

SUMMARY APPRAISAL REPORT

608-ACRES LOCATED IN
SECTION 32, TOWNSHIP 4, NORTH RANGE 29 WEST,
SANTA ROSA COUNTY, FLORIDA

AS OF OCTOBER 23, 2013

VA13MM7752-10



(photograph taken October 23, 2013 viewing NE from SW corner)

PREPARED FOR
ESCAMBIA COUNTY PUBLIC WORKS DEPARTMENT
3363 WEST PARK PALCE
PENSACOLA, FLORIDA 32505

BY
BRANTLEY & ASSOCIATES

REAL ESTATE APPRAISAL CORPORATION
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R. Shawn Brantley, MAI



Individual Member

Brantley & Associates Real Estate Appraisal Corp.

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Pensacola

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Panama City

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AL: Certified General Real Property Appraiser G00419

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FL: Cert Gen RZ 2173

October 30, 2013

Mr. Larry Goodwin
Real Estate Acquisition Manager
Escambia County Public Works Department
Pensacola, Florida 32505

RE: Approximately 608-acres (+/-) of vacant land
located in Section 32, Township 4 North, Range
29 West in Santa Rosa County, Florida.
B & A File VA13MM7752-10

Dear Mr. Goodwin:

Per your request, we have made a personal inspection of the above referenced property for the purpose of obtaining an opinion of its market value as of a current date. The subject property consists of 608-acres (+/-) of land located east of Ard Field Road in the community of Allentown, Florida.

We have analyzed the data, made a comparative analysis for the subject, and have obtained an opinion of the fee simple market value of the above referenced property, as of October 23, 2013, as follows:

**ONE MILLION NINE HUNDRED THOUSAND DOLLARS
(\$1,900,000)**

We are attaching our report containing certain factual data and opinions formed in making the value opinions. The appraisal assignment was not based on a minimum valuation, specific valuation, or the approval of a loan. This appraisal is subject to the standard assumptions and hypothetical conditions contained in the body of this appraisal plus the following extraordinary assumption and/or hypothetical conditions. The reader is alerted that the deployment of extraordinary assumptions or hypothetical conditions can significantly impact the value opinion:

The tax records indicate the property contains 640 acres but the owner has shown that it contains 608 acres. We assume the owner is correct and the property contains 608 acres. We do not have the benefit of a survey.



R. SHAWN BRANTLEY, MAI

100 NORTH SPRING STREET · POST OFFICE BOX 12505 · PENSACOLA, FLORIDA 32591
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Mr. Goodwin

October 30, 2013

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

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

Sincerely,



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



Michael Miragliotta, Associate
State-Certified General Appraiser
Florida RZ2173

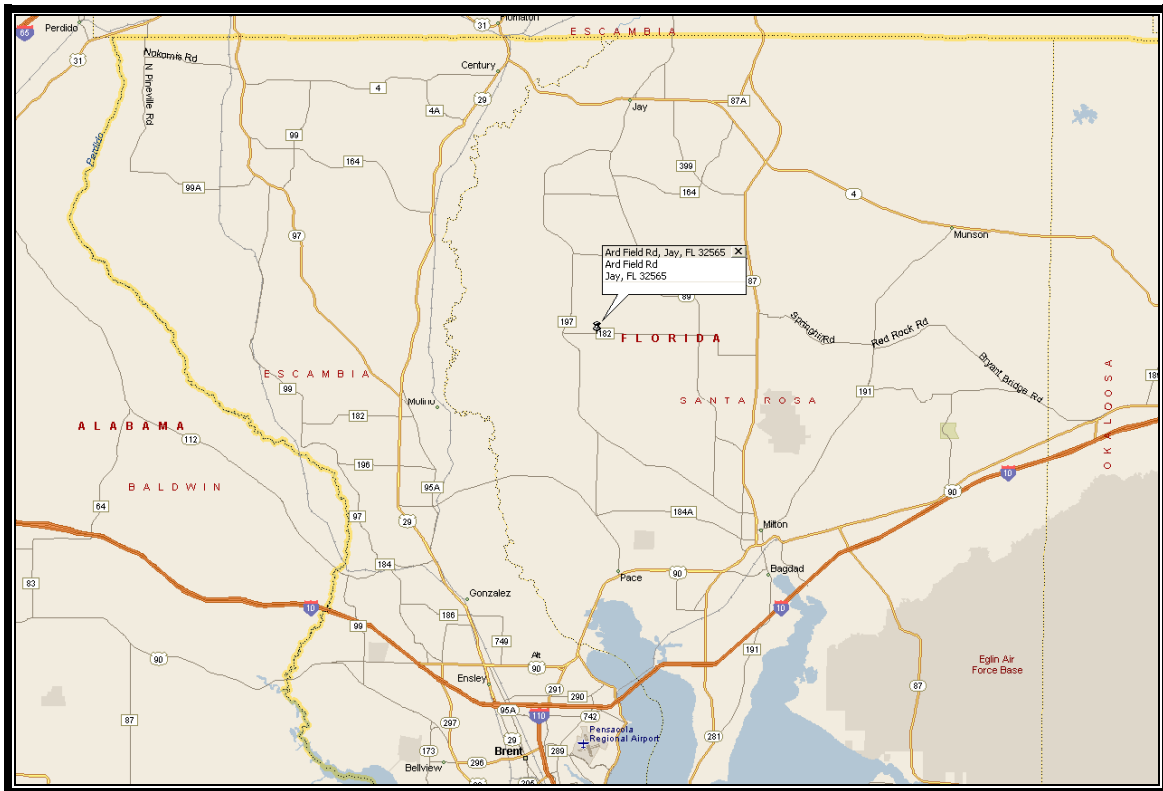
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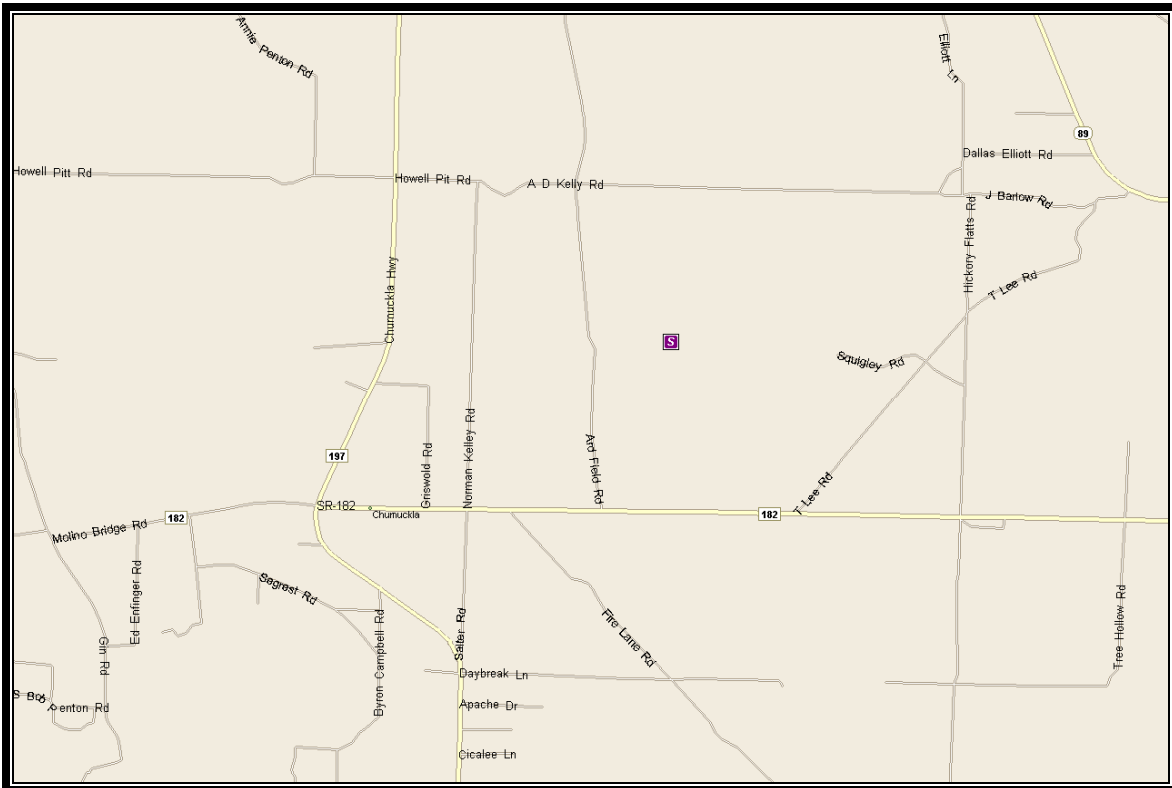
SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

PROPERTY IDENTIFICATION:	Approximately 608-acres (+/-) of vacant land located in Section 32, Township 4 North, Range 29 West in Santa Rosa County, Florida.
OWNERSHIP (PER ASSESSMENT RECORDS):	RMS Timberlands, LLC c/o Resource MGMT Service, LLC 5605 Woodbine Road Pace, Florida 32571
LOCATION OF PROPERTY:	The subject property is located in Section 32, Township 4 North, Range 29 West near the Allentown community, Santa Rosa County, Florida.
PURPOSE OF APPRAISAL:	To obtain an opinion of the market value of the subject property, as of the effective date.
PROPERTY RIGHTS APPRAISED:	Fee Simple
EFFECTIVE DATE OF VALUATION:	October 23, 2013
DATE OF REPORT:	October 30, 2013
TOTAL 2012 ASSESSMENT:	\$103,637
GROSS 2012 TAXES:	\$1,520.53
CURRENT ZONING:	AG2, Agricultural
FUTURE LAND USE:	AG, Agricultural
IMPROVEMENT DATA:	None
HIGHEST AND BEST USE ("AS-IS"):	Agricultural, Speculative Hold
FINAL VALUE OPINION:	\$1,900,000

LOCATION MAPS INCLUDING THE SUBJECT PROPERTY

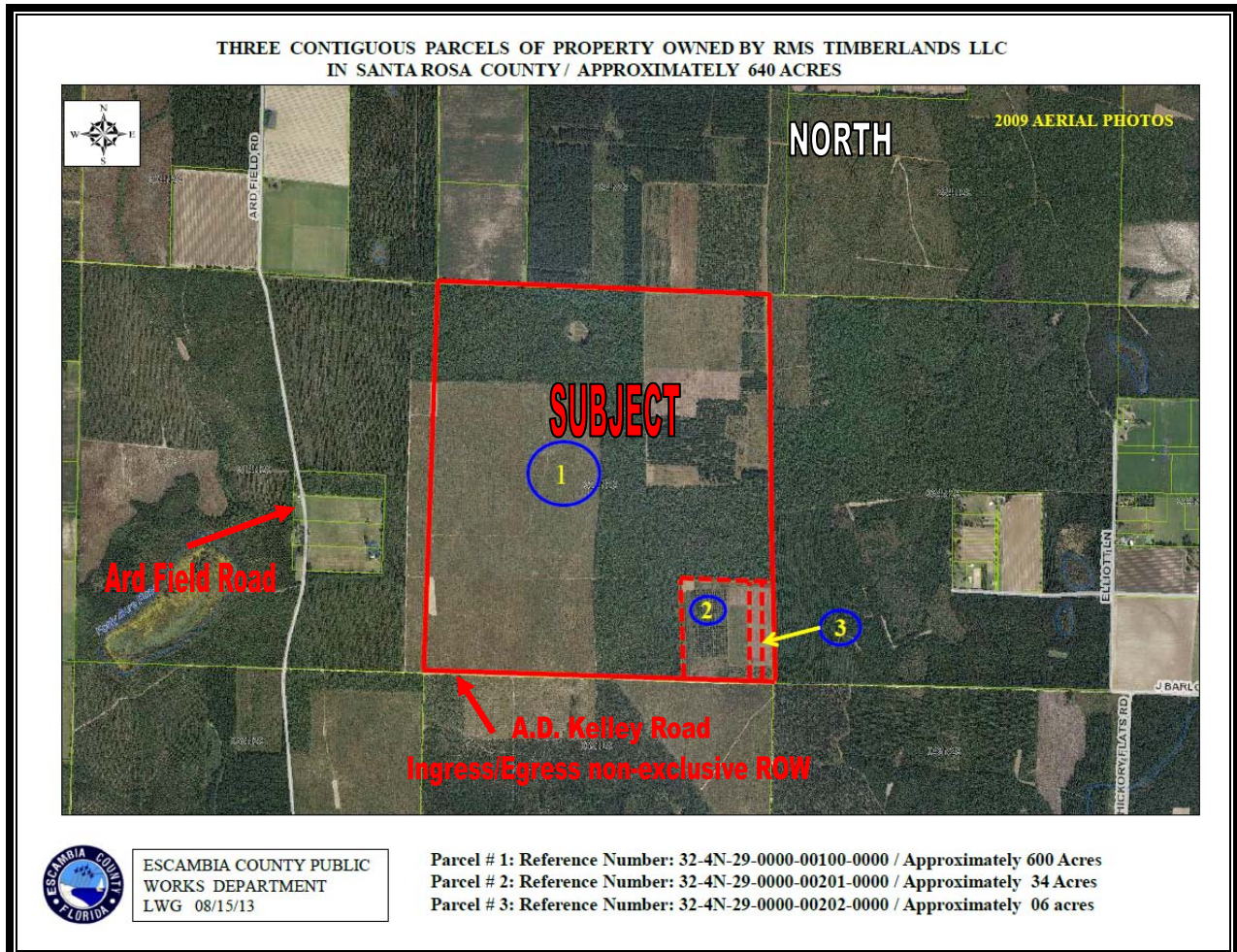


BROADER AREA MAP



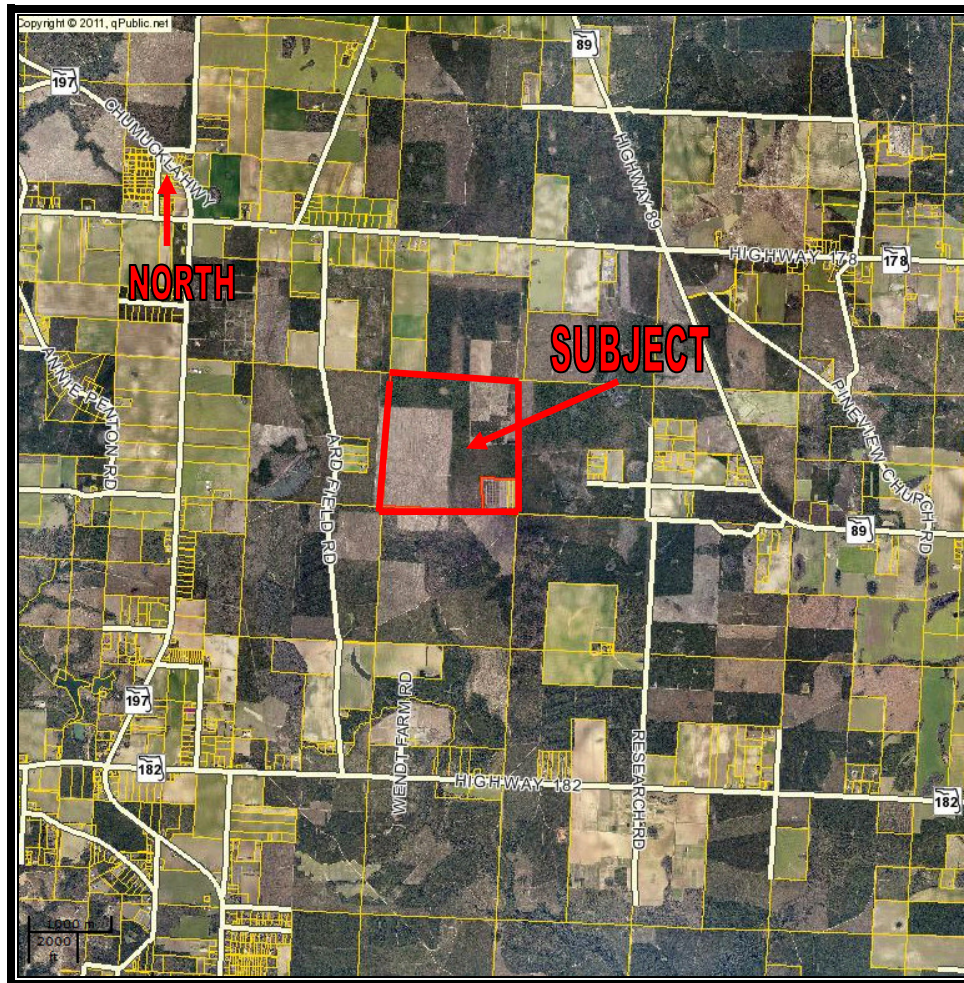
CLOSER VIEW OF NEIGHBORHOOD AREA

SANTA ROSA COUNTY GIS MAP INCLUDING THE SUBJECT PROPERTY



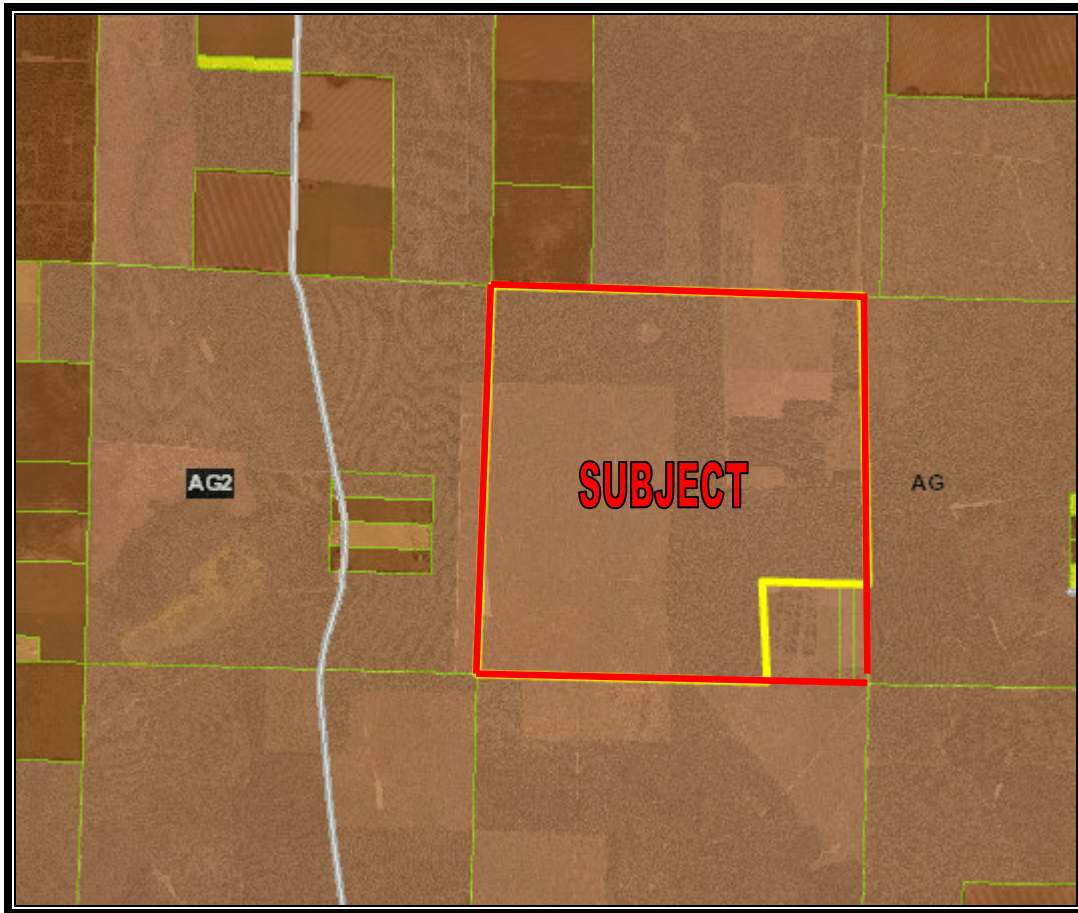
NOTE: THE SUBJECT SITE IS OUTLINED IN RED ABOVE AND INCLUDES THE THREE TAX PARCELS SHOWN – ALTHOUGH THE TAX RECORDS DEPICT 640 ACRES, WE HAVE BEEN INFORMED THAT THE PROPERTY CONTAINS 608 ACRES AND ASSUME THAT TO BE CORRECT

SANTA ROSA COUNTY TAX PARCEL MAP SHOWING THE SUBJECT PROPERTY



NOTE: THE SUBJECT SITE IS ABOVE OUTLINED IN RED

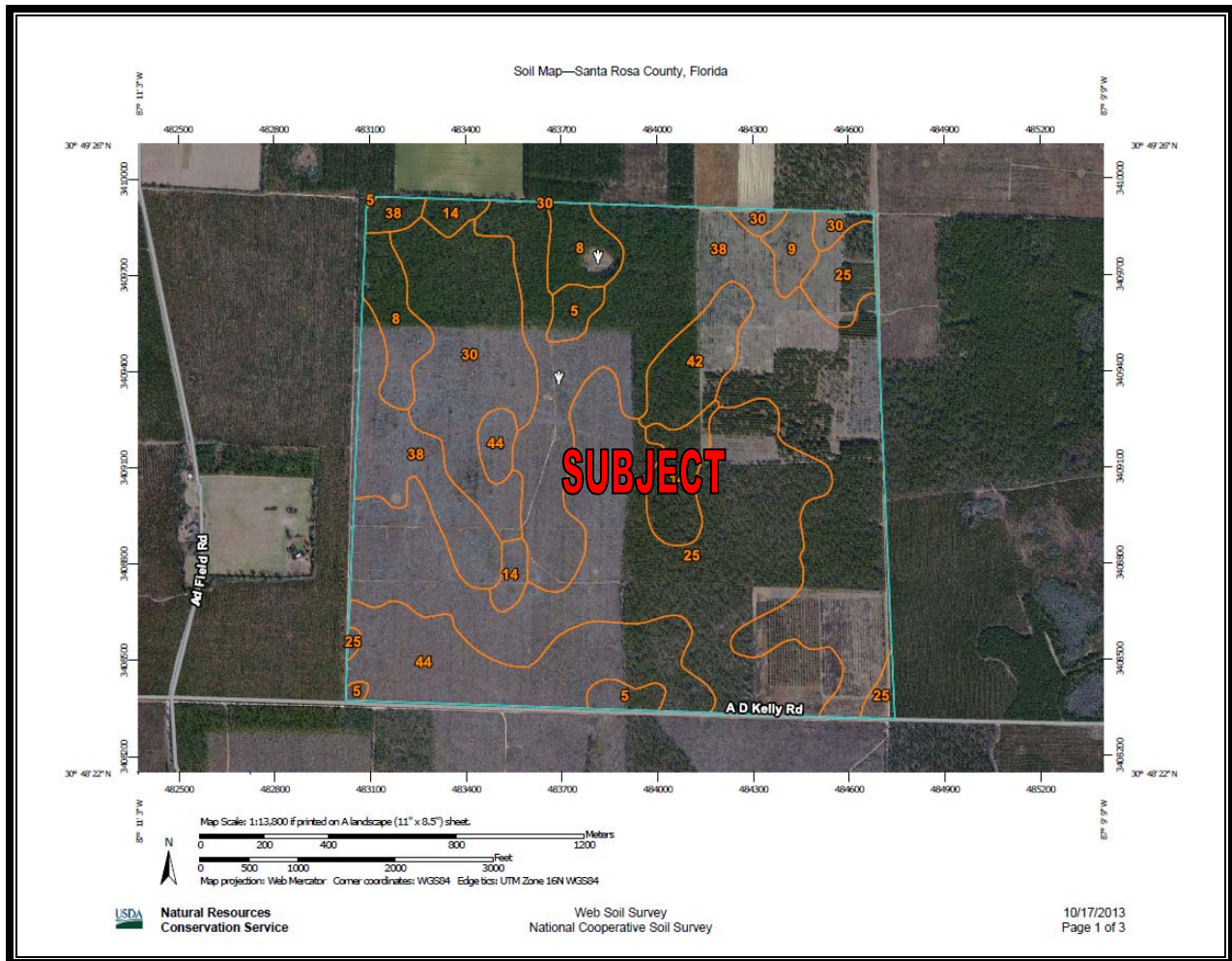
SANTA ROSA COUNTY ZONING AND FUTURE LAND USE MAP



SUBJECT PROPERTY OUTLINED IN RED

**ZONING: AG2, AGRICULTURAL
FUTURE LAND USE: AG, AGRICULTURAL**

SOIL MAP INCLUDING THE SUBJECT PROPERTY



BASED ON THE ABOVE SOIL MAPPING (SUBJECT OUTLINED IN BLUE)

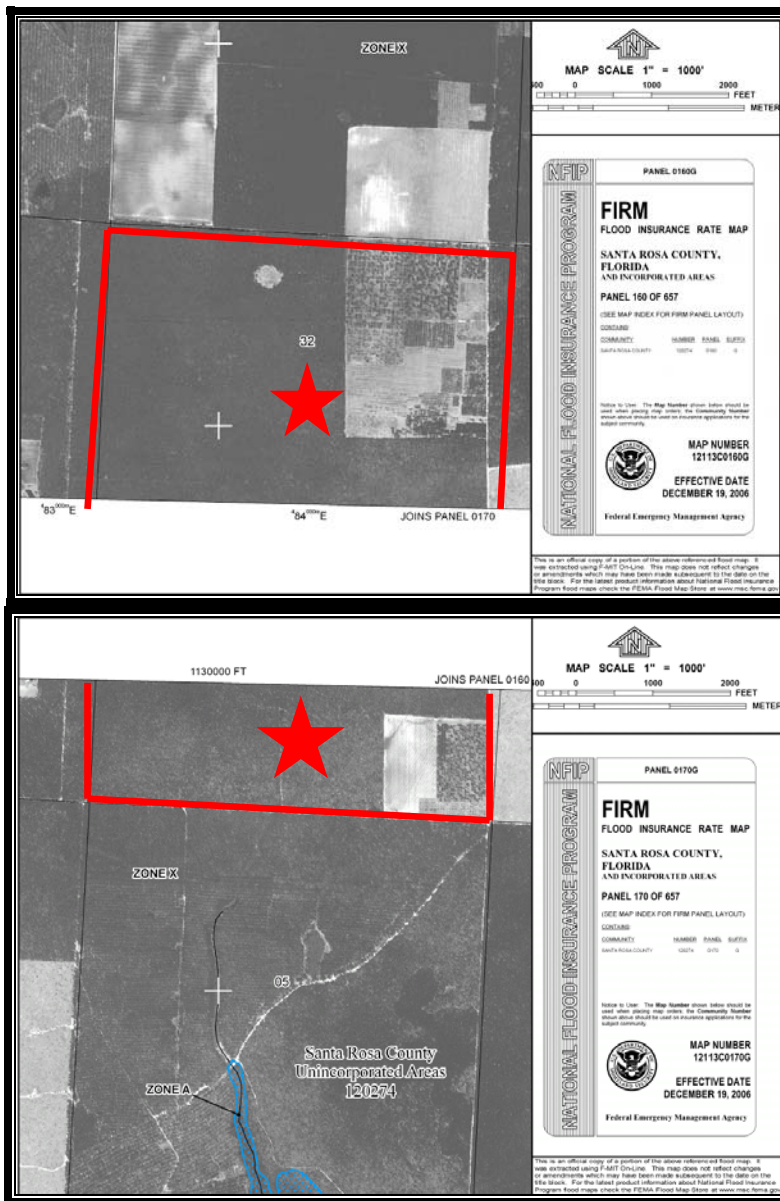
Map Unit Legend

Santa Rosa County, Florida (FL113)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
5	Bonifay loamy sand, 0 to 5 percent slopes	11.3	1.8%
8	Dothan fine sandy loam, 0 to 2 percent slopes	28.4	4.4%
9	Dothan fine sandy loam, 2 to 5 percent slopes	7.5	1.2%
14	Fuquay loamy sand, 0 to 5 percent slopes	23.6	3.7%
25	Lucy loamy sand, 0 to 5 percent slopes	186.8	28.9%
30	Orangeburg sandy loam, 0 to 2 percent slopes	70.8	10.9%
38	Red Bay sandy loam, 0 to 2 percent slopes	231.6	35.8%
42	Tifton sandy loam, 2 to 5 percent slopes	20.9	3.2%
44	Troup loamy sand, 0 to 5 percent slopes	65.6	10.1%
Totals for Area of Interest		646.6	100.0%

SOILS CLASSIFICATIONS AND DESCRIPTIONS

5	Bonifay Loamy Sand	0-5	Well Drained	Nearly level to gently sloping soil found on broad and narrow ridgetops in the uplands. Water table at a depth of more than 6 feet. Very high potential for dwellings without basements, low commercial buildings, and local roads and streets. High potential for septic tank absorption fields, trench sanitary landfills, and playgrounds. Medium potential for shallow excavations.
8	Dothan Fine Sandy Loam	0-2	Well Drained	Nearly level soil found on broad and narrow ridgetops in the uplands. Water table at a depth of more than 6 feet. Very high potential for dwellings without basements, low commercial buildings, shallow excavations and local roads and streets. Medium potential for septic tank absorption fields.
9	Dothan Fine Sandy Loam	2-5	Well Drained	Gently sloping soil found on broad and narrow ridgetops in the uplands. Water table at a depth of more than 6 feet. Very high potential for dwellings without basements, low commercial buildings, shallow excavations and local roads and streets. Medium potential for septic tank absorption fields.
14	Fuquay Loamy Sand	0-5	Well Drained	Nearly level to gently sloping soil found primarily on broad and narrow ridgetops in the uplands. Water table normally at a depth of more than 6 feet. Very high potential for dwellings without basements, low commercial buildings, and local roads and streets.
25	Lucy loamy Sand	0-5	Well Drained	Nearly level to gently sloping soil found primarily on broad and narrow ridgetops in the uplands. Water table normally at a depth of more than 6 feet. Very high potential for dwellings without basements, low commercial buildings, and local roads and streets. Well suited for pasture grass, crops and medium potential for pine growth.
30	Orangeburg Sandy Loam	0-2	Well Drained	Nearly level to gently sloping soil found primarily on broad and narrow ridgetops in the uplands. Water table normally at a depth of more than 6 feet. Very high potential for dwellings without basements, low commercial buildings, and local roads and streets. Well suited for pasture grass, crops and pine growth.
38	Red Bay Sandy Loam	0-2	Well Drained	Nearly level soil found in broad areas in the uplands. Water table is at a depth of more than 6 feet. This soil is well suited to pasture grasses and a variety of crops; highly productive under good management. Very high potential for dwellings without basements, low commercial buildings, shallow excavations, playgrounds, and local streets. High potential for septic tank absorption fields.
42	Tifton Sandy Loam	2-5	Well Drained	This well drained, gently sloping soil is on broad and narrow ridge tops in the uplands. The water table is a depth of more then 6 feet. This soil is well suited for a variety of crops. This soil has a high potential for longleaf, slash pine, and loblolly pine. This soil has a very high potential for trench sanitary landfills, dwellings with out basements, low commercial buildings, shallow excavations, and local roads and streets. It has a high potential for septic tank absorption fields.
44	Troup Loamy Sand	0-5	Well Drained	Nearly level to gently sloping soil found on broad ridgetops in the uplands. Water table at a depth of more than 6 feet. Very high potential for septic tank absorption fields, dwellings without basements, local roads and streets, and low commercial buildings. High potential for trench sanitary landfills. Medium potential for shallow excavations and playgrounds.

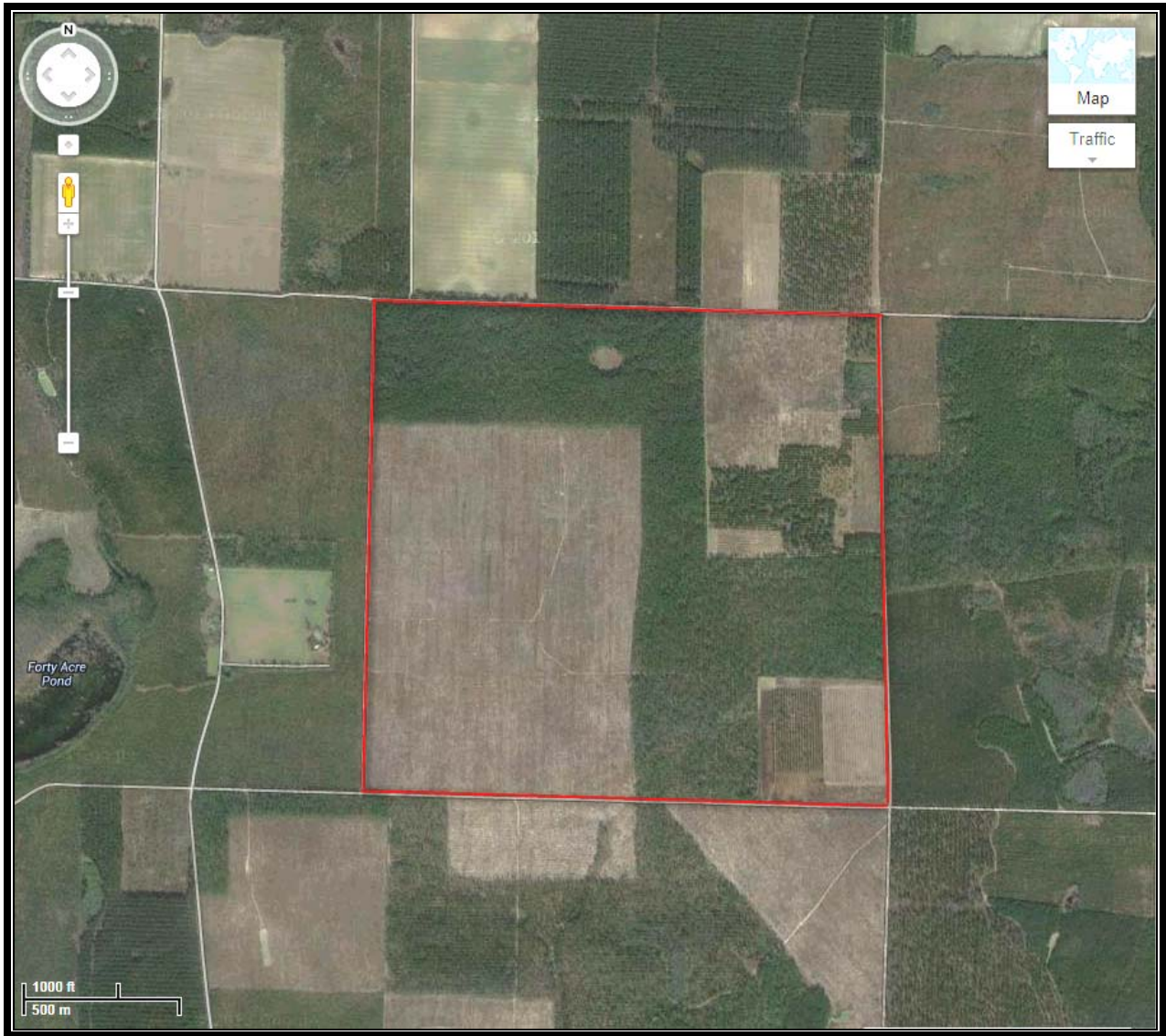
FEMA FLOOD MAP



The subject lies within "X" flood zone designations as shown on FEMA MAP #12113C0160G AND #12113C0170G, DATED DECEMBER 19, 2006.

Zone X: Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

GOOGLE MAPS AERIAL



PHOTOGRAPHS OF THE SUBJECT PROPERTY
(taken on October 23, 2013 by MM)



VIEWING N ALONG ARD FIELD ROAD – SUBJECT NOT SHOWN – ACCESS ROAD ON THE RIGHT



VIEWING N ALONG ARD FIELD RD – SUBJECT NOT SHOWN ACCESS ROAD TO THE LEFT IN FOREGROUND

PHOTOGRAPHS OF THE SUBJECT PROPERTY



VIEW OF ACCESS ROAD TO - SUBJECT NOT SHOWN (SUBJECT PROPERTY IS ABOUT .5 MILES FROM ARD FIELD ROAD AND GATE)



VIEWING EAST ALONG ACCESS ROAD AT SOUTHWEST CORNER OF SUBJECT PROPERTY (SUBJECT PROPERTY IS ON THE LEFT)

PHOTOGRAPHS OF THE SUBJECT PROPERTY



VIEWING NORTHEAST ACROSS THE SUBJECT PROPERTY FROM NORTHWEST CORNER OF SUBJECT PROPERTY



VIEWING NORTH FROM SOUTHWEST CORNER OF SUBJECT PROPERTY

PHOTOGRAPHS OF THE SUBJECT PROPERTY



VIEWING NORTH FROM ACCESS ROAD – SUBJECT PROPERTY



VIEW OF FOOD PLOT NEAR SOUTHEAST CORNER OF SUBJECT PROPERTY

PHOTOGRAPHS OF THE SUBJECT PROPERTY



VIEWING FROM SOUTHEAST CORNER OF SUBJECT PROPERTY



VIEWING N ALONG E PROPERTY BOUNDARY FROM SOUTHEAST CORNER OF SUBJECT PROPERTY- SUBJECT ON THE LEFT

PHOTOGRAPHS OF THE SUBJECT PROPERTY



VIEWING S FROM E BOUNDARY OF SUBJECT PROPERTY – SUBJECT ON THE RIGHT



SUBJECT PROPERTY VIEWING SW FROM NORTHEAST CORNER OF SUBJECT PROPERTY

PHOTOGRAPHS OF THE SUBJECT PROPERTY



VIEWING W FROM NORTHEAST CORNER OF SUBJECT PROPERTY – SUBJECT ON THE LEFT



SUBJECT PROPERTY VIEWING NE FROM E BOUNDARY OF SUBJECT PROPERTY

APPRAISAL CLIENT AND PREPARED FOR

Mr. Larry Goodwin

Real Estate Acquisition Manager

Escambia County Public Works Department

Pensacola, Florida 32505

DATE OF REPORT

October 29, 2013

EFFECTIVE DATE OF VALUATION

October 23, 2013, which is the date of our inspection.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to obtain an opinion of the market value of subject property, as of the effective date.

PROPERTY IDENTIFICATION & LEGAL DESCRIPTION

The subject property is identified in the Real Estate Sales Contract documents and is identified as approximately 608-acres (+/-) of land located in Section 32, Township 4 North, Range 29 West which is east of Ard Field Road within in the community of Allentown, Santa Rosa County, Florida. The complete legal description is provided in the Real Estate Sales Contract. This contract has been placed in the Addenda for the readers' reference.

INTENDED USER OF APPRAISAL

The intended User of this appraisal report is our Client, Escambia County Public Works Department.

INTENDED USE OF APPRAISAL

The report is intended to be used by Client as an aid in purchasing the subject property.

SCOPE AND EXTENT OF COLLECTING, CONFIRMING AND REPORTING DATA

The scope of the appraisal encompasses the necessary research and analysis to prepare a report in accordance with its intended use. For this appraisal assignment we obtained the Real Estate Sales Contract dated July 9, 2013. We have also reviewed the most recent tax records of the Santa Rosa County Property Appraiser. Copies of these documents and records are found within the addenda and specifically state the site area for the subject at 608-acres (+/-). We relied upon the legal description found attached to the sales contract for this appraisal analysis.

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

This firm has completed numerous appraisal assignments in the subject neighborhood and we have compiled considerable data for it. Much of the data incorporated in this appraisal analysis has come from our files and was updated-expanded as necessary in performing our appraisal analysis. The nature of the market data collected has been determined based upon a thorough inspection of the subject property and resulting highest and best use analysis.

For this appraisal report, the data collection process included inspection and observation of the physical characteristics of the property, photographing the property, and inspecting the surrounding neighborhood. The appraiser's together certify that the

property has been inspected sufficiently to insure that a credible value opinion has been achieved.

Within the confines of this analysis, the appraiser has made an examination of all available and pertinent market data that could be located within the previous two-year period before the effective date of the appraisal. However, this search has been extended substantially in many areas, in order to obtain a sufficient quantity of market data.

The search for land sales was limited to the greater Northwest Florida and South Alabama areas, including Baldwin, Escambia, Santa Rosa, Okaloosa, and Walton Counties, with the most emphasis placed on those areas proximate to the subject. Also, the selection of the data reported is limited to that data which the appraiser considers relevant to the assignment and to the purpose of the appraisal, under the terms of the highest and best use conclusions rendered herein.

It is our opinion that the cost and sales comparison is sufficient to produce credible value opinions in light of the intended use of the appraisal. This report is prepared in compliance with the Uniform Standards of Professional Appraisal Practice.

DEFINITION OF MARKET VALUE

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

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

EXPOSURE TIME

The above definition assumes a reasonable exposure time during which the subject would have been offered on the market prior to the hypothetical consummation of a sale, at market value, on the effective date of the appraisal. Based upon a retrospective estimate, the appraiser has concluded an exposure time of from six to twelve months.

¹ *Uniform Standards of Professional Appraisal Practice* as promulgated by the Appraisal Standards Board of the Appraisal Foundation (1/1/08-12/31/09).

MARKETING PERIOD

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

PROPERTY RIGHTS TO BE APPRAISED

All present and future benefits and rights of the property in fee simple unencumbered title and free and clear of all leases, mortgage indebtedness, other liens or special assessments against the property.

OWNERSHIP, TAXES AND ASSESSMENT

The subject property is identified by the Santa Rosa County Property Appraisers' Office by Property Reference ownership, parcel identification numbers and acres as follows:

NAME	PARCEL #	ACRES
RMS Timberlands, LLC	32-4N-29-0000-00100-0000	600.00
RMS Timberlands, LLC	32-4N-29-0000-00201-0000	34.00
RMS Timberlands, LLC	32-4N-29-0000-00202-0000	<u>6.00</u>
	Total	640.00

Below, we present a table summarizing the most recent year 2012 assessments and taxes for the subject property.

ASSESSMENT AND TAXES CHART						
	PARCEL REF #	SIZE - ACRES	ASSESSMENT	LAND	IMPROVEMENTS	TAXES
1	32-4N-29-0000-00100-0000	600	\$96,900	\$96,900	0	\$1,407.54
2	32-4N-29-0000-00201-0000	34	\$5,544	\$5,544	\$0	\$86.52
3	32-4N-29-0000-00202-0000	6	\$1,193	\$1,193	\$0	\$26.47
TOTALS		640	\$103,637	\$103,637	\$0	\$1,520.53

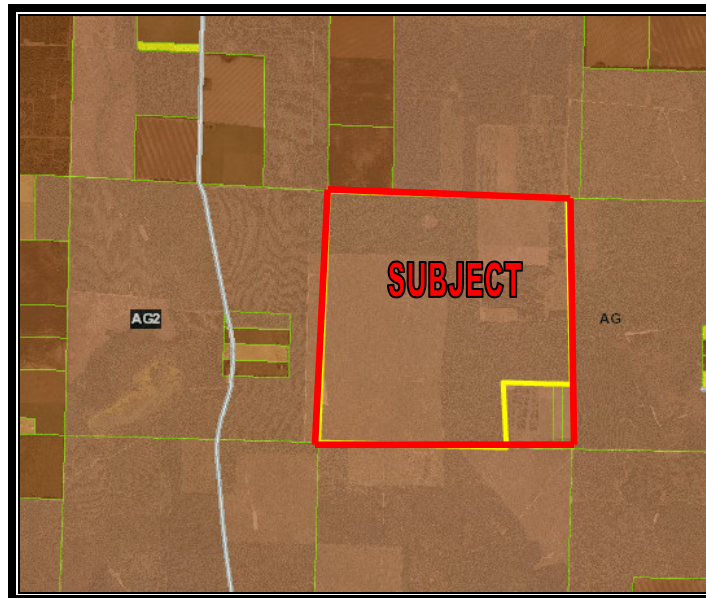
According to the Santa Rosa County Tax Collector's Office, the year 2012 taxes for the subject were paid November 2012. The reader should note that the 2012 gross taxes for each of the property reference numbers are inclusive of a non ad-valorem assessment for fire services. The assessment and tax records for each of the above listed property reference numbers can be found in the addenda of this report.

ZONING, FUTURE LAND USE, CONCURRENCY

Zoning - The property lies outside of the city limit and is within the zoning jurisdiction of Santa Rosa County, Florida. According to the Santa Rosa County Division of Planning and Zoning, the property is subject to AG2, Agriculture District zoning classification. This district is characterized low density residential land resources necessary or used to support large farming operations. Gross density is one dwelling units per 15-acres. A zoning map including the subject tract is presented below for the readers review. A complete description of the zoning classification has been placed in the addenda for the readers' reference.

Future Land Use - The west bulk of the subject is within the AG, Agricultural future land use classification. A copy of the future land use map including the subject tract is presented below for the readers review. The zoning and future land use designations are consistent.

ZONING AND FUTURE LAND USE MAP INCLUDING THE SUBJECT



NOTE: THE SUBJECT SITE IS OUTLINED ABOVE IN RED.

Concurrency - Development orders or permits require a Certificate of Concurrency with approval contingent upon a finding that adequate public facilities (e.g., roadways, water/sewer, parks, drainage, and waste) will be available concurrent with the impact of the proposed development. We are not aware of any concurrency issues associated with this location. In summary, the subject tract appears to meet current zoning code, as it remains vacant land.

HISTORY OF THE SUBJECT PROPERTY

We were provided with a copy of a Real Estate Sales Contract dated July 9, 2013 between James D. Cronley and /or assigns, "Buyer" and RMS Timberlands, LLC "Seller". The consideration is \$3,082 per gross surveyed acre.

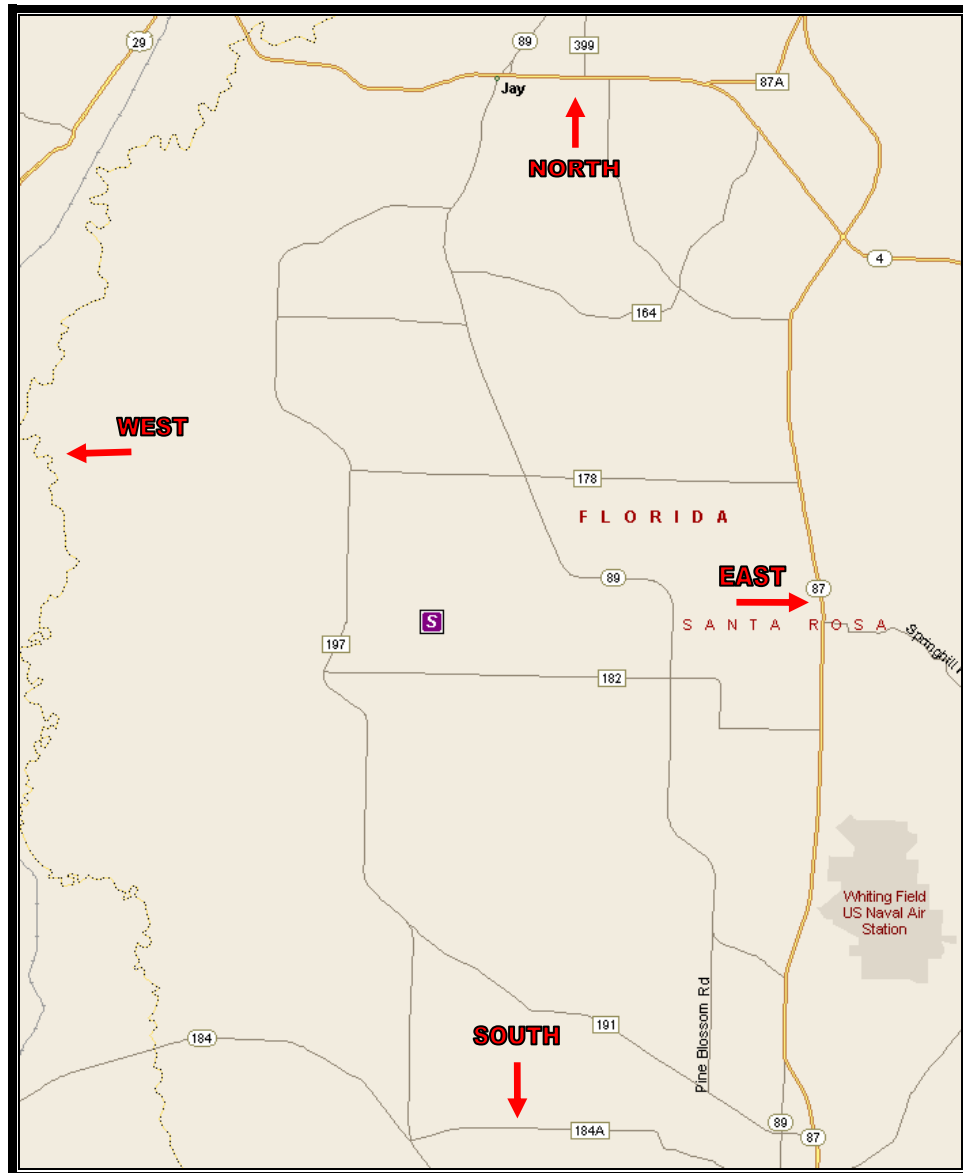
We are unaware of any current listings or leases related to the subject tract. The last recorded deed was in 2006 and due to the age of this transaction we did not consider it in our analysis. We are unaware of any other transactions related to the subject property within the previous five-years.

GENERAL AREA DATA

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

NEIGHBORHOOD DESCRIPTION

The subject neighborhood is represented largely by the semi-rural (transitional) portions of Escambia and Santa Rosa counties, in Florida. The graphic below generally depicts the neighborhood. The neighborhood boundaries are Highway 87 to the east, 184A to the south, Santa Rosa County border to the west and State Road 4 to the north identified as the community of Allentown which is north of Milton, Florida.



Urban development in Northwest Florida is linear along the shores of the Gulf of Mexico and the northern portions are more rural. In general, development density diminishes and one moves northward. The subject property is located on the northern fringe of urban development and would be expected to transition into denser residential development, once the economy regains traction.

Primary access to the neighborhood is via U.S. Highway 90, which runs in an east-west direction from the Escambia County line east through Santa Rosa County, Florida. Highways 197 and 89 are the primary north-south County roads that intersect Highway 90 in Milton. The subject tract is situated approximately near the middle of the neighborhood.

The subject property is near the city of Milton (2009 population 8,688), which exists in relation to NAS Whiting situated north along CR's 87 and 89. The largest area of population influence is Pensacola (population 53,752), which is approximately 20-miles south-southwest.

The subject location is in transition from rural to suburban, and the immediate community surrounding the subject site is sparsely populated, but located in a growth area between Milton and Pace, Florida. Within the immediate area, we see a variety of home structures typically located on single-family sites. There is a mixture of a few newer homes, older farmhouses, and manufactured homes. Overall new development is slow in the general surrounding community because of the economic slowdown. However, we have not observed any new single-family home construction near the subject property in recent months. The age of homes in the area ranges from new to 70-years (+/-). Prices range from around \$25,000 for an older manufactured home on a small site up to \$300,000 and above for a newer, upscale home on a rural estate, the

average and medium home prices are about \$130,000. Most parcels are large land tracts ranging in price from \$1,500 to \$2,500 per acre.

The majority of commerce in the area is currently manufacturing and timber production. There is also row crop and livestock activity. With the International Paper Mill to the west in Cantonment, Florida, forestry is an economic factor in the area. Land is also used recreationally in this area, with tracts popularly used for hunting camps. The Naval Air Station Whiting is a United State Navy base located near Milton and is one of the Navy's two primary pilot training. NAS Whiting Field also provides training for Marine, Coast Guard and Air Force student pilots, as well as those of several allied nations. NAS Outlying Field Wallace is located southwest of the subject property. The presence of this outlying field has limited activity and is not a significant issue in the area.

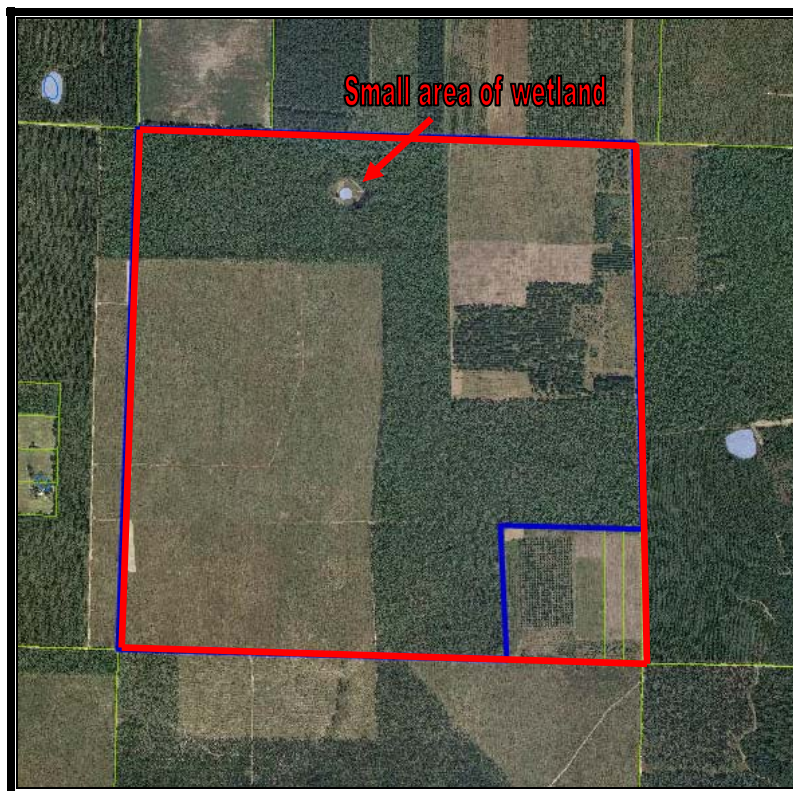
In summary, we see a rural to suburban community that has experienced slow growth because of the national economic slowdown, but which seems to be improving. Primary commerce is agricultural and timber related. Neighborhood growth has been slow in past years but we are now seeing more stability and a greater volume of transactions. Although we believe that demand for properties should continue, the future growth of these markets generally remains uncertain, as we continue to climb out of the recession years.

SITE DATA

The site is basically square to slightly rectangular shaped configuration and contains approximately 608-acres (+/-). The site is located east of Ard Field Road about .5 miles and south of Highway 187 (Spanish Trail). Ard Field Road is a paved county road that runs north/south and is about one-half mile east of the subject property. We observed a gated private paved road that intersects Ard Field Road which runs east from this intersection and provides access to the subject property. Exhibit "A" of the Real Estate Sale Contract refers to a perpetual non-exclusive right of ingress and egress over A.D. Kelley Road (60' right of way) from J. Barlow Road to Ard Field Road. We were not provided with a survey of the subject therefore scaled the following estimated frontage which was based on the Santa Rosa County Property Appraiser's web site. A delineation of the site boundaries is depicted in the site map presented earlier in this report.

The parcel is level and drainage at the site appears to be adequate and is aided by the presence of several scenic lakes on site. Per Department of Agriculture Soil Mapping the subject is all upland soils which are comprised of: 1.8%-Bonifay loamy sand (0-5% slopes), 4.4%-Dothan fine sandy loam (0-5% slopes), 1.2%-Dothan fine sandy loam (2-5% slopes), 3.7%-Fuquay loamy sand (0-5% slopes), 28.9%-Lucy loamy sand (0-5% slopes), 10.9%-Orangeburg sandy loam (0-2% slopes), 35.8%-Red Bay sandy loam (0-2% slopes), 3.2%-Tifton sandy loam (2-5% slopes), 10.1%-Troup loamy sandy (0-5% slopes). These soils are all well drained soils. Based on the aerial and limited physical inspection the property is a mixture of new growth and more mature timber land.

The Federal Emergency Management Agency Flood Insurance Rate Map, Community Panel Numbers 12113C0160G and 12113C0170G dated 12/19/2006 indicates the subject property is located within an "X" flood zone, which is an area of minimal flood probability. County GIS wetland mapping shown on the next page indicates that the subject is a very small area which appears to be a small pond and situated in the north central portion of the site that is classified as wetlands.



Based upon the above-cited soil, flood and wetland mapping, we estimate that approximately less than >1% of the site may be considered low and wet. The wet areas enhance the geographic diversity of the tract, and appear to sustain an abundance of wildlife.

Public utilities with the exception of sanitary sewer are available to the site, including public water. Also, we see and overhead electricity line along Ard Field Road but none was observed to the subject site.

We were provided with an estimate of the timber stands from Stephanie Bloyd, Central Region Land Sales Manager with Resource Management Service, LLC (“seller”). The majority of the property (about 60%) consists of cut over land that has been naturally reseeded or only recently planted. About 40% of the land has Loblolly, Slash, and Longleaf pines of significant age but that have been well thinned. For the readers’ reference we have provided a table of these stands below:

SUMMARY OF TIMBER STANDS				
Acreage	Forestation	Year Planted	Age	Merchant Acreage
13	Loblolly	2010	3	
4	Longleaf	1980	33	4
274	Loblolly	2011	2	
5	Loblolly	2012	1	
12	Loblolly	2011	2	
226	slash	1987	26	226
18	not planted	0	0	
6	food plots	0	0	
2	roads	0	0	
11	Loblolly	1985	28	11
27	Loblolly	2002	11	
10	Loblolly	2004	9	
608		2013		241
			% Merch	40%

In summary the subject is basically square shaped large track of transitional land with much diversified geographic appeal. No improvements observed on the subject.

HIGHEST AND BEST USE

The Highest and Best Use is defined as follows: "That reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal.

Alternately, that use, from among reasonable, probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in highest land value."

In estimating highest and best use of the subject site, the following were taken into consideration:

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

"AS VACANT"

Legally Permissible Uses: As previously mentioned, the subject property is subject to the AG2, Agricultural District zoning classification. Permitted uses within this district include: agricultural uses, single family residences (maximum density of 1 dwelling units per 15 acre parcels), campgrounds and recreational parks, stables, mobile homes (subject to code), churches, educational facilities, feed and farming equipment stores, home based "cottage businesses", family day care homes, among others. Use of the subject as timberland (agricultural use) is specifically permitted per code. This zoning classification lacks sufficient density to justify residential subdivision of this site.

Physically Possible Uses: As previously mentioned, the 608-Acre (+/-) subject property appears to have much young timber growth, but still has some mature trees on sparsely and previously thinned section of the property.

The site has basically a square-shaped configuration, with a gated access from Ard Field Road. Per our previous discussion, we have estimated approximately >1% of the subject site within its interior as being identified as wetland, however the USDA Soils Mapping does not mention any poorly drained soils on the subject site. We have not been provided with a wetlands determination, and we assume that our estimate is accurate.

We would consider the past and present use of agricultural timberland, and also recreational usage, to be consistent with the physically possible highest and best use options. The subject has level topography and soils are suitable for septic tank absorption. The subject area is located in a rural farming/timber area within the Allentown community. This area is the northern edge of residential development in the area, where we begin to see much more farming and timberland uses. The subject is not likely suitable for more intense residential development at this time.

Financially Feasible Uses: Financially feasible uses are generally analyzed by reviewing existing surrounding properties within the immediate area, but likewise by studying what uses might be anticipated for the foreseeable future. As previously mentioned the subject is located at the northern outskirts of rural communities in a rural farming/timber area that is a transitional location from residential uses to uses more agricultural and farming in nature. Although we see some residential uses situated within the general area, especially south of the property. We primarily see vacant land utilized as timberland and cropland in the general vicinity.

Maximally Productive Use: We are of the opinion that the highest and best use of the subject acreage is therefore a continued use as timberland or agricultural in conjunction with sparse residential/recreational applications and hold for speculation of future development.

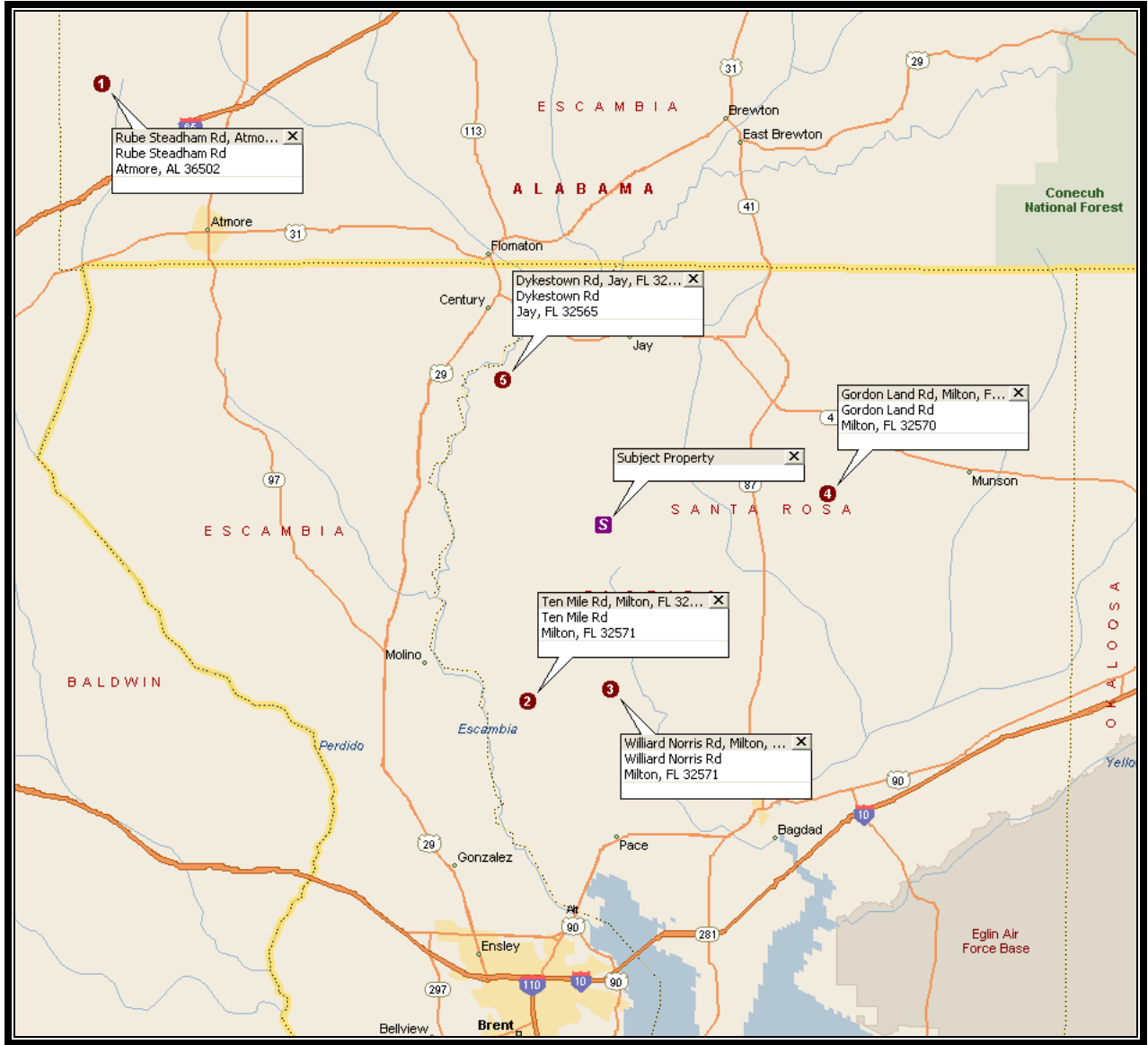
APPROACHES TO VALUE

There are three approaches to value or techniques that are utilized in the appraisal of real property. The appraiser has determined the Income Approach is inappropriate to the valuation of the subject property as this is an appraisal analysis of a parcel of heavily wooded agricultural land. The cost and sales comparison approaches to value are the most valid indicators of value. The income approach to value lacks relevance to the valuation because properties of this nature are rarely rented in sufficient capacity to provide an adequate return on investment, as the purchase motivation for this type of property is rarely (if ever) associated with renting the property. For this reason, the income approach has minimal market support and is excluded from our analysis.

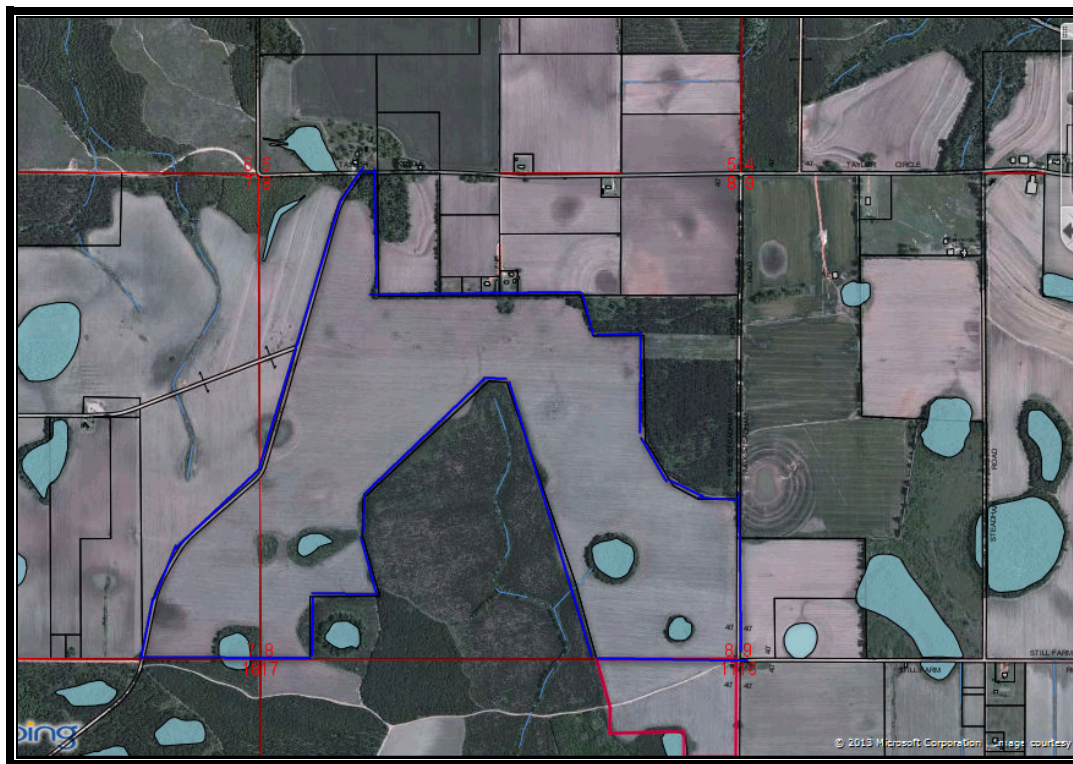
LAND VALUATION BY SALES COMPARISON APPROACH

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

LOCATION MAP OF THE SUBJECT PROPERTY, COMPARABLE LAND SALES, AND LAND LISTING



Land Sale No. 1



Property Identification

Record ID	5784
Property Type	Vacant Agricultural Acreage
Property Name	Vacant agricultural
Address	Rube Steadham Road, Atmore, Escambia County, Alabama 36502
Location	NW of Atmore
Tax ID	30-10-09-29-0-006.001
Date Inspected	July 19, 2013
Present Use	Vacant agricultural
MSA	South Alabama
Market Type	Vacant Agricultural

Sale Data

Grantor	Jerry H. Davis
Grantee	PCI
Sale Date	June 14, 2013
Property Rights	Fee Simple
Conditions of Sale	Cash to seller
Financing	Not known
Sale History	none in 3 years
Instrument	Deed

Land Sale No. 1 (Cont.)

Verification Patty Helton-Davis, PHD Realty; 251-294-2057, July 19, 2013; Other sources: MLS 376981, Pub Rec, Confirmed by Michael Miragliotta

Sale Price \$1,184,400
Cash Equivalent \$1,184,400
Adjusted Price \$1,184,400

Land Data

Zoning None, None
Topography Level
Utilities None
Shape Irregular
Landscaping Cropland
Flood Info Not in flood zone
Future Land Use None
Highest and Best Use Agricultural
Encumbrances None

Land Size Information

Gross Land Size 329.000 Acres or 14,331,240 SF
Front Footage 7663 ft Total Frontage: 1763 ft Rube Steadman Road; 5900 ft Stage Coach Road

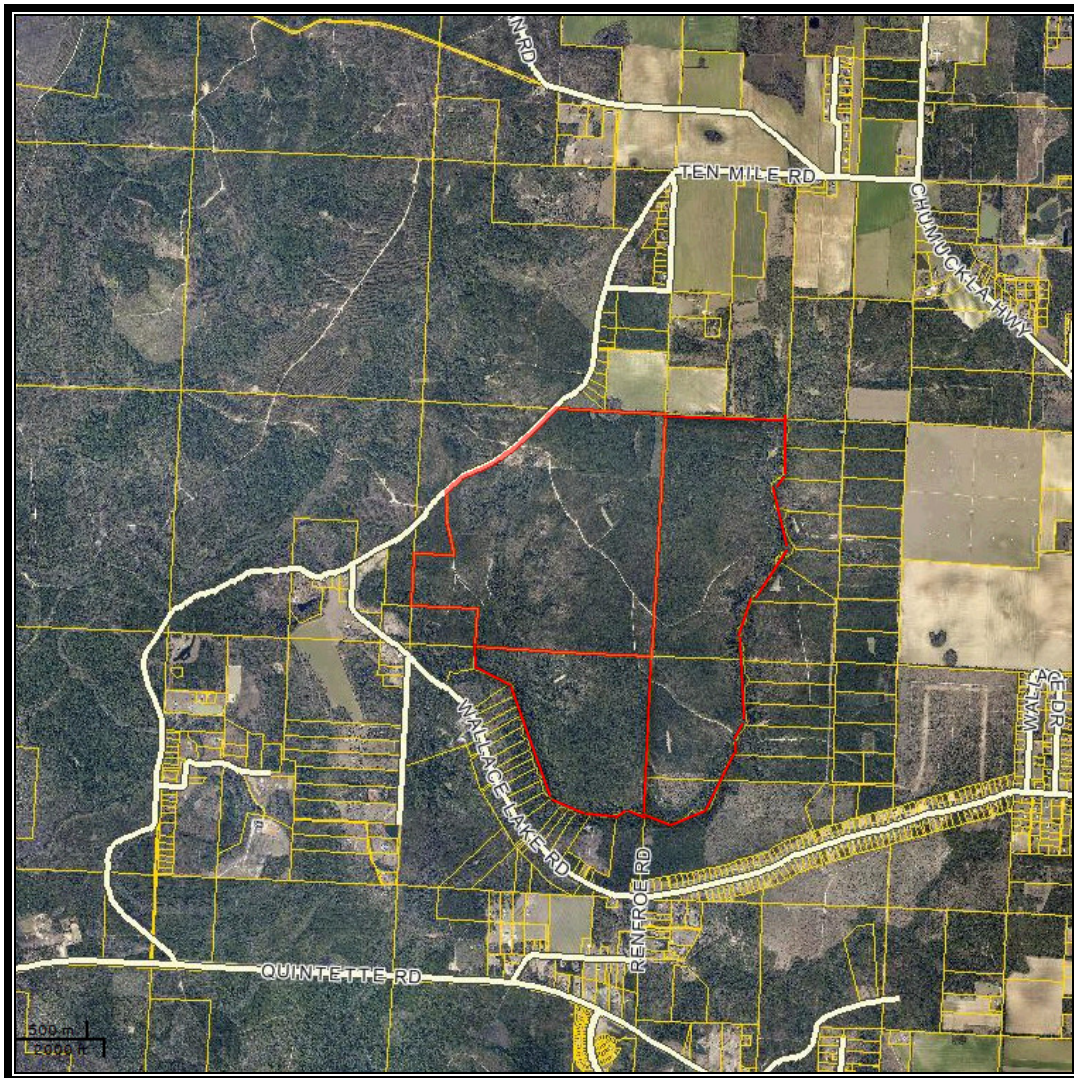
Indicators

Sale Price/Gross Acre \$3,599
Sale Price/Gross SF \$0.08
Sale Price/Front Foot \$155

Remarks

Improved cropland in South Alabama north of Atmore. Frontage on Rube Steadman and Stage Coach Roads both unpaved. Property is level and cleared with less than 5% poorly drained soils.

Land Sale No. 2



Property Identification

Record ID	5675
Property Type	Vacant Agricultural Acreage
Property Name	Vacant Agricultural
Address	Ten Mile Road, Allentown, Santa Rosa County, Florida 32570
Location	SS Time Mile Rd E of Chumuckla Hwy
Tax ID	112N-30-0000-00101-0000, 042N300000001340000, 132N300000001000000, 122N300000001000000
Date Inspected	April 3, 2013
Present Use	Vacant agricultural
MSA	Pensacola
Market Type	Vacant Agricultural

Land Sale No. 2 (Cont.)

Sale Data

Grantor	Figure 8 Properties
Grantee	Price Farms, LLC
Closing Date	August 27, 2013
Recording Data	ORB 3282 Page 305
Property Rights	Fee simple
Conditions of Sale	None noted
Sale History	Part of larger purchase 9/2010 @ \$4,745,000
Verification	Carla Cook, Wildlife Woodlands; 850-572-2698, April 03, 2013; Figure 8, 850-529-0022, Other sources: Public records, MLS 442078, Confirmed by Michael Miragliotta

Contract Price	\$2,593,200
Adjusted Price	\$2,593,200

Land Data

Zoning	Ag-Agricultural, Agricultural
Topography	Level
Utilities	No sewer or water
Shape	Irregular
Landscaping	Timber
Flood Info	Not in flood zone
Future Land Use	AG-Agricultural
Highest and Best Use	Agricultural
Encumbrances	None disclosed

Land Size Information

Gross Land Size	1,178.700 Acres or 51,344,172 SF
Front Footage	3037 ft Total Frontage: 3037 ft Ten Mile Rd 3,000' (+/-)

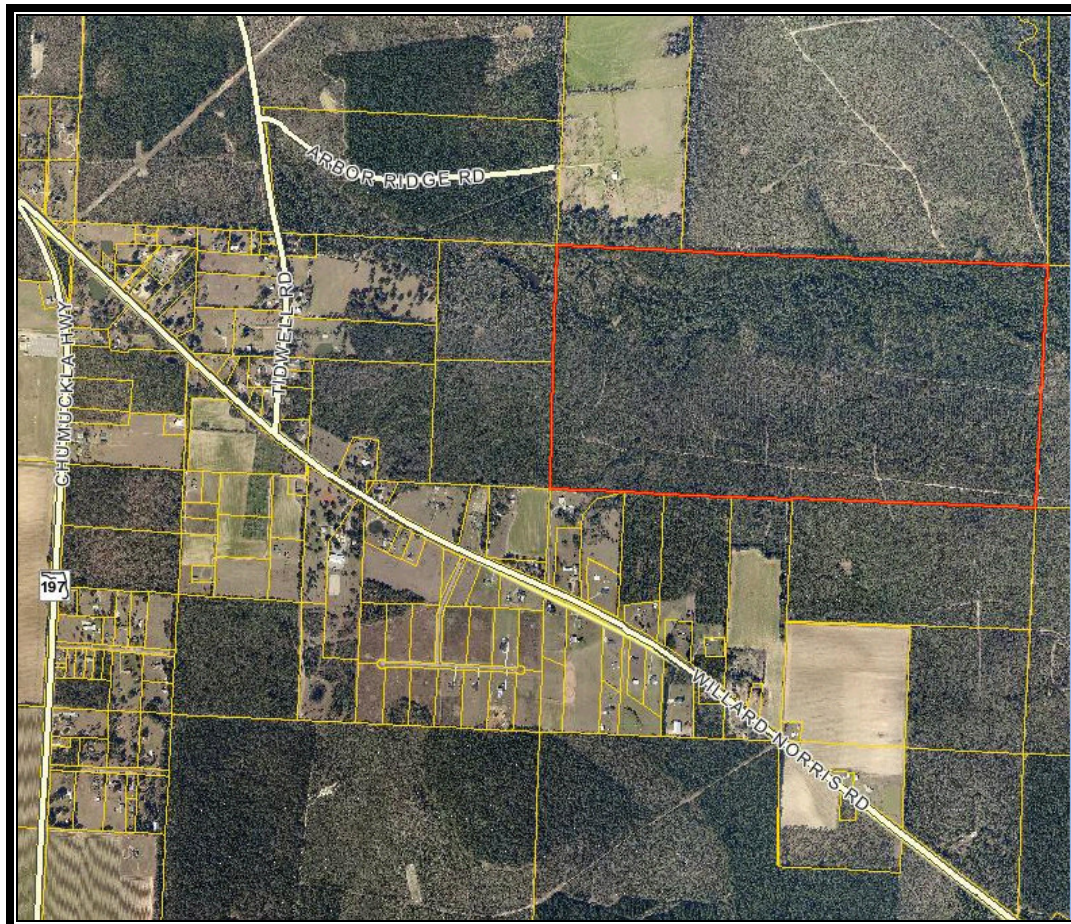
Indicators

Sale Price/Gross Acre	\$2,200
Sale Price/Gross SF	\$0.05
Sale Price/Front Foot	\$854

Remarks

Sale of four tax parcels of vacant agricultural land located on Ten Mile Road west of Chumuckla Highway north of Pace, FL. The agent estimates the timber at +/- \$400/ac or about \$400,000. Estimated about 10%-15% poorly drained soils based on soil maps and agent estimates.

Land Sale No. 3



Property Identification

Record ID	5672
Property Type	Vacant acreage, Vacant Agricultural Acreage
Property Name	Vacant Agricultural
Address	Willard Norris Road, Pace, Santa Rosa County, Florida 32570
Location	NS Willard Norris Rd E of Chumuckla Hwy
Tax ID	092N290000001000000
Date Inspected	April 2, 2013
Present Use	Vacant land
MSA	Pensacola
Market Type	Vacant Agricultural

Sale Data

Grantor	Whisper Creek, LLC
Grantee	Biddies, LLC
Sale Date	September 27, 2012
Deed Book/Page	3173-1644

Land Sale No. 3 (Cont.)

Marketing Time	1 yr
Conditions of Sale	None
Financing	None
Sale History	None in 5 years
Instrument	Warranty deed
Verification	Chris Bouchard, Granger Group; 850-434-7500, April 02, 2013; Other sources: GCMLS 1558495, Confirmed by Michael Miragliotta

Sale Price	\$460,000
Cash Equivalent	\$460,000
Adjusted Price	\$460,000

Land Data

Zoning	Ag-Agricultural, Agricultural
Topography	Level
Utilities	No sewer
Dimensions	2600' x 5400' (+/-)
Shape	Rectangle
Landscaping	Natural
Flood Info	Not in flood zone
Future Land Use	Ag
Highest and Best Use	Spec hold, agricultural
Encumbrances	Access easement

Land Size Information

Gross Land Size	323.000 Acres or 14,069,880 SF
Front Footage	Access easement

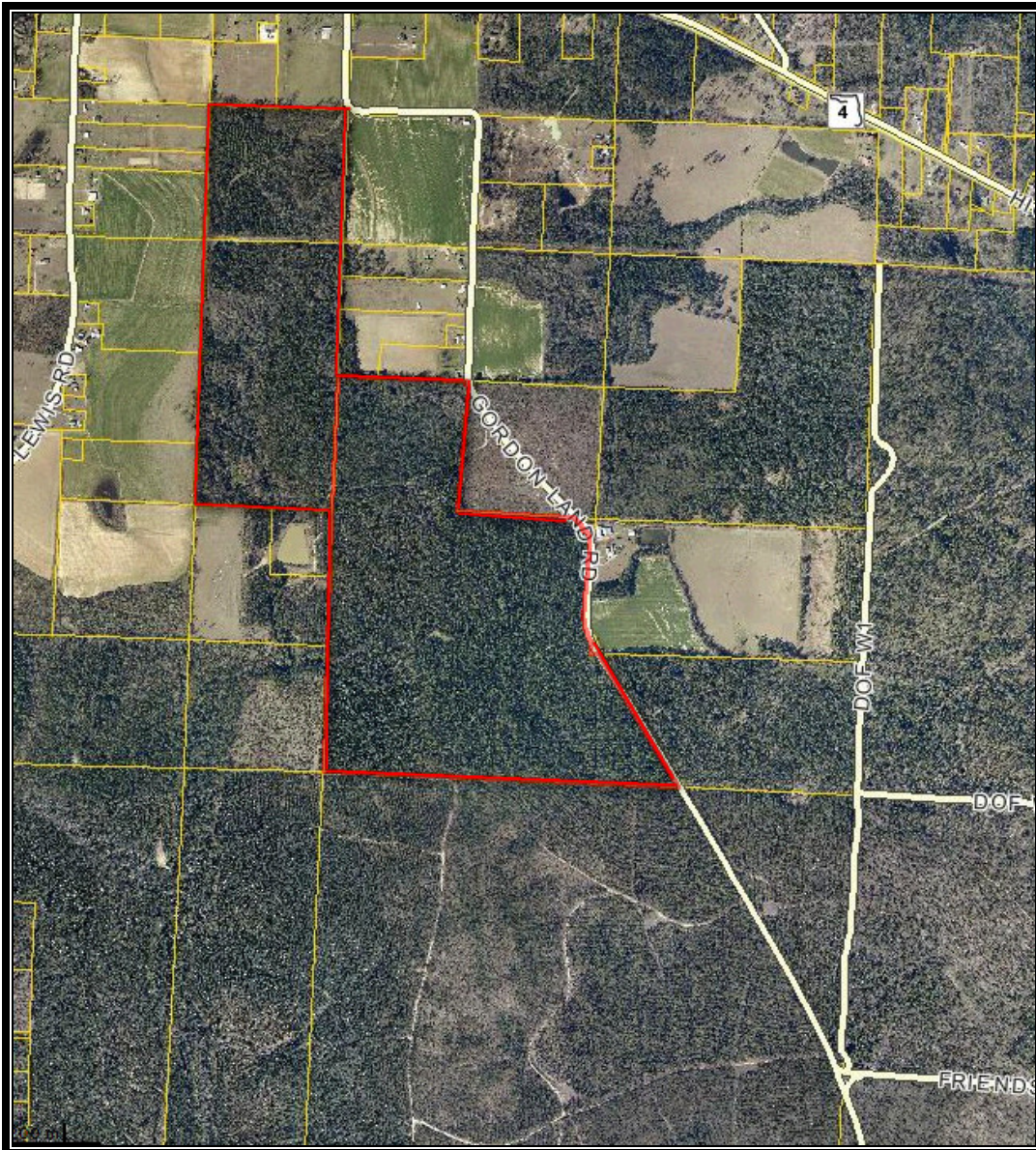
Indicators

Sale Price/Gross Acre	\$1,424
Sale Price/Gross SF	\$0.03

Remarks

Vacant agricultural land located north of Willard Norris Road and East of Chumuckla Hwy intersection. The land is level and about 18% poorly drained soils. The site has a deeded access from Willard Norris Road. The agent reported that no consideration was given for timber value and was purchasing this parcel to enhance his other holdings. The buyer also purchased the 512 acres north of this property in 2010 for \$902,600 or @1,752/acre.

Land Sale No. 4



Sale Date	April 10, 2013
Property Rights	Fee simple
Conditions of Sale	None noted
Financing	Cash to seller
Sale History	None in prior 5 years
Instrument	Special Warranty Deed
Verification	Paul Padgett, Kevin Kelley, Cedar Creek Realty; (251-867-6165) & (251-212-0056, Charles Bodamer (850-623-6085), buyer, October 21, 2013; Other sources: Public Records, Confirmed by Michael Miragliotta

Land Sale No. 4 (Cont.)

Sale Price	\$723,400
Cash Equivalent	\$723,400
Adjusted Price	\$723,400

Land Data

Zoning	AG-2, Agricultural, DU/ 15 acres
Topography	Level
Utilities	No sewer
Dimensions	Irregular
Shape	Irregular
Landscaping	Natural
Flood Info	Not in flood zone
Future Land Use	Agricultural
Highest and Best Use	Agricultural
Encumbrances	None noted

Land Size Information

Gross Land Size	329.000 Acres or 14,331,240 SF
Front Footage	2950 ft Total Frontage: 2950 ft Gordon Land Road

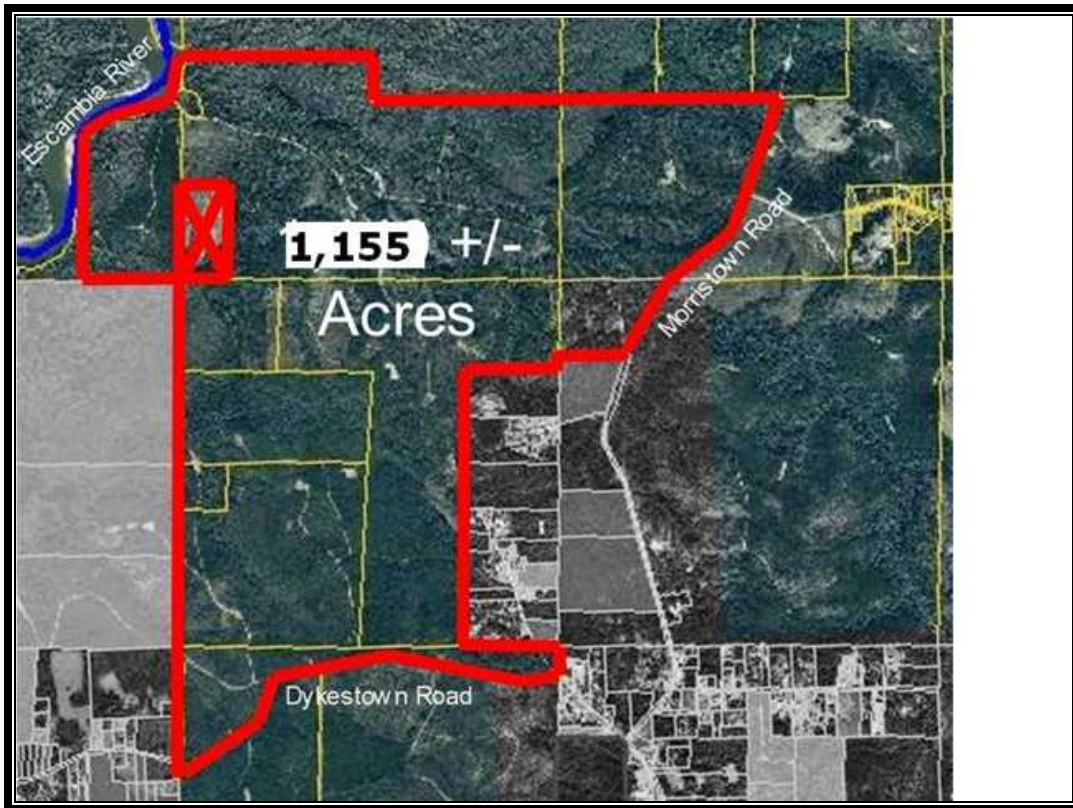
Indicators

Sale Price/Gross Acre	\$2,199
Sale Price/Gross SF	\$0.05
Sale Price/Front Foot	\$245

Remarks

Sale of 329 acres in North Santa Rosa County in the Allentown area SW of Munson. The property was mostly level and well drained soils. Timber value was estimated by the buyer at \$700/acre however the seller's estimate was slightly higher at \$1,000/ac. Timber rights conveyed to the owner.

Land Listing No. 5



Property Identification

Record ID	3292
Property Type	Vacant Timberland, Vacant Timber Acreage
Property Name	+/-1,155 acres of vacant land
Address	Jay, Santa Rosa County, Florida
Location	Dykestown Road
Tax ID	Several
Date Inspected	January 30, 2013
Present Use	Vacant Land

Sale Data

Grantor	ACB Enterprises, LLC
Survey Date	January 30, 2013 TBD
Property Rights	Fee Simple
Marketing Time	7 Months; 210 days

Conditions of Sale	Arms Length
Financing	Cash To Seller
Sale History	None in 5 years
Verification	Adrian Hammond, Exit EFI; 850-476-0196, May 01, 2013; Other sources: Public Records, MLS#433383, Confirmed by John Price

Land Listing No. 5 (Cont.)

Listing Price	\$2,298,450
Cash Equivalent	\$2,298,450
Adjusted Price	\$2,298,450

Land Data

Zoning	AG-2, AG-2, Agricultural
Topography	Level to sloping, 10% wet
Utilities	All available except sewer
Shape	Irregular
Flood Info	Not in Flood Zone
Future Land Use	AG
Highest and Best Use	Sparse Residential Development
Encumbrances	None Noted

Land Size Information

Gross Land Size	1,155.000 Acres or 50,311,800 SF
Front Footage	6500 ft Total Frontage: 3178 ft Morrystown Road;3322 ft Dykestown Road

Indicators

Sale Price/Gross Acre	\$1,990
Sale Price/Gross SF	\$0.05
Sale Price/Front Foot	\$354

Remarks

This is an active listing of approximately +/-1,155 acres of vacant timberland. The parcel is identified by the Santa Rosa County Appraisers office by several Parcels #s Sections 22, 14 &15-5North-30west. The parcels are designated with the "AG2" zoning classification, which will allow development at a density of one unit per fifteen acres. The topography of the parcel in general is level to sloping. According to applicable soil maps, approximately +/-10% of the parcel is considered "wet", meaning the water level is at or near the surface for long periods of time. The remaining land is comprised of upland soils that are conducive to urban development. 05/01/2013.

The listing agent, A. Hammond, tells us that the owner estimates that the timber on the property has a value of \$400/ac.

Mr. Hammond indicated that there has been no activity on the property listing.

The above land sales and listing are organized on the following spreadsheet to facilitate a comparison with the subject and our adjustment process.

LAND SALES COMPARISON GRID

ITEM	SUBJECT	LAND SALE 1		LAND SALE 2		LAND SALE 3		LAND SALE 4		LAND LISTING 5	
Location	Ard Fields Road	Rube Steadham, AI		Ten Mile Rd, FI		Willard Norris Rd, FI		Grodon Land Rd, FI		Dykestown Rd, Jay, FI	
Prox to Subject	N/A	45.2 miles NW		8.0 miles N		6.8 miles S		10.9 miles E		11.4 miles W	
Sales Price	N/A	\$1,184,000		\$2,593,200		\$460,000		\$723,400		\$2,298,450	
Site Area (Acres)	640	329.00		1,178.70		323.00		329.00		1,155.00	
Price/Acre	N/A	\$3,599		\$2,200		\$1,424		\$2,199		\$1,990	
Property Rights	Fee Simple	Similar		Similar		Similar		Similar		Similar	
Adj Price/Acre	N/A	\$3,599		\$2,200		\$1,424		\$2,199		\$1,990	
Financing	Cash or Equiv	Similar		Similar		Similar		Similar		Similar	
Adj Price/Acre	N/A	\$3,599		\$2,200		\$1,424		\$2,199		\$1,990	
Conditions of Sale	Arm's Length	Similar		Similar		Assemblage 15%		Similar		Neg. Allow. -10%	
Adj Price/Acre	N/A	\$3,599		\$2,200		\$1,638		\$2,199		\$1,791	
Buyer Expenditures	None	Similar		Similar		Similar		Similar		Similar	
Adj Price/Acre	N/A	\$3,599		\$2,200		\$1,638		\$2,199		\$1,791	
Time/Mkt Conditions	Oct-13	Jun-13		Aug-13		Sep-12		Apr-13		Current	
Adj Price/Acre	N/A	\$3,599		\$2,200		\$1,638		\$2,199		\$1,791	
Location	North Santa Rosa C	Inferior	5%	Similar		Similar		Similar		Inferior	5%
Site Area (Acres)	608	329.00	-5%	1,178.70	15%	323.00		329.00		1,155	15%
Access/Frontage	Private Rd/5,280 FF	Asph./7,663 FF(S)	-10%	Asph./3,037FF		Deeded access	25%	Asph./2,950FF		Asph./3,178FF	
FF/AC	8.25/AC	23.3 FF/Ac		2.6 FF/Ac		None FF/Ac		8.9 FF/Ac		2.8 FF/Ac	
Zoning/FLU	Agricultural	Agricultural		Agricultural		Agricultural		Agricultural		Agricultural	
Utilities	No public sewer	No public water	5%	No public water	5%	Similar		Similar		Similar	
Topography	Level no poor soils	Lv/Slp/5%Low		Lev/10%Low	10%	Lev/Slp/18% Low	15%	Lev/10%Low	10%	Lev/Slp/25%Low	20%
Improvements	Land Only	None noted		None Noted		Ingress/Egress		None Noted		None Noted	
Land Mix	Timber	Imprd Cropland	-5%	Some Timber	15%	No Timber	25%	Timber-similar		Some Timber	15%
Net Phys Adj %	N/A		-10%		45%		65%		10%		55%
Adj Value/Acre	\$2,865	\$3,239		\$3,190		\$2,702		\$2,419		\$2,776	

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

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

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

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

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

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

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

Conditions of Sale - To the best of the appraiser's knowledge, all of the comparable sales were found to be "arms length" transactions without evidence of any undue influence or duress. For this reason, the comparables were sold under conditions of sale that are compatible with the market value definition and no adjustment is required, except to Land Listing 5 and comp 3. We applied a negative adjustment to listing 5 to reflect the probable market difference between the list price and eventual sales price based on sales data from the Multiple Listing Service. Comp 3 was adjusted positively because it was purchased by an adjoining property owner in an assemblage that had the comp in somewhat of a captive market due to access issues.

Buyer Expenditures - The selected comparable sales did not involve any extraordinary buyer expenditures for demolition, rezoning and/or environmental considerations, thus, no adjustments were necessary for these comps.

Time/Market Conditions – All of our comps are 2012 or later therefore no adjustments are required.

Location – The subject is located north of Highway 178 in Allentown community. This location is rural in nature, being at the outskirts of the Chumucka, Florida an

unincorporated farming community where mostly agricultural uses were observed. All the comps are generally similar locations and are rated equal except #1 and #5, which are situated further away from urban support facilities and therefore adjusted positively.

Site Area – The subject site contains approximately 608-acres (+/-) of land per the tax records found in the public records. Adjustments are made as necessary to account for the inverse relationship between the unit of comparison (price per acre) and total parcel size.

Access/Frontage/Frontage Ratio - The subject property has ample access on a private road with an estimate total of +/-5,280 FF of frontage. We have considered the extent of road frontage by development of the ratio of frontage per acre. This allows us to make a comparison that is relative to the selected unit of comparison. Comp #3 is adjusted substantially because it only has deeded access and inferior roadway. Comp 1 is adjusted for a greater amount of road frontage. The other comps are rated similar.

Zoning – Per the County growth management department the subject tract is zoned Agricultural which is similar to all the comparable sales and listings, therefore no adjustment for this feature.

Utilities – The subject property has all commonly necessary utilities available in the general area, with the exception of sewer. Comps #1 and #2 have no sewer or water available so they are adjusted positively. The other Comps were similar to the subject which no adjustment was required.

Topography – Per County aerial/wetland mapping and the soil survey, the subject site is nearly level to sloping, with no poorly drained soils which we based on the USDA Web Soils Survey (<http://websoilssurvey.mrcs.usda.gov>). Adjustments are applied as necessary to account for topographical variation.

Improvements – Like the subject, the comps are not improved and adjustments are not necessary.

Land Mix – As previously mentioned, the subject property has some timber. Comp #1 was improved cropland which is considered superior. Comp #4 has similar timber stands thus no adjustment. The other comps range from none to some timber thus were adjusted these comps positively to account for the difference.

Summary and Land Value Opinion: The adjusted range is from \$2,419/acre to \$3,239/acre and average of \$2,865 per acre. Each of the comparables is a reasonable indicator of value, as each is a recent sale or a current listing within the greater Northwest Florida market area. We reconcile toward the upper end of the range because of the subjects location and the fact that the market appears to be recovering. We reconcile at \$3,100/acre. When applied to the subject's site area of 608-acres (+/-), this renders a value opinion of \$1,884,800, or \$1,900,000 "R".

LAND VALUE OPINION

ONE MILLION NINE HUNDRED THOUSAND DOLLARS

(\$1,900,000)

ASSUMPTIONS AND LIMITING CONDITIONS

1. This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is to be assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

ASSUMPTIONS AND LIMITING CONDITIONS – CONT'D.

13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are - structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

CERTIFICATION

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

1. The statements of fact contained in this appraisal report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
8. We have made a personal inspection for the property that is the subject of this report.
9. No one provided significant professional assistance to the persons signing this certification.
10. This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, R. Shawn Brantley, MAI, has completed the continuing education program of the Appraisal Institute.
14. We have performed no services, either as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
15. We certify, as the Appraiser(s), that we have completed all aspects of this valuation, including reconciling our opinion of value, free of influence from the client, client's representatives, borrower, any other party to the transaction, or anybody else on this planet.
16. We are competent to perform this assignment.



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



Michael Miragliotta, Associate
State-Certified General Appraiser
Florida RZ2173

QUALIFICATIONS AS AN APPRAISER

R. SHAWN BRANTLEY, MAI, CCIM, SRA

AFFILIATIONS/DESIGNATIONS:

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

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

SRA designation: Residential appraisal designation awarded in 1990. Member #42488

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

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

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

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

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

EXPERIENCE:

Over 20 Years of Experience: Owner/President of Brantley and Associates Real Estate Appraisal Corp. from 2004 to present. Owner/President of Martin, Brantley & Associates, Inc. from 1999-2004. Owner/Vice President of Martin, Brantley & Associates, Inc. from 1997-1998. Owner/President of Brantley Real Estate, Inc. from 1990-1996. Employed as Staff Appraiser with Presley Real Estate, Inc. from 1984-1989.

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

Varied Experience: Experience includes appraisals in the following property types: Agricultural, Apartments, Automotive, Borrow Pits, Cemeteries, Churches, Commercial properties, Condemnation, Condominiums, Convenience stores, Cropland, Dental facilities, Distribution plants, Easements, Eminent domain matters, Extended stay motels, Farms, Fast food facilities, Freshwater marsh land, Golf courses, Greenhouses, Hair salons, Homes up to over 9,000SF, Hotels, Industrial properties, Land tracts up to 5,300 acres, Leasehold interests, Liquor stores, Motels, Medical facilities, Manufacturing plants, Night Clubs, Offices, Partial Interests, Restaurants, Retail, Right-of-way, Self-storage facilities, Service stations, Shopping centers, Subdivisions, Supermarkets, Timberland, Warehouses, Waterfront property, Wetlands, etc.

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

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

Partial List of Prior Clients:

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

Banks: Bank of America, Bank of Pensacola, BB&T, FARM CREDIT OF NORTHWEST FLORIDA, Hancock Bank, Peoples 1st, Compass Bank, 1st Nat'l Bank of Brewton, 1st Nat'l Bank & Trust of Crestview, 1st Nat'l Bank of Florida, Regions Bank, SunTrust, Vanguard Bank & Trust Company of Ft. Walton, Wachovia, Whitney Bank.

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

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

EDUCATION:

M.S. Real Estate, University of St. Thomas, 2007.

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

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

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

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

QUALIFICATIONS AS AN APPRAISER

MICHAEL MIRAGLIOTTA

STATE CERTIFIED GENERAL REAL ESTATE APPRAISER, RZ2173

State of Florida, Department of Professional Regulation, Florida Real Estate Appraisal Board

REAL ESTATE SALES ASSOCIATE, SL 357851

State of Florida, Department of Professional Regulation, Real Estate Sales Associate

EDUCATION BACKGROUND

The University of West Florida, Pensacola, Florida. Bachelor of Science Degree, August 1970.
Louisiana State University, Graduate of the School of Banking of the South, Baton Rouge, Louisiana., June 1985.

TESTED EDUCATIONAL COURSES

Appraising Real Property #101 given by the Society of Real Estate Appraisers, Jacksonville, Florida, October 1985.

Appraising Real Property #102 given by the Society of Real Estate Appraisers, Florida State University, Tallahassee, Florida, July 1987.

Basic Income Capitalization #310 given by the Appraisal Institute at the University of Georgia, Athens, Georgia, March 1994.

Standards of Professional Practice #410 Part A given by the Appraisal Institute, Orlando, Florida, August 1993.

Standards of Professional Practice #420 Part B given by the Appraisal Institute, Orlando, Florida, August 1993.

Standards of Professional Practice: #430 Part C given by the Northwest Florida Chapter of the Appraisal Institute, Pensacola, Florida, March 1998

Standards of Professional Practice: #430 Part C given by the Northwest Florida Chapter of the Appraisal Institute, Pensacola, Florida, January 2002

Advanced Income Capitalization #510 given by the Appraisal Institute at the University of Alabama, Tuscaloosa, Alabama, October 1994.

Highest and Best Use and Market Analysis #520 given by the Appraisal Institute at Tampa, Florida April 2002

Report Writing and Valuation Analysis #540 given by the Appraisal Institute, Houston, Texas Chapter of the Appraisal Institute, Houston, Texas, June 1998

Advanced Applications #550 given by the Appraisal Institute at the University of Alabama, Tuscaloosa, Alabama, September 1996.

15-Hour National Standards of Professional Practice: #430 Part C given by the Appraisal Institute, Tampa, Florida, March 2005

The Cost Approach to Commercial Appraisal, given by Marshall and Swift, November 2006

EDUCATIONAL SEMINARS

Advanced Commercial Loan Training School, Sponsored by Barnett Banks, Inc.

Advanced Commercial Training Program (ACT) Barnett Banks of Florida, Instructor

Professional Standards USPAP Update-Core Law given by the Department of Professional Regulation, Division of Real Estate, Florida Real Estate Appraisal Board, March 1994

The Appraiser in Litigation given by David Collins Real Estate Institute, November 1996

Non-Residential Demonstration Appraisal Report Writing Seminar, given by the Appraisal Institute at Atlanta, Georgia, 3/1999

Professional Standards USPAP Update-Core Law Division of Real Estate, Florida Real Estate Appraisal Board, August 1999

Data Confirmation/Verification given by Northwest Florida Chapter of the Appraisal Institute, March 2001

Real Estate Principles and Practices Florida Real Estate Commission, Pensacola.

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

EDUCATIONAL SEMINARS - CONTINUED

Professional Standards USPAP Update-Core Law FREAB Entity #529, Florida Real Estate Appraisal Board, May 2004

Private Appraisal Assignments, McKissock September 2006

Florida Laws and Regulations, McKissock, September 2006

Disclosures and Disclaimers, McKissock, September 2006

The Cost Approach, McKissock, September 2006

National Uniform Standards of Professional Practice Update, McKissock, September 2006

National Uniform Standards of Professional Practice Update, Steven W Vehmeier, January 2010

Florida Law, Steven W. Vehmeier, January 2010

Deriving Adjustments, Steven W. Vehmeier, January 2010

USPAP FAQ's and Q&A's, Steven W. Vehmeier, January 2010

Roles of Supervisors and Trainees, Steven W. Vehmeier, January 2010

National Uniform Standards of Professional Practice Update, McKissock-Steven W. Vehmeier, October 2012

30-hours of continuous educational courses, McKissock -Steven W. Vehmeier, October 2012

PROFESSIONAL EXPERIENCE

Employed with Brantley & Associates from 2011 to present.

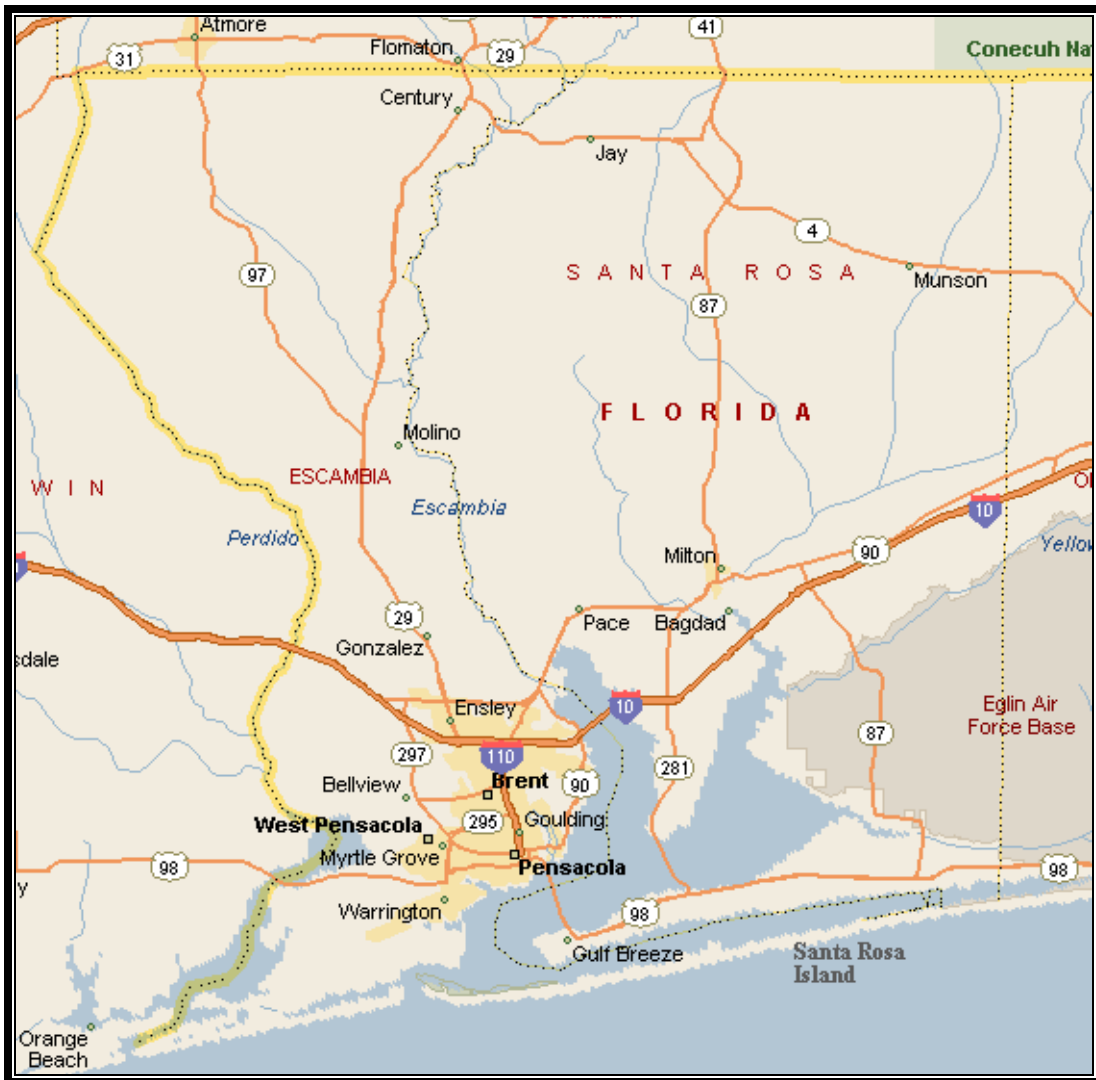
January 1993, contracted with the firm of Swaine, Hoffman & Associates, a real estate appraisal company specializing in appraising real estate properties. Specialized in commercial properties and was sponsored by Terry G. Hoffman, MAI. I have had appraisal experience in single family residences, multi-family residential properties, townhouses, condominiums, warehouses, retail stores, warehouse and industrial buildings, vacant acreage, and vacant and improved commercial and industrial properties An independent contractor working with Hoffman and Associates, P.A. as a general appraiser for more than ten years. Self- employed as a real estate appraiser until August 2011.

Employed by Barnett Banks, Inc. from 1971 to 1992. Served as Director of Retail Banking from January 1989 to December 1993. Duties included the direction of all lending functions originated from the banking offices. Director of Commercial and Residential lending from June 1978 to December 1988. Duties included the origination, underwriting and approval of all commercial and residential real estate lending activities. Approved By Barnett Banks, Inc. as an Advanced Commercial Real Estate Trainer. Served as Second Vice President of the West Florida Home Builders Association and Vice President of the Mortgage Lenders Association of West Florida. Both organizations were involved in all aspects of legal and political activities involving real estate in the State of Florida. I have given and the court has recognized my expert testimony as a real estate appraiser.

ADDENDA

GENERAL AREA ANALYSIS

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



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

ECONOMIC FORCES

SOCIAL FORCES

GOVERNMENTAL FORCES

ENVIRONMENTAL FORCES

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

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

Employment: Pensacola's regional economy continues to rely heavily upon governmental expenditures (primarily military); however, tourism, industry, health care and education make up the majority of its workforce and economy. At the present time, 36% of the work force is employed by the service industry, 16% by the retail trade industry, and 21% is employed by federal, state and local government. In an effort to diversify the past/existing labor trend, local government has intensified their efforts in securing new industry to the area. This effort commenced in the late 1980s and continues through the present time. According to the Haas Center for Business Research and Economic Development, over 1,900 new jobs were added from the first quarter of 2006 to the first quarter of 2007.

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

Pensacola Naval Complex in Escambia and Santa Rosa counties employs more than 16,000 military and 7,400 civilian support personnel.²

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

On August 27, 2005, the Defense Base Realignment and Closure Commission (BRAC) completed their final recommendations for base realignments and closures. Those recommendations affecting the Pensacola installations include the transfer of the Defense Finance and Accounting Services (400 jobs), the Officer Training Command (738 jobs), the Naval Aeromedical Research Laboratory (40 jobs), and Space and Naval Warfare Systems (139 jobs). This will be a loss of approximately 1,317 jobs; however, this loss will be offset by BRAC's recommendation to transfer Randolph Air Force Base's undergraduate pilot and navigator training to NAS Pensacola. This transfer will be a gain of approximately 625 jobs, thus the net loss to NAS Pensacola will be approximately 692 jobs. These decisions were accepted by President Bush on September 15, 2005 and later approved by congress. In summary, the current outlook for the future of NAS Pensacola looks positive.

Other major employers in the region include:

Company Name	No. Emp.	Principal Business
Local Government	15,790	Government Services
Federal Government	7,403	Government Services
State Government	5,970	Government Services
Sacred Heart Health System	4,100	Health Care Service
Baptist Health Care	3,500	Health Care Service
University of West Florida	2,400	Education
Solutia, Inc.	1,300	Nylon Fiber/Industrial Organic Chemicals
Lakeview	1,500	Health Care Service
Gulf Power Company	1,400	Electric Utility
West Florida Hospital	1,300	Health Care Service
Navy Federal Credit Union	1,200	Financial Institution
Pensacola Christian College	1,078	School and Publishing

² NAS Pensacola, Commanding Officer, Naval Air Station Pensacola, www.naspensacola.navy.mil (10/15/2007)

International Paper	600	Paper Products
Pensacola Junior College	770	Education
West Corporation	800	Broadband wireless support
Medical Center Clinic	725	Health Care Service
Talk America - Network Telephone	582	Communications Services
ECUA	510	Public Utilities
SMG Food Services	411	Entertainment & Food Services
Santa Rosa Medical Center, Inc.	573	Health Care Service
Cox Communications Gulf Coast	300	Communication Services
Wayne Dalton Corporation	500	Garage Door Manufacturer
CHCS Services, Inc.	430	Insurance Claims
Pensacola News Journal	520	Newspaper
DANA Coupled Products	350	Automobile Brake Systems
Armstrong World Industries	300	Acoustical Ceiling Products
General Electric	250	Wind Energy Systems

These employers represent a broad base of industries. A significant number of jobs in the service sector are provided by the health care industry. Pensacola is a regional center for medical care in Northwest Florida and South Alabama, offering specialized health care services for people in a wide multi-state area. The three regional hospitals include Baptist Hospital, Sacred Heart Hospital, and West Florida Hospital. The three centers have a total of 1,483 beds and feature a variety of medical specialties for the Southeast region.

In addition to the three regional hospitals, other chief healthcare facilities within this MSA include Gulf Breeze Hospital (associated with Baptist Hospital), Naval Hospital, Santa Rosa Medical Center, and Nemours Children’s Clinic. Two new major health care facilities were recently completed in the area, which are a state-of-the-art Veterans Affairs/Department of Defense Joint Ambulatory Care Clinic to be located near Corry Station and a world-class multi-million dollar orthopedics and sports medicine center, the Andrews Institute (featuring celebrated orthopedic surgeon James R. Andrews) in Gulf Breeze.

Unemployment: Northwest Florida is struggling with rising unemployment rates along with the rest of the nation. According to an article published by Northwest Florida Realtor, “the unemployment rate rose again in October, due to employers shedding another 190,000 jobs. The unemployment rate now stands at 10.2%, the highest it has been in 26 years.” The article goes on to say, “The news on the employment front is discouraging, to be sure, though recent payroll data reflect some improvement.” The rate of job cuts has lessened dramatically when you consider that 741,000 jobs

were shed in January alone. It's also worth noting that new claims for unemployment benefits decreased by 20,000 to 512,000 in the week ended October 31, the lowest level since January 3.

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

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

According to the Pensacola Association of Realtors' Multiple Listing Service the average number of monthly sales drastically decreased, and we observe a large increase of average "days listed on the market". The MLS statistics support what local Realtors and developers have been reporting in regards to a declining demand within the residential market, thus resulting in a similar decline in demand for residential land.

In addition to the abundance of listings for residential housing and minimal sales, we also observe falling median prices. The affordable housing market has been more resistant to decline in both cost and absorption; however, other sectors of the residential market have shown declining prices, especially along the waterfront. According to the Haas Center, even with median home prices decreasing, many residents are feeling the pinch from increased property taxes in addition to already high insurance premiums. And although the housing affordability for Northwest Florida is improving with regard to lower interest rates and declining housing prices, the increases in insurance and property taxes coupled with minimal increases in median income will continue to make housing affordability a serious problem. Thus, we surmise that until the general area as a whole sees some

kind of relief in regards to insurance costs and construction costs, and until the hurricane phobia subsides, demand for housing may remain somewhat stagnant into the foreseeable future.³

Building Permits: Due to the decline in real estate demand, permit activity is also down across the region, including Santa Rosa County. However, Escambia County has been the exception showing a tremendous increase in permit activity for multi-family units in 2007, as it did in the third and fourth quarters of 2006, with over 373 percent compared to 2006. Also, according to the Haas Center, in spite of the long decline in real estate activity, interest rates remain low and many experts believe that we may have bottomed out, or are very close to doing so. According to a recent survey done by the University of Florida's Bergstrom Center for Real Estate Studies an increasing number of real estate professionals believe that an equilibrium is being established between home prices and inflation, and that this suggests the market is stabilizing.⁴ Below is a chart exhibiting permit activity in Northwest Florida.

	Escambia County	Santa Rosa County	Okaloosa County <i>(Ft Walton Bch MSA)</i>	Walton County	Bay County <i>(Panama City MSA)</i>
First Quarter 2007					
Construction Value	\$76,158,137	\$30,586,117	\$77,950,000	\$118,223,232	\$46,430,000
Single Family Units	313	190	191	190	165
Multi-Family Units	270	8	165	14	196
First Quarter 2006					
Construction Value	\$61,658,005	\$38,018,110	\$105,437,000	\$188,234,341	\$177,946,000
Single Family Units	373	260	377	270	295
Multi-Family Units	57	0	182	145	852
Percentage Change Q1-06 to Q1-07					
Construction Value	23.5%	-19.5%	-26.1%	-37.2%	-73.9%
Single Family Units	-16.1%	-26.9%	-49.3%	-29.6%	-44.1%
Multi-Family Units	373.7%	N/A	-9.3%	-90.3%	-77.0%

Source: U.S. Department of Commerce - Bureau of the Census

Building activity is assisted somewhat by the fact that mortgage credit is readily available to qualified applicants throughout the MSA. There are a large number of banks, mortgage companies and S & L's, which are highly competitive in providing loans. Typically, loan-to-value ratios of seventy to eighty percent are available at interest rates of approximately 6% to 10%. Amortization periods tend to vary with 10 to 30-year terms; however, balloon provisions are typical.

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

³ *Housing Affordability*, A Quarterly Publication of the Haas Center for Business Research & Economic Development at the University of West Florida (Summer 2007).

Population: Population growth in the Pensacola MSA (Escambia and Santa Rosa Counties) has continued at a steady pace since 1960. The table below shows the population changes in the Pensacola MSA from 2002 through 2006.⁵

<u>YEAR</u>	<u>ESCAMBIA</u>	<u>SANTA ROSA</u>	<u>PENSACOLA MSA</u>
2006	295,426	144,561	439,987
2005	295,624	142,442	438,066
2004	298,859	138,276	437,135
2003	297,035	132,266	429,301
2002	296,798	127,346	424,144

The largest segment of the population (63%) is 15 to 59 years old, and the median age is 37.9 years. Census estimates indicate there were 273,027 households in Escambia County in 2006, up from 110,921 households in 2000. The average household size is 2.31. There were 142,303 households in Santa Rosa County in 2006, up from 44,668 households in 2000; and the average household size was 2.90.

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

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

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

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

⁴ *Northwest Florida Real Estate Activity*, A Quarterly Publication of the Haas Center for Business Research & Economic Development at the University of West Florida (Summer 2007).

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

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

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

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

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

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

⁵ Population figures from the U.S. Bureau of Census

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

Recreation: A wide variety of cultural activities such as music, art, theatrical productions and dance are located in the area. Canoeing, boating, fishing and other outdoor sporting activities are popular throughout the MSA.

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

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

Perhaps the most recognized resource for the area is the sparkling white sandy beaches, which extends from Mobile Bay to peninsular Florida. The beaches in the Pensacola area remain a major tourist attraction.

Hurricanes: As Florida endures the majority of Atlantic hurricane landfalls, with statistics identifying Pensacola as having a 1 in 8 chance of being the target, hurricane damage and their repercussions are major concerns for the Pensacola MSA. As described earlier in the Housing section, Hurricane Ivan was the initial onset of the current market decline for the Pensacola MSA.

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

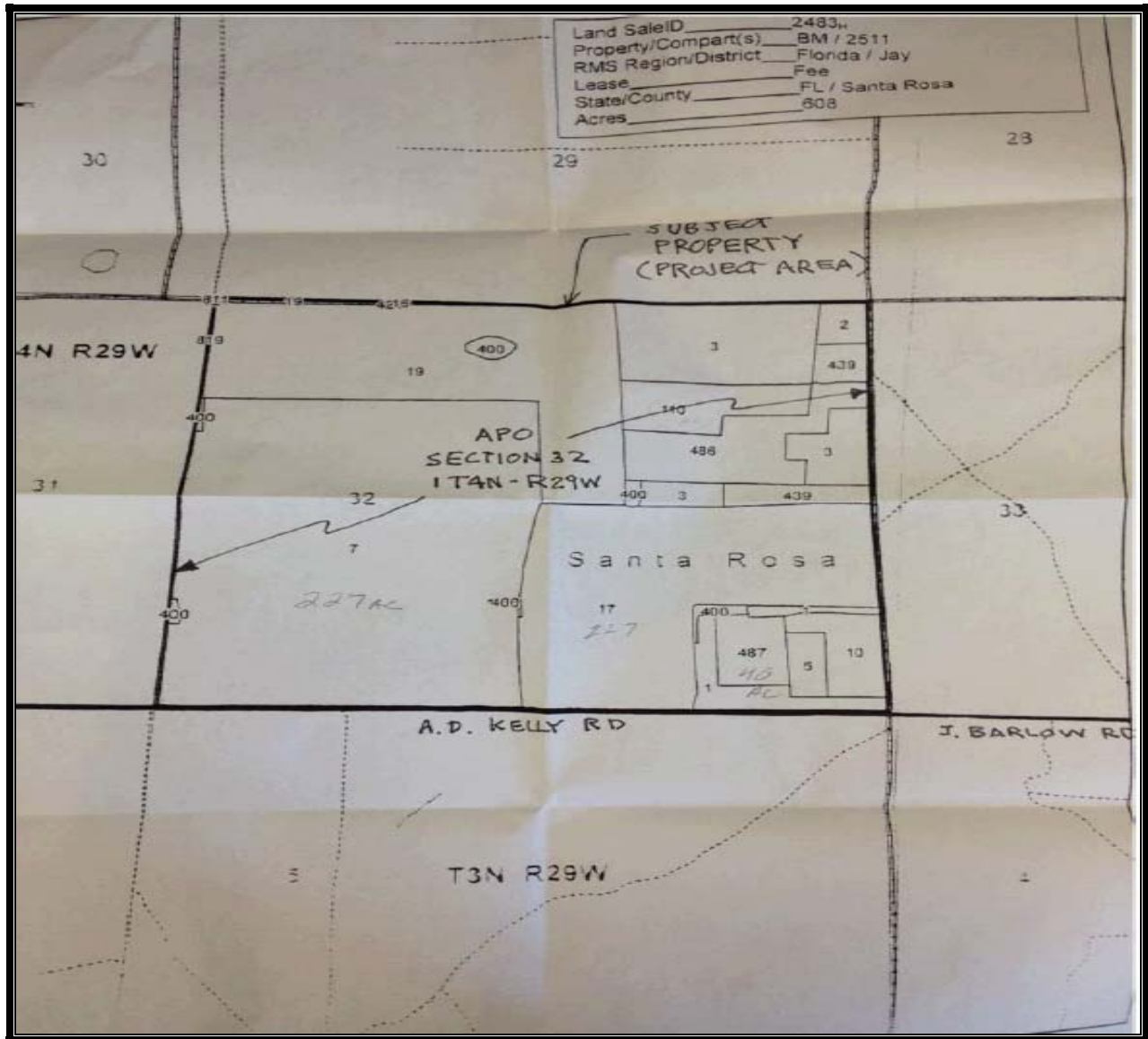
MAJOR HURRICANES IN PENSACOLA MSA						
Name	ERIN	OPAL	GEORGES	IVAN	DENNIS	KATRINA
Date	August-95	October-95	September-98	September-04	July-05	August-05
Landfall	Pensacola, FL	Gulf Breeze, FL	Biloxi, MS	Gulf Shores, AL	Pensacola, FL	New Orleans, LA
Category	1	3	2	3	3	3
Winds	99 mph	116 mph	104 mph	120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

These storms, along with several other 2004-2005 Florida hurricanes, created in the general public an awareness of the vulnerability of this hurricane prone area. Due to these natural disasters frequently targeting the Escambia and Santa Rosa County areas, multiple hurricane shelters, evacuation planning guides and assistance programs have been formed to support local residents in preparing for and dealing the outcomes of these storms.


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

SUBJECT PROPERTY DATA

TIMBER STAND MAP




STAND ID#	Size-acres	Date Planted	Type
1	13-acres	2010	Loblolly Plantation
2	4-acres	1980	Longleaf Plantation
3&7	274-acres	2011	Loblolly Plantation
5	5-acres	2012	Loblolly Plantation
10	12-acres	2011	Loblolly Plantation
17&19	226-acres	1987	Slash Plantation
110	18-acres	NA	Not yet planted
400	6-acres	NA	Food plots
421	2-acres	NA	Roads
439	11-acres	1985	Loblolly Plantation
486	27-acres	2002	Loblolly Plantation
487	10-acres	2004	Loblolly Plantation



Santa Rosa County Property Appraiser

Gregory S. Brown, CFA



Ownership Information	
Owner	RMS TIMBERLANDS LLC
Name/Address	C/O RESOURCE MGMT SERVICE LLC
Address	5605 WOODBINE RD
City, State, Zip	PAGE, FL 32571

Parcel ID	32-4N-29-0000-00100-0000	Exempt Code		<input type="button" value="Show Parcel Map"/> <input type="button" value="Generate Owner List By Radius"/>
Phys. Loc		Tax District Number	21	
Tax District Name	Ailentown	Millage Rate	13.8033	

2012 Certified Values	
Land Value	0
Building Value	0
Misc Value	0
Just Value*	664,000
Assessed Value	96,900
Exempt Value	0
Taxable Value	96,900

General Information	
DOR Code	005500
BLDG CNT	0
XFI/OB CNT	0
ACRES	600.000

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

Legal Information	<input type="button" value="Show Expanded Legal Description"/>
ALL LESS SE4 OF SE4 600 AC	
AG DES IN OR 177 PG 927	
& OR 2693 PG 1951	


**** Legal description is for reference only and should not be used for Legal documents****

Sales Information				Sales in Area	
OR Book/Page	Sale Date	Sale Amount	Inst Type	Vac/Imp	Q/U
2693/1951	11/03/2006	100	GD	V	U
2693/1918	11/03/2006	51,712,700	GW	V	U

Click Book/Page Number to Retrieve Clerk Of Court Information on Sale.


Land Information									
Item	Land Code	Description	Zoning	Frontage	Depth	Unit Type	Land Units	Adj Unit Price	Land Value
1	005500	TIMBER 2	AG2*	0	0	0000500.000	AC	161.500	96900
2	009910	MKT.VAL.AG	AG2*	0	0	0000500.000	AC		0

[Return to Main Search](#)
[Santa Rosa Home](#)



Santa Rosa County Property Appraiser

Gregory S. Brown, CFA



Ownership Information	
Owner	RMS TIMBERLANDS LLC
Name/Address	C/O RESOURCE MGMT SERVICE LLC
Address	5605 WOODBINE RD
City, State, Zip	PACE, FL 32571

Parcel ID	32-4N-29-0000-00201-0000	Exempt Code		Show Parcel Map
				Generate Owner List By Radius
Phyc. Loc		Tax District Number	21	
Tax District Name	Allentown	Millage Rate	13.8033	

2012 Certified Values	
Land Value	0
Building Value	0
Misc Value	0
Just Value*	136,976
Assessed Value	5,544
Exempt Value	0
Taxable Value	5,544

General Information	
DQR Code	005500
BLDG CNT	0
XFOB CNT	0
ACRES	34.330

[Tax Collector Data](#)

[Permits](#)

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

Legal Information	Show Expanded Legal Description
0E4 OF 0E4 AG DEG IN OR 923 PG	
0 692	
692 696 698 & 705 LESS W 188.5	

** Legal description is for reference only and should not be used for Legal documents:**

Sales Information				Sales in Area	
OR Book/Page	Sale Date	Sale Amount	Inst Type	Vac/Imp	G/U
2693/1951	11/03/2006	100	GD	V	U
2693/1918	11/03/2006	51,712,700	SW	V	U

Click Book/Page Number to Retrieve Clerk Of Court Information on Sale.

Land Information									
Item	Land Code	Description	Zoning	Frontage	Depth	Unit Type	Land Units	Adj Unit Price	Land Value
1	005500	TIMBER 2	AG *	0	0	0000034.330	AC	161.491	5544
2	009910	MKT.VAL.AG	AG *	0	0	0000034.330	AC		0

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[Next Parcel](#)



Santa Rosa County Property Appraiser
Gregory S. Brown, CFA



Ownership Information	
Owner	RMS TIMBERLANDS LLC
Name/Address	C/O RESOURCE MGMT SERVICE LLC
Address	5605 WOODBINE RD
City, State, Zip	FACE, FL 32571

Parcel ID	32-4N-29-0000-00202-0000	Exempt Code		Show Parcel Map
				Generate Owner List By Radius
Phys. Loc		Tax District Number	21	
Tax District Name	Alintown	Millage Rate	13.8033	

2012 Certified Values	
Land Value	0
Building Value	0
Misc Value	0
Just Value*	29,292
Assessed Value	1,193
Exempt Value	0
Taxable Value	1,193

General Information	
ROR Code	005400
BLDG CNT	0
XF/OB CNT	0
ACRES	5.710

[Tax Collector Data](#)

[Permits](#)

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

Legal Information		Show Expanded Legal Description
W 188.5 FT OF E 377.3 FT OF SE		
4 OF SE4		
AS DES IN OR 1151 PG 152		

** Legal description is for reference only and should not be used for Legal documents**

Sales Information				Sales in Area	
OR Book/Page	Sale Date	Sale Amount	Inst Type	Vac/Imp	Q/U
2693/1951	11/03/2006	100	QD	V	U
2693/1916	11/03/2006	51,712,700	SW	V	U
1151/152	01/01/1991	1,303,200	WD	V	U
222/714	12/01/1987	50,100	WD	V	U

Click Book/Page Number to Retrieve Clerk Of Court Information on Sale.

Land Information									
Item	Land Code	Description	Zoning	Frontage	Depth	Unit Type	Land Units	Adj Unit Price	Land Value
1	005400	TIMBER 1	AG 1	0	0	0000005.710	AC	208.931	1193
2	009910	MKT.VAL.AG		0	0	0000005.710	AC		0

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Santa Rosa County Tax Collector

generated on 10/16/2013 2:59:33 PM CDT

Tax Record

Last Update: 10/16/2013 2:59:32 PM CDT

Register for eBill

Ad Valorem Taxes and Non-Ad Valorem Assessments

The information contained herein does not constitute a title search and should not be relied on as such.

Account# / Parcel ID	Tax Type	Tax Year			
324N290000001000000	REAL ESTATE	2012			
Mailing Address RMS TIMBERLANDS LLC C/O RESOURCE MGMT SERVICE LLC 5605 WOODBINE RD PACE FL 32571					
GBD Number N294320000001000000					
Exempt Amount	Taxable Value				
See Below	See Below				
Exemption Detail	Millage Code	Escrow Code			
NO EXEMPTIONS	21				
Legal Description					
ALL LESS SE4 OF SE4 600 AC AS DES IN OR 177 PG 927 & OR 2693 PG 1951 LESS ALL MINERAL RIGHTS					
Ad Valorem Taxes					
Taxing Authority	Rate	Assessed Value	Exemption Amount	Taxable Value	Amount
SANTA ROSA COUNTY					
GENERAL FUND	6.0886	96,900	0	\$96,900	\$589.98
SHERIFF, JUDGES, JAIL	0.0067	96,900	0	\$96,900	\$0.65
SANTA ROSA COUNTY SCHOOL BOARD	7.6680	96,900	0	\$96,900	\$743.03
NWEST FL WATER MANAGEMENT DIST	0.0400	96,900	0	\$96,900	\$3.88
Total Millage		13.8033	Total Taxes		\$1,337.54
Non-Ad Valorem Assessments					
Code	Levying Authority				Amount
MKA	ALLENTOWN FIRE ASSESSMENT				\$70.00
Total Assessments					\$70.00
Taxes & Assessments					\$1,407.54
If Paid By				Amount Due	
				\$0.00	

Date Paid	Transaction	Receipt	Year	Amount Paid
11/15/2012	PAYMENT	2000628.0099	2012	\$1,351.24

[Prior Years Payment History](#)

Santa Rosa County Tax Collector

generated on 10/16/2013 3:05:48 PM CDT

Tax Record

Last Update: 10/16/2013 3:05:47 PM CDT



Ad Valorem Taxes and Non-Ad Valorem Assessments

The information contained herein does not constitute a title search and should not be relied on as such.

Account# / Parcel ID		Tax Type		Tax Year		
324N290000002010000		REAL ESTATE		2012		
Mailing Address RMS TIMBERLANDS LLC C/O RESOURCE MGMT SERVICE LLC 5605 WOODBINE RD PACE FL 32571 GBO Number N294320000002010000						
Exempt Amount			Taxable Value			
See Below			See Below			
Exemption Detail		Millage Code		Escrow Code		
NO EXEMPTIONS		21				
<u>Legal Description</u>						
SE4 OF SE4 AS DES IN OR 923 PG 3 692 692 695 698 & 705 LESS W 188.5 FT OF E 377.3 FT AS DES IN OR 2693 PG 1951 LESS ALL MINERAL RIGHTS						
Ad Valorem Taxes						
Taxing Authority		Rate	Assessed Value	Exemption Amount	Taxable Value	Amount
SANTA ROSA COUNTY GENERAL FUND		6.0886	5,544	0	\$5,544	\$33.75
SHERIFF, JUDGES, JAIL		0.0067	5,544	0	\$5,544	\$0.04
SANTA ROSA COUNTY SCHOOL BOARD		7.6680	5,544	0	\$5,544	\$42.51
NWEST FL WATER MANAGEMENT DIST		0.0400	5,544	0	\$5,544	\$0.22
Total Millage		13.8033	Total Taxes		\$76.52	
Non-Ad Valorem Assessments						
Code	Levying Authority				Amount	
MKA	ALLENTOWN FIRE ASSESSMENT				\$10.00	
Total Assessments					\$10.00	
Taxes & Assessments					\$86.52	
If Paid By				Amount Due		
				\$0.00		
Date Paid	Transaction	Receipt	Year	Amount Paid		
11/15/2012	PAYMENT	2000628.01	2012	\$83.06		

[Prior Years Payment History](#)

Santa Rosa County Tax Collector

generated on 10/16/2013 3:07:17 PM CDT

Tax Record

Last Update: 10/16/2013 3:07:16 PM CDT

[Register for eBill](#)

Ad Valorem Taxes and Non-Ad Valorem Assessments

The information contained herein does not constitute a title search and should not be relied on as such.

Account# / Parcel ID		Tax Type		Tax Year		
324N290000002020000		REAL ESTATE		2012		
Mailing Address RMS TIMBERLANDS LLC C/O RESOURCE MGMT SERVICE LLC 5605 WOODBINE RD PACE FL 32571 GSD Number N294320000002020000						
Exempt Amount			Taxable Value			
See Below			See Below			
Exemption Detail		Millage Code	Escrow Code			
NO EXEMPTIONS		21				
<u>Legal Description</u>						
W 188.5 FT OF E 377.3 FT OF SE 4 OF SE4 AS DES IN OR 1151 PG 152 & OR 2693 PG 1951 LESS ALL MINERAL RIGHTS						
Ad Valorem Taxes						
Taxing Authority		Rate	Assessed Value	Exemption Amount	Taxable Value	Amount
SANTA ROSA COUNTY GENERAL FUND		6.0886	1,193	0	\$1,193	\$7.26
SHERIFF, JUDGES, JAIL		0.0067	1,193	0	\$1,193	\$0.01
SANTA ROSA COUNTY SCHOOL BOARD		7.6680	1,193	0	\$1,193	\$9.15
NWEST FL WATER MANAGEMENT DIST		0.0400	1,193	0	\$1,193	\$0.05
Total Millage		13.8033	Total Taxes		\$16.47	
Non-Ad Valorem Assessments						
Code	Levying Authority				Amount	
MKA	ALLENTOWN FIRE ASSESSMENT				\$10.00	
Total Assessments					\$10.00	
Taxes & Assessments					\$26.47	
If Paid By				Amount Due		
				\$0.00		
Date Paid	Transaction	Receipt	Year	Amount Paid		
11/15/2012	PAYMENT	2000628.0101	2012	\$25.41		

[Prior Years Payment History](#)

6.05.03. AG-2, Agriculture District 2.

A. *Purpose.* This district is designed to provide suitable areas for agricultural and silviculture endeavors. This district will be characterized by relatively large parcels of land being devoted to the production of food or fiber. This district also may include single-family detached structures and, as specifically provided for in these regulations conditional uses for community facilities and utilities which service specifically the residents of this district, or which are benefited by and compatible with the agricultural activities extant within the district and the farming environment. Such facilities should be accessibly located and appropriately situated in order to satisfy special requirements of the respective community facilities while protecting the agricultural productivity of the surrounding lands.

It is the express purpose of this section to exclude from this district all buildings or other structures and uses having commercial characteristics whether operated for profit or otherwise, except those home occupations and conditional uses specifically provided for in this ordinance and the commercial activities associated with the farming environment.

B. *Permitted principal uses.* In this district as a permitted use a building or premises may be used only for the following purposes: Detached single-family residential structures and mobile homes. Accessory structures and facilities and uses customarily found on farms and used expressly for activities conducted in connection with farming operations, commercial and non-commercial agriculture, poultry, horse and livestock raising, provided all buildings for such accessory uses meet setback requirements for primary buildings.

C. *Conditional uses.* In this district, as a conditional use, a building or premises may be used only for the following purposes, upon determination by the County Board of Adjustment (Zoning Review and Appeals Board) that the respective use complies with site plan review requirements listed in Section 4.04.00: educational institutions; golf courses; places of worship; private airstrips; recreation and park areas; recreational activities; public and private utilities and public facilities; gravel, dirt or earth material excavation; public fairgrounds; commercial antennas; towers and telecommunication facilities, placement of an accessory building on a lot directly across the right-of-way from where the principle [principal] single family dwelling is located and is under the same ownership.

D. *Site plan approval.* Site plan approval as provided in Section 4.04.00 et seq. is required for all development proposals with the exception of residential and agricultural uses.

E. *Subdivision conformance.* Except for those lots which may be dedicated (by deed, gift or otherwise) to members of the family of the property owner, any land or lot within a plat of record (or not) on the effective date of this ordinance shall not be redivided into two (2) or more lots unless the provisions of the Subdivision Regulations of Santa Rosa County, Florida, have been met.

F. *Density.*

1. For residential development, property may be developed at the option of the owner, to a maximum of one (1) dwelling unit per fifteen (15) acres. Computation of density shall be accomplished by including the acreage in the total parcel and subtracting from such acreage the number of dwelling units built or to be built with the resultant total not exceeding one (1) unit per fifteen (15) acres.

2. On any parcel in this district, property owners may deed one (1) acre parcels to members of the property owner's family so as to provide affordable housing for farm worker households and farm workers.

3. On parcels of twenty (20) acres or more, clustering of dwelling units shall be allowed and encouraged. Whenever practical, dwelling units built in this district shall be clustered so as to maximize the use of existing or planned infrastructure facilities and minimize the impact on the agricultural environment.

G. *Lot size.* The minimum width of any lot used for single-family dwelling units shall be seventy (70) feet when measured at the minimum front setback line (front yard). The minimum lot width shall be maintained through the rear of the residential structure. The minimum width at the street right-of-way shall not be less than fifty (50) feet. The minimum area for a lot shall be fifteen (15) acres.

The minimum lot width may be reduced on dead end cul-de-sac lots. In no case shall a lot width be less than fifty (50) feet when measured at the top of the arc of the street right-of-way line. The lot width of a cul-de-sac lot shall not be less than seventy (70) feet when measured at the top of the arc of the minimum front setback line. The minimum lot width shall be maintained through the rear of the residential structure.

1. The dividing of a parcel in the Agriculture-2 (AG-2) zoning district, resulting in a parcel which does not possess the required road frontage, may be approved by the Community Planning, Zoning & Development Division with the following provisions:
 - a. The divided land shall only be given without valuable consideration to a member of the donor's immediate family. (Immediate family being defined as a spouse, father, mother, brother, sister, son, daughter, stepchild, grandchild, or grandparent.)
 - b. Property being divided shall not be located within a recorded, platted subdivision.
 - c. The maximum allowable density of the parcel created shall not exceed the allowable density of one (1) dwelling unit per acre.
 - d. Except for street frontage and that which is herein contained, all other requirements of this ordinance shall be adhered to.
 - e. An easement maintenance agreement between property owners is required or; an access easement (minimum width twenty (20) ft.) must be included in each newly created deed or legal description.
 - f. No new county maintained roads are created.
2. The dividing of a parent parcel in the Agriculture-2 (AG-2) zoning district, resulting in a parcel(s) which will not possess the required road frontage, may be approved by the Community Planning, Zoning & Development Division. A parent parcel is defined as those lots of record as of adoption of this ordinance. A parent parcel may be subdivided with the following provisions:
 - a. A parent parcel may only be subdivided to create a maximum of three (3) new lots which do not meet minimum road frontage requirements. The three (3) new lots will include the remainder of the parent parcel if road frontage requirements cannot be met;
 - b. No new county maintained roads are created;
 - c. An easement maintenance agreement between property owners is required; or an access easement (minimum of twenty (20) ft.) must be included in each newly created deed or legal description;
 - d. Property being divided shall not be located within a recorded platted subdivision;
 - e. The maximum allowable density of the parcel created shall not exceed the allowable density of one (1) dwelling units per fifteen (15) acres; and,
 - f. Except for street frontage and that which is herein contained, all other requirements of this ordinance shall be adhered to.
 - H. *Building height.* No building or structure shall exceed thirty-five (35) feet above the required minimum finished floor elevation, exclusive of chimneys, elevator shafts, air conditioning condensing units or cooling towers, except as provided in Section 2.10.02.
 - I. *Front yard.* Except as provided in Section 2.10.03, there shall be a front yard on every lot of not less than twenty-five (25) feet. However, if the parcel abuts a major arterial, the minimum setback shall be fifty (50) feet.
 - J. *Side yard.* There shall be a side yard on each side of every main building of not less than ten (10) percent of the lot width when measured at the minimum front setback line to a maximum of fifteen (15) feet. For irregularly shaped lots and lots fronting on cul-de-sacs and curves, the side yard shall be ten (10) percent of the average of the street frontage width and the rear lot line length. Other modifications shall be in accordance with Section 2.10.05.
 - K. *Rear yard.* There shall be a rear yard on every lot of not less than twenty-five (25) feet, except as provided in Section 2.10.04.
 - L. *Performance standards.* Refer to Article 7 of this ordinance.
 - M. *Public services.* When septic tanks are used, each dwelling unit shall have its own such septic tank. Within one (1) year of central wastewater collection system availability, such septic tank use shall be discontinued and connection made to the central collection system. Each unit shall also have its own electric meter and potable water service.
 - N. *Skirting.* Skirting is required around the base of all mobile homes between the ground and bottom of the structure.
 - O. Structures associated with agriculture uses such as silos, windmills, fire towers, etc., may exceed the height limits of this zone.



Suite 360
31 Inverness Center Parkway
Birmingham, AL 35242

July 16, 2013

James Cronley
C/o John Griffing
719 S. Palafox Street
Pensacola, FL 32502

Attached is a completely executed Real Estate Sales Contract on
Compartment BM-2511 ID2483.

Susan Bird of Sutherland will be the attorney representing the seller for this
transaction. Her contact information is provided below. Please contact her (or have your
attorney or title agent do so, if applicable) if there is anything you need or if you have any
questions about the closing.

Susan C. Bird
Sutherland
919.619.6578
404.853.8806 fax
susan.bird@sutherland.com

Very truly yours,

A handwritten signature in blue ink, appearing to read "Stephanie Caldwell Coffee".

Stephanie Caldwell Coffee
Real Estate Coordinator

cc: Stephanie Bloyd

Overnight Mail

11 July 2013

Ms. Stephanie Bloyd
Resource Management Service, LLC
Central Region Land Sales Manager
125 Earl Road
Panama City Beach, FL 32413

Re: Purchase and Sale Agreement

Dear Stephanie:

We have attached two copies of the signed Purchase and Sale Agreement. No changes were made.

Please have the Agreements executed and get a copy back to me by mail and email. We are headed to Washington late next week, and I would like to have an executed copy with me, if possible. But, it will not be the end of the world as we know it if that doesn't happen.

Thanks again for your help with this important community project.

Yours truly,



John Griffing, CRE, SIOR
President/CEO

In over 325 Markets Worldwide: NAI America NAI Asia Pacific NAI Canada NAI Europe NAI Latina America



REAL ESTATE SALES CONTRACT

Date: July 9, 2013

Compartment No. BM-2511 ID2483

James D. Cronley and/or assigns, an individual resident of the state of Florida with an address of 1401 East Belmont Street, Pensacola, FL 32501, hereinafter referred to as "Buyer", hereby agrees to purchase from RMS Timberlands, LLC, a Delaware limited liability company with an address of 31 Inverness Center Parkway, Suite 360, Birmingham, Alabama 35242, hereinafter referred to as "Seller", and Seller hereby agrees to sell and convey to Buyer that certain real estate described in Exhibit A attached hereto and made a part hereof, hereinafter referred to as the "Property", upon the following terms and conditions:

1. **Purchase Price:**
Buyer hereby agrees to pay for said Property the amount of Three Thousand Eighty Two and no/100 per gross surveyed acre Dollars (\$3,082.00 per gross surveyed acre) ("Purchase Price") with Twenty Five Thousand and no/100 Dollars (\$25,000.00) ("Deposit") to be paid by Buyer to the trust account of Shell, Fleming, Davis & Menge, P.A. at the time of the execution of this Contract, with the Deposit being paid to Seller and the balance to be paid by Buyer to Seller at the "Closing" described in Paragraph 4 below; said Purchase Price to be paid to Seller at Seller's option and sole discretion, in cash, by official bank cashier's check, or by wiring immediately available Federal Funds to such bank account as Seller shall designate to Buyer.

2. **Closing Costs:**
Seller shall pay the cost of preparation of the Deed (defined below), and fees and expenses of its own attorney. Notwithstanding anything contained herein to the contrary, other than real estate taxes due and payable for the calendar year, which shall be prorated to the date of Closing, Buyer shall pay all other closing costs including, without limitation, documentary stamps, deed transfer tax, other taxes (including, but not limited to, rollback taxes, recoupment fees and taxes occasioned by a change in use of the Property), recording fees, wire transfer fees, title costs and all fees and expenses of Buyer's attorneys or consultants. Real Estate taxes shall be prorated to the date of Closing, with the Buyer responsible for any taxes accruing or due and payable after the Closing contemplated herein. The proration shall be made, in Seller's sole discretion, by: (i) crediting Seller's portion of the taxes against the purchase price with the Buyer to pay taxes as and when due; or (ii) charging Buyer's portion of the taxes to Buyer at Closing with Seller to pay taxes as or when due (and Buyer shall deliver to Seller any tax bill it receives for the Property after Closing); provided, however, in no event will Seller be responsible for any portion of said taxes that is attributable to Buyer's change in use of the Property during the applicable tax period.

3. **Title and Survey:**
 - (a) Seller agrees to convey the Property at the Closing by a special or limited warranty deed, which warrants title only in connection with lawful claims arising because of Seller's acts; provided, however, that the conveyance of any minerals or mineral rights shall be by quitclaim (the "Deed"). Such conveyance shall be subject to current and subsequent taxes; all outstanding mineral rights or reservations, oil, gas, or mineral leases; water districts, water rights; reservations in the deed by which Seller obtained title to the Property; zoning or other laws restricting the use of the Property; and, to the extent not objected to by Buyer pursuant to the terms of subparagraph (b) below, all restrictions or reservations; roadways, rights-of-way, easements; any contracts purporting to limit or regulate the use, occupancy or enjoyment of said Premises; all matters which an accurate survey would show applicable to or affecting the Property; encumbrances of record; leases or the rights of any tenants or lessees, and parties in possession (collectively, the "Permitted Exceptions"). Notwithstanding the foregoing or any other provision of this Contract to the contrary, at the Closing, Seller will deliver to Buyer properly executed releases of the Property from (i) any Master Stumpage Agreement, Pulpwood Supply Agreement, Pulpwood Support Agreement, Log Supply Agreement, and/or Log Support Agreement entered into between Seller, certain of its affiliates, and International Paper Company (provided, however, that any Surface Use Agreement affecting the Property will not be so released); and (ii) any mortgages, deeds of trust or similar instruments affecting the Property that secure a loan or loans obtained by Seller.

 - (b) Buyer may make such title search as Buyer deems necessary and adequate to determine the condition of the title to the Property. Such title examination shall be at Buyer's expense. Upon written request from Buyer, Seller shall provide Buyer with a deed description, survey plats and other information which would be helpful to the title examiner, provided that Seller shall furnish such requested material and information only

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to the extent available to and then in the possession of Seller and further provided that Seller shall have no responsibility or liability in connection therewith, it being understood that Buyer is relying solely upon the title search ordered by Buyer and the final title evidence issued as a result of said title search. The results of Buyer's title search shall be in the form of an abstract of title, attorney's title opinion, or title binder for owner's title insurance policy, at the sole discretion of Buyer. The results of the title examination shall be furnished to Seller. Buyer shall then have the earlier of (i) fifteen (15) days after receipt of the aforementioned abstract, attorney's title opinion or title binder or (ii) fifteen (15) days before Closing to examine same and make any title objections as to merchantability of title in writing to Seller; provided, however, that Buyer shall not be entitled to object to any of the following matters: current and subsequent taxes, all outstanding mineral rights or reservations, oil, gas, or mineral leases; water districts, water rights; reservations in the deed by which Seller obtained title to the Property; zoning or other laws affecting the use of the Property, and all matters that an accurate survey would show applicable to or affecting the Property (except as provided in subparagraph(c) below). Seller shall have five (5) business days from receipt of any such title objections to notify Buyer whether it will cure same, in which case the Closing date set forth in Paragraph 4 below shall be extended as may be reasonably necessary for Seller to effect such cure, or Seller may elect not to cure same. If Seller elects not to cure any of Buyer's title objections, Buyer shall have five (5) days from receipt of Seller's notice in which to elect to either proceed with the Closing with title to the Property in its as-is condition or terminate this Contract. If Buyer elects to terminate within such time period, Seller will return the Deposit, and this Contract shall thereupon terminate. If Buyer fails to object to any matters of title within the time period provided above, or fails to terminate this Contract within the time period provided above, Buyer shall be deemed to accept title to the Property in its as-is condition, subject to all of the Permitted Exceptions.

(c) See Special Stipulations attached hereto.

4. **Closing:**

The "Closing" contemplated herein shall mean the simultaneous closing of the sale by execution and delivery by Seller of the Deed to Buyer and payment by Buyer of the Purchase Price. If the Closing does not occur by December 31, 2013, then either party shall have the right at any time thereafter to terminate this Contract upon written notice to the other, whereupon Seller shall retain the Deposit and neither party shall have any further rights or obligations except as otherwise expressly set forth herein. Notwithstanding the foregoing, if the Closing cannot occur by such date due to delays in obtaining the releases described in subparagraphs 3(a)(i) and (ii) above, neither party shall have the right to terminate the Contract, the parties acknowledging that Seller cannot control the actions of the third parties who must execute and deliver said releases. If neither party elects to terminate this Contract, this Contract shall remain in full force and effect, and the parties shall use their diligent, good faith efforts to cause the Closing to occur as soon as reasonably practicable after the Closing Date set forth above. THE PARTIES AGREE THAT TIME IS OF THE ESSENCE WITH RESPECT TO THIS CONTRACT. The Closing shall occur, in Seller's sole discretion: (i) by a physical closing at a location designated by Seller; or (ii) in escrow through Buyer's approved counsel or title insurance company consistent with Seller's escrow instructions; or (iii) upon Seller's confirmation that it has received the Purchase Price from Buyer, by delivery to Buyer of the Deed and any other documents contemplated herein or required to transfer title to the Property, whereupon Buyer shall be solely responsible for causing said Deed and any other documents to be recorded in the appropriate land records of the County where the Property is located, at Buyer's sole cost. At the Closing, Seller shall deliver to Buyer, or to its designated attorney or title company, the following documents: (a) the Deed; (b) a resolution from Seller's manager, authorizing the transaction; (c) a closing statement setting forth the Purchase Price, the Deposit, the tax proration, and any other costs contemplated hereby, together with the net proceeds due to Seller; (d) the releases described in subparagraphs 3(a)(i) and (ii) above, if applicable; (e) Seller's wire instructions; and (f) any documents required by applicable law. Seller will also execute, upon written request by Buyer, its attorney or title agent, such other documents submitted by Buyer as may be reasonably necessary or appropriate to effectuate the transfer of the Property, including without limitation HUD settlement statements and owner's affidavits; provided, however, that (x) under no circumstances will Seller deliver copies of its operating, partnership or other formation documents, nor will Seller be obligated to provide good-standing or similar certificates, provided that evidence of its existence and/or good-standing is available electronically; (y) Seller will not be required to execute any affidavits that expand its limited warranty of title set forth herein and in the Deed; and (z) any such additional documents must be submitted for Seller's review and approval no later than five (5) business days prior to the Closing date set forth above.

5. **Deposit:**

The Deposit is delivered to Seller to evidence Buyer's good faith. The parties acknowledge that Deposit is held in a non-interest bearing IOTA account bearing escrow account with interest accruing to benefit of Seller. The Deposit will be returned to the Buyer if Seller does not execute this Contract. If the Closing contemplated

herein occurs, the Deposit, at the Closing shall be returned to Buyer or credited to the Purchase Price. IF THE CLOSING DOES NOT OCCUR FOR ANY REASON WHATSOEVER, OTHER THAN THE FAULT OF THE SELLER, SELLER MAY, IN SELLER'S SOLE DISCRETION, RETAIN THE DEPOSIT AS A MEASURE OF LIQUIDATED DAMAGES AND NOT A PENALTY, IT BEING FURTHER UNDERSTOOD AND AGREED THAT IT WOULD OTHERWISE BE IMPOSSIBLE OR IMPRACTICABLE TO MEASURE THE ACTUAL DAMAGES CAUSED TO OR SUFFERED BY THE SELLER DUE TO THE FAILURE OF THE CLOSING TO OCCUR AND THAT THE LIQUIDATED DAMAGES ARE A REASONABLE ESTIMATE THEREOF. THIS PROVISION SHALL IN NO WAY AFFECT SELLER'S RIGHT TO RELY UPON AND TO EXERCISE ANY OTHER LEGAL REMEDIES OR RECOURSE AVAILABLE TO SELLER, INCLUDING WITHOUT LIMITATION, SPECIFIC PERFORMANCE IN THE EVENT THE CLOSING CONTEMPLATED HEREIN DOES NOT OCCUR DUE TO ANY REASON ATTRIBUTABLE TO OR DEFAULT BY BUYER.

6. **Possession:**
Buyer shall obtain possession of the Property upon the Closing of this Contract, subject to the Permitted Exceptions.
7. **Acreage:**
Seller is selling the Property by the tract or parcel only, it being understood and agreed that the acreage of the Property is not guaranteed or warranted in any way by Seller.
8. **Assignment:**
This Contract may be assigned by Buyer to The Greater Pensacola Chamber of Commerce ("Chamber") or an entity affiliated with the Chamber and it may be further assigned to Escambia County, Florida or an entity established by Escambia County. Except as set forth in the prior sentence, the Contract shall not be assigned or encumbered, or otherwise transferred in any way, by Buyer without the prior written consent of Seller, and shall not be recorded in any County Records or other office where public records are maintained. Notwithstanding the foregoing, upon written notice given to Seller at least five (5) business days prior to Closing, Buyer shall have the right to assign this Contract to an affiliate of Buyer, provided that such assignment shall not operate to release Buyer from its obligations under this Contract.
9. **Bankruptcy:**
Seller shall not be obligated or under any duty to close this transaction in the event of the filing of any bankruptcy or insolvency petition or action by or against Buyer.
10. **Condition of Property:**
Buyer agrees that Buyer has inspected and is thoroughly familiar with the Property and is acquiring the Property in its "AS IS, WHERE IS, AND WITH ALL FAULTS" condition. Buyer understands and agrees that Seller has not made and makes no representations or warranties of any kind with respect to the condition or value of the Property or its fitness, suitability or acceptability for any particular use or purpose; and Seller expressly disclaims all warranties relating to the Property and shall not be liable for any latent or patent defects therein. Seller shall have no obligation to repair or make any improvements to the condition of the Property prior to Closing. Buyer hereby releases Seller and its consultants, agents, representatives and employees from any and all claims Buyer may discover after Closing that relate to: (i) the condition of the Property at any time, before or after Closing, including without limitation, the presence of any hazardous substance; and (ii) any other matter pertaining to the Property, and such release shall survive Closing.

If Buyer desires to enter upon the Property prior to the Closing to perform non-invasive inspections or for any other reason, Buyer shall provide Seller with at least three (3) days' prior written notice of such entry. Buyer will indemnify, defend and hold Seller harmless from any loss, action, claim or damage suffered by Seller or the Property (including reasonable attorneys' fees) on account of Buyer's (its employees, agents, and contractors) entry to the Property as provided herein. Buyer will keep the results of its inspections confidential. No invasive testing of the Property shall be completed without Seller's prior written consent, to be granted or withheld by Seller in its sole and absolute discretion. The terms of this paragraph, including but not limited to the indemnity and confidentiality provisions, shall survive Closing or the termination of this Contract.
11. **Risk of Loss or Damage:**
If at any time between the Effective Date of this Contract and Closing, all or any material portion of the Property is condemned by any legally constituted authority for any public use or purpose, or the Property or any material portion thereof is damaged by whatever cause, then Buyer may elect to either: (i) terminate this Contract, whereupon Seller will return the Deposit to Buyer, and neither party shall have any further rights or obligations

hereunder; or (ii) collect all awards or proceeds from any condemnation or casualty (which Seller agrees to assign to Buyer at Closing, less any cost or expense incurred by Seller in obtaining any such awards or proceeds and the amount of any applicable deductible) and have the terms of this Contract remain in full force and effect and binding on the parties. For purposes of this paragraph, "material" means having a value of greater than five percent (5%) of the Purchase Price, as determined by Seller. Seller shall have the right to terminate this Contract should any loss, damage or condemnation exceed ten percent (10%) of the Purchase Price. In such event, the Deposit shall be returned to Buyer and this Contract shall terminate without further obligation of either party except as otherwise expressly set forth herein.

12. **Broker:**
Buyer agrees to indemnify and hold Seller harmless from any commission, broker's fee, finder's fee or other payment by reason of action by the Buyer.
13. **Acceptance of Deed:**
The acceptance of the Deed by Buyer (and the Assignment and Assumption Agreement, if applicable) shall be deemed to be a full performance and discharge of every agreement and obligation of Seller herein contained and expressed.
14. **Effective Date:**
This Contract shall become effective and in full force only when duly and properly executed, authorized and delivered by the parties hereto. This Contract shall be subject to a final approval by Seller's management and said final approval shall be made within five (5) business days of the date of execution by Buyer.
15. **Reservation of Access Easements.**
At Closing, if Seller is the current owner of any property contiguous to the Property or of property non-contiguous to the Property, Seller shall be entitled to retain ownership of A.D. Kelley Road and the unnamed farm road on the east line of the real property purchased as described in the Special Stipulations hereto. Seller shall not have the right for ingress or egress over the real property conveyed to Buyer.
16. **Miscellaneous:**
This Contract may be changed, waived, discharged or terminated only by an instrument in writing, signed by the party against which enforcement of such change, waiver, discharge or termination is sought. This Contract contains the entire agreement between the parties, and there are no negotiations, terms, provisions, representations, or warranties with respect to the Property or to this transaction that are not set forth herein. All notices pursuant to this Contract shall be in writing and sent to the parties at their respective addresses set forth above, and shall be sent by facsimile, by nationally recognized express courier, or by US mail, return receipt requested. The headings in this Contract are for purposes of reference only and shall not limit or define the meanings thereof. All exhibits and special stipulations, if any, attached hereto are incorporated in this Contract by reference. The terms Buyer and Seller, together with any pronoun used in connection therewith, wherever used in this Contract shall include the singular and plural and the masculine and feminine, so far as the context may permit or require. This Contract shall inure to and be binding upon heirs, successors and assigns of the parties hereto, subject to the terms hereof. Time is of the essence of this Contract. If any date set forth herein for performance or delivery should be a Saturday, Sunday or legal holiday in the State where the Property is located, the date for such performance or delivery shall be deemed timely on the next day which is not a Saturday, Sunday or said legal holiday.
17. **OFAC:**
Buyer (which for this purpose includes Buyer's partners, members, managers, principal stockholders and any other constituent entities and affiliates) represents and warrants that it is not (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC"); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. app. § 5; the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06; the Patriot Act, Public Law 107-56; Executive Order No. 13224 entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism" (September 24, 2001); or any executive order of the President issued pursuant to such statutes; or (iii) a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of OFAC (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including Executive Order 13224) or other governmental action. Buyer further represents and warrants that it is currently in compliance with and will at all times during the term of this Contract remain in compliance with the regulations of OFAC and any statute, executive order, or other governmental action relating thereto. Further, Buyer represents and warrants that Buyer's activities do not violate the International Money

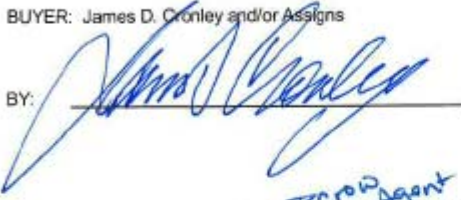
Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder.

THIS CONTRACT is hereby duly executed in duplicate by Buyer and Seller on the date first-above written.

BUYER: James D. Cronley and/or Assigns

SELLER: RMS Timberlands, LLC

BY:



BY:



Its:

Escrow Agent
The undersigned representative of Seller hereby acknowledges receipt of Buyer's tender of the Deposit. Buyer and Seller agree that receipt of Buyer's tender of the Deposit does not create a binding Contract and that this Contract is not binding upon Seller until it is executed by Seller and a signed copy is returned to Buyer.

NAME

DATE

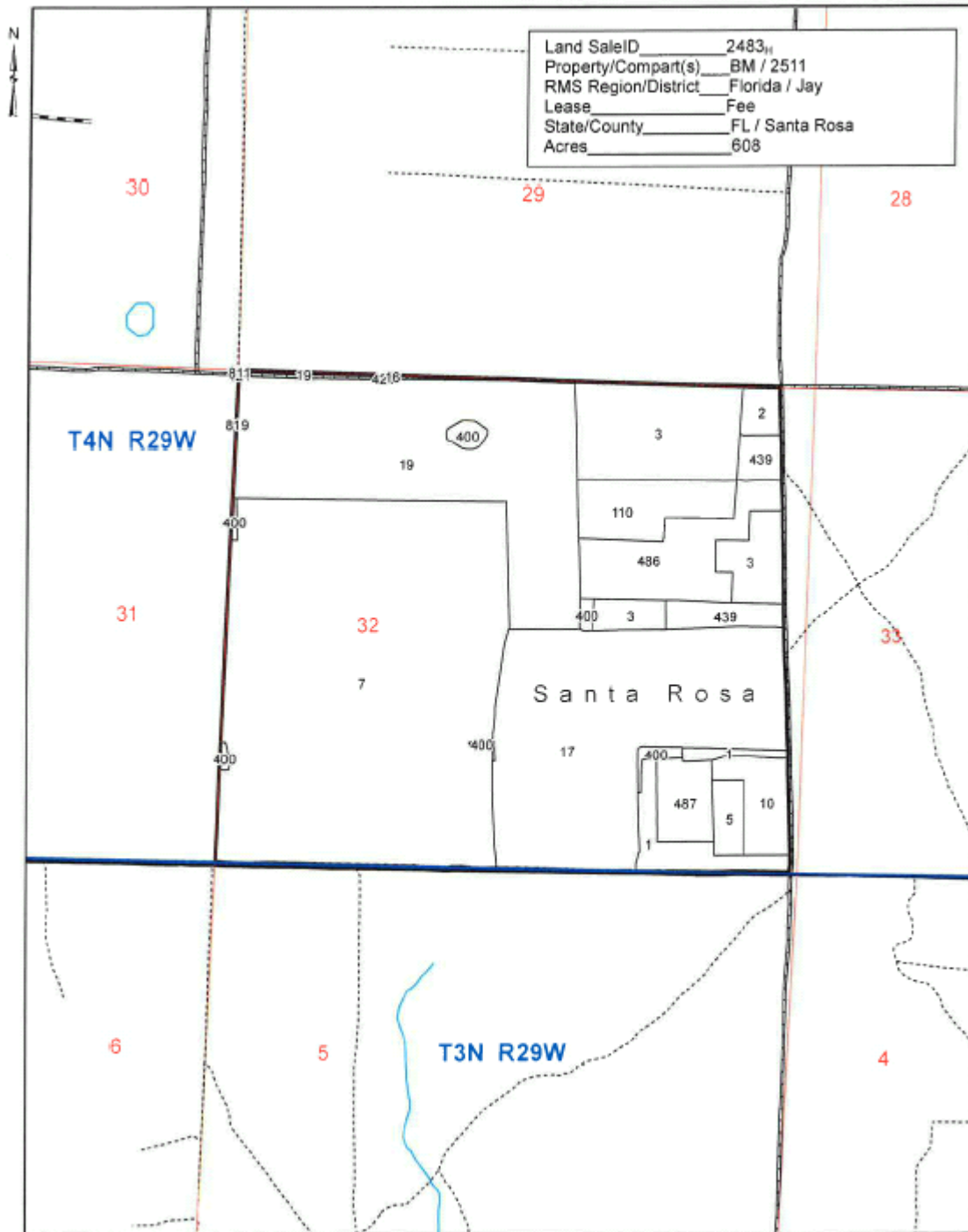
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Special Stipulations

- 1. Inspection Period.** Buyer will have a period of one hundred twenty (120) days from the Effective Date (the "Inspection Period") in which to examine the Property. Buyer shall have the right, in its sole discretion, to terminate this Contract by written notice to Seller given on or before the last day of the Inspection Period, whereupon the Deposit described in Paragraph 1 of the Contract will be returned to Buyer and neither party will have any further rights or obligations hereunder except as may be otherwise specifically provided.
- 2. Additional Deposit.** Notwithstanding any provision of the Contract to the contrary, if Buyer fails to terminate this Contract on or before the last day of the Inspection Period, Buyer will be deemed to have accepted the condition of the Property, including title thereto, in its current as-is/where-is condition and will be deemed to have waived its right to terminate this Contract. In such event, within three (3) business days of the expiration of the Inspection Period, Buyer shall deposit an additional sum of Fifty Thousand and no/100 Dollars (\$50,000.00) to Shell, Fleming, Davis & Menge, P.A., which, together with the initial Deposit described in Paragraph 1 of the Contract, shall be nonrefundable except in the case of Seller default. At the time of the second deposit, the entire Deposit shall be placed into an interest bearing account. If Buyer fails to make said additional Deposit within the time period specified, Seller shall have the right to terminate this Contract and retain the initial Deposit, whereupon neither party will have any further rights or obligations hereunder except as may be otherwise specifically provided.
- 3. Closing Date.** Notwithstanding the Closing date set forth in Paragraph 4, Buyer shall have the right, by written notice given to Seller on or before December 1, 2013, to extend the outside date for Closing by up to an additional ninety (90) days, which written notice must be accompanied by an additional deposit of Fifty Thousand and no/100 Dollars (\$50,000.00) to Shell, Fleming, Davis & Menge, P.A., which, together with the initial Deposit described in Paragraph 1 of the Contract and the first additional Deposit described in paragraph 2 above, shall be nonrefundable except in the case of Seller default. If Buyer elects to extend the date of Closing as provided herein, the Purchase Price shall increase to Three Thousand Two Hundred Thirty Two and no/100 Dollars per gross surveyed acre (\$3,232.00/acre), as revealed by the Survey, defined below.
- 4. Retained Access.** Seller and its affiliates shall retain access, after the Closing, to certain research plots on the Property for the purposes of data collection until those areas are harvested and/or cleared.
- 5. Survey.** Buyer, at its sole cost, will engage a surveyor licensed in the State where the Property is located to perform a survey of the Property (the "Survey") as described on Exhibit A, which Survey will determine actual acreage in the Property for purpose of Purchase Price calculation, together with the legal description to be used in the deed executed and delivered at Closing, noting that Seller will retain ownership of A.D. Kelley Road and the unnamed farm road adjoining the east line of the real property described on Exhibit A. Except for ownership of A.D. Kelley Road and the unnamed farm road adjoining the east line of the real property described on Exhibit A, Seller will have no rights of ingress and egress over the real property conveyed to Buyer. Buyer will deliver a preliminary copy of the Survey to Seller not later than ten (10) days prior to the Closing date set forth in Paragraph 4 of the Contract, and Seller will have the right to approve the Survey.

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This map is not warranted for completeness or accuracy



Exhibit A

The real property to be conveyed is as follows:

All of Section 32 Township 4N Range 29 West to include SE4 of SE4 as described in OR 177 PG 927 & OR 2693 PG 1951 (640 (+/-) acres in Santa Rosa County Florida.

Notwithstanding the above, the real property shall be adjusted as follows:

The West line shall be the west section line of Section 32 Township 4N Range 29 West.

The South line shall be the line 30 feet north of the centerline of A.D. Kelly Road (60 foot right of way)

The East line shall be adjoining and directly 10 feet west of the western side of the unnamed farm road.

The North line shall be the north section line of Section 32 Township 4N Range 29 West, Less and Except any part of the unnamed farm road that generally runs along and parallel to the north line of said Section 32, Township 4 North, Range 29 West.

AND

A perpetual non-exclusive right of ingress and egress over A.D. Kelley Road (60 foot right of way) from J. Barlow Road to Ard Field Road. The Buyer shall retain the right to improve that portion of A.D. Kelley road, at the expense of Buyer, for the entrance into the new OLF to be established.

The Buyer, at its expense, shall provide a survey of the above Property (which shall include the non-exclusive easement as set forth) pursuant to the terms of the Real Estate Sales Contract.