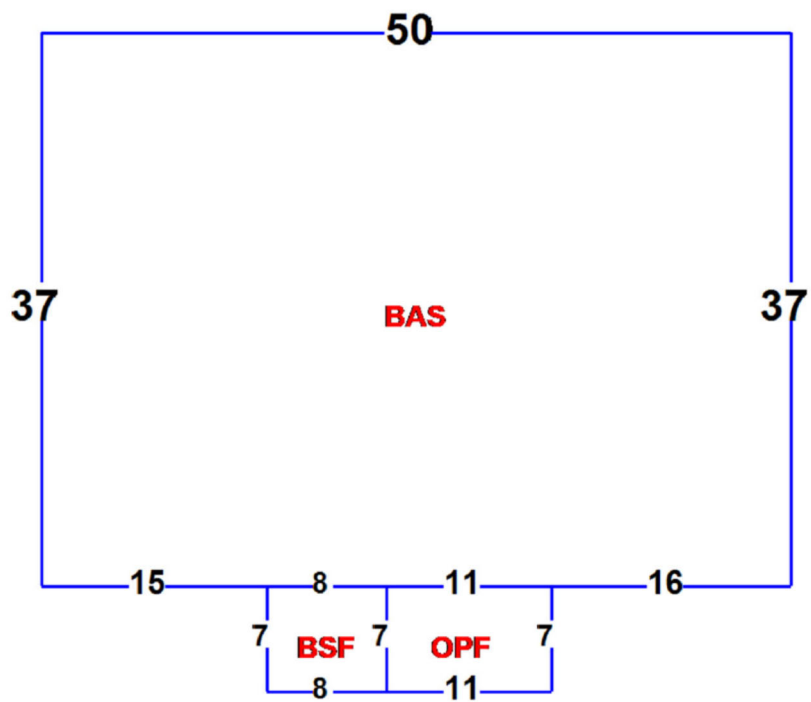
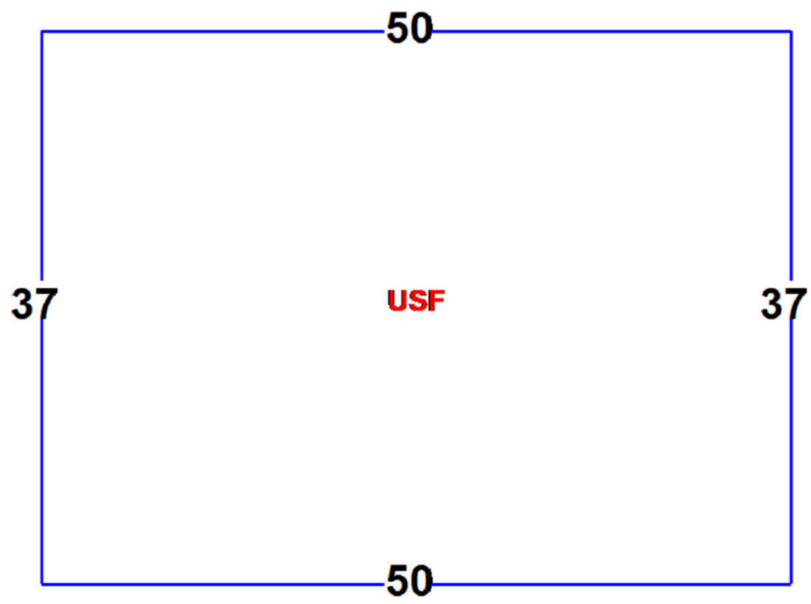
View East along Cervantes Street



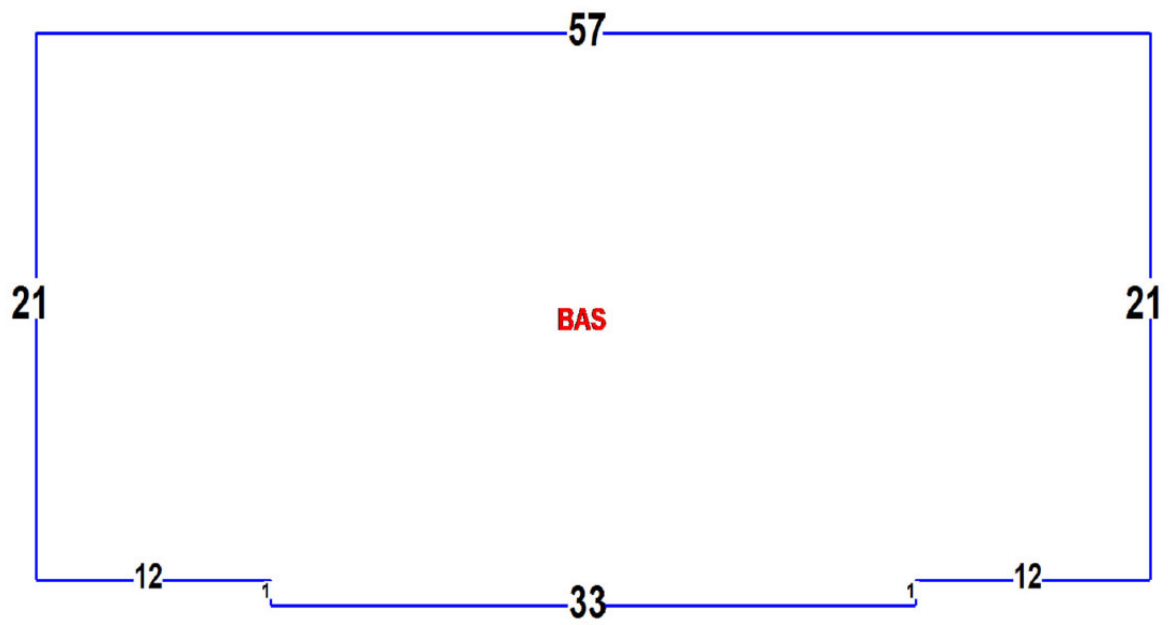
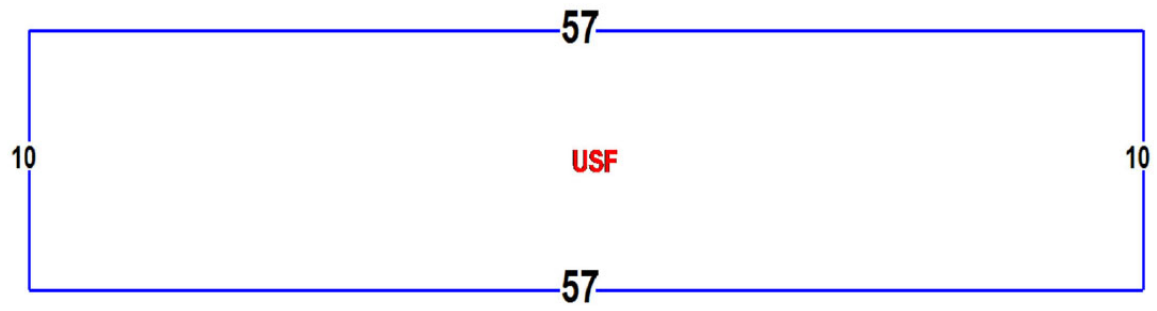
View West along Cervantes Street

PHOTOGRAPHS

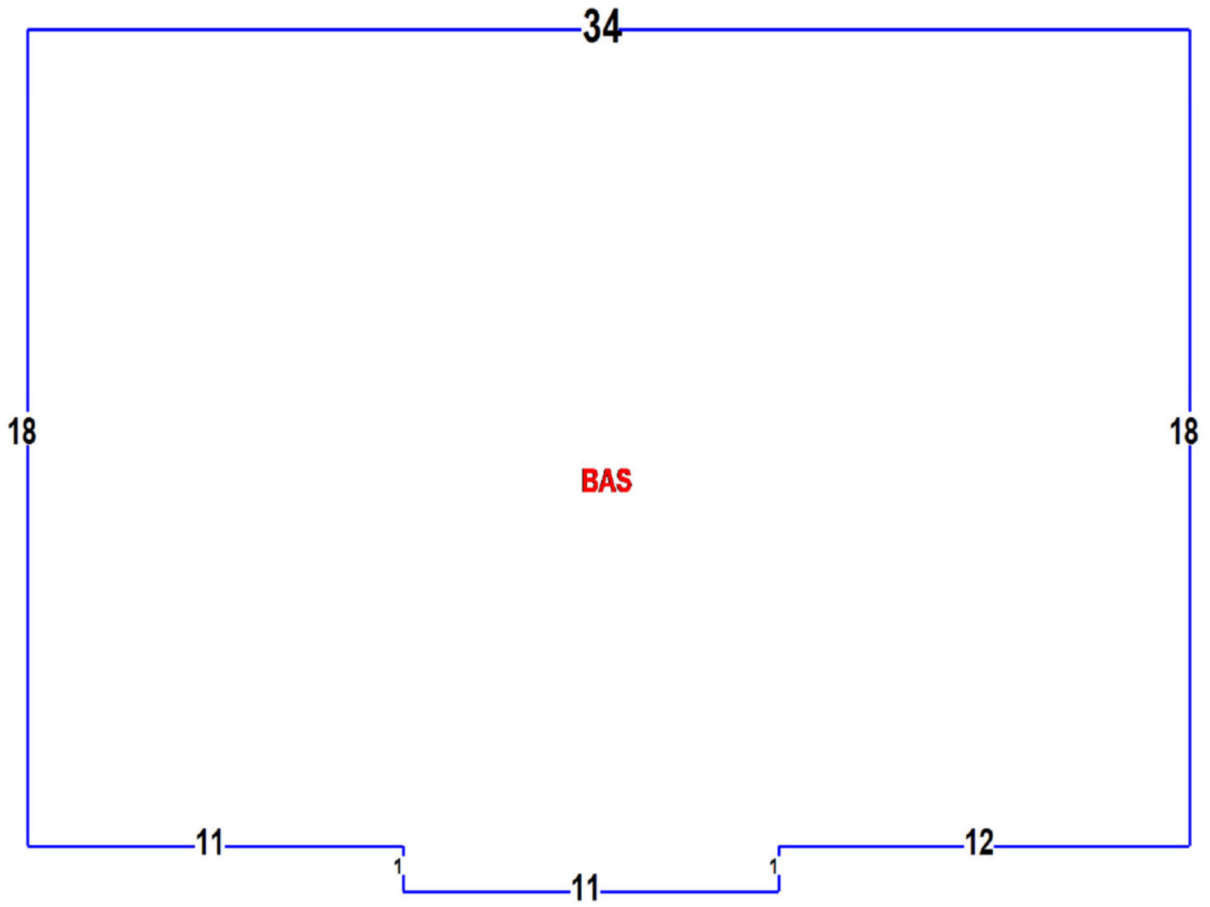
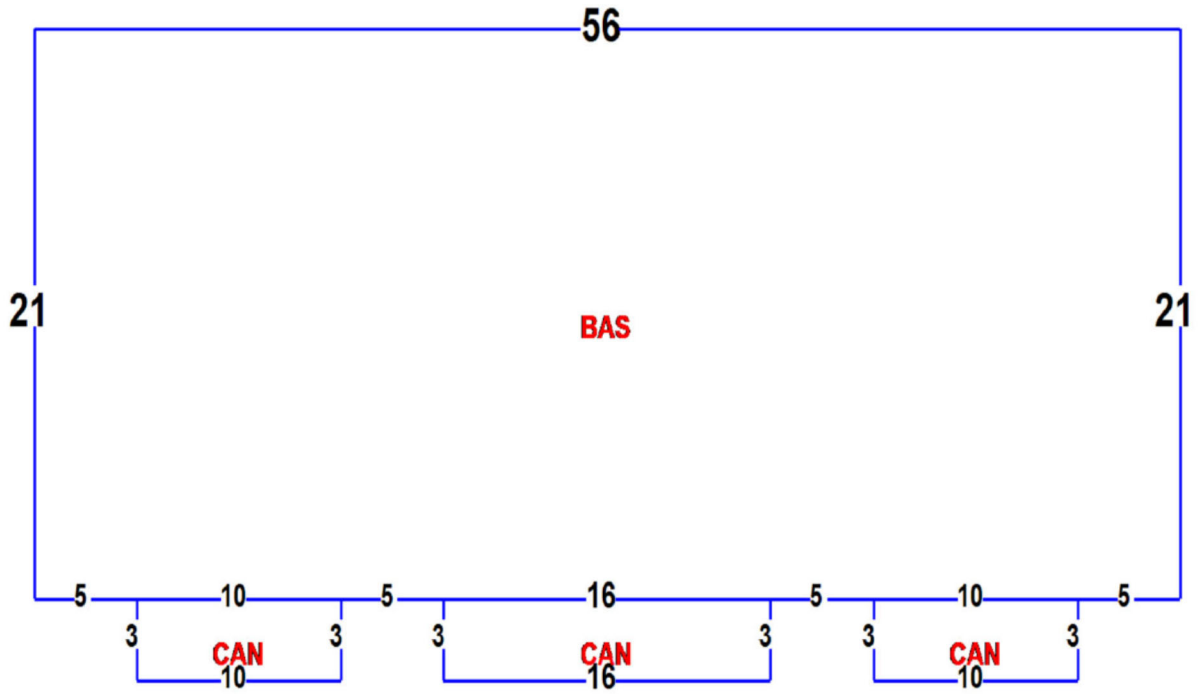
BUILDING



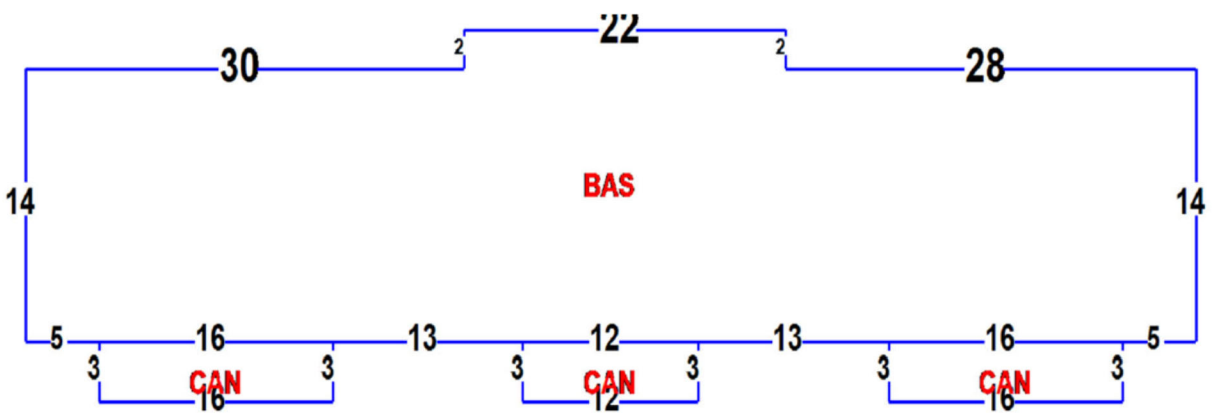
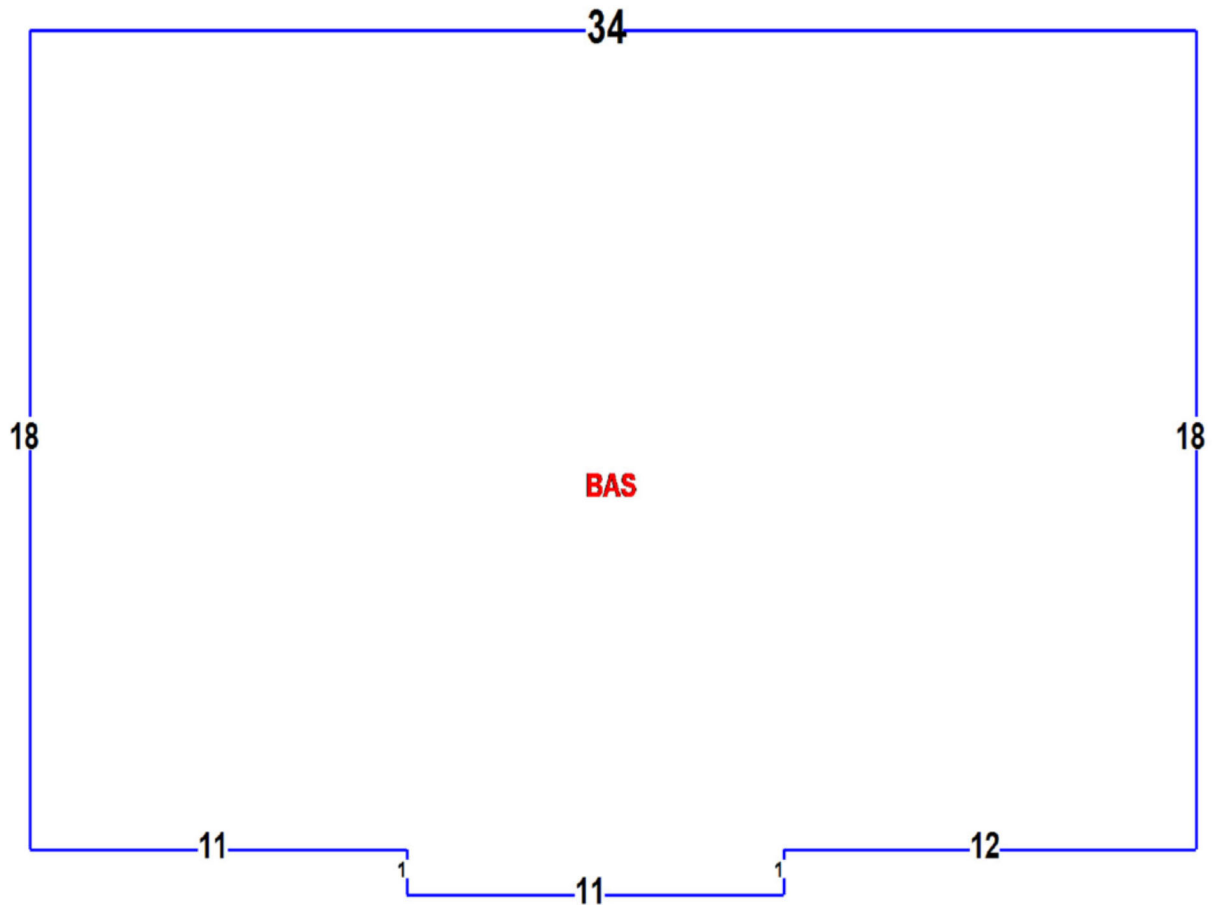
PHOTOGRAPHS



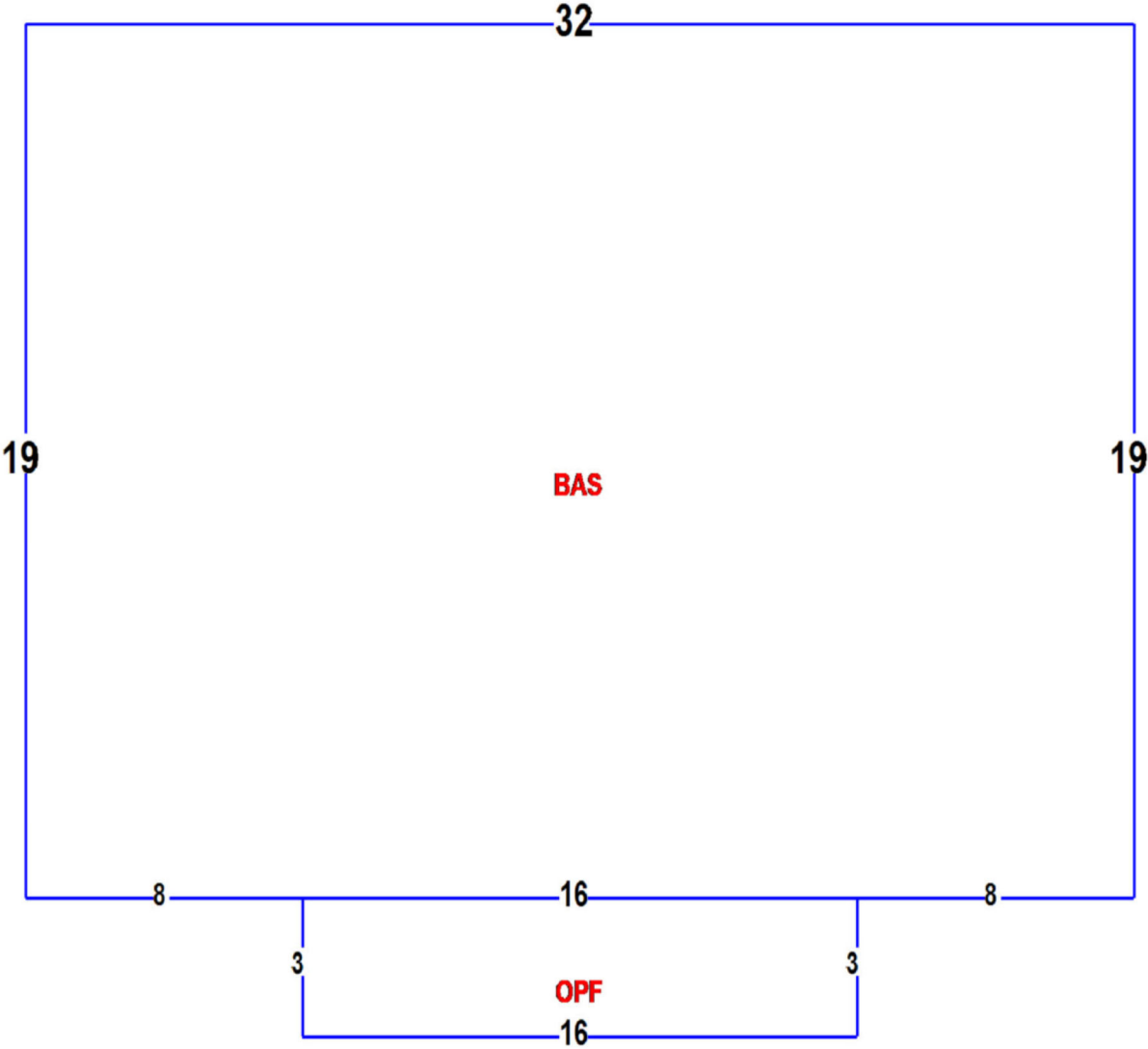
PHOTOGRAPHS



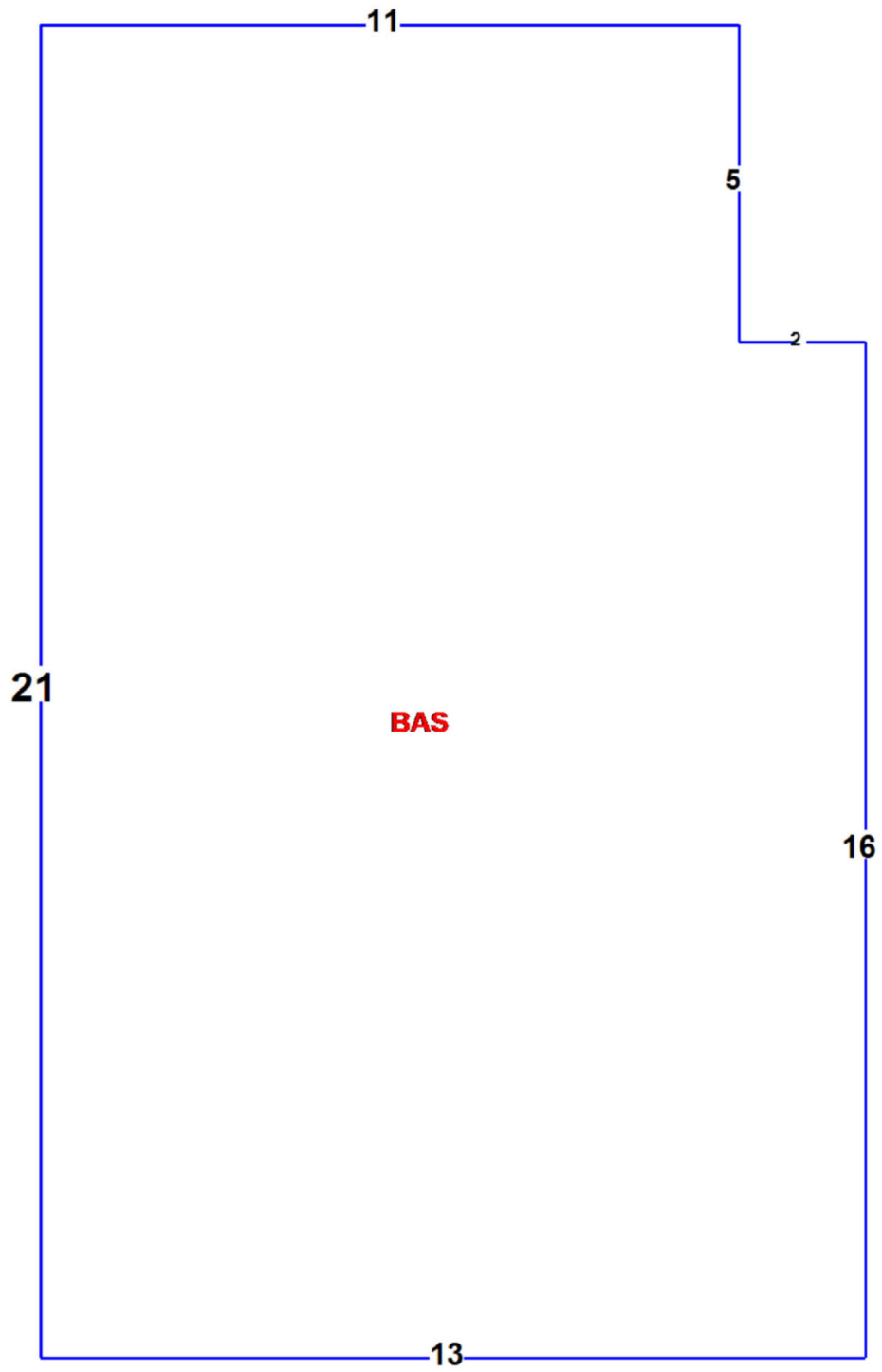
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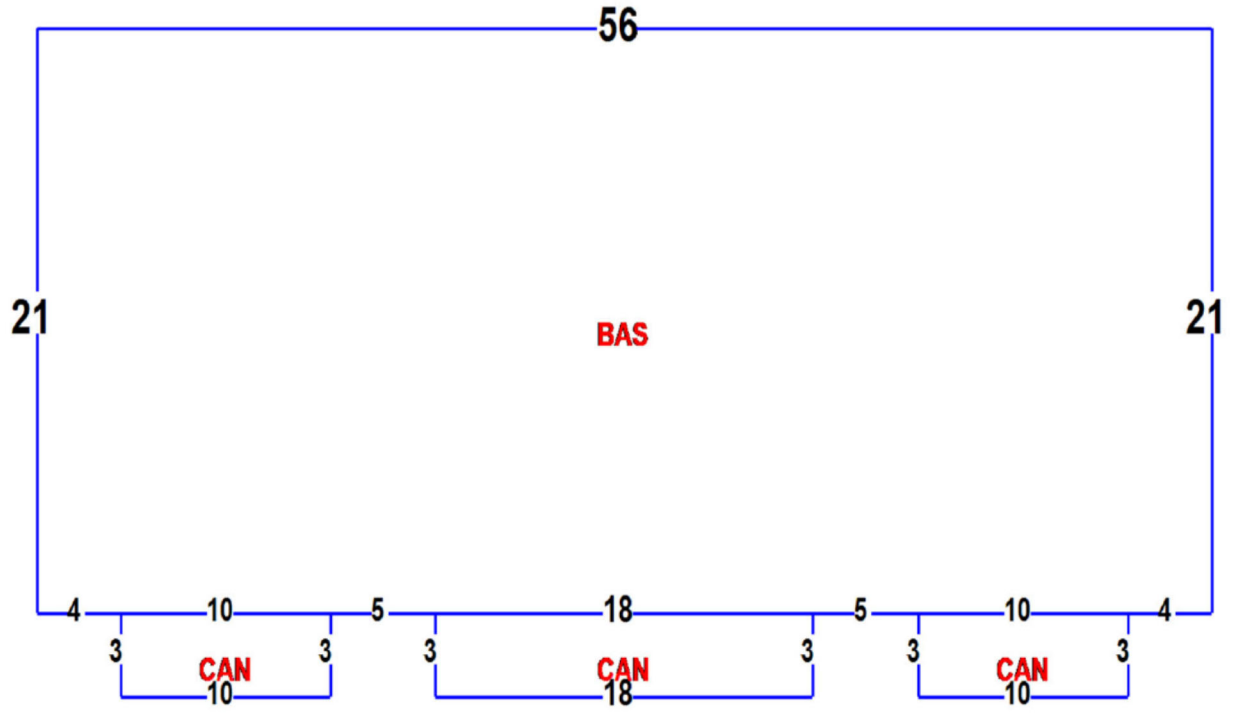
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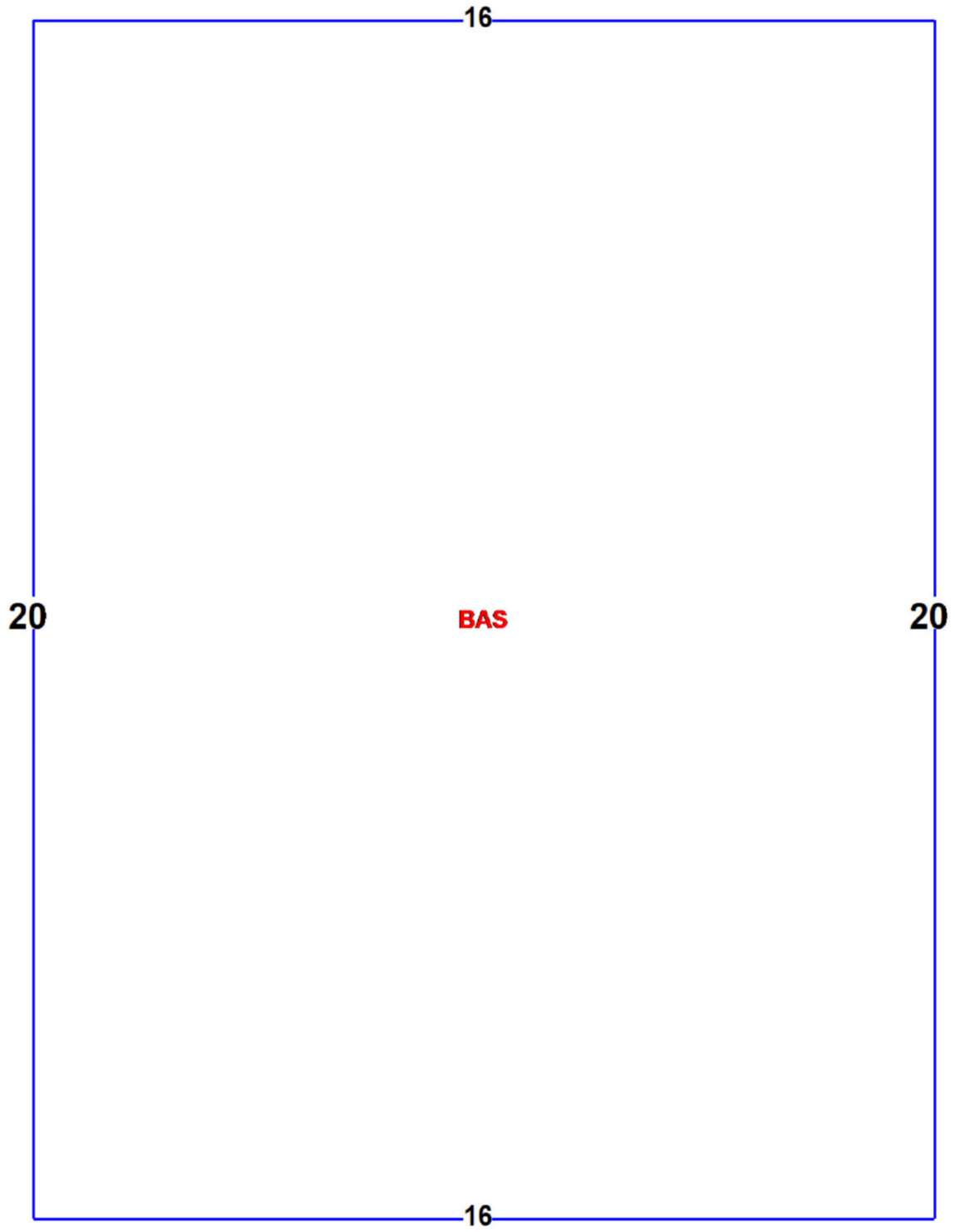
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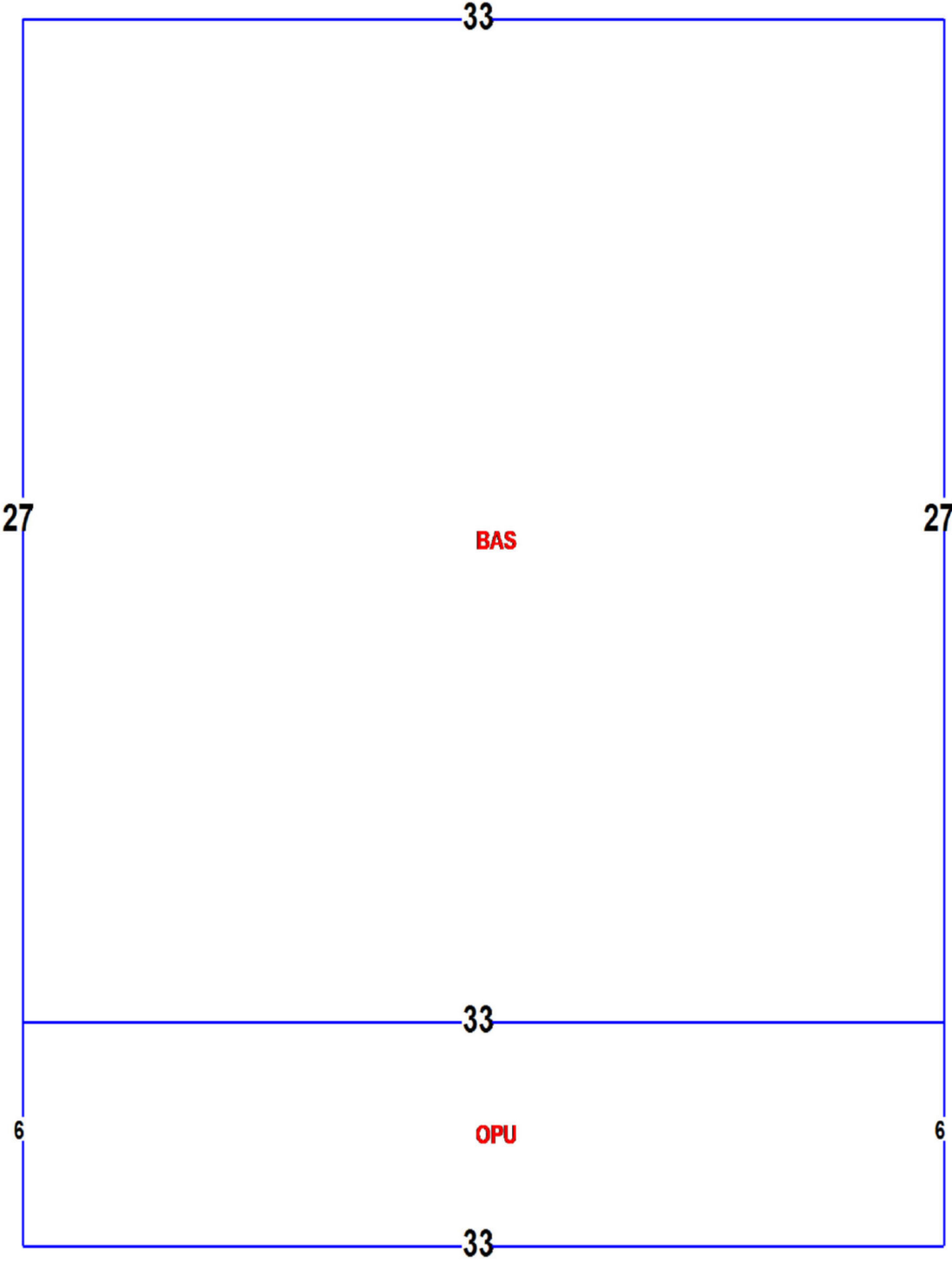
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PHOTOGRAPHS



PHOTOGRAPHS



DESCRIPTION OF IMPROVEMENTS

DESCRIPTION OF IMPROVEMENTS

BUILDING Pensacola Lodge Motel

Building Summary						
Building Name/ID	Year Built	Condition	Number of Stories	Gross Building Area	Rentable Area	Number of Units
Pensacola Lodge Motel	1932	Fair	1.5	11,774	9,924	30

SIZE: The improvements to the site consist of eleven detached buildings containing a total 11,774 gross square feet of building area with 9,924 square feet of rentable area excluding the manager's apartment.

AGE: The improvements were originally constructed in 1932 and have been renovated over the years. Based upon my observation of the improvements during the inspection, I estimate the effective age at 40 years with a remaining economic life of between 10 and 15 years.

FOUNDATION: The buildings are constructed on Poured concrete slab.

EXTERIOR WALLS: The buildings have a Stucco over Concrete Block exterior walls.

ROOF: The roofs are a Gable roof with a Composite Shingle roofing.

EAVE HEIGHT: The average eave height of the buildings appears to be approximately 8 feet.

INTERIOR FLOORS: The interior flooring consists of Carpet and Tile flooring.

INTERIOR WALLS: The interior walls are a mixture of Plywood and Drywall over concrete block.

CEILINGS: The ceilings in the buildings are primarily Acoustical tile.

HEAT/AIR: The heating and cooling for the units and the manager's apartment is Window Unit.

RESTROOMS: Each unit is equipped with a bathroom and shower/tub with a separate sink.

FENESTRATION: The units have single hung window and front door. These components provide for adequate fenestration.

CONDITION/QUALITY: The condition is Fair and the quality is Fair to Average.

DESCRIPTION OF IMPROVEMENTS

COMMENTS: The improvements to the site consist of eleven buildings containing approximately 11,774 square feet of building area with 30 motel rooms and an office/manager apartment. The improvements were originally constructed in 1932 being stucco over concrete block on concrete slabs and have been renovated over the years. The improvements reflect an effective age of approximately 40 years. The rooms are reportedly rented nightly for \$60 or weekly for \$300.

HIGHEST AND BEST USE

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

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

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

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

LAND AS THOUGH VACANT

Legally Permissible - All legally permissible uses should be analyzed when considering a site's highest and best use. The zoning maps indicate the subject property is zoned "C-3", Wholesale and Light Industry zoning district allowing for a variety of residential and commercial uses. Numerous uses would be considered a legally permissible use assuming all setback and parking requirements are met. The subject is a parcel that is Community Development Block Grant eligible and is located in the Urban Design Overlay district.

Physically Possible - Of the legally permissible adaptations of the site, those physically possible uses require consideration and analysis. The size and location of the parcel are important aspects of value. The subject property consists of an approximate 67,800- square foot site with approximately 180 feet of frontage along the south side of West Cervantes Street, 240 feet of frontage along the north side of West Gadsden Street and 215 feet of frontage along the west side of North Q Street. This site is located approximately two-blocks west of the Pace Boulevard Cervantes Street intersection in the Brownsville area of Pensacola. Given the size

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

HIGHEST AND BEST USE

and location of the site, as well as the extensive road frontage, numerous uses would be considered physically possible uses of the site.

Financial Feasibility - Of the legally permissible and physically possible adaptations of the site, only those uses which are financially feasible should be considered. Assuming the property were vacant land, the only feasible use would appear to be a mixed-use project with retail along the Cervantes Street frontage and housing along the remaining two roadways. I have researched vacant land sales in the immediate area of the subject resulting in land values ranging from \$3.78 to \$10.69 per square foot with current listings ranging from \$6.77 to \$10.25 per square foot. Many of the land sales in the area have been purchased for redevelopment as single-family detached and attached residential housing with properties along the main corridors purchased for assemblage or commercial use. Based upon the current cost for construction in the Pensacola area and the rents achievable in the neighborhood, assuming the property were vacant it is my opinion the only financially feasible use of the site would be to hold for future development with a mixed-use development having retail and residential uses.

Maximally Productive - The financially feasible use which results in the greatest return to the land is the one which is considered to be the highest and best use of the land. Based upon the location of the subject near the intersection of West Cervantes Street and Pace Boulevard and given the current construction climate, the most productive use of the site as vacant would be to hold for future development when development is financially feasible. This is the most productive use of the vacant land.

AS IMPROVED

The improvements to the site consist of eleven buildings containing approximately 11,774 square feet of building area with 30 motel rooms and an office/manager apartment. The improvements were originally constructed in 1932 being stucco over concrete block on concrete slabs and have been renovated over the years. The improvements reflect an effective age of approximately 40 years. The rooms are reportedly rented nightly for \$60 or weekly for \$300.

In determining the highest and best use as improved, the four test are leaving the improvements in the current condition, renovating the improvements, converting the improvements to an alternative use or razing the improvements for redevelopment. Given the current cost of construction, razing the improvements for redevelopment does not appear

HIGHEST AND BEST USE

feasible as the current value exceeds the depreciated cost value of the property and the cost to constructed new improvements would not attract an adequate return to support feasibility. Converting the property to an alternative use other than housing or lodging does not appear feasible given the current design and layout. This leaves the two uses of continued use as is or renovating the existing improvements. While some renovations can continue as the operation of the motel continues, given the current income to the property these renovations will maintain at a minimum. Considering this, it is my opinion that the highest and best use as improved is the continued use as an extended stay motel with renovations or repairs completed as needed.

Conclusion – Highest and Best Use

Probable Use: The highest and best use as improved is the renovation of the existing improvements for affordable housing.

Timing for use: Immediately

Probable Buyer/User: The probable buyer/investor would be an individual investor/owner.

EXPOSURE TIME

According to the *2020-2021 USPAP*, the definition of the term “exposure time” would be:

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

In other words, this is a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Based on the sales found within this report and conversations with local market participants, the subject’s exposure time is estimated to be 6-12 Months. This exposure time assumes the sale to have been handled by a knowledgeable real estate broker familiar with the subject real estate market.

⁷ USPAP 2020-2021 Edition. (The Appraisal Foundation, 2020-2021), pg. 4.

MARKETING TIME

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

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

Based on the sales found within this report, current listings and conversations with local market participants, the subject’s marketing time is estimated to be 6-12 Months. This marketing time assumes the sale to be handled by a knowledgeable real estate broker familiar with the subject real estate market. It also assumes aggressive real estate sales tactics and readily available contacts active in the subject real estate market. The subject’s marketing time is considered to be reflective of the exposure time as little change is expected in the market.

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

THE VALUATION PROCESS

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

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

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

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

These approaches do not make value. They are merely tools in the hands of the appraiser who must carefully weigh each value indication, give appropriate weight to the approach and reconcile into a final value conclusion. Given this is the valuation of an older motel property, only the sales comparison approach and income approach to value will be employed. Market participants would place little to no weight on the cost approach and the estimation of overall depreciation is questionable. The elimination of this approach has no affect on the value reported.

SALES COMPARISON APPROACH

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

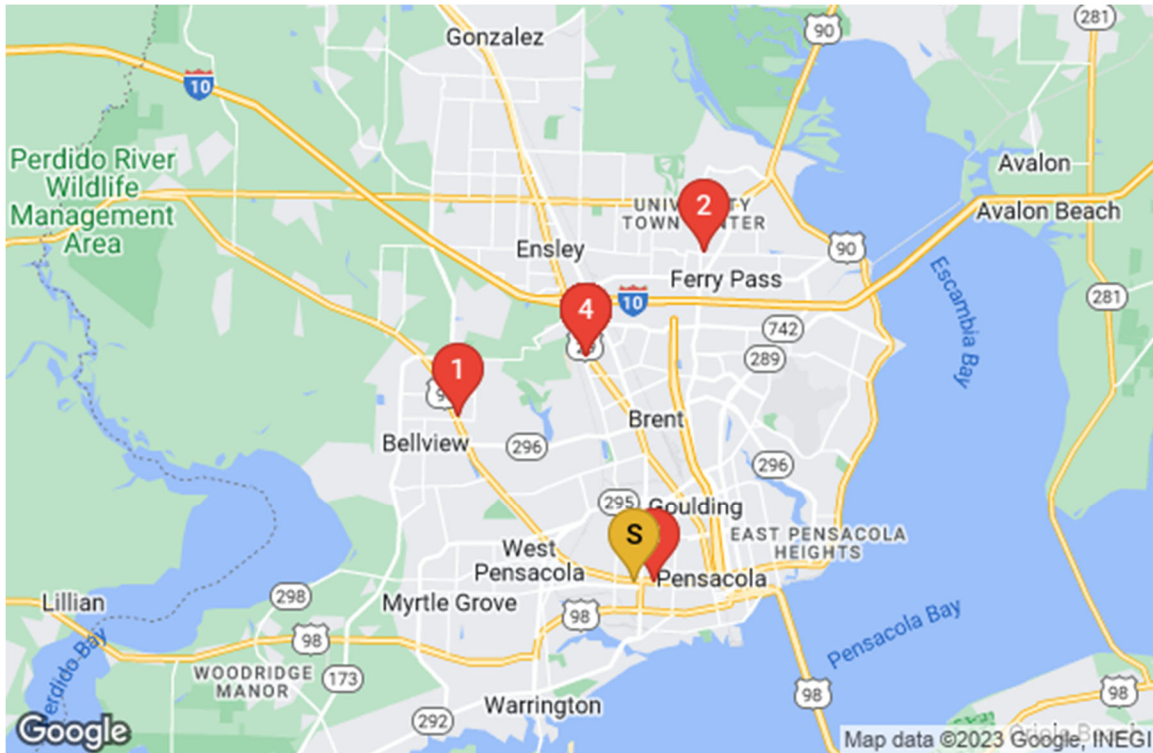
The market derived adjustments follow a specific, logical order so as not to skew the results. The adjustments listed in order include Property rights, financing, condition of sale, date of sale or market conditions, location and various physical adjustments which can be considered together. While an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

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

SALES COMPARISON APPROACH

COMPARABLE IMPROVED SALES

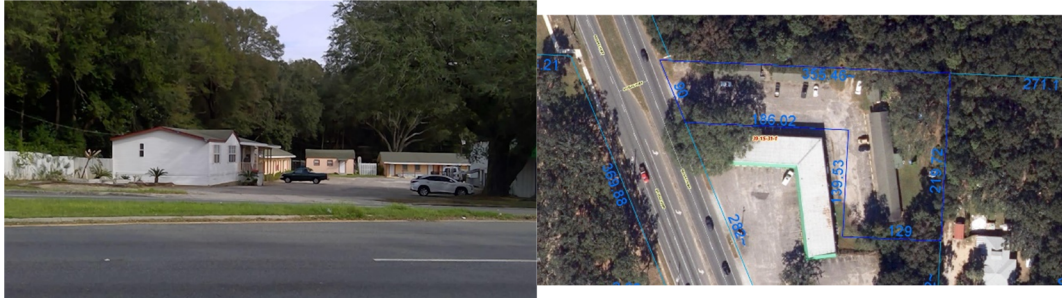
SALES COMPARISON APPROACH



Comp	Address City	Price Date	Price Per SF GBA	Year Built Construction	Net Operating Income Per
					SF Cap Rate
Subject	2305 West Cervantes Street Pensacola	-- 1/0/1900	-- 11,774	1932 Class C	\$8.94 12.0%
1	6400 Mobile Highway Pensacola	\$625,000 8/22/2022	\$131.41 4,756	1951 Concrete Block	\$0.00 0.0%
2	8500 University Parkway Pensacola	\$1,500,000 12/14/2021	\$122.97 12,198	1984 Brick over	\$11.18 9.1%
3	1700 W Cervantes Street Pensacola	\$725,000 8/8/2019	\$69.35 10,454	1940 Brick and	\$0.00 0.0%
4	6703 Pensacola Boulevard Pensacola	\$2,500,000 1/15/2019	\$103.61 24,128	2000 Concrete Block	\$0.00 0.0%

SALES COMPARISON APPROACH

Comparable 1



Transaction			
ID	8827	Date	8/22/2022
Name	American Inn	Price	\$625,000
Address	6400 Mobile Highway	Price Per SF	\$131.41
Location	NA	Grantor	Magan and Daksha Patel
City	Pensacola	Grantee	Anchor Inn Cervantes,
State	FL	Book/Page or Reference	8845/906
Zip	32526	Days on Market	Unknown
Property Major Type	Lodging & Hospitality	Conditions of Sale	Arm's Length
Tax ID	04-2S-30-6001-031-024	Property Rights	Fee Simple
Site & Improvements			
Acres	1.1	GBA	4,756
Land SF	47,062	Total Assessment	NA
Land to Building Ratio	9.90	Year Built	1951
Road Frontage	NA	Effective Age	30
Flood Zone	X	Improvement Assessment	NA
Land Value	NA	Verification	Rodger Lowery, MAI confirmed this sale with Kevin Gallagher, buyer representative
Improvements & Financial Data			
TOS Occupancy		PGI	NA
TOS Vacancy		EGI	NA
Financing	Cash to Seller	Total Expenses	NA
Occupancy	NA	NOI	NA
Vacancy	NA	Cap Rate	NA
Net Operating Income	NA	EGIM	NA
Comments			

This is the purchase of an older 17 unit motel located along Mobile Highway, just south of the Pensacola Interstate Fairgrounds. The three buildings contain a total of 4,756 SF and with the two older motel buildings constructed in 1951 and the office/manager apartment constructed in 1991. No income or expense information was provided and the improvements were indicated to be in average condition. The room rates are reported to be \$65 per night. The motel buildings are stucco over concrete block on concrete slab with composite shingle roofing. Based upon exterior pictures, it appears the improvements have been renovated in recent years.

SALES COMPARISON APPROACH

Comparable 2



Transaction			
ID	8826	Date	12/14/2021
Name	Civic Inn - Pensacola	Price	\$1,500,000
Address	8500 University Parkway	Price Per SF	\$122.97
Location	NA	Grantor	Chi Chan Lin Revocable
City	Pensacola	Grantee	Civic Inn 8500, LLC
State	FL	Book/Page or Reference	8684/1121
Zip	32514	Days on Market	Unknown
Property Major Type	Lodging & Hospitality	Conditions of Sale	Arm's Length
Tax ID	14-1S-30-6206-000-001	Property Rights	Fee Simple
Site & Improvements			
Acres	2.1	GBA	12,198
Land SF	90,605	Total Assessment	NA
Land to Building Ratio	7.43	Year Built	1984
Road Frontage	NA	Effective Age	20
Flood Zone	X	Improvement Assessment	NA
Land Value	NA	Verification	Rodger Lowery, MAI confirmed this sale with David Wu, listing agent.
Improvements & Financial Data			
TOS Occupancy		PGI	\$305,026
TOS Vacancy		EGI	\$305,026
Financing	Cash to Seller	Total Expenses	\$168,630
Occupancy	NA	NOI	\$136,396
Vacancy	NA	Cap Rate	9.09%
Net Operating Income	\$11.18	EGIM	4.92
Comments			

This is the sale of a 30 room hotel located across Johnson Avenue from West Florida Hospital and along University Parkway. The property is improved with two, two-story garden style motel buildings containing a total heated and cooled area of approximately 11,697 square feet and a separate laundry building containing 501 square feet. There are a total of 28 guest rooms and one room for the manager/owner of the property. All of the guest rooms are efficiency units that include a kitchenette, full bathroom, and a living/sleeping area. The subject property is zoned "COM", Commercial, which allows for a variety of commercial uses. The property sold between friends with no realtor involved for \$1,500,000 on December 13, 2021.

SALES COMPARISON APPROACH

Comparable 3



Transaction			
ID	8825	Date	8/8/2019
Name	Budget Inn - Pensacola	Price	\$725,000
Address	1700 W Cervantes Street	Price Per SF	\$69.35
Location	NA	Grantor	Nagar Patel and Parul
City	Pensacola	Grantee	Anchor Inn Cervantes,
State	FL	Book/Page or Reference	8145/1515
Zip	32501	Days on Market	Unknown
Property Major Type	Lodging & Hospitality	Conditions of Sale	Arm's Length
Tax ID	00-0S-00-9060-001-106	Property Rights	Fee Simple
Site & Improvements			
Acres	1.1	GBA	10,454
Land SF	46,343	Total Assessment	NA
Land to Building Ratio	4.43	Year Built	1940
Road Frontage	NA	Effective Age	40
Flood Zone	X	Improvement Assessment	NA
Land Value	NA	Verification	Rodger Lowery, MAI confirmed information with Paul Machado, listing agent
Improvements & Financial Data			
TOS Occupancy		PGI	NA
TOS Vacancy		EGI	NA
Financing	Cash to Seller	Total Expenses	NA
Occupancy	NA	NOI	NA
Vacancy	NA	Cap Rate	NA
Net Operating Income	NA	EGIM	NA
Comments			

This is the purchase of a 26 room motel located along the north side of West Cervantes Street between North K and L Street. The improvements were originally constructed in 1940 and renovated over the years. Each unit has a bedroom and bathroom. The property also includes a large two-bedroom managers apartment with an office/lobby. The parcel contains approximately 300 feet of frontage along the north side of Cervantes Street with 155 feet along each of the two side streets and just east of the Pace Boulevard intersection. The property contains approximately 46,344 square feet and is zoned C-3, Wholesale and Light Industry district. The property had been listed for sale at \$765,000 with the listing being withdrawn June 10, 2016. The listing agent indicated he could not get income and expense information from the owner/seller. The property sold in August 2019 for \$725,000.

SALES COMPARISON APPROACH

Comparable 4



Transaction

ID	6030	Date	1/15/2019
Name	Luxury Suites	Price	\$2,500,000
Address	6703 Pensacola Boulevard	Price Per SF	\$103.61
Location	NA	Grantor	Shelley Park, LLC
City	Pensacola	Grantee	6703 Pensacola, LLC
State	FL	Book/Page or Reference	8031/1522
Zip	32505	Days on Market	Unknown
Property Major Type	Lodging & Hospitality	Conditions of Sale	Arm's Length
Tax ID	39-1S-30-1104-000-002	Property Rights	Fee Simple

Site & Improvements

Acres	2.3	GBA	24,128
Land SF	99,774	Total Assessment	NA
Land to Building Ratio	4.14	Year Built	2000
Road Frontage	NA	Effective Age	17
Flood Zone	X	Improvement Assessment	NA
Land Value	NA	Verification	Rodger Lowery, MAI confirmed with Cheryl Scott, appraiser for the transaction.

Improvements & Financial Data

TOS Occupancy		PGI	NA
TOS Vacancy		EGI	NA
Financing	Conventional	Total Expenses	NA
Occupancy	NA	NOI	NA
Vacancy	NA	Cap Rate	NA
Net Operating Income	NA	EGIM	NA

Comments

This is the purchase of a 50 room motel located along Pensacola Boulevard known as Luxury Suites. The hotel was constructed in 2000 on a 2.2905-acre site and appears to be in average condition. The limited service lodging facility features interior corridors, a business center, a meeting room, an outdoor swimming pool and a fitness center. No income or expenses information was provided.

SALES COMPARISON APPROACH

COMPARATIVE ANALYSIS

Analysis Grid	Subject	Comp 1	Comp 2	Comp 3	Comp 4				
Name	Pensacola Motor Lodge	American Inn	Civic Inn - Pensacola	Budget Inn -	Luxury Suites				
Address	2305 West Cervantes	6400 Mobile Highway	8500 University Parkway	1700 W Cervantes	6703 Pensacola Boulevard				
City	Pensacola	Pensacola	Pensacola	Pensacola	Pensacola				
State	FL	FL	FL	FL	FL				
Date	4/21/2023	8/22/2022	12/14/2021	8/8/2019	1/15/2019				
Price	--	\$625,000	\$1,500,000	\$725,000	\$2,500,000				
No. of Units	30	16	28	26	50				
Price per Unit	\$0	\$39,063	\$53,571	\$27,885	\$50,000				
Price per RA	9,924	\$178.16	\$122.97	\$69.35	\$103.61				
Transaction Adjustments									
Property Rights	0	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Cash or Equiv.	Cash to Seller	0.0%	Cash to Seller	0.0%	Cash to Seller	0.0%	Conventional	0.0%
Conditions of Sale	Arm's Length	Arm's Length	0.0%	Arm's Length	-5.0%	Arm's Length	0.0%	Arm's Length	0.0%
Adjusted Price per Unit		\$39,063	\$50,893	\$27,885	\$50,000				
Market Trends Through	4/21/2023	0.0%	0.0%	0.0%	0.0%				
Adjusted Price per Unit		\$39,063	\$50,893	\$27,885	\$50,000				
Location	0	Superior	Superior	Similar	Superior				
% Adjustment		-15%	-20%	0%	-10%				
\$ Adjustment		-\$5,859	-\$10,179	\$0	-\$5,000				
Condition	Fair	Average	Average	Fair	Average				
% Adjustment		-15%	-15%	0%	-15%				
\$ Adjustment		-\$5,859	-\$7,634	\$0	-\$7,500				
Year Built	1932	1951	1984	1940	2000				
% Adjustment		0%	-10%	0%	-20%				
\$ Adjustment		\$0	-\$5,089	\$0	-\$10,000				
Rentable Area	9,924	3,508	12,198	10,454	24,128				
% Adjustment		0%	0%	0%	0%				
\$ Adjustment		\$0	\$0	\$0	\$0				
Unit SF	331 SF	219 SF	436 SF	402 SF	483 SF				
% Adjustment		0%	0%	0%	0%				
\$ Adjustment		\$0	\$0	\$0	\$0				
Adjusted Price per Unit		\$27,344	\$27,991	\$27,885	\$27,500				
Net Adjustments		-30.0%	-45.0%	0.0%	-45.0%				
Gross Adjustments		30.0%	45.0%	0.0%	45.0%				

SALES COMPARISON APPROACH

The improvements to the site consist of eleven buildings containing approximately 11,774 square feet of building area with 30 motel rooms and an office/manager apartment. The improvements were originally constructed in 1932 being stucco over concrete block on concrete slabs and have been renovated over the years. The improvements reflect an effective age of approximately 40 years. The rooms are reportedly rented nightly for \$60 or weekly for \$300.

Given the subject is an older motel property, I searched the Pensacola area for similar properties resulting in the previous four sales. These types of properties are typically purchased by investors and the purchases are based upon the price per room or unit, which can be compared to the subject's improvements. The four sales occurred between January 2019 and August 2022 reflecting overall prices ranging from \$625,000 to \$2,500,000 or \$27,885 to \$53,571 per room. With the properties compared on a "value per room" basis, the adjustments considered follow.

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

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

CONDITIONS OF SALE - All of the sales were arms-length transactions requiring no conditions of sale adjustments. Sale two included approximately one acre of surplus land available for the development of additional units. The site was previously marketed separately but was included in the purchase. Given the additional land, I apply a downward conditions of sale adjustment of 5% to sale two.

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

MARKET CONDITIONS ADJUSTMENT – The sale dates ranged from January 2019 to August 2022. Although the market conditions took somewhat of a hit in early 2020, they have stabilized, and prices are continuing to increase for most commercial properties. However, for older motels similar to the subject and the four comps, the income has not changed much, if any, and no market conditions adjustment is applied.

SALES COMPARISON APPROACH

LOCATION & PHYSICAL CHARACTERISTIC CONSIDERATIONS – The comparable sales are located in Pensacola with sales one, two and four in superior locations, three comps being superior for condition and two requiring age adjustments. These adjustments are discussed as follows.

LOCATION ADJUSTMENT – The subject is located along West Cervantes Street in the Brownsville area of Pensacola and approximately five blocks west of comp three. Comp one is located along Mobile Highway near the Pensacola Interstate Fairgrounds with comp two located along University Parkway across from West Florida Hospital and in close proximity to UWF and comp four is located along Pensacola Boulevard, just south of Interstate 10. All three of these comps are superior for location with comp two being the better location. Based upon a comparison of the locations of comps one, two and four to the subject and comp three, I apply a downward adjustment of 15% to comp one, 20% to comp two and 10% to comp four for the superior locations.

CONDITION ADJUSTMENT – The subject property is considered to be in fair condition being most similar to comp three. Comps one, two and four are considered to be in average condition requiring a downward adjustment. Based upon a comparison of comps one, two and four to the subject and comp three, I apply a downward condition adjustment of 15% to comps one, two and four for superior condition.

AGE ADJUSTMENT – The subject improvements were originally constructed in 1932 and renovated over the years. The age and effective age are similar to comps one and three constructed in 1951 and 1940. Comp two was constructed in 1984 and comp four was constructed in 2000, both being superior for age as compared to the subject and comps one and three. Using a comparison of comps two and four to the subject and comps one and three, I apply a downward effective age adjustment of 10% to comp two and 20% to comp four.

SIZE ADJUSTMENT – The subject improvements contain a total of 9,924 square feet of rentable area with 30 rentable units with an average of 331 SF per unit. This is bracketed by the four comps which range from 3,508 SF to 24,128 SF and 16 to 50 units with an average unit range from 219 SF to 483 SF. Once the prior adjustments are applied, there does not appear to be a supported size adjustment for the four comps, and none is applied.

Once the previous adjustments have been applied, no other adjustments appear warranted. These adjustments are shown in the previous adjustment grid.

SALES COMPARISON APPROACH

Reconciliation – The four comparable sales adjust to a range from \$27,344 to \$27,991 per No. of Units averaging \$27,680/Unit. With about equal weight to each adjusted sale, I reconcile at a value via the sales comparison approach of \$27,900/Unit. Applying this to the subjects 30 rentable units indicates a current market value of \$837,000, rounded to \$835,000 as of April 21, 2023.

Value Ranges & Reconciled Value				
Number of Comps :	4	Unadjusted	Adjusted	% Δ
Low:		\$27,885	\$27,344	-2%
High:		\$53,571	\$27,991	-48%
Average:		\$42,630	\$27,680	-35%
Median:		\$0	\$27,692	0%
Reconciled Value/Unit Value:			\$27,900	
Subject Size:			30	
Indicated Value:			\$837,000	
Reconciled Final Value:			\$835,000	
Eight Hundred Thirty Five Thousand Dollars				

INDICATED MARKET VALUE, SALES COMPARISON APPROACH

\$835,000

INCOME APPROACH

The income approach utilizes the principle of anticipation, which states the value is the present worth of all expected future benefits accruing to ownership. These future benefits are generally in the form of income streams.

There are several basic steps involved in this approach. First, the gross market rent for the property is estimated through a comparison of other similar property leases. Next, an allowance for vacancy and collection losses is deducted resulting in the effective gross rent (E.G.R.). From the E.G.R. is deducted fixed expenses such as taxes and insurance, along with variable expenses such as management, maintenance and reserves for replacement of short-lived items such as the roof and floor coverings (when necessary). The resulting figure is the net operating income (N.O.I.). The N.O.I. is then converted into a present dollar estimate, which is the property's market value estimate. Converting the N.O.I. into a present dollar estimate is called capitalization.

Capitalization techniques include the direct capitalization analysis and the discounted cash flow analysis. The direct capitalization analysis is typically used on single tenant properties, which have very little change in income and expense ratios. This analysis assumes the income stream extends into perpetuity. The discounted cash flow analysis is typically used on more dynamic, multi-tenant properties, which have continually changing incomes and expenses. This analysis assumes the property will be held for a specific time period and then sold at the end of the holding period. The property value is based on the net income streams over the holding period, discounted to the present through the use of a present value factor plus the present value of the net reversion or sale of the property at the end of the holding period. The comparable rents and analysis used in this approach follow:

The improvements to the site consist of eleven buildings containing approximately 11,774 square feet of building area with 30 motel rooms and an office/manager apartment. The improvements were originally constructed in 1932 being stucco over concrete block on concrete slabs and have been renovated over the years. The improvements reflect an effective age of approximately 40 years. The rooms are reportedly rented nightly for \$60 or weekly for \$300.

As previously discussed, I was not provided with any income and expense information regarding the subject with the exception being the units rent for \$60 per night or \$300 per week.

INCOME APPROACH

Based upon my research of other similar motels such as the Budget Inn on Cervantes Street, the American Inn on Mobile Highway and Civic Inn on University Parkway, these older motels are typically leased on a weekly basis with some units rented nightly. When contacted, the Budget Inn had one room available, and it was considered their larger room with a bedroom, bathroom and kitchenette area for \$425 per week. The American Inn has a standard weekly rental rate of \$425 per room with the advertised nightly rate of \$98 per night. The Civic Inn indicated a weekly rental of \$384 inclusive of tax or \$355 per week. All three comps require a standard \$100 deposit.

In comparison with the subject property, the three comps are the best available for rental comparison purposes. The Budget Inn unit was a larger suite and would demand a higher price but has not been rented indicating resistance from the market. Both the American Inn and Civic Inn are in better condition and are better locations. Based upon a comparison of the subject units to the three comps, I estimate the average weekly rental at \$300 per week. Applying this to the subject's 30 units indicates a weekly potential gross income of \$9,000. Applied to 52 weeks indicates an annual Potential Gross Income of \$468,000.

Vacancy and Collection Losses

Vacancy and Collection Loss Allowance – Typically, motel and hotel properties will reflect vacancies ranging from 30% to 50%. The manager indicated the subject stays close to 80% occupied, however during my inspection of the property numerous units were vacant. The Budget Inn indicated they only had one unit available for weekly rental, however this appears as an anomaly compared to the other motels in the area. Based upon my inspection of the property and my knowledge of the typical hospitality vacancy rates, I estimate the annual vacancy allowance at 50%. Considering this, I apply a vacancy allowance of 50% to the subject's potential gross income or \$234,000 annually. Subtracting this from the potential gross income of \$468,000 indicates an effective gross income of \$234,000.

Expenses

Expenses for motels include fixed expenses such as property taxes, property insurance and maintenance and variable expenses such as housekeeping and utilities. Again, I was not provided with any expense information and the expenses will be estimated based upon a

INCOME APPROACH

comparison with other properties. The only comparable that I was able to obtain income and expense information was comp two, Civic Inn. This comp reflected expenses totaling 55% of the effective gross income. This is very much in line with the typical expenses for motels and hotels typically ranging from 45% to 60%. Considering this, I estimate the annual expenses for the subject at 55% of the effective gross income or \$128,700. Subtracting these expenses from the effective gross income of \$234,000 indicates a net operating income of \$105,300 annually.

A summary of the subject's income and expenses is noted in the following summary chart.

SUMMARY OF OPERATING STATEMENT

Income Capitalization Analysis					
Unit/Space Type	Income	Method	Units/SF	Annual	% of PGI
Subject	\$300.00	\$/Week	30	\$468,000	100.0%
		Total Rental Income:		\$468,000	100.0%
		Other Income:		\$0	0.0%
		Potential Gross Income:		\$468,000	100%
		Vacancy & Collection Loss:		\$234,000	50.00%
		Effective Gross Income (EGI):		\$234,000	50.0%
Expense	Amount	Method	Annual	\$/SF	
		Total Expenses:	\$128,700	\$10.93	
		Expense Ratio (Expenses/EGI):	55.00%		
		Net Operating Income (NOI):	\$105,300	\$8.94	
		Capitalization Rate:	12.00%		
		Value (NOI/Cap Rate):	\$877,500	\$74.53	
		Rounded:	\$875,000	\$74.32	

CAPITALIZATION ANALYSIS

Market Extraction Method – Of the comparable sales noted in the Sales Comparison Approach, only comp two reflected an overall rate at 9.9% with this comp being superior for location, condition and age. Of the 19 comps I have in our database that have sold since January 2019, the comps reflect a range from 7.5% to 10.84%. Given the subject's location, condition and age, I estimate an overall rate higher than the range or 12% for the subject due to the risk involved in ownership. Applying this to the subject's net operating income of \$105,300 indicates a value via the income approach of \$877,500, rounded to \$875,000.

INCOME APPROACH

CURRENT FEE SIMPLE VALUE INDICATION – APRIL 21, 2023

INCOME APPROACH

\$875,000

RECONCILIATION OF APPROACHES

RECONCILIATION OF APPROACHES

The valuation approaches reveal the following values:

Summary of Values	
Value Premise	As Is
	4/21/2023
Sales	\$835,000
Income Capitalization	\$875,000
Value Conclusion:	\$855,000

If the appraiser had available sufficient factual data and correctly made the analysis, all approaches to value would be the same. This is seldom the case with the necessity for reconciliation of value. The two approaches utilized in the valuation indicated a value range from \$835,000 via the sales comparison approach and \$875,000 via the income approach. As previously discussed, in addition to the sales comparison and income approaches to value I searched for recent land sales in the vicinity of the subject to determine the value of the land as vacant. Based upon the sales researched, I estimate the vacant land value between \$7 and \$8 per square foot or \$474,600 to \$542,400 or approximately \$510,000. Assuming a cost new of \$112/SF for the improvements based upon Marshall Valuation Service cost for Fair quality, Class C Motel, the cost new would be approximately \$1,318,688. With an effective age of 40 years based upon an economic life of 50 years, the overall depreciation is estimated to be 80% or \$1,054,950. Subtracting this from the cost new indicates a depreciated cost new of \$263,738. Adding this to the land value of \$510,000 would indicate a value via the cost approach of \$773,738 or approximately \$775,000. Based upon this analysis, the improvements contribute value over and above the depreciated cost value indicating value with the continued use. With about equal weight to the sales comparison and income approaches, I reconcile a value as of April 21, 2023 at \$855,000.

FINAL AS-IS MARKET VALUE OPINION

EIGHT HUNDRED FIFTY FIVE THOUSAND DOLLARS

\$855,000

(April 21, 2023)

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RECONCILIATION OF APPROACHES

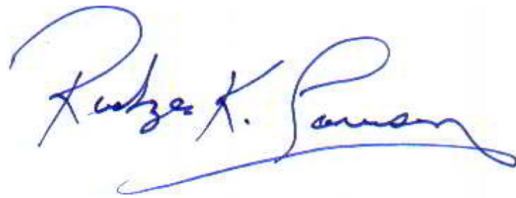
PART THREE: CERTIFICATIONS AND ADDENDA

CERTIFICATION

CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I am informing the client that I have performed no other services regarding the subject property within the past three years prior to the engagement of these services.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
- As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute.
- My analysis, opinions and conclusions were developed, and the report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The subject of this appraisal report is identified as the existing Pensacola Motor Lodge located at 2305 West Cervantes Street in Pensacola, FL. The estimated current market value of the fee simple estate as of the last date of inspection, April 21, 2023, was \$855,000.



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

ASSUMPTIONS AND LIMITING CONDITIONS

1. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
2. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
3. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
9. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
10. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
12. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
13. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
14. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
15. The distribution, if any, of the total valuation in this report between land and improvements applies

EXTRAORDINARY ASSUMPTION:

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

16. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
17. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

Extraordinary Assumption:

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

1. This appraisal is based upon the extraordinary assumption that there are no structural deficiencies, roof leaks, etc. that may adversely affect value. I inspected numerous units as noted in the photographs and this appraisal is based upon the assumption that all units are in similar condition.
2. It is an extraordinary assumption of this report that there are no long-term leases in place for the property. No income and expense information was provided by the owner with the exception being the daily rent of \$60 per unit or weekly rental of \$300 per unit. The owner's representative indicated most units are rented weekly.
3. It is an extraordinary assumption of this report that the calculations for building square footages on the Escambia County Property Appraiser's website are correct. I was unable to measure the improvements and an as-built survey was not provided.,

Hypothetical Conditions:

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

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

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

POLICY STATEMENT OF THE APPRAISAL INSTITUTE

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

QUALIFICATIONS AS AN APPRAISER

RODGER K. LOWERY, MAI

EDUCATION

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

Core Courses - Real Estate Major

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

Appraisal Institute Courses:

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

Appraisal Institute Seminars

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

APPRAISAL EXPERIENCE

5/97 - Present

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

QUALIFICATIONS AS AN APPRAISER

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

Expert Witness Experience

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

Specialty Projects

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

QUALIFICATIONS AS AN APPRAISER

PROFESSIONAL LICENSES/AFFILIATIONS

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

CLIENTS

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

ADDENDUM

ADDENDUM



Ron DeSantis, Governor

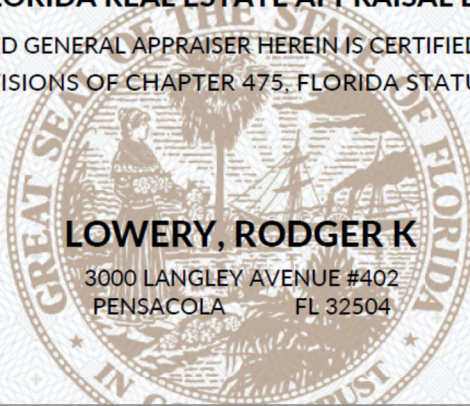
Melanie S. Griffin, Secretary



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

FLORIDA REAL ESTATE APPRAISAL BD

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



LOWERY, RODGER K

3000 LANGLEY AVENUE #402
PENSACOLA FL 32504

LICENSE NUMBER: RZ1922

EXPIRATION DATE: NOVEMBER 30, 2024

Always verify licenses online at MyFloridaLicense.com



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



Chris Jones Escambia County Property Appraiser

[Real Estate Search](#)

[Tangible Property Search](#)

[Sale List](#)

[Back](#)

◀ Nav. Mode Account Parcel ID ▶

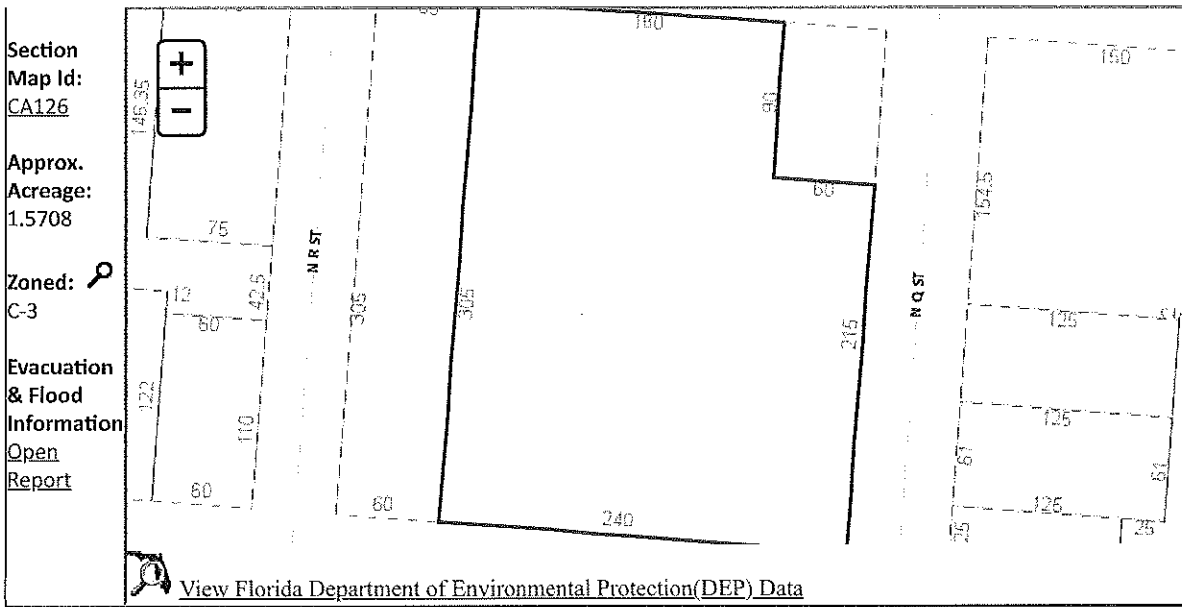
[Printer Friendly Version](#)

General Information Parcel ID: 000S009060010173 Account: 151500000 Owners: JAI HANUMAN MOTEL INC Mail: 2305 W CERVANTES ST PENSACOLA, FL 32505 Situs: 2305 W CERVANTES ST 32505 Use Code: HOTEL/MOTEL Units: 32 Taxing Authority: PENSACOLA CITY LIMITS Tax Inquiry: Open Tax Inquiry Window Tax Inquiry link courtesy of Scott Lunsford Escambia County Tax Collector	Assessments <table border="1"> <thead> <tr> <th>Year</th> <th>Land</th> <th>Imprv</th> <th>Total</th> <th>Cap Val</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>\$111,870</td> <td>\$234,304</td> <td>\$346,174</td> <td>\$346,174</td> </tr> <tr> <td>2021</td> <td>\$111,870</td> <td>\$215,844</td> <td>\$327,714</td> <td>\$327,714</td> </tr> <tr> <td>2020</td> <td>\$111,870</td> <td>\$212,666</td> <td>\$324,536</td> <td>\$324,536</td> </tr> </tbody> </table> <p style="text-align: center;">Disclaimer</p> <p style="text-align: center;">Tax Estimator</p> <p style="text-align: center;"> Enter Income & Expense Survey Download Income & Expense Survey </p>	Year	Land	Imprv	Total	Cap Val	2022	\$111,870	\$234,304	\$346,174	\$346,174	2021	\$111,870	\$215,844	\$327,714	\$327,714	2020	\$111,870	\$212,666	\$324,536	\$324,536
Year	Land	Imprv	Total	Cap Val																	
2022	\$111,870	\$234,304	\$346,174	\$346,174																	
2021	\$111,870	\$215,844	\$327,714	\$327,714																	
2020	\$111,870	\$212,666	\$324,536	\$324,536																	

Sales Data						Official Records (New Window)
Sale Date	Book	Page	Value	Type		
08/2005	5709	323	\$100	WD		
08/1997	4164	1877	\$290,000	WD		
03/1983	1745	826	\$285,000	WD		
01/1978	1212	355	\$140,000	WD		
Official Records Inquiry courtesy of Pam Childers Escambia County Clerk of the Circuit Court and Comptroller						

2022 Certified Roll Exemptions None
Legal Description ALL BLK LESS W 60 FT AND LESS E 60 FT OF N 90 FT BLK 173 WEST KING TRACT OR 5709 P 323 CA 126
Extra Features ASPHALT PAVEMENT CANOPY CHAINLINK FENCE CONCRETE WALKS UTILITY BLDG

Parcel Information [Launch Interactive Map](#)

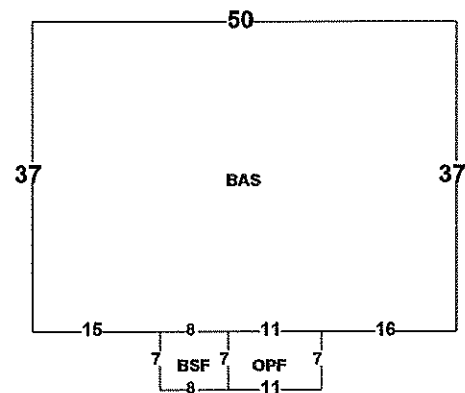
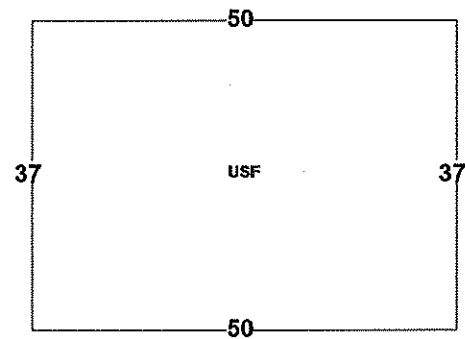


Buildings

Address: 2305 W CERVANTES ST, Year Built: 1932, Effective Year: 1965, PA Building ID#: 25441

Structural Elements

DECOR/MILLWORK-BELOW AVERAGE
 DWELLING UNITS-6
 EXTERIOR WALL-STUCCO OV BLOCK
 FLOOR COVER-CARPET
 FOUNDATION-SLAB ON GRADE
 HEAT/AIR-UNIT HEATERS
 INTERIOR WALL-PLASTER DIRECT
 NO. PLUMBING FIXTURES-18
 NO. STORIES-2
 ROOF COVER-DIMEN/ARCH SHNG
 ROOF FRAMING-GABLE-HI PITCH
 STORY HEIGHT-8
 STRUCTURAL FRAME-MASONRY PIL/STL



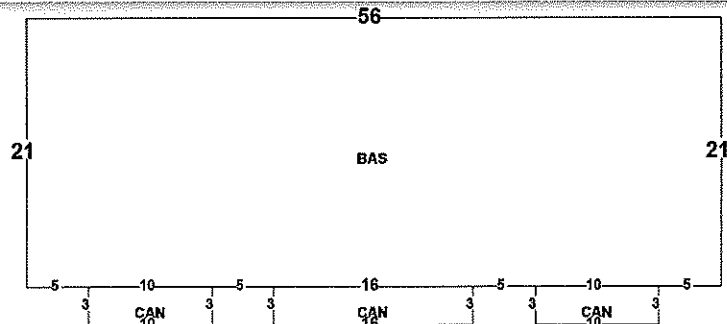
Areas - 3833 Total SF

BASE AREA - 1850
 BASE SEMI FIN - 56
 OPEN PORCH FIN - 77
 UPPER STORY FIN - 1850

Year Built: 1932, Effective Year: 1965, PA Building ID#: 25442

Structural Elements

DECOR/MILLWORK-BELOW AVERAGE
 DWELLING UNITS-4
 EXTERIOR WALL-STUCCO OV BLOCK
 FLOOR COVER-CARPET
 FOUNDATION-SLAB ON GRADE
 HEAT/AIR-UNIT HEATERS
 INTERIOR WALL-PLASTER DIRECT
 NO. PLUMBING FIXTURES-12
 NO. STORIES-1
 ROOF COVER-DIMEN/ARCH SHNG
 ROOF FRAMING-GABLE-HI PITCH



STORY HEIGHT-8
STRUCTURAL FRAME-MASONRY PIL/STL

Areas - 1284 Total SF

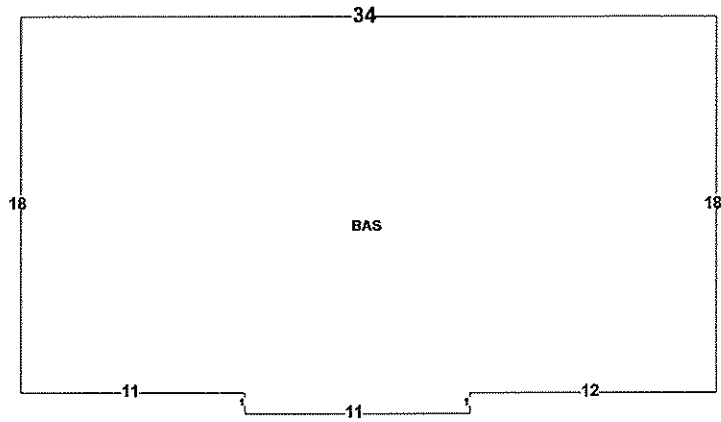
BASE AREA - 1176

CANOPY - 108

Year Built: 1932, Effective Year: 1965, PA Building ID#: 25443

Structural Elements

DECOR/MILLWORK-BELOW AVERAGE
DWELLING UNITS-2
EXTERIOR WALL-STUCCO OV BLOCK
FLOOR COVER-CARPET
FOUNDATION-SLAB ON GRADE
HEAT/AIR-UNIT HEATERS
INTERIOR WALL-PLASTER DIRECT
NO. PLUMBING FIXTURES-6
NO. STORIES-1
ROOF COVER-DIMEN/ARCH SHNG
ROOF FRAMING-GABLE-HI PITCH
STORY HEIGHT-8
STRUCTURAL FRAME-MASONRY PIL/STL



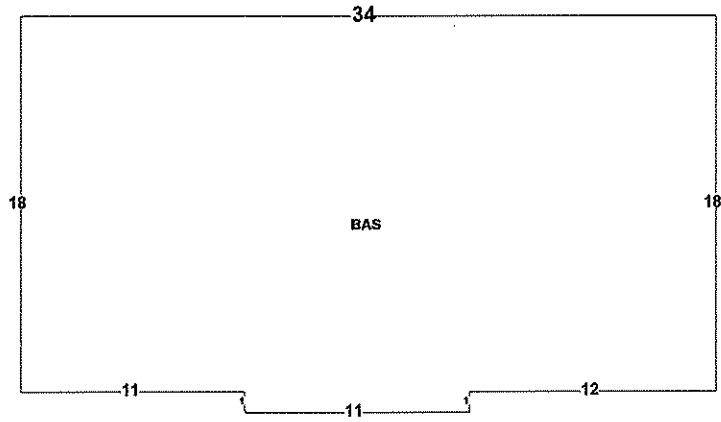
Areas - 623 Total SF

BASE AREA - 623

Year Built: 1932, Effective Year: 1965, PA Building ID#: 25444

Structural Elements

DECOR/MILLWORK-BELOW AVERAGE
DWELLING UNITS-2
EXTERIOR WALL-STUCCO OV BLOCK
FLOOR COVER-CARPET
FOUNDATION-SLAB ON GRADE
HEAT/AIR-UNIT HEATERS
INTERIOR WALL-PLASTER DIRECT
NO. PLUMBING FIXTURES-6
NO. STORIES-1
ROOF COVER-DIMEN/ARCH SHNG
ROOF FRAMING-GABLE-HI PITCH
STORY HEIGHT-8
STRUCTURAL FRAME-MASONRY PIL/STL



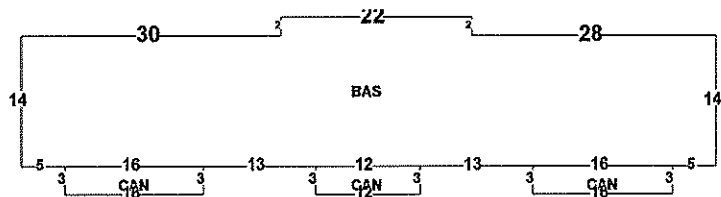
Areas - 623 Total SF

BASE AREA - 623

Year Built: 1932, Effective Year: 1965, PA Building ID#: 25445

Structural Elements

DECOR/MILLWORK-BELOW AVERAGE
DWELLING UNITS-5
EXTERIOR WALL-STUCCO OV BLOCK
FLOOR COVER-CARPET
FOUNDATION-SLAB ON GRADE
HEAT/AIR-UNIT HEATERS
INTERIOR WALL-PLASTER DIRECT
NO. PLUMBING FIXTURES-15
NO. STORIES-1
ROOF COVER-DIMEN/ARCH SHNG
ROOF FRAMING-GABLE-HI PITCH
STORY HEIGHT-8
STRUCTURAL FRAME-MASONRY PIL/STL



Areas - 1296 Total SF

BASE AREA - 1164

CANOPY - 132

Year Built: 1932, Effective Year: 1965, PA Building ID#: 25446

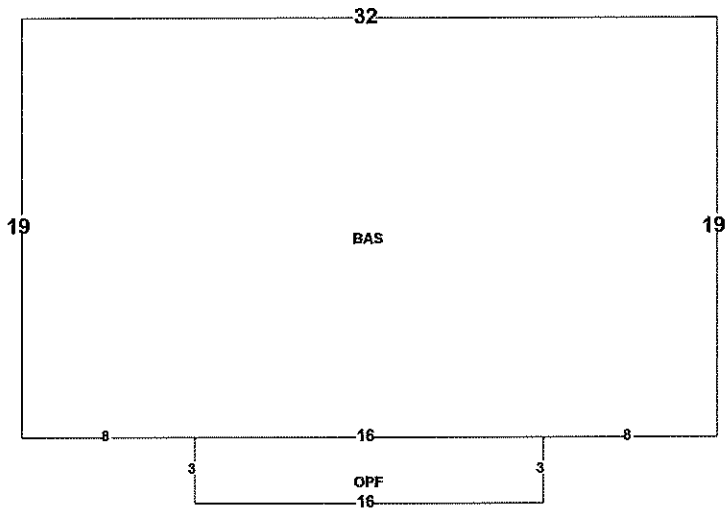
Structural Elements

DECOR/MILLWORK-BELOW AVERAGE
 DWELLING UNITS-2
 EXTERIOR WALL-STUCCO OV BLOCK
 FLOOR COVER-CARPET
 FOUNDATION-SLAB ON GRADE
 HEAT/AIR-UNIT HEATERS
 INTERIOR WALL-PLASTER DIRECT
 NO. PLUMBING FIXTURES-6
 NO. STORIES-1
 ROOF COVER-DIMEN/ARCH SHNG
 ROOF FRAMING-GABLE-HI PITCH
 STORY HEIGHT-8
 STRUCTURAL FRAME-MASONRY PIL/STL

Areas - 656 Total SF

BASE AREA - 608
 OPEN PORCH FIN - 48

Year Built: 1932, Effective Year: 1965, PA Building ID#: 25447



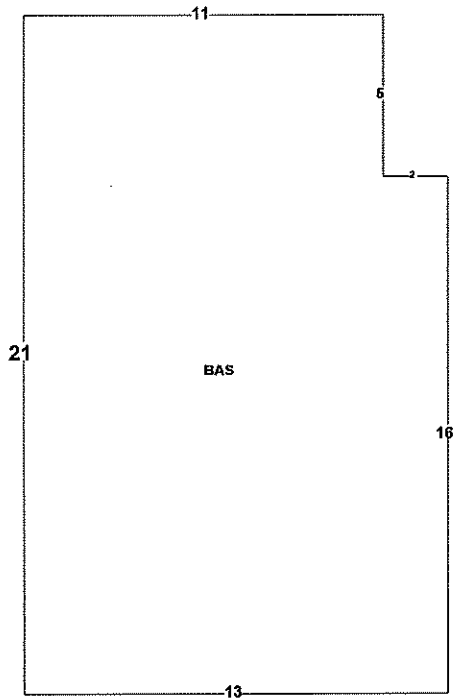
Structural Elements

DECOR/MILLWORK-BELOW AVERAGE
 DWELLING UNITS-1
 EXTERIOR WALL-STUCCO OV BLOCK
 FLOOR COVER-CARPET
 FOUNDATION-SLAB ON GRADE
 HEAT/AIR-UNIT HEATERS
 INTERIOR WALL-PLASTER DIRECT
 NO. PLUMBING FIXTURES-3
 NO. STORIES-1
 ROOF COVER-DIMEN/ARCH SHNG
 ROOF FRAMING-GABLE-HI PITCH
 STORY HEIGHT-8
 STRUCTURAL FRAME-MASONRY PIL/STL

Areas - 263 Total SF

BASE AREA - 263

Year Built: 1932, Effective Year: 1965, PA Building ID#: 25448



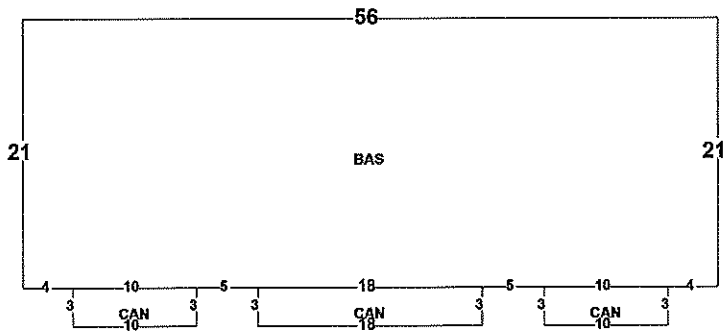
Structural Elements

DECOR/MILLWORK-BELOW AVERAGE
 DWELLING UNITS-4
 EXTERIOR WALL-STUCCO OV BLOCK
 FLOOR COVER-CARPET
 FOUNDATION-SLAB ON GRADE
 HEAT/AIR-UNIT HEATERS
 INTERIOR WALL-PLASTER DIRECT
 NO. PLUMBING FIXTURES-12
 NO. STORIES-1
 ROOF COVER-DIMEN/ARCH SHNG
 ROOF FRAMING-GABLE-HI PITCH
 STORY HEIGHT-8
 STRUCTURAL FRAME-MASONRY PIL/STL

Areas - 1290 Total SF

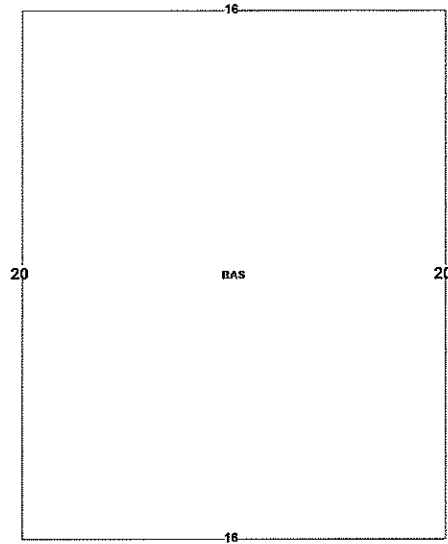
BASE AREA - 1176
 CANOPY - 114

Year Built: 1932, Effective Year: 1965, PA Building ID#: 25449



Structural Elements

DECOR/MILLWORK-MINIMUM
 DWELLING UNITS-1
 EXTERIOR WALL-CONCRETE BLOCK
 FLOOR COVER-CARPET
 FOUNDATION-SLAB ON GRADE
 HEAT/AIR-NONE
 INTERIOR WALL-PLASTER DIRECT
 NO. PLUMBING FIXTURES-3
 NO. STORIES-1
 ROOF COVER-DIMEN/ARCH SHNG
 ROOF FRAMING-FLAT/SHED
 STORY HEIGHT-8
 STRUCTURAL FRAME-MASONRY PIL/STL



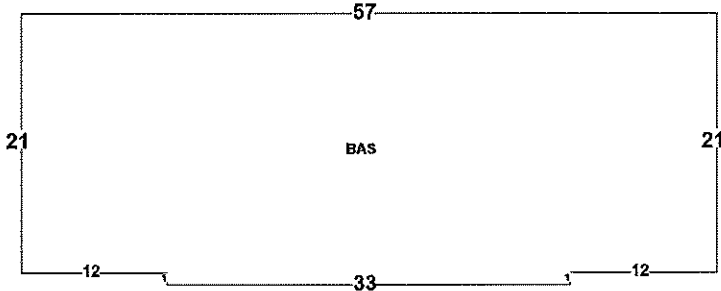
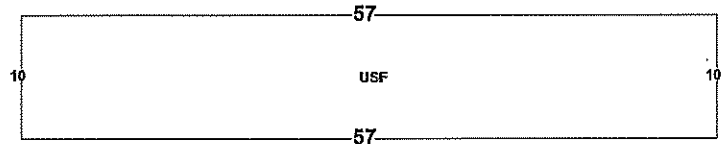
Areas - 320 Total SF

BASE AREA - 320

Year Built: 1932, Effective Year: 1965, PA Building ID#: 25450

Structural Elements

DECOR/MILLWORK-BELOW AVERAGE
 DWELLING UNITS-4
 EXTERIOR WALL-STUCCO OV BLOCK
 FLOOR COVER-CARPET
 FOUNDATION-SLAB ON GRADE
 HEAT/AIR-UNIT HEATERS
 INTERIOR WALL-PLASTER DIRECT
 NO. PLUMBING FIXTURES-12
 NO. STORIES-2
 ROOF COVER-DIMEN/ARCH SHNG
 ROOF FRAMING-GABLE-HI PITCH
 STORY HEIGHT-8
 STRUCTURAL FRAME-MASONRY PIL/STL



Areas - 1800 Total SF

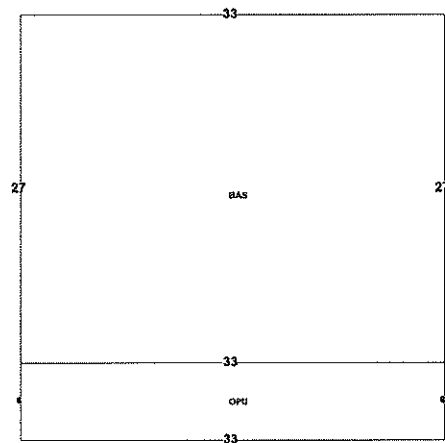
BASE AREA - 1230

UPPER STORY FIN - 570

Address: 711 N Q ST, Year Built: 1940, Effective Year: 1965, PA Building ID#: 25451

Structural Elements

DECOR/MILLWORK-BELOW AVERAGE
 DWELLING UNITS-1
 EXTERIOR WALL-SIDING-BLW.AVG.
 FLOOR COVER-CARPET
 FOUNDATION-WOOD/NO SUB FLR
 HEAT/AIR-CENTRAL H/AC
 INTERIOR WALL-WOOD/WALLBOARD
 NO. PLUMBING FIXTURES-3
 NO. STORIES-1
 ROOF COVER-DIMEN/ARCH SHNG
 ROOF FRAMING-GABLE
 STORY HEIGHT-8
 STRUCTURAL FRAME-WOOD FRAME



Areas - 1089 Total SF

BASE AREA - 891

OPEN PORCH UNF - 198

Images





Scott Lunsford, CFC • Escambia County Tax Collector

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2022

REAL ESTATE

TAXES

Notice of Ad Valorem and Non-Ad Valorem Assessments

SCAN TO PAY ONLINE

ACCOUNT NUMBER	MILLAGE CODE	ESCROW CODE	PROPERTY REFERENCE NUMBER
15-1500-000	16		000S009060010173

INSTALLMENT 4 (MAR) 2023
 JAI HANUMAN MOTEL INC
 2305 W CERVANTES ST
 PENSACOLA, FL 32505

PROPERTY ADDRESS:
 2305 W CERVANTES ST

EXEMPTIONS:

AD VALOREM TAXES						
TAXING AUTHORITY	MILLAGE RATE	ASSESSED VALUE	EXEMPTION AMOUNT	TAXABLE AMOUNT	TAXES LEVIED	
COUNTY	6.6165	346,174	0	346,174	2,290.46	
PUBLIC SCHOOLS						
BY LOCAL BOARD	1.9620	346,174	0	346,174	679.19	
BY STATE LAW	3.3120	346,174	0	346,174	1,146.53	
PENSACOLA	4.2895	346,174	0	346,174	1,484.91	
WATER MANAGEMENT	0.0261	346,174	0	346,174	9.04	
M.S.T.U. LIBRARY	0.3590	346,174	0	346,174	124.28	
ESCAMBIA CHILDRENS TRUST	0.4365	346,174	0	346,174	151.10	
TOTAL MILLAGE		17.0016				
					AD VALOREM TAXES	\$5,885.51

LEGAL DESCRIPTION	TAXING AUTHORITY	RATE	AMOUNT
ALL BLK LESS W 60 FT AND LESS E 60 FT OF N 90 FT BLK 173 WEST KING TRACT OR 5709 See Additional Legal on Tax Roll	SW STORMWATER(CITY OF PENSACOLA)		678.40
	NON-AD VALOREM ASSESSMENTS		\$678.40

Pay online at EscambiaTaxCollector.com

Payments must be in U.S. funds drawn from a U.S. bank

COMBINED TAXES AND ASSESSMENTS \$6,563.91

If Paid By	Mar 31, 2023				
Please Pay	\$0.00				

RETAIN FOR YOUR RECORDS

2022 REAL ESTATE TAXES

DETACH HERE AND RETURN THIS PORTION WITH YOUR PAYMENT

INSTALLMENT 4 (MAR) 2023

ACCOUNT NUMBER
15-1500-000
PROPERTY ADDRESS
2305 W CERVANTES ST

JAI HANUMAN MOTEL INC
 2305 W CERVANTES ST
 PENSACOLA, FL 32505

Make checks payable to:

Scott Lunsford, CFC
 Escambia County Tax Collector
 P.O. BOX 1312
 PENSACOLA, FL 32591

Pay online at EscambiaTaxCollector.com

Payments in U.S. funds from a U.S. bank

PAY ONLY ONE AMOUNT	
AMOUNT IF PAID BY	Mar 31, 2023 0.00
AMOUNT IF PAID BY	
AMOUNT IF PAID BY	
AMOUNT IF PAID BY	
AMOUNT IF PAID BY	

DO NOT FOLD, STAPLE, OR MUTILATE

Recorded in Public Records 08/16/2005 at 03:58 PM OR Book 5709 Page 323, Instrument #2005409746, Ernie Lee Magaha Clerk of the Circuit Court Escambia County, FL Recording \$10.00 Deed Stamps \$0.70

Return to: (enclose self-addressed stamped envelope)

Name:

Address:

This Instrument Prepared by:

Ajay I. Patel
Address: 2305 West Cervantes Street
Pensacola, Florida 32505

Property Appraisers Parcel Identification (Folio) Number(s):

00-05-00-9060-010-173
Grantee(s) S.S. #(s):

QUIT-CLAIM DEED

SPACE ABOVE THIS LINE FOR PROCESSING DATA

SPACE ABOVE THIS LINE FOR RECORDING DATA

Quit Claim Deed

Wherever used herein, the term "party" shall include the heirs, personal representatives, successors and/or assigns of the respective parties hereto; the use of the singular number shall include the plural, and the plural the singular; the use of any gender shall include all genders; and, if used, the term "note" shall include all the notes herein described if more than one.

Made this 15th day of August, 2005
BETWEEN Ajay I. Patel and Vishakha Patel, husband and wife
whose post office address is: 2305 West Cervantes Street Pensacola, Florida 32505
Escambia and State of Florida 32505, of the County of
and JAI Hanuman Motel, Inc., a Florida Corporation, party of the first part.
whose post office address is: 2305 West Cervantes Street Pensacola, Florida 32505
Escambia and State of Florida, of the County of

WITNESSETH, that the said party of the first part, for and in consideration of the sum of
Ten and 00/100----- Dollars,
in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, has remised, released and quitclaimed, and by these presents does remise, release and quitclaim unto the said party of the second part all the right, title, interest, claim and demand which the said party of the first part has in and to the following described lot(s), piece(s) or parcel(s) of land, situate lying and being in the County of Escambia State of Florida, to-wit:

All of Block 173 of the West King Tract, in the City of Pensacola, County of Escambia, Florida, according to map of said City, copyrighted by Thomas C. Watson in 1906, less and except the West 60 feet thereof, and less and except the East 60 feet of the North 90 feet thereof.

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances thereunto belonging or in anywise appertaining, and all the estate, right, title, interest and claim whatsoever of the said party of the first part, either in law or equity, to the only proper use, benefit and behoof of the said party of the second part.

IN WITNESS WHEREOF, the said party of the first part has hereunto set his hand and seal the day and year first above written.
Signed, Sealed and Delivered in Our Presence:

Witness: [Signature]
[Signature]
Witness: Randy Creamy

[Signature]
Ajay I. Patel
[Signature]
Vishakha Patel

STATE OF Florida
COUNTY OF Escambia

The foregoing instrument was acknowledged before me this 15th day of August, 2005 by Ajay I. Patel and Vishakha Patel, husband and wife

who is/are personally known to me or who has/have produced drivers license as identification and who did take an oath.

My Commission expires:

(Seal)

CAROL D. EUBANKS
Notary Public-State of FL
Comm. Exp. Mar. 3, 2008
Comm. No. DD 27437A

Notary Public
Serial Number:

[Signature]
[Signature]

Sec. 12-3-8. - Commercial land use district.

The regulations in this section shall be applicable to the retail and downtown commercial and wholesale and light industry zoning districts: C-1, C-2A, C-2, and C-3.

(1) *Purpose of district.*

- a. The commercial land use district is established 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. New development and redevelopment projects are strongly encouraged to follow the city's design standards and guidelines contained in section 12-3-121.
- b. The C-1 zoning district's regulations are intended to provide for conveniently supplying the immediate needs of the community where the types of services rendered and the commodities sold are those that are needed frequently. The C-1 zoning district is intended to provide a transitional buffer between mixed-use neighborhood commercial areas and more intense commercial zoning. The downtown and retail commercial (C-2A and C-2) zoning districts' 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. 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.
- c. The downtown retail commercial (C-2A) zoning district's regulations are intended to provide a mix of restaurants, retail sales, entertainment, and service establishments with an emphasis on pedestrian-oriented ground floor shops and market spaces.
- d. The commercial retail (C-2) zoning 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.
- e. 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.

(2) *Uses permitted.*

- a. *C-1, retail commercial zoning district.* Any use permitted in the R-NC district and the following uses, with no outside storage or repair work permitted:
 1. Retail sales and services.
 2. Motels/hotels.
 3. Vending machine when as accessory to a business establishment and located on the same parcel of land as the business.
 4. Car washes.
 5. Movie theaters, except drive-in theaters.
 6. Open air sales of trees, plants and shrubs. The business shall include a permanent sales or office building (including restrooms) on the site.
 7. Pet shops with all uses inside the principal building.
 8. Parking lots and parking garages.
 9. Pest extermination services.
 10. Animal hospitals and veterinary clinics with fully enclosed kennels and no outside runs or exercise areas.
 11. Business schools.

Trade schools.

- 12.
 13. Medical marijuana dispensary.
 14. Recreation or amusement places operated for profit.
 15. Accessory buildings and uses customarily incidental to the above uses.
- b. *C-2A, downtown retail commercial district.* Any use permitted in the C-1 district with the exception of manufactured home parks, and conditional uses. The following uses with no outside storage or repair work permitted:
1. Bars.
 2. Pool halls.
 3. Newspaper offices and printing firms.
 4. Marinas.
 5. Major public utility buildings and structures including radio and television broadcasting station.
 6. Accessory buildings and uses customarily incidental to the above uses.
- c. *C-2, commercial district (retail).* Any use permitted in the C-2A district and the following uses with no outside storage or repair work permitted:
1. Cabinet shops and upholstery shops.
 2. Electric motor repair and rebuilding.
 3. Garages for the repair and overhauling of automobiles.
 4. Sign shop.
 5. Accessory buildings and uses customarily incidental to the above uses.
- d. *C-3, commercial zoning district (wholesale and limited industry).*
1. Any use permitted in the C-2 district. Outside storage and work shall be permitted for those uses and the following uses, but shall be screened by an opaque fence or wall at least eight feet high at installation. Vegetation shall also be used as a screen and shall provide 75 percent opacity. The vegetative screen shall be located on the exterior of the required fence.
 2. Outside kennels, runs or exercise areas for animals subject to regulations in section 12-3-83.
 3. Growing and wholesale of retail sales of trees, shrubs and plants.
 4. Bakeries, wholesale.
 5. Ice cream factories and dairies.
 6. Quick-freeze plants and frozen food lockers.
 7. Boat sales and repair.
 8. Outdoor theaters.
 9. Industrial research laboratories and pharmaceutical companies.
 10. Truck sales and repair.
 11. Light metal fabrication and assembly.
 12. Contractors shops.
 13. Adult entertainment establishments subject to the requirements of chapter 7-3.
 14. Industrial laundries and dry cleaners using combustible or flammable liquids or solvents with a flash point of 190 degrees Fahrenheit or less which provide industrial type cleaning, including linen supply, rug and carpet cleaning, and diaper service.

15. Retail lumber and building materials.
 16. Warehouses.
 17. Plumbing and electrical shops.
 18. New car and used car lots, including trucks which do not exceed 5,000 pounds.
 19. Car rental agencies and storage, including trucks which do not exceed 5,000 pounds.
 20. Pawnshops and secondhand stores.
 21. Mini-storage warehouses.
 22. Advanced manufacturing and/or processing operations provided that such use does not constitute a nuisance due to emission of dust, odor, gas, smoke, fumes, or noise.
 23. Accessory buildings and uses customarily incidental to the above uses.
- (3) *Regulations.* All developments are required to comply with design standards and are strongly encouraged to follow design guidelines as established in section 12-3-121. Table 12-3.7 describes height, area and yard requirements for the C-1, C-2, C-2A and C-3 commercial zoning districts:

TABLE 12-3.7. REGULATIONS FOR THE COMMERCIAL ZONING DISTRICTS

Standards	C-1	C-2A	C-2 and C-3
Minimum Yard Requirements (Minimum Building Setbacks)	There shall be no yard requirements, except that where any nonresidential use is contiguous to a residential zoning district there shall be a 20-foot yard unless the two districts are separated by a public street, body of water, or similar manmade or natural buffer of equal width. Inside the C-2A District and Dense Business Area: There shall be a maximum allowed front yard setback of 10 feet.		
Maximum Building Height	No building shall exceed 45 feet in height at the property or setback lines. (See Note 1)	No building shall exceed 100 feet in height at the property or setback lines. (See Note 1)	

<p>Lot Coverage Requirements (The maximum combined area occupied by all principal and accessory buildings)</p>	<p>Shall not exceed 75 percent of the total site area for buildings up to 100 feet in height. For buildings over 100 feet in height, lot coverage shall not exceed 65 percent.</p>	<p>Shall not exceed 100 percent of the total site area for buildings up to 100 feet in height. For buildings over 100 feet in height, lot coverage shall not exceed 90 percent.</p>	<p>Inside the dense business area: shall not exceed 100 percent of the total site area for buildings up to 100 feet in height. For buildings over 100 feet in height, lot coverage shall not exceed 90 percent (with the exception of the C-2A zoning district). Outside the dense business area: shall not exceed 75 percent of the total site area for buildings up to 100 feet in height. For buildings over 100 feet in height, lot coverage shall not exceed 65 percent.</p>
<p>Maximum Density Multiple-Family Dwellings</p>	<p>35 dwelling units per acre.</p>	<p>135 dwelling units per acre.</p>	<p>Inside the dense business area: 135 dwelling units per acre. Outside the dense business area: 35 dwelling units per acre.</p>
<p>Note 1: Three feet may be added to the height of the building for each foot the building elevation is stair-stepped or recessed back from the property or setback lines beginning at the height permitted up to a maximum height of 150 feet.</p>			

(4) *Additional regulations.* In addition to the regulations established above in subsection (3) of this section, all developments within the commercial zoning districts will be subject to, and must comply with, the following regulations:

- a. Supplementary district regulations subject to regulations in sections 12-3-55 through 12-3-69.
- b. Off-street parking subject to regulations in chapter 12-4.
- c. Signs subject to regulations in chapter 12-5.
- d. Tree/landscape regulations subject to regulations in chapter 12-6.
- e.

Stormwater management and control of erosion, sedimentation and runoff subject to regulations in chapter 12-8.

f. Alcoholic beverages regulations subject to chapter 7-4.

(Code 1986, § 12-2-8; Ord. No. 25-92, § 1, 7-23-1992; Ord. No. 6-93, § 6, 3-25-1993; Ord. No. 29-93, § 6, 11-18-1993; Ord. No. 3-94, § 4, 1-13-1994; Ord. No. 44-94, § 1, 10-13-1994; Ord. No. 33-95, § 2 (exh. 1), 8-10-1995; Ord. No. 40-99, §§ 2, 3, 10-14-1999; Ord. No. 17-06, § 1, 7-27-2006; Ord. No. 11-09, § 1, 4-9-2009; Ord. No. 13-12, § 1, 6-14-2012; Ord. No. 12-13, § 1, 5-9-2013; Ord. No. 40-13, § 1, 11-14-2013; Ord. No. 01-16, § 1, 1-14-2016; Ord. No. 06-17, § 1, 3-9-2017; Ord. No. 12-19, § 1, 5-16-2019)