

**SUMMARY REPORT
REAL ESTATE APPRAISAL**

Of
Vacant 601 acres +/-



Just East of Ard Field Road, Jay (Allentown Community),
Santa Rosa County, Florida, 32565

As of
September 20, 2013

Prepared For
Mr. Larry Goodwin
Escambia County Public Works Dept.
3363 West Park Place
Pensacola, FL
32505

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

Hoffman & Associates, P. A.



Terry G. Hoffman, MAI

Commercial Real Estate Appraisers & Consultants
1550 Creighton Road Ste. 4
Pensacola, Florida 32504

Office (850) 478-7818

Fax (850) 478-1922

State-Certified General Real Estate Appraisers (FL)

Terry G. Hoffman, MAI RZ #46

Kirsten Hoffman Philip RZ #2661

Jennifer H. Mead, GAA RZ 2978

Certified General Real Estate Appraiser G00817 (AL)

October 1, 2013

Mr. Larry Goodwin
Escambia County Public Works Dept.
3363 West Park Place
Pensacola, FL
32505

Re: Summary Report, Real Estate Appraisal
Vacant 601 acres +/-
Just East of Ard Field Road, Jay (Allentown Community),
Santa Rosa County, Florida

Dear Mr. Goodwin:

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

Approximately 601 acres in the Allentown Community with a mailing address through Jay, Florida. The property is just east of Ard Field Road.

Please reference page 14 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

Mr. Goodwin
Escambia County Public Works Dept.
October 1, 2013
Page 2

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 12). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Hypothetical Conditions:

- The exact size of the property is not known at this time. We therefore have relied upon the information from the Santa Rosa County Property Appraiser's records and a recent discussion with Mr. Jim Cronley indicating the property to be approximately 601 acres. Obviously, the size could vary slightly and such variation in overall size could affect the final valuation as shown within this report. The property is valued based on a price per acre unit price which could be applied to the corrected legal description and size estimate. The final valuation as shown herein is therefore subject to no significant variation in the final land size as estimated within this report.

Extraordinary Assumptions:

- The subject property presently has access over a private road leading east from Ard Field Road. It has been indicated to us that an easement over this road will be given to a potential buyer allowing that road to be improved at the buyer's expense. This appraisal is therefore subject to that easement being of records for the benefit of the subject property. Without it, access to the property would be questionable and the value as shown within this report would not be applicable.

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

Current As Is Market Value:

The "As Is" market value of the Fee Simple estate of the property, as of September 20, 2013, is

\$1,880,000

One Million Eight Hundred Eighty Thousand Dollars

The market exposure time¹ preceding September 20, 2013 would have been 9 to 12 months and the estimated marketing period² as of September 20, 2013 is 9 to 12 months.

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

Respectfully submitted,
Hoffman & Associates, P. A.

A handwritten signature in black ink, appearing to read "Terry G. Hoffman", written in a cursive style.

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

¹ Exposure Time: see definition on page 9.

² Marketing Time: see definition on page 9.

TABLE OF CONTENTS

Summary of Important Facts and Conclusions	7
Definitions.....	10
Limiting Conditions and Assumptions	12
Scope of Work	14
Sales History	16
Current Listings/Contracts	17
Date of Inspection:.....	17
Date of Report:.....	17
Market Area Analysis	17
Local Demographics	22
Market Area and Property Characteristics	27
Neighborhood Map	28
Property Description	29
Site Plan/Tax Map/Survey	32
Subject Photograph Indexed Location	33
Subject Photographs.....	34
Assessment and Taxes	46
Zoning	47
Zoning Map.....	47
Highest and Best Use	56
Valuation Methodology	57
Analyses Applied	57
Land Value.....	58
Sales Comparison Approach – Land Valuation.....	58
Land Comparables	58
Comparables Map	68
Analysis Grid	69
Comparable Land Sale Discussion	71
Secondary Land Sales	72
Sales Comparison Approach Conclusion – Land Valuation.....	78
Value Conclusion.....	79
Certification Statement	80
Addenda	81

Summary of Important Facts and Conclusions

GENERAL

Subject: Vacant 601 acres +-
Just East of Ard Field Road, Jay (Allentown
Community),
Santa Rosa, Florida

Approximately 601+- acres of vacant land in North Santa
Rosa County, Fl.

Owner: RMS Timberland c/o Resource Management Service
LLC

Legal Description: All of section 32, Township 4 North, Range 29 West of
Santa Rosa County.

Date of Report: October 1, 2013

Intended Use: The intended use is for internal use by Escambia County
for the possible purchase of the subject property.

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

Assessment:

Tax ID	Real Estate Assessment and Taxes									
	Land	Improvements	Other	Total	City Rate	County Rate	Other Rate	Tax Rate	Taxes	Special Assessment
32-4N-29- 0000-00100- 0000	\$684,000	\$0	\$0	\$684,000	\$0.00	\$13.80	\$0.00	\$13.80	\$9,441	\$0
32-4N-29- 0000-00201- 0000	\$136,976	\$0	\$0	\$136,976	\$0.00	\$13.80	\$0.00	\$13.80	\$1,891	\$0
32-4N-29- 0000-00202- 0000	\$29,292	\$0	\$0	\$29,292	\$0.00	\$13.80	\$0.00	\$13.80	\$404	\$0
Totals	\$850,268	\$0	\$0	\$850,268					\$11,737	\$0

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

Per the public records of Santa Rosa County, this
property was part of a larger sale of acreage in October
2006 from International Paper Company for
\$51,712,700.

Current Listing/Contract(s):

The subject is under contract for sale for \$1,852,282 based on 601+- acres.
Contract Date: July 9, 2013
Financing Terms: Cash or buyer obtaining financing
Buyer: James D. Cronley and/or assigns
This contract is based on a price of \$3,082 per acre to be applied to the total acres to be indicated by a new survey. The price shown above is based on the estimated total acre of 601 since the subject is one complete section less a small portion. Mr. Cronley has submitted a \$25,000 binder. The closing is set for December 31, 2013. If it does not close then the seller can retain the binder and neither party shall have any additional rights. There are some releases needed by other parties as to mineral rights and this could extend the closing date. Both parties could be, if agreed upon, bound to an extension if delay is caused while obtaining the releases.

Land:

Parcel ID	Land Summary				Topography	Shape
	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)		
Just East of	601.00	26,179,560	601.00	26,179,560	slope of 5% or less	Rectangular

Improvements:

There are no building located on the subject property.

See area definitions, page 11.

Zoning:

AG-2 Agriculture District (largest portion)
AG-Agriculture District

Highest and Best Use of the Site:

It is our opinion that the highest and best use of the subject property would be for farming similar to that of the majority of properties in this area of North Santa Rosa and Escambia Counties. Because of the low density of homes in the area and the removed location from the main towns and employment areas of this section of Northwest Florida there is no immediate demand for single-family residential use which is the only other probable use for the subject property at this time.

VALUE INDICATIONS

Land Value: \$1,880,000

Reconciled Value(s):	<u>As Is</u>
Value Conclusion(s)	\$1,880,000
Effective Date(s)	September 20, 2013
Property Rights	Fee Simple

Definitions

Market Value:³

"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, knowledgeably and assuming the price is not affected by undue stimulus." Implicit in this definition is the consumption 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 he considers his own best interest;
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;
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.

A Fee Simple estate is defined³ as:

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

A Leased Fee interest is defined³ as:

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

Marketing Time is defined³ as:

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal.

Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal.

³ Office of Comptroller of the Currency (OCC) under 12 CFR, Part 34, Sub-Part C- Appraisals, 34.42 Definitions (g). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on July 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines.

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

Exposure Time is defined³ as:

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

See Marketing Time, above.

As Is Market Value

The estimate of the market value of the real property in its current physical condition, use and zoning as of the appraisal date.³

Stabilized Value

Stabilized value is the prospective value of a property after construction has been completed and market occupancy and cash flow have been achieved.⁴

As Complete Value

The prospective value of a property after all construction has been completed. This value reflects all expenditures for lease-up and occupancy that may be expected to have occurred at that point in time, which may or may not put the property at stabilized value.

⁴ Narrative1.com. Thomas W. Armstrong, MAI

Limiting Conditions and Assumptions

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

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

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

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

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

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

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

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

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

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

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

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

Americans with Disabilities Act (ADA) of 1990

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

Scope of Work

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

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

This appraisal is prepared for Mr. Larry Goodwin, Escambia County Public Works Dept. The problem to be solved is to estimate the 'as is' market value of the subject property. The intended use is for internal use by Escambia County for the possible purchase of the subject property. This appraisal is intended for the use of the client and only the client.

SCOPE OF WORK

Report Type:	This is a Summary Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(B). This format provides a summary of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Inspection:	A complete on site and exterior inspection of the subject property has been made, and photographs taken.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

Valuation Analyses

- Cost Approach:** A cost approach was not applied as this approach is not applicable in the valuation of vacant land.
- Sales Comparison Approach:** A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.
- Income Approach:** An income approach was not applied as the subject is not an income producing property and this approach does not reflect market behavior for this property type.
- Hypothetical Conditions:**
- The exact size of the property is not known at this time. We therefore have relied upon the information from the Santa Rosa County Property Appraiser's records and a recent discussion with Mr. Jim Cronley indicating the property to be approximately 601 acres. Obviously, the size could vary slightly and such variation in overall size could affect the final valuation as shown within this report. The property is valued based on a price per acre unit price which could be applied to the corrected legal description and size estimate. The final valuation as shown herein is therefore subject to no significant variation in the final land size as estimated within this report.
- Extraordinary Assumptions:**
- The subject property presently has access over a private road leading east from Ard Field Road. It has been indicated to us that an easement over this road will be given to a potential buyer allowing that road to be improved at the buyer's expense. This appraisal is therefore subject to that easement being of records for the benefit of the subject property. Without it, access to the property would be questionable and the value as shown within this report would not be applicable.
- Information Not Available:**
- The exact acreage is not available at the time of the appraisal. I understand a survey is being prepared. We therefore have relied on the tax information and information provided by Mr. Jim Cronley as to the size of the property.

Comments

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

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

Sources used for gathering data include personal office files and records maintained in computer data bases, the public records of the appropriate county, Metro Market Trends, Inc. (public records recordings), personal interviews with property owners, sellers, buyers and brokers. An attempt is made to verify each sale and lease used in this report with a party to the transaction. If verification by the parties involved is not available, public records recordings are relied upon. The MLS of this area was searched and we had discussions with several brokers that we know are familiar with property and property values in this area. Other information was obtained while verifying sales in this area from either the sellers or buyers.

Sales History

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

Per the public records of Santa Rosa County, this property was part of a larger sale of acreage in October 2006 from International Paper Company for \$51,712,700..

Current Listings/Contracts

The subject is under contract for sale for \$1,852,282.

Contract Date: July 9, 2013

Financing Terms: Cash or buyer obtaining financing

Buyer: James D. Cronley and/or assigns

This contract is based on a price of \$3,082 per acre to be applied to the total acres to be indicated by a new survey. The price shown above is based on the estimated total acre of 601 since the subject is one complete section less a small portion. Mr. Cronley has submitted a \$25,000 binder. The closing is set for December 31, 2013. If it does not close then the seller can retain the binder and neither party shall have any additional rights. There are some releases needed by other parties as to mineral rights and this could extend the closing date. Both parties could be, if agreed upon, bound to an extension if delay is caused while obtaining the releases.

Date of Inspection:

September 20, 2013

Date of Report:

October 1, 2013

Market Area Analysis

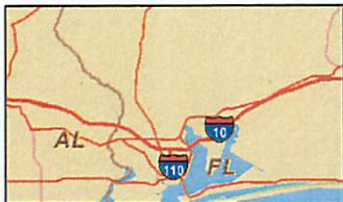
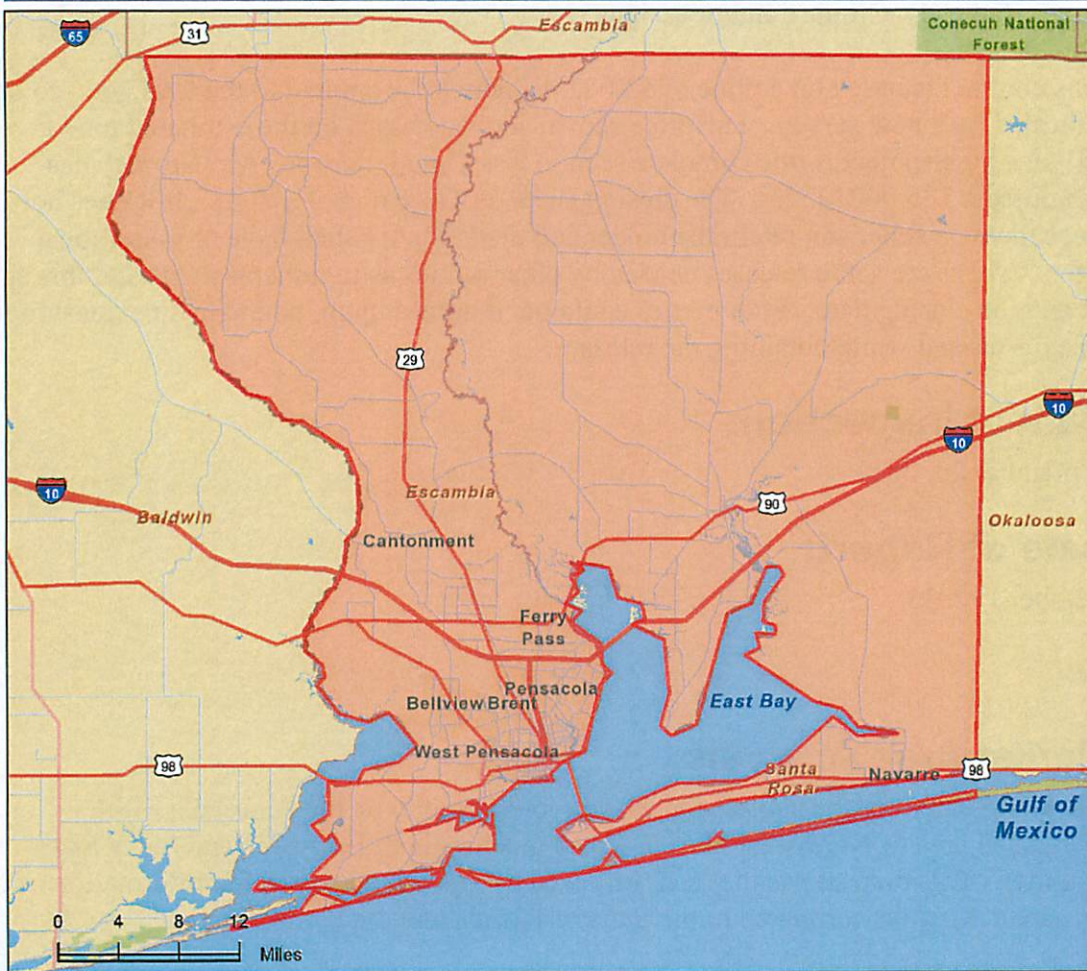
The market area for the subject property is considered to be the Pensacola MSA designated area of Northwest Florida which includes both Escambia and Santa Rosa Counties. This map shows that area followed by general demographic information of the Pensacola MSA as compared to the State of Florida and the United States.



Site Map

Pensacola MSA

Prepared by Terry Hoffman



October 08, 2013

©2013 Esri



Demographic and Income Profile - Appraisal Version

Pensacola MSA
 Pensacola-Ferry Pass-Brent, FL Metropolitan Statistical A...
 Geography: CBSA

Prepared by Terry Hoffman

Summary	Census 2010	2013	2018			
Population	448,991	457,170	475,656			
Households	173,148	176,670	184,624			
Families	115,593	117,481	122,228			
Average Household Size	2.46	2.46	2.46			
Owner Occupied Housing Units	118,871	116,528	123,924			
Renter Occupied Housing Units	54,277	60,142	60,700			
Median Age	38.0	38.5	39.0			
Trends: 2013 - 2018 Annual Rate	Area	State	National			
Population	0.80%	0.99%	0.71%			
Households	0.88%	0.98%	0.74%			
Families	0.80%	0.87%	0.63%			
Owner HHs	1.24%	1.32%	0.94%			
Median Household Income	3.62%	3.47%	3.03%			
Households by Income	2013		2018			
	Number	Percent	Number	Percent		
<\$15,000	26,742	15.1%	26,014	14.1%		
\$15,000 - \$24,999	21,983	12.4%	16,097	8.7%		
\$25,000 - \$34,999	20,993	11.9%	18,803	10.2%		
\$35,000 - \$49,999	28,340	16.0%	26,865	14.6%		
\$50,000 - \$74,999	34,398	19.5%	35,446	19.2%		
\$75,000 - \$99,999	20,544	11.6%	28,716	15.6%		
\$100,000 - \$149,999	15,147	8.6%	21,722	11.8%		
\$150,000 - \$199,999	4,703	2.7%	6,448	3.5%		
\$200,000+	3,820	2.2%	4,513	2.4%		
Median Household Income	\$43,681		\$52,179			
Average Household Income	\$59,465		\$68,955			
Per Capita Income	\$23,517		\$27,281			
Population by Age	Census 2010		2013		2018	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	27,984	6.2%	27,561	6.0%	28,613	6.0%
5 - 9	26,980	6.0%	27,555	6.0%	27,983	5.9%
10 - 14	27,712	6.2%	27,325	6.0%	28,554	6.0%
15 - 19	33,766	7.5%	31,526	6.9%	31,019	6.5%
20 - 24	35,277	7.9%	34,816	7.6%	31,564	6.6%
25 - 34	56,707	12.6%	61,777	13.5%	65,596	13.8%
35 - 44	54,905	12.2%	53,721	11.8%	56,680	11.9%
45 - 54	68,029	15.2%	64,669	14.1%	59,475	12.5%
55 - 64	55,242	12.3%	59,969	13.1%	65,042	13.7%
65 - 74	35,527	7.9%	39,543	8.6%	47,769	10.0%
75 - 84	19,917	4.4%	20,989	4.6%	24,546	5.2%
85+	6,945	1.5%	7,719	1.7%	8,815	1.9%

Data Note: Income is expressed in current dollars.
 Source: U.S. Census Bureau, Census 2010 Summary File 1. Earl forecasts for 2013 and 2018.

October 08, 2013

© 2013 Esri

Page 1 of 2

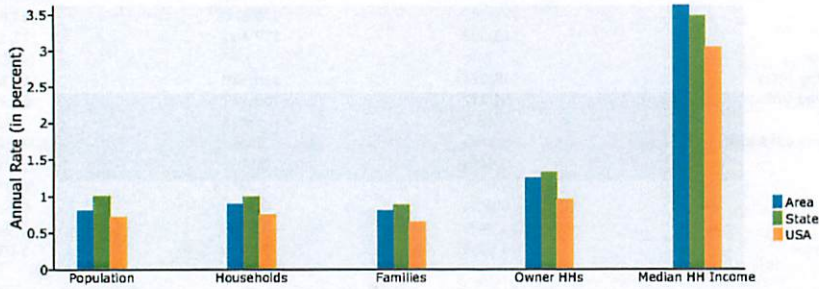


Demographic and Income Profile - Appraisal Version

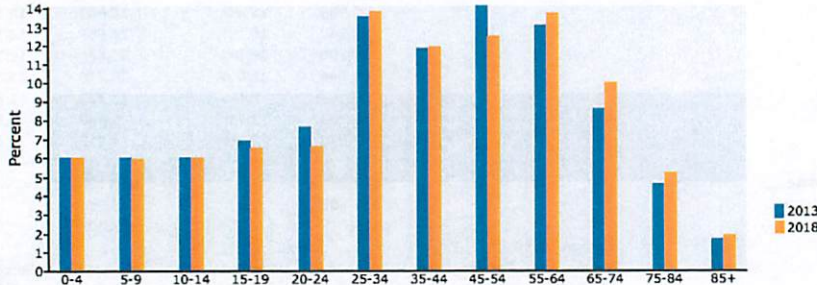
Pensacola MSA
 Pensacola-Ferry Pass-Brent, FL Metropolitan Statistical A...
 Geography: CBSA

Prepared by Terry Hoffman

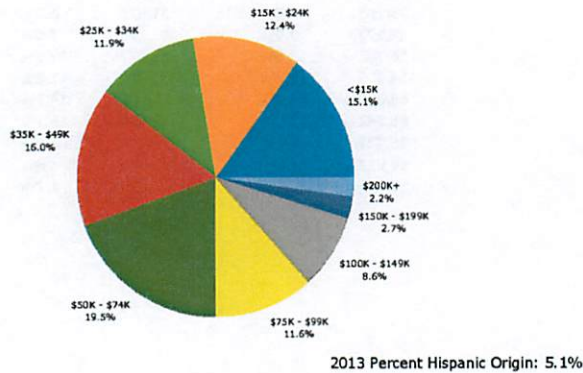
Trends 2013-2018



Population by Age



2013 Household Income



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

October 08, 2013

©2013 Esri

Page 2 of 2

Area Description & Boundaries

The neighborhood boundaries extend from State Road 4 to State Road 191 on a north south axis and from State Road 87 to the Escambia River on an east west axis. This is a rural are of North Santa Rosa County that is mostly cropland, pastureland and timberland.

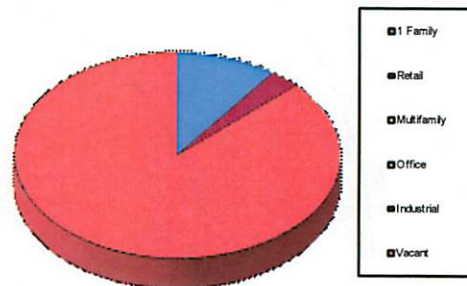
Area & Property Use Characteristics

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

Land Use Trends

Present Land Use	Supply/Demand			Vacancy
	Under	In Bal.	Ove1	
10% 1 Family	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2%
3% Retail	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5%
0% Multifamily	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0%
0% Office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0%
0% Industrial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0%
87% Vacant	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
100%				

Land Use



Change in Land Use

Likely	<input type="checkbox"/>
Not Likely	<input checked="" type="checkbox"/>
Taking Place	<input type="checkbox"/>

Land use in the Immediate Area

Land uses in the neighborhood consist of mostly farmland with a mixture of crops and pasture along with areas of timber growth. We estimate the average land size of parcel of property in this area to be between 50 to 150 acres with a number of much larger tracts owned by large farming concerns and timber oriented companies. There are scatter single-family homes located on the various larger parcels along with smaller acreage tracts in the area. There has been no significant population growth in the past years for this area.

Summation

Adjacent property uses include a variety of timberland and farmland similar to the subject property. The property is located approximately 12-15 miles northwest of Milton and about the same distance from Pace, Florida. This area is rural in nature with large and small farms, timberland and vacant properties not in use at this time. With the continued increase in prices for farm commodities we have seen a noticeable interest in the purchase of farmland in north Santa Rosa and Escambia County. With the continued slow recover of our real estate market and the continued low interest rates it is our opinion that this demand will continue and drive the demand and prices of vacant land in both counties.

Local Demographics

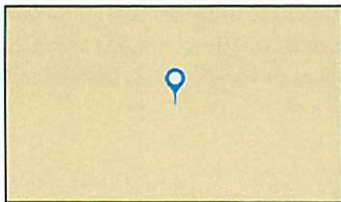
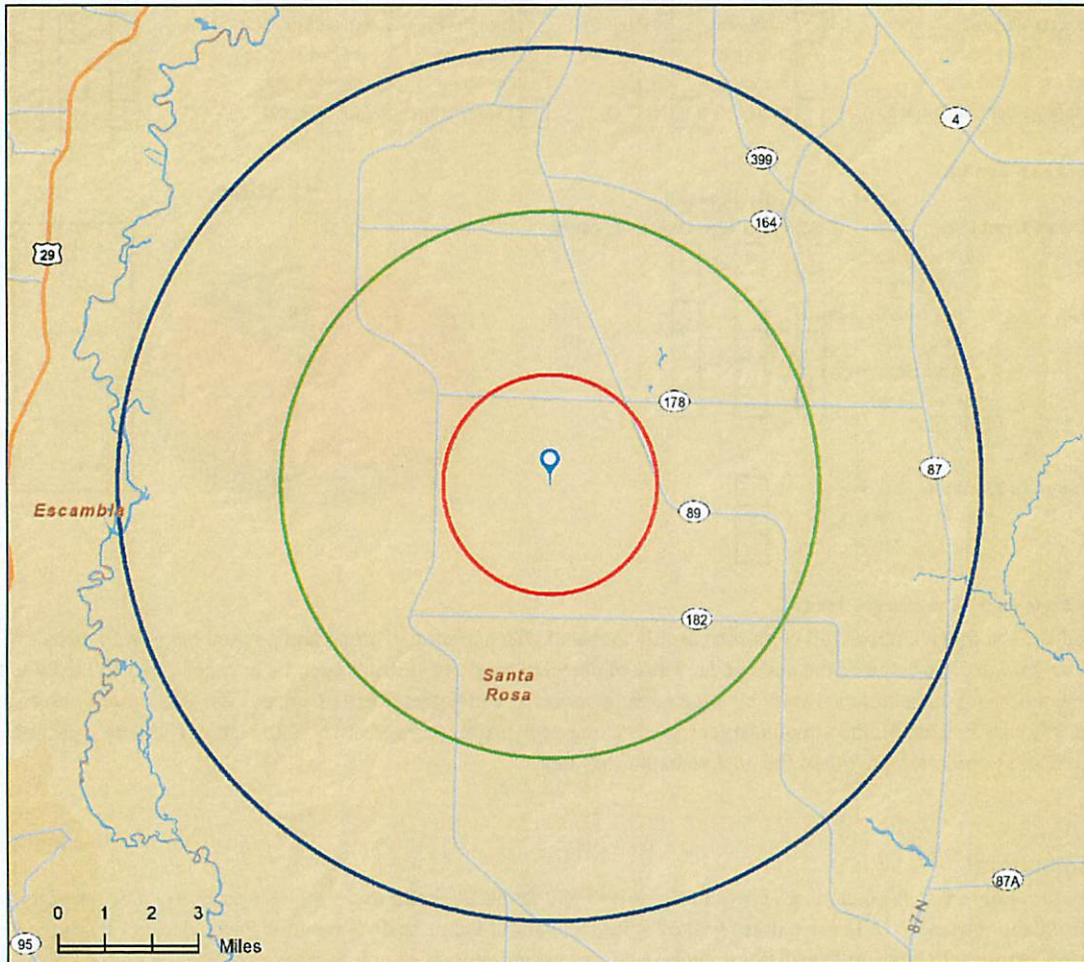
The following data are the demographics for the surrounding area of the subject property sampled from 2, 5 and 8 miles.



Site Map

Lat: 3608626.434792, Lon: -9703259.637523
Ring: 2, 5, 8 Miles

Prepared by Terry Hoffman
Latitude: 30.814073
Longitude: -87.165864



October 14, 2013

©2013 Esri



Demographic and Income Profile - Appraisal Version

Lat: 3608626.434792, Lon: -9703259.637523
Rings: 2, 5, 8 mile radii

Prepared by Terry Hoffman
Latitude: 30.814072877
Longitude: -87.16586438

Summary	Census 2010		2013		2018	
	Number	Percent	Number	Percent	Number	Percent
Population	118		126		138	
Households	47		50		56	
Families	38		40		44	
Average Household Size	2.51		2.52		2.46	
Owner Occupied Housing Units	41		43		48	
Renter Occupied Housing Units	6		7		7	
Median Age	37.8		39.1		38.8	
Trends: 2013 - 2018 Annual Rate						
	Area		State		National	
Population	1.84%		0.99%		0.71%	
Households	2.29%		0.98%		0.74%	
Families	1.92%		0.87%		0.63%	
Owner HHs	2.22%		1.32%		0.94%	
Median Household Income	4.13%		3.47%		3.03%	
Households by Income						
	Census 2010		2013		2018	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	2	4.0%	2	4.0%	2	3.6%
\$15,000 - \$24,999	3	6.0%	2	4.0%	2	3.6%
\$25,000 - \$34,999	11	22.0%	10	20.0%	10	17.9%
\$35,000 - \$49,999	4	8.0%	3	6.0%	3	5.4%
\$50,000 - \$74,999	11	22.0%	12	24.0%	12	21.4%
\$75,000 - \$99,999	12	24.0%	18	36.0%	18	32.1%
\$100,000 - \$149,999	4	8.0%	6	12.0%	6	10.7%
\$150,000 - \$199,999	0	0.0%	0	0.0%	0	0.0%
\$200,000+	2	4.0%	2	4.0%	2	3.6%
Median Household Income		\$57,707		\$70,637		\$80,909
Average Household Income		\$70,327		\$80,909		\$80,909
Per Capita Income		\$26,234		\$30,859		\$30,859
Population by Age						
	Census 2010		2013		2018	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	9	7.8%	9	7.1%	10	7.2%
5 - 9	9	7.8%	10	7.9%	10	7.2%
10 - 14	8	6.9%	9	7.1%	11	7.9%
15 - 19	6	5.2%	7	5.5%	9	6.5%
20 - 24	7	6.0%	6	4.7%	6	4.3%
25 - 34	14	12.1%	16	12.6%	16	11.5%
35 - 44	15	12.9%	17	13.4%	19	13.7%
45 - 54	18	15.5%	18	14.2%	17	12.2%
55 - 64	14	12.1%	17	13.4%	19	13.7%
65 - 74	12	10.3%	12	9.4%	14	10.1%
75 - 84	3	2.6%	5	3.9%	7	5.0%
85+	1	0.9%	1	0.8%	1	0.7%

Data Note: Income is expressed in current dollars.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

October 14, 2013

© 2013 Esri

Page 1 of 6



Demographic and Income Profile - Appraisal Version

Lat: 3608626.434792, Lon: -9703259.637523
Rings: 2, 5, 8 mile radii

Prepared by Terry Hoffman
Latitude: 30.814072877
Longitude: -87.16586438

Summary	Census 2010	2013	2018
Population	1,762	1,784	1,859
Households	665	674	705
Families	517	522	544
Average Household Size	2.65	2.65	2.64
Owner Occupied Housing Units	586	585	615
Renter Occupied Housing Units	79	90	91
Median Age	41.8	42.5	43.4
Trends: 2013 - 2018 Annual Rate	Area	State	National
Population	0.83%	0.99%	0.71%
Households	0.90%	0.98%	0.74%
Families	0.83%	0.87%	0.63%
Owner HHs	1.01%	1.32%	0.94%
Median Household Income	3.34%	3.47%	3.03%

Households by Income	2013		2018	
	Number	Percent	Number	Percent
<\$15,000	76	11.3%	67	9.5%
\$15,000 - \$24,999	53	7.9%	36	5.1%
\$25,000 - \$34,999	97	14.4%	81	11.5%
\$35,000 - \$49,999	66	9.8%	57	8.1%
\$50,000 - \$74,999	167	24.8%	165	23.4%
\$75,000 - \$99,999	125	18.5%	176	25.0%
\$100,000 - \$149,999	77	11.4%	105	14.9%
\$150,000 - \$199,999	5	0.7%	6	0.9%
\$200,000+	9	1.3%	12	1.7%
Median Household Income	\$54,683		\$64,432	
Average Household Income	\$62,886		\$72,509	
Per Capita Income	\$24,265		\$28,051	

Population by Age	Census 2010		2013		2018	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	105	6.0%	102	5.7%	106	5.7%
5 - 9	115	6.5%	113	6.3%	111	6.0%
10 - 14	115	6.5%	117	6.6%	121	6.5%
15 - 19	102	5.8%	100	5.6%	108	5.8%
20 - 24	100	5.7%	89	5.0%	81	4.4%
25 - 34	186	10.6%	207	11.6%	212	11.4%
35 - 44	228	12.9%	224	12.5%	225	12.1%
45 - 54	277	15.7%	264	14.8%	252	13.6%
55 - 64	253	14.4%	265	14.8%	281	15.1%
65 - 74	188	10.7%	201	11.3%	230	12.4%
75 - 84	74	4.2%	84	4.7%	107	5.8%
85+	19	1.1%	20	1.1%	24	1.3%

Data Note: Income is expressed in current dollars.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

October 14, 2013



Demographic and Income Profile - Appraisal Version

Lat: 3608626.434792, Lon: -9703259.637523
Rings: 2, 5, 8 mile radii

Prepared by Terry Hoffman
Latitude: 30.814072877
Longitude: -87.16586438

Summary	Census 2010	2013	2018			
Population	4,994	5,056	5,241			
Households	1,910	1,936	2,014			
Families	1,476	1,490	1,542			
Average Household Size	2.58	2.58	2.57			
Owner Occupied Housing Units	1,680	1,675	1,751			
Renter Occupied Housing Units	230	261	263			
Median Age	41.8	42.7	43.9			
Trends: 2013 - 2018 Annual Rate	Area	State	National			
Population	0.72%	0.99%	0.71%			
Households	0.79%	0.98%	0.74%			
Families	0.69%	0.87%	0.63%			
Owner HHs	0.89%	1.32%	0.94%			
Median Household Income	2.45%	3.47%	3.03%			
Households by Income	2013		2018			
	Number	Percent	Number	Percent		
<\$15,000	322	16.6%	294	14.6%		
\$15,000 - \$24,999	165	8.5%	114	5.7%		
\$25,000 - \$34,999	231	11.9%	204	10.1%		
\$35,000 - \$49,999	192	9.9%	180	8.9%		
\$50,000 - \$74,999	491	25.4%	480	23.8%		
\$75,000 - \$99,999	313	16.2%	434	21.5%		
\$100,000 - \$149,999	188	9.7%	262	13.0%		
\$150,000 - \$199,999	19	1.0%	26	1.3%		
\$200,000+	15	0.8%	20	1.0%		
Median Household Income	\$51,845		\$58,516			
Average Household Income	\$57,420		\$65,628			
Per Capita Income	\$22,032		\$25,268			
Population by Age	Census 2010		2013		2018	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	280	5.6%	272	5.4%	281	5.4%
5 - 9	320	6.4%	304	6.0%	297	5.7%
10 - 14	334	6.7%	332	6.6%	330	6.3%
15 - 19	313	6.3%	305	6.0%	319	6.1%
20 - 24	280	5.6%	264	5.2%	241	4.6%
25 - 34	524	10.5%	576	11.4%	604	11.5%
35 - 44	655	13.1%	632	12.5%	620	11.8%
45 - 54	783	15.7%	760	15.0%	727	13.9%
55 - 64	718	14.4%	746	14.8%	793	15.1%
65 - 74	522	10.5%	567	11.2%	660	12.6%
75 - 84	214	4.3%	242	4.8%	303	5.8%
85+	50	1.0%	54	1.1%	68	1.3%

Data Note: Income is expressed in current dollars.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

October 14, 2013

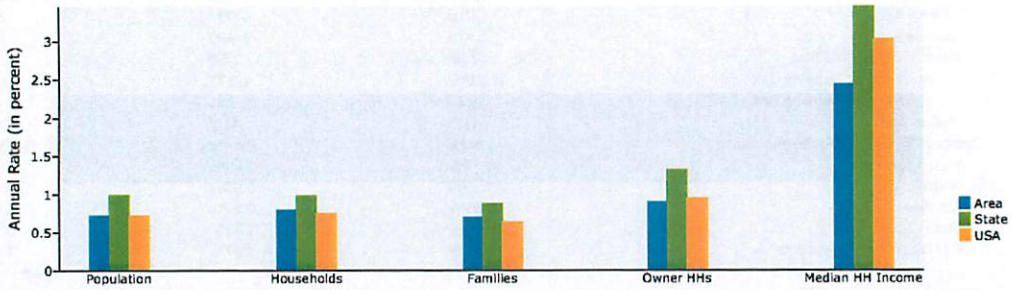


Demographic and Income Profile - Appraisal Version

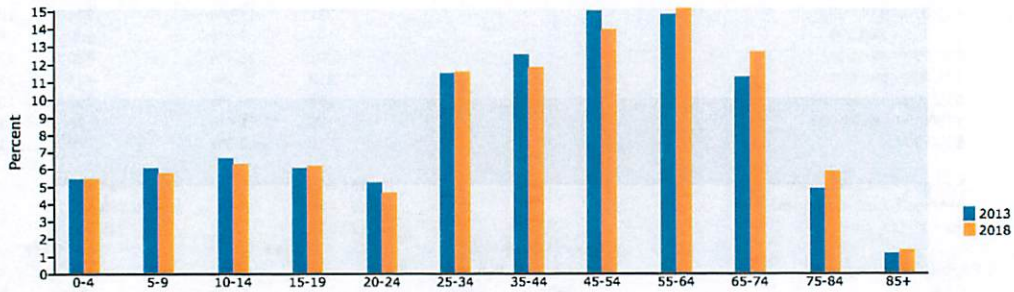
Lat: 3608626.434792, Lon: -9703259.637523
Rings: 2, 5, 8 mile radii

Prepared by Terry Hoffman
Latitude: 30.814072877
Longitude: -87.16586438

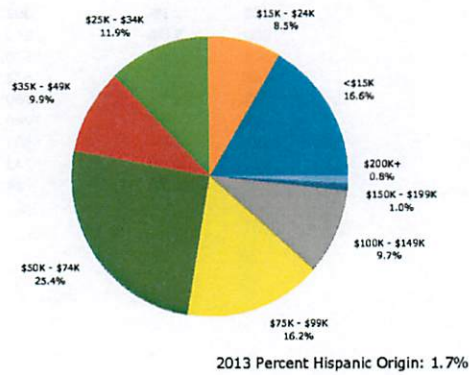
Trends 2013-2018



Population by Age



2013 Household Income



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

October 14, 2013

©2013 Esri

Page 6 of 6

Market Area and Property Characteristics

The subject property is located within the Pensacola MSA which includes both Escambia and Santa Rosa Counties located at the west end of Florida in the Panhandle section of Florida. Approximately 2/3 of the population is located within Escambia County. Pensacola is the county seat of Escambia County and Milton is the county seat for Santa Rosa County. A comparison of the central populous areas of both counties follows:

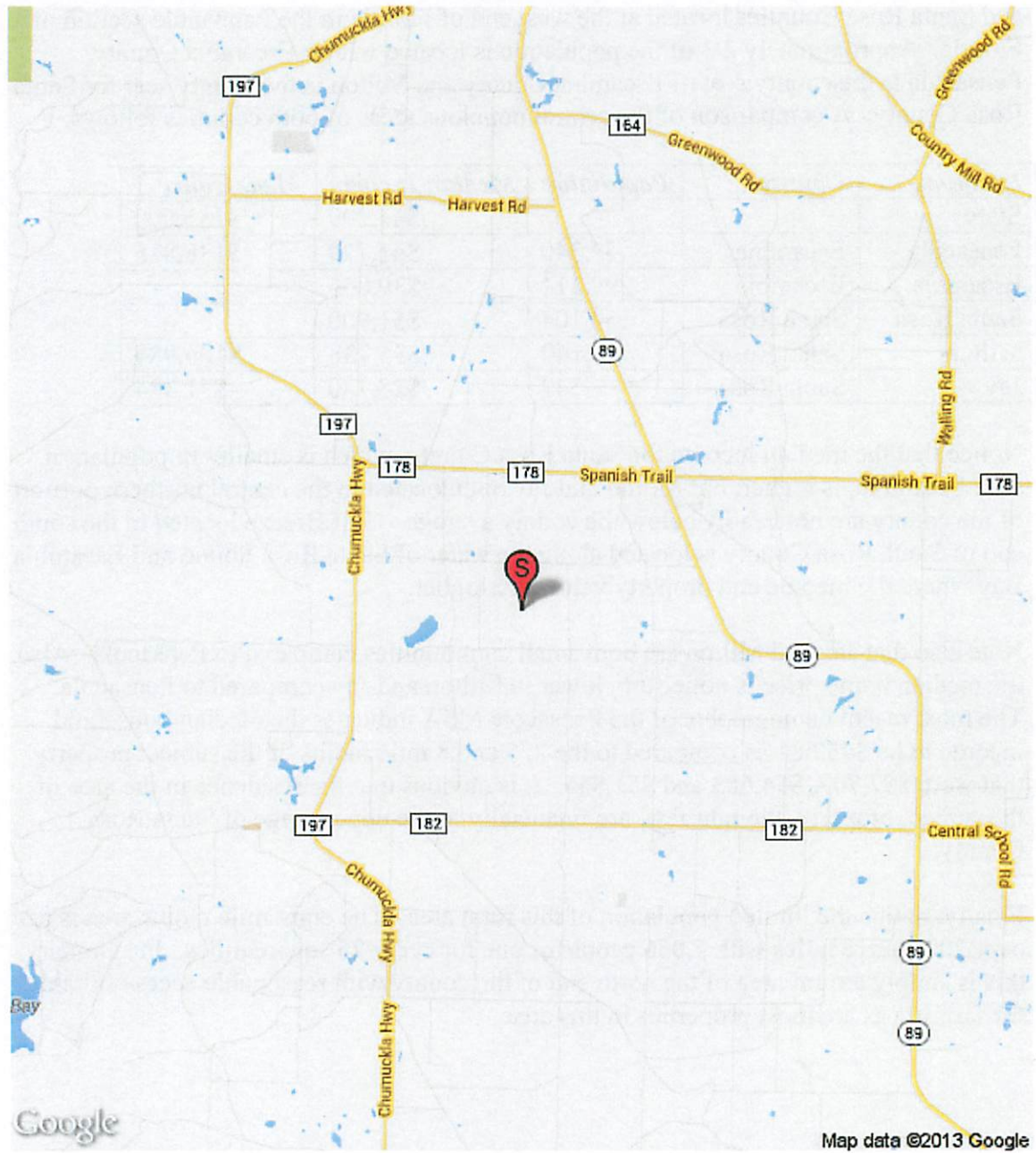
Location	County	Population	Median Income	Med. House
State			\$44,299	\$151,000
Pensacola	Escambia	52,340	\$41,779	\$138,815
Escambia	Escambia	299,114	\$39,856	
Santa Rosa	Santa Rosa	154,104	\$51,900	
Milton	Santa Rosa	9,140	\$35,738	\$106,984
Jay	Santa Rosa	549	\$28,730	\$71,384

Notice that the median income for Santa Rosa County, which is smaller in population than Escambia, is higher, but Milton and Jay both located in the central northern portion of the county are noticeably below the county average. Gulf Breeze located in the south end of Santa Rosa County is located along the water of Santa Rosa Sound and Escambia Bay where the income and property values are higher.

Note also that Jay and Milton are both small communities compared to Pensacola. Also the median home price is noticeably lower in Milton and Jay compared to Pensacola. The most recent demographic of the Pensacola MSA indicates the median household income to be \$43,681 as compared to the 2, 5 and 8 mile radius of the subject property that were \$57,707, \$54,683 and \$51,845. It is obvious that the residence in the area of the subject property, though few, are financially in the upper range of Santa Rosa County.

Finally, notice the limited population of this rural area. The eight mile radius area is just over 200 square miles with 5,056 people or one for every 25 square miles. In summary this is simply a rural area of the north end of the county with reasonable access suitable for farming as are most properties in this area.

Neighborhood Map



Property Description

The subject is 601 +/- vacant acres located in the north end of Santa Rosa County south of Jay near the farm community of Allentown, Florida.

Parcel ID	Land Summary				Topography	Shape
	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)		
Just East of	601.00	26,179,560	601.00	26,179,560	slope of 5% or less	Rectangular

SITE

Location: The subject property is located approximately 1/4 mile east of Ard Field Road in the Jay and Allentown community of north Escambia County, Florida.

Current Use of the Property: The present use of the subject property is vacant acreage with scatter pine tree growth. No active farming appears to be on going at this time.

Site Size: Total: 601.00 acres; 26,179,560 square feet

Usable: 601.00 acres; 26,179,560 square feet

The subject property is approximately 1/4 east of Ard Field Road with a paved private access road leading east to the corner of the property. Our inspection indicated the property to be generally level appearing to slope some to the southeast. A review of the aerial of the property shows about 225 acres generally cleared with small scattered pines of 4' to 8' in height located at the southwest corner of the property. There is also approximately 24 acres of similar condition in the southeast corner of the property along with approximately 58 acres of similar condition in the northeast corner of the property. There is also a two acre +/- are cleared at the top of the north end of the property for a deer stand area. It therefore appears that 309 acres of the 601 acres are generally cleared with limited tree stand and the remaining 292 acres is treed with mostly pines ranging in size from approximately 25 to 40 feet in height.

Shape: The subject property is rectangular in shape and is basically a section of land which is defined as 5,280' by 5,280 or one square mile with 640 acres.

Frontage/Access: The subject property has fair to average access with frontage as

follows:

- Ard Field Road: None feet
 - Easement: 5,200' +/- feet
- The site has an average depth of 5,280 feet.

Visibility: Limited

Topography: The subject property is generally level. According to the soil maps of Santa Rosa County all of the property is various types of Sandy loam classifications with slopes varying from 0-2% to 0-5%. There are no wetlands or low area located on the property. We inspected the property several days after major rains and the majority of the property appears dry with most damp areas in the areas of heavier vegetation.

Soil Conditions: The soil conditions observed at the subject appear to be typical of the region and adequate to support development whether it were residential, farming or the growth and farming of trees.

Utilities: Electricity: Public electricity is available to the site.
Sewer: None available. Sewer waste disposal would have to be by individual septic tank which is common and apparently no problem for this area.
Water: Individual well, typical for this area.
Underground Utilities: Above ground utilities

Adequacy: Electrical service is available to the property within reasonable distance for any contemplated use by the present or future owners. Presently, water would have to be by individual wells which appears typical for this area.

Site Improvements: The subject site is vacant acreage with access over a small paved road approximately ¼ of a mile long. This road extends east along the south boundary of the subject and is in much worst condition along the south boundaries of the subject where the road is a mix of asphalt and exposed clay base.

Flood Zone: The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area.

FEMA Map Number: 12113C0160G
FEMA Map Date: December 19, 2006

The subject is outside the 500 year flood plain. The appraiser is

not an expert in this matter and is reporting data from FEMA maps.

Wetlands/Watershed: None noted

Environmental Issues: None noted

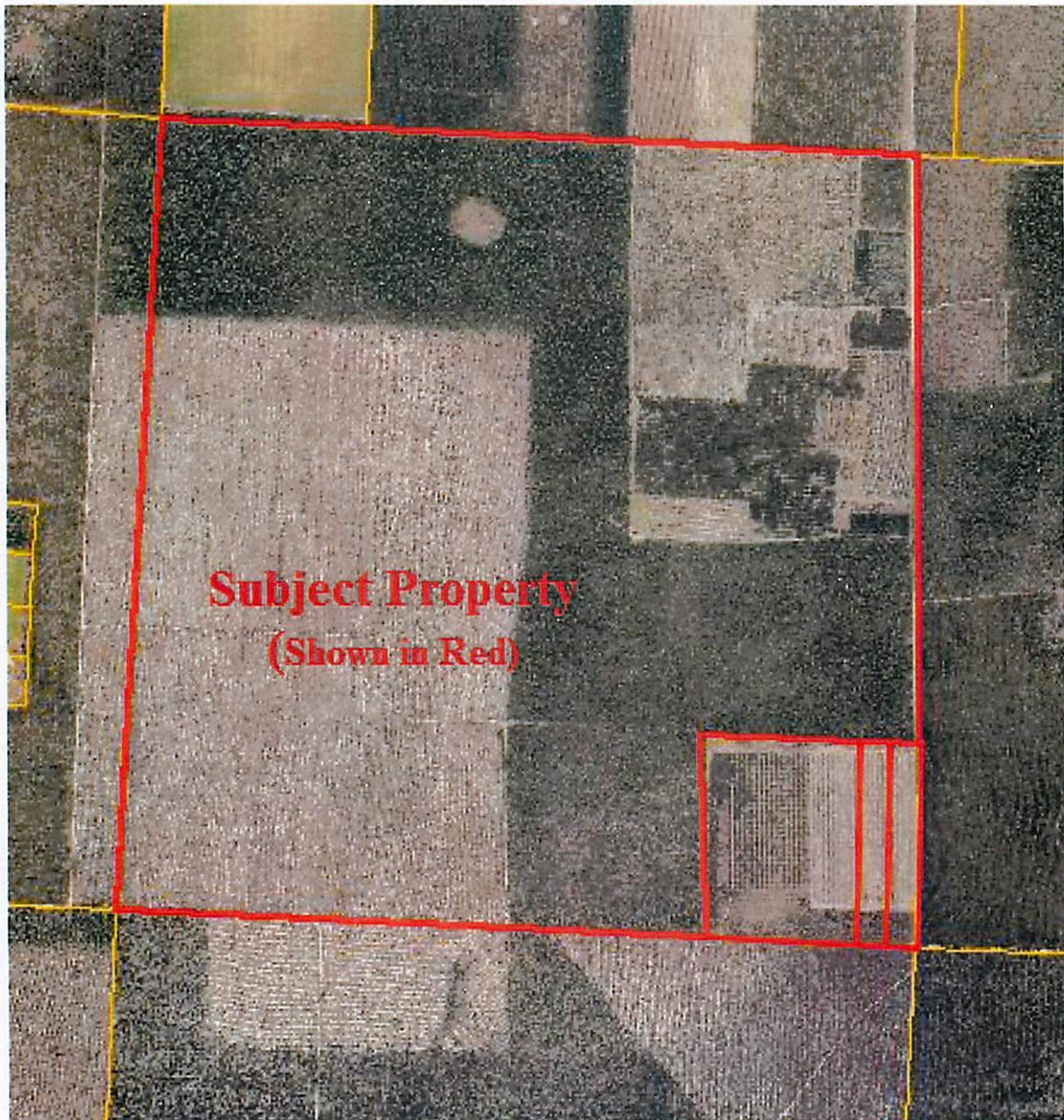
Encumbrance / Easements: We have been informed that the contract for the subject property allows easement to the property from Ard Field Road over the paved private road running along the south boundaries of the subject property. This easement would also allow for the paving of this easement (road) if desired by the future owner or owners.

Site Comments: The main features of the subject property include the agricultural location in mid to North Santa Rosa County along with the large size of 601 acres. The property has limited road access only from a paved easement leading approximately ¼ mile from Ard Field Road. Approximately half of the property is general timberland with the remaining half of the property limited trees more similar to general farmland in this area of North Santa Rosa and Escambia County.

While reviewing the property by aerial photographs and inspecting the property from the ground one noticeable factor was the lack of any wetlands or wet areas. A review of the Santa Rosa Property Appraiser's soil maps indicated the property to be various classifications of Sandy loam soil with typical slope varying from 0-5% slope.

The positive factors affecting the subject property could be considered the location, large size and generally level property with no wetland areas. With approximately half the land area generally cleared this would be considered a positive factor for future farming. The negative features could be considered the removed agricultural location with limited road frontage and access. Having approximately half the property in timber would also make this property less attractive and valuable as compared to all of the property being cleared for farmland use. Our discussions with several property owners, brokers and our past experience indicated that farmland tends to sell for more per acre than timberland, including consideration for the timber value, because it can be more productive yielding crops several times a year as compared to timberland that generally yields a crop in 15 to 30 years.

Site Plan/Tax Map/Survey



Subject Photograph Indexed Location

This photo shows the location and direction of each photograph that follows.



Subject Photographs



#1 Access Road Looking West from Subject Property



#2 Access Road Looking East Along South Side of Subject



#3 "Road" Running North From Access Road at or near West Boundaries



#4 Subject Property from Access Road Looking Northeast



#5 Subject Property from South End Looking North



#6 Subject on Left and Access Road on Right



#7 Center of Subject Looking North from Access Road



#8 Subject at Southeast Corner



#9 "Road" Along East Side of Subject Property



#10 Continuation of Access Road Past and just East of Subject



#11 Access Road Looking East from Southeast Corner of Subject



#12 Subject Property from East Side Looking Northwest



#13 "Road" Along North side of Subject Property Looking West



#14 East Side of Subject Looking North



#15 Looking West into Subject From the East Side



#16 Looking South From the East Side of the Subject



#17 Looking South from North side of Subject



#18 Looking West along Trail on North side of Subject



#19 Looking West along Trail on North side of Subject



Looking Northeast from the Interior of the Subject



Typical Road Condition along the Subject Property



Access Road from Subject West to Ard Field Road



Ard Field Road Looking South at Access Road to Subject



Ard Field Road Looking North at Access Road to Subject

Assessment and Taxes

Taxing Authority Santa Rosa

Assessment Year 2012

Real Estate Assessment and Taxes										
Tax ID	Land	Improvements	Other	Total	City	County	Other	Tax Rate	Taxes	Special
					Rate	Rate	Rate			
32-4N-29-0000-00100-0000	\$684,000	\$0	\$0	\$684,000	\$0.00	\$13.80	\$0.00	\$13.80	\$9,441	\$0
32-4N-29-0000-00201-0000	\$136,976	\$0	\$0	\$136,976	\$0.00	\$13.80	\$0.00	\$13.80	\$1,891	\$0
32-4N-29-0000-00202-0000	\$29,292	\$0	\$0	\$29,292	\$0.00	\$13.80	\$0.00	\$13.80	\$404	\$0
Totals	\$850,268	\$0	\$0	\$850,268					\$11,737	\$0

Real Estate Assessment Analysis			
Tax ID	Total	Equalization Ratio	Implied Value
32-4N-29-0000-00100-0000	\$684,000	85.0%	\$804,706

Comments

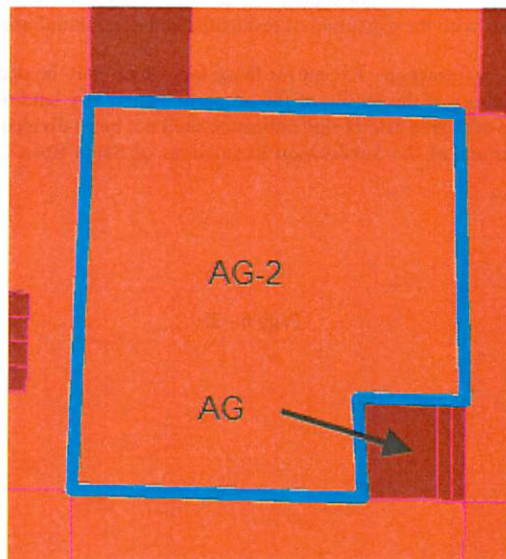
This assessment appears to within line with assessments of other similar properties in this general area of North Santa Rosa County. We do not anticipate and significant change in the near future. Note also that this assessment is the 'Just Value' and the assessed value is based on land use under agricultural zoning and consideration which is noticeably less. That total assessment is \$103,637 or just over 12% of the just value assessment.

Zoning

LAND USE CONTROLS

Zoning Code	AG-2 Agriculture District
Zoning Description	AG-2: agricultural-related activities, single-family residences, campgrounds, stables, animal hospitals, places of worship, educational facilities, clubs and lodges, feed and farm equipment stores, borrow pits and reclamation activities
Current Use Legally Conforming	The subject use as vacant timber property is a legal conforming use and does not conflict with the present zoning.
Zoning Comments	This zoning is typical for similar properties in this immediate and general area. It is not considered restrictive as to the present or future potential use of the subject property. The largest part of the subject property is zoned AG-2 with the smaller corner portions zoned AG. The main difference is the allowable density for each district as discussed in the following copies of the zoning regulations of Santa Rosa County. AG allows one unit per acre and Ag-2 allows for only one dwelling unit per 15 acres.

Zoning Map



6.05.02 AG - Agriculture District (Agriculture/Rural Residential)

A. **Purpose:** This district is designed to provide suitable areas for low density residential development. This district will be characterized by a single family detached structure and such other structures as are accessory thereto. This district also may include, as specifically provided for in these regulations conditional uses for community facilities and utilities which service specifically the residents of this district, or which are benefited by and compatible with a rural residential and farming environment. Such facilities should be accessibly located and appropriately situated in order to satisfy special requirements of the respective community facilities.

It is the express purpose of this Section to exclude from this district all 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 standards regulating conditional uses in Section 4.04.00 et. seq. and 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 fairgrounds; commercial antennas; towers and telecommunications facilities; public and private utilities and public facilities; placement of an accessory building on a lot directly across the right-of-way from where the principle single family dwelling is located and is under the same ownership; business and professional offices; restricted sales and service; trade service and repair; veterinary medical services; guest houses; boarding houses and transient quarters; nursing homes; and child care services.

D. **Site Plan Approval:** Site plan approval as provided in Section 4.04.00 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 re-divided into two (2) or more lots unless the provisions of the Subdivision Regulations of Santa Rosa County, Florida, have been met.

F. Density: For residential development, property may be developed at the option of the owner, to a maximum of one (1) dwelling unit per one (1) acre.

G. Lot Size: The minimum width of any lot used for single family dwelling units shall be seventy (70) feet when measured at the minimum front setback line (front yard). The minimum 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 total square footage shall not be less than 43,560. 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 bottom (chord) of the arc of the minimum front setback line. The minimum width shall be maintained through the rear of the residential structure. The total square footage shall not be less than 43,560.

1. The dividing of a parcel in the Agriculture (AG) 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 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 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 (AG) zoning district, resulting in a parcel(s) which will not possess the required road frontage, may be permitted by the Community Planning, Zoning & Development Division with the following provisions. 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 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 width 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 dwelling unit per acre; 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 lowest habitable floor elevation, exclusive of chimneys, elevator shafts, air conditioning condensing units or cooling towers, except as provided in Section 2.10.01.

I. **Minimum Required Setbacks:**

- 1. **Setbacks Along Collector or Arterial Roads:** The minimum required building setback for a yard along a collector or arterial road as described in 4.04.03(D), shall be as follows:

- a) For any yard along a collector road, the minimum required building setback shall be twenty-five (25) feet.
- b) For any yard along an arterial road, the minimum required building setback shall be fifty (50) feet.

If any other setback requirement of this Code conflicts with the above requirements, the more restrictive requirement will apply.

- 2. **Front Setback:** Except as provided in Section 4.03.03(B)(2)(b) and Section 2.10.02, there shall be a front building setback on every lot of not less than twenty-five (25) feet.
- 3. **Side Setback:** There shall be a side building setback 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 building setback shall be ten (10) percent of the average of the street frontage width and the rear lot line length. Modifications to this requirement shall be in accordance with Section 2.10.04.
- 4. **Rear Setback:** There shall be a rear building setback on every lot of not less than twenty-five (25) feet, except as provided in Section 2.10.03.

J. **Performance Standards:** Refer to Article 7 of this Ordinance. Also see Section 6.09.02, Criteria Regulation Conditional Uses for supplementary regulations as applicable.

K. **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.

L. **Skirting:** Skirting is required around the base of all mobile homes between the ground and bottom of the structure.

M. Structures associated with agriculture uses such as silos, windmills, fire towers, etc., may exceed the height limits of this zone.

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 standards regulating conditional uses in Section 4.04.00 et. seq. and 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; 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 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 re-divided 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 arch 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 set-back 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 dwelling unit per 15 acres.
 - 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 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 permitted by the Community Planning, Zoning & Development Division with the following provisions. 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 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 width 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 dwelling unit per 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 2.10.01.

I. **Minimum Required Setbacks:**

1. **Setbacks Along Collector or Arterial Roads:** The minimum required building setback along a collector or arterial road, as described in Section 4.04.03(D), shall be as follows:
 - a) Along a collector road, the minimum required building setback shall be twenty five (25) feet.
 - b) Along an arterial road, the minimum required building setback shall be fifty (50) feet.

If any other setback requirement of this Code conflicts with the above requirements, the more restrictive requirement will apply.

2. **Front Setback:** Except as provided in Section 4.03.03(B)(2)(b) and Section 2.10.02, there shall be a front building setback on every lot of not less than twenty-five (25) feet.
3. **Side Setback:** There shall be a side yard setback 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 building setback shall be ten (10) percent of the average of the street frontage width and the rear lot line length. Modifications to this requirement shall be in accordance with Section 2.10.04.

4. **Rear Setback:** There shall be a rear building setback on every lot of not less than twenty-five (25) feet, except as provided in Section 2.10.03.
- J. **Performance Standards:** Refer to Article 7 of this Ordinance. Also see Section 6.09.02, Criteria Regulating Conditional Uses, for supplementary regulations as applicable.
- K. **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.
- L. **Skirting:** Skirting is required around the base of all mobile homes between the ground and bottom of the structure.
- M. Structures associated with agriculture uses such as silos, windmills, fire towers, etc., may exceed the height limits of this zone.

Highest and Best Use

Highest and best use may be defined as

the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.³

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

Highest and Best Use of the Site

The highest and best use of the site, as vacant: It is our opinion that the highest and best use of the subject property would be for farming similar to that of the majority of properties in this area of North Santa Rosa and Escambia Counties. Because of the low density of homes in the area and the removed location from the main towns and employment areas of this section of Northwest Florida there is no immediate demand for single-family residential use which is the only other probable use for the subject property at this time.

The subject property is zoned agricultural allowing for agricultural and silviculture endeavors. Single-family use is also allowed but in low density development which would be typical for such a rural area. The AG-2 zoned area allows for one unit per 15 acres. This zoning covers the majority of the property with the smaller southeast section of the property zoned AG allowing for one dwelling unit per one acre.

Valuation Methodology

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

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

Cost Approach

The Cost Approach is summarized as follows:

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

Income Approach

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

Sales Comparison Approach

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

Final Reconciliation

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

Analyses Applied

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

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and was not developed because the subject is not an income producing property and this approach does not reflect market behavior for this property type.

Land Value

The subject's land value has been developed via the sales comparison approach.

Sales Comparison Approach – Land Valuation

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

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed. This market area included Santa Rosa and Escambia County, Florida.
- The most pertinent data is further analyzed and the quality of the transaction is determined. Because of the large size of the subject property the sales of larger acreage tracts were reviewed with those most similar selected for analysis.
- The most meaningful unit of value for the subject property is determined. This has been determined to be the overall price per acre of each of the sales analyzed.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparables

We have researched numerous sales in the surrounding area and have selected these eight properties as the most similar to the subject for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction. The eight sales are those that are most similar in size. After presentation of those sales an additional five sales were presented for the readers benefit giving a good overall picture of the agricultural acreage market for North Santa Rosa and Escambia County, Florida.

Comp	Address	Date	Price Per Land Unit	Land Units
	City	Price	Price per Acre	Acres
Subject	Just East of Ard Field Road	1/0/00	--	0.00
	Jay (Allentown Community)	--	--	601
1	Chumuckla Hwy South of SR 191 Pace	5/9/11 \$1,635,900	\$4,736	0.00 345.41
2	Morton Rd & Hwy 99 Bratt	3/5/12 \$556,360	\$3,966	0.00 140.27
3	Young Road Walnut Hill	3/29/12 \$960,604	\$3,100	0.00 309.84
4	Hwy 99 Walnut Hill	6/28/12 \$432,948	\$3,007	0.00 144.04
5	4600 Blk Hwy 97 Walnut Hill	7/23/12 \$760,600	\$3,388	0.00 224.47
6	Greenland & Dortch Rds. Century	1/25/13 \$666,997	\$3,511	0.00 190
7	Gordon Land Rd. Jay	4/10/13 \$723,400	\$2,199	0.00 329
8	Wallace Lake Rd. Pace	8/27/13 \$2,593,200	\$2,200	0.00 1178.7

Land Comparable 1



Transaction

ID	1355	Date	5/9/2011
Address	Chumuckla Hwy South of SR 191	Price	\$1,635,900
City	Pace		
State	Florida	Financing	Conv.
Tax ID	7-2n-29-0000-00103-0000	Price Per Front Foot	NA
Grantor	Equestrian Estates, Inc., Donald Moore &	Price Per SF	NA
Grantee	Martin C. & Anthony Lavon Griswold	Price Per Acre	\$4,736
Verification Source	Don Moore seller	Official Records Book	3055
		Recorded Page	1614

Site

Acres	345.41	Topography	Level
Land SF	NA	Road Frontage	2600'
Shape	Irregular	Depth	5200
Utilities	No sewer	Zoning	AG-Agricultural

Comments

This is a large open vacant site of the west side of Chumuckla Hwy. at Joppa Dr. just south of the intersection of SR 191. The property is adjacent to the county soccer park and just east of a Navy practice landing field. The site is generally cleared pasture land with very little treed area. It is generally level and suitable for a variety of uses typical for this area.

Land Comparable 2



Transaction

ID	1046	Date	3/5/2012
Address	Morton Rd & Hwy 99	Price	\$556,360
City	Bratt		
State	Florida	Financing	Cash
Tax ID	03-5N-32-2101-002-001	Price Per Front Foot	NA
Grantor	Jean Brown	Price Per SF	NA
Grantee	James McElhaney, Jr. , et al	Price Per Acre	\$3,966
Verification Source	Patty Helton-Davis (251-368-4397)	Official Records Book	6828
		Recorded Page	1856

Site

Acres	140.27	Topography	Cleared
Land SF	NA	Road Frontage	NA
Shape	Irregular	Depth	NA
Utilities	No sewer	Zoning	VAG-1

Comments

This is the sale of three parcels located between Highway 99 and Morton Road in Bratt, in a rural area northwest of Pensacola, FL. This property was purchased for farming use. There were no improvements or equipment included in the sales price. The deed indicated the sale of two of the parcels and the broker indicated the price and added sale of the third parcel.

Land Comparable 3



Transaction

ID	1049	Date	3/29/2012
Address	Young Road	Price	\$960,604
City	Walnut Hill		
State	Florida	Financing	Cash
Tax ID	23-5N-33-1300-000-000	Price Per Front Foot	NA
Grantor	Brooks Farms Inc.	Price Per SF	NA
Grantee	Carl Wenger, John & Sharla Koehn	Price Per Acre	\$3,100
Verification Source	Buyer - Mike Koehn	Official Records Book	6843
		Recorded Page	1502

Site

Acres	309.84	Topography	Partially Cleared
Land SF	NA	Road Frontage	NA
Shape	Irregular	Depth	NA
Utilities	No sewer	Zoning	VAG-1

Comments

This is the sale of a 310 +/- acre tract of farm land that was marketed as excellent peanut dirt. It has not been planted in the past 10 years, but is ready for crops. There was also an older house and barn, which was given no value by either the buyer or seller at the time of the sale. The property is located at the southwest corner of Pine Forest Road and Young Road in Walnut Hill, a rural area northwest of Pensacola, FL. This property was purchased for farming use.

Land Comparable 4



Transaction

ID	1081	Date	6/28/2012
Address	Hwy 99	Price	\$432,948
City	Walnut Hill		
State	Florida	Financing	Conv.
Tax ID	17-4N-32-3301	Price Per Front Foot	NA
Grantor	Brooks Farms Inc.	Price Per SF	\$0.09
Grantee	Wesley Wiggins	Price Per Acre	\$3,007
Verification Source	MLS#417798	Official Records Book	6875
		Recorded Page	1570

Site

Acres	144.04	Topography	Level
Land SF	NA	Road Frontage	NA
Shape	Irregular	Depth	NA
Utilities	No sewer	Zoning	VAG-1

Comments

This is a larger acreage tract located on the southwest corner of Highway 99 and Morgan Road. The property was part of a larger acreage tract of 899 acres purchased as a short sale. The buyer's then listed properties separately and this is one of the sales. This parcel included an older single family home which was in poor condition and did not contribute to the overall value of the property. Discussions with the listing agent indicated the value of the home was not included in the list price or in the contract. In addition, there are two metal sheds for equipment storage (18,000 SF & 2,017 SF). We have estimated a contributory value of \$100,000 which is deducted from the overall sales price of \$532,948. The unit rates shown are reflective of the contributory land value.

Land Comparable 5



Transaction

ID	1195	Date	7/23/2012
Address	4600 Blk Hwy 97	Price	\$760,600
City	Walnut Hill		
State	Florida	Financing	Cash
Tax ID	39-4N-32-4130-000-000, more	Price Per Front Foot	NA
Grantor	Gloria Litwiller & Grace Jantz, et al	Price Per SF	NA
Grantee	Chad & Eraina Nickel	Price Per Acre	\$3,388
Verification Source	Public Records	Official Records Book	6885
		Recorded Page	1850

Site

Acres	224.47	Topography	Cleared
Land SF	NA	Road Frontage	NA
Shape	Irregular	Depth	NA
Utilities	No sewer	Zoning	VAG-1

Comments

This is the sale of an assemblage of three parcels totaling 224.47 acres located on the east side of Hwy 97, south of Tungoil Road in Walnut Hill, a rural area northwest of Pensacola, FL. This property was purchased for farming use. There were no improvements or equipment included with this sale.

Land Comparable 6



Transaction

ID	1199	Date	1/25/2013
Address	Greenland & Dortch Rds.	Price	\$666,997
City	Century		
State	Florida	Financing	Conv.
Tax ID	05-5N-32-1101-000-000	Price Per Front Foot	NA
Grantor	Brooks Farms, Inc	Price Per SF	NA
Grantee	Wesley Wiggins & Burton Wiggins	Price Per Acre	\$3,511
Verification Source	MLS# 435701-Buyer	Official Records Book	6965
		Recorded Page	1503

Site

Acres	190.00	Topography	Undulating
Land SF	NA	Road Frontage	5624
Shape	Irregular	Depth	5066
Utilities	No sewer	Zoning	VAG-1

Comments

This is the sale of a larger acreage tract consisting of a total of 273.6 acres with approximately 30% of the eastern portion wetlands and considered good for drainage of the property. The property was vacant cleared land suitable for farming with crops or possibly pasture land. According to the buyer, only 190 acres of the property was fully usable for planting, which was utilized to determine the above unit rates.

Land Comparable 7



Transaction

ID	1357	Date	4/10/2013
Address	Gordon Land Rd.	Price	\$723,400
City	Jay		
State	Florida	Financing	Conv.
Tax ID	NA	Price Per Front Foot	NA
Grantor	T.R. Miller Mill Company, Inc.	Price Per SF	NA
Grantee	Charles H. Bodamer Living Trust	Price Per Acre	\$2,199
Verification Source	Paul Padgent T.R. Miller Mill Company	Official Records Book	3235
		Recorded Page	619

Site

Acres	329.00	Topography	Level
Land SF	NA	Road Frontage	2900
Shape	Irregular	Depth	3000
Utilities	No sewer	Zoning	AG-Agricultural

Comments

This is the sales of 329 acres on the west side of Gordon Land Rd. just south of CR 4. The property has trees with little cleared area. Mr. Padgent of T. r. Miller Mill Company indicated that the property was generally sandy and less productive for tree growth which the focus on. There was also a "gully" running south through some of the property that led to them wanting to sell the property.

Land Comparable 8



Transaction

ID	1358	Date	8/27/2013
Address	Wallace Lake Rd.	Price	\$2,593,200
City	Pace		
State	Florida	Financing	Conv.
Tax ID	NA	Price Per Front Foot	NA
Grantor	Figure 8 (Florida), LLC	Price Per SF	NA
Grantee	Price Farms, LLC	Price Per Acre	\$2,200
Verification Source	Michael L.Price (Buyer)	Official Records Book	3282
		Recorded Page	205

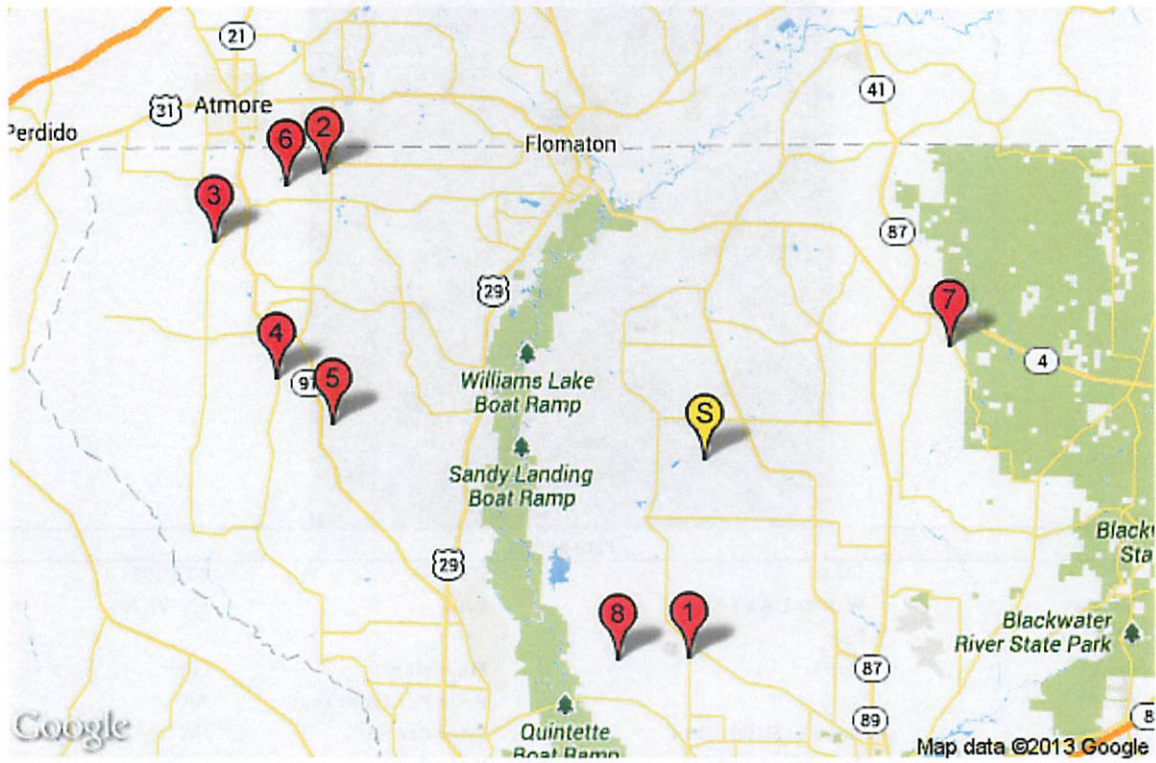
Site

Acres	1,178.70	Topography	Sloping
Land SF	NA	Road Frontage	NA
Shape	Irregular	Depth	NA
Utilities	No sewer	Zoning	AG-2 Agricultural

Comments

This is the sale of a very large acreage parcel at the southeast corner of Wallace Lake Rd. and Ten Mile Rd. Much of the frontage has been sold along Wallace Lake Rd. when this was being sold/developed as Wallace Lake Subdivision. The property has approximately 200' of frontage on Wallace Lake Rd. and 3,000'+- along Ten Mile Road. The property consists of mostly young tree with little if any pasture or crop areas.

Comparables Map



Analysis Grid

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

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

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

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6	Comp 7	Comp 8								
Address	Just East of Ard	Chumuckla Hwy	Morton Rd &	Young Road	Hwy 99	4600 Blk Hwy 97	Greenland &	Gordon Land Rd.	Wallace Lake Rd.								
City	Jay (Allentown)	Pace	Bratt	Walnut Hill	Walnut Hill	Walnut Hill	Century	Jay	Pace								
State	Florida	Florida	Florida	Florida	Florida	Florida	Florida	Florida	Florida								
Date	9/20/2013	5/9/2011	3/5/2012	3/29/2012	6/28/2012	7/23/2012	1/25/2013	4/10/2013	8/27/2013								
Price	--	\$1,635,900	\$556,360	\$960,604	\$432,948	\$760,600	\$666,997	\$723,400	\$2,593,200								
Acres	601.00	345.41	140.27	309.84	144.04	224.47	190.00	329.00	1,178.70								
Acre Unit Price	\$0	\$4,736	\$3,966	\$3,100	\$3,006	\$3,388	\$3,511	\$2,199	\$2,200								
Transaction Adjustments																	
Property Rights	Fee Simple	Simple	0.0%	Simple	0.0%	Simple	0.0%	Simple	0.0%	Simple	0.0%	Simple	0.0%	Simple	0.0%	Simple	0.0%
Financing	Conventional	Conv.	0.0%	Cash	0.0%	Cash	0.0%	Conv.	0.0%	Cash	0.0%	Conv.	0.0%	Conv.	0.0%	Conv.	0.0%
Conditions of Sale	Cash	Conv.	0.0%	Typical	0.0%	Typical	0.0%	Typical	0.0%	Typical	0.0%	Typical	0.0%	Conv.	0.0%	Conv.	0.0%
Expenditures After Sale		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Acre Unit Price		\$4,736	\$3,966	\$3,100	\$3,006	\$3,388	\$3,511	\$2,199	\$2,200								
Market Trends Through	9/20/13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								
Adjusted Acre Unit Price		\$4,736	\$3,966	\$3,100	\$3,006	\$3,388	\$3,511	\$2,199	\$2,200								
Location	Good	Good	Good	Good	Good	Good	Good	Good	Good								
% Adjustment		0%	0%	0%	0%	0%	0%	0%	0%								
\$ Adjustment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Distance	0.00	8.12	19.44	21.98	17.92	15.36	20.44	11.04	8.92								
% Adjustment		0%	0%	0%	0%	0%	0%	0%	0%								
\$ Adjustment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Acres	601	345.41	140.27	309.84	144.04	224.47	190	329	1178.7								
% Adjustment		0%	0%	0%	0%	0%	0%	0%	20%								
\$ Adjustment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$440								
Zoning	AG-2 Agriculture	AG-Agricultural	VAG-1	VAG-1	VAG-1	VAG-1	VAG-1	AG-Agricultural	AG-2 Agricultural								
% Adjustment		0%	0%	0%	0%	0%	0%	0%	0%								
\$ Adjustment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Adjusted Acre Unit Price		\$4,736	\$3,966	\$3,100	\$3,006	\$3,388	\$3,511	\$2,199	\$2,640								
Net Adjustments		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%								
Gross Adjustments		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%								

Comparable Land Sale Discussion

The first area of consideration is location. All of the sales are located north of the main populous areas of Santa Rosa or Escambia County. Only sales #1 and #8 were located south of the subject more near the Milton area. There appears to be no support for any locational adjustment for any of the sales presented.

The next area of consideration is the size difference between the subject and each of the sales. Our discussion with a representative of T.R. Miller that owns a larger amount of timberland in this area, several of the purchasers and several brokers active in this area of the county have indicated very little concern for size difference in the sales of similar agricultural acreage. Many times large parcels are the norm for such purchases and smaller acreage tracts may not be as attractive even though they are more affordable due to the size. One broker and the representative with T.R Miller both gave examples of different price points based on size. Generally, properties under say 50 to 100 or so acres are attracted to small acreage buyers typically paying higher prices per acre. The larger tracts are typically for the serious land purchaser including investors, crop farmers, tree farmers, etc. In many cases the larger the parcel, up to a point, the more attractive the property and the price per acre is really not affected. For this reason, the size of the properties except for sale 8 was not adjusted.

Sale 8 is closer to the Milton area and at one time was under development. It would therefore appear reasonable to adjust this sale for the noticeable larger size (almost twice the size). Because of the potential use for future development rather than farming an adjustment for size has been estimated at plus 20%.

The following additional generally smaller sales have also been included for the readers benefit to gain additional information as to the agricultural acreage market for North Santa Rosa and Escambia County.

Secondary Land Sales

Land Comparable 1



Transaction

ID	1048	Date	10/13/2011
Address	1200 Blk Corley Rd	Price	\$223,200
City	Walnut Hill		
State	Florida	Financing	Cash
Tax ID	13-4N-33-3200-000-000	Price Per Front Foot	NA
Grantor	Carlos & Rose Koehn	Price Per SF	NA
Grantee	Galen & Rosalie Schmidt	Price Per Acre	\$3,111
Verification Source	Public Records	Official Records Book	6774
		Recorded Page	740

Site

Acres	71.75	Topography	Cleared
Land SF	NA	Road Frontage	NA
Shape	Irregular	Depth	NA
Utilities	No sewer	Zoning	VAG-1

Comments

This is the sale of 71.75 acre parcel of land located off of Corley Road in Walnut Hill, in a rural area northwest of Pensacola, FL. This property was purchased for farming use. There were no improvements or equipment included with this sale.

Land Comparable 2



Transaction

ID	1209	Date	3/1/2012
Address	3600 Hanks Rd.	Price	\$162,250
City	Walnut Hill		
State	Florida	Financing	Conv.
Tax ID	14-5N-32-2400-000-000	Price Per Front Foot	NA
Grantor	Joe & Dianna Knight	Price Per SF	NA
Grantee	Larry & Ann Littrell	Price Per Acre	\$4,056
Verification Source	Selling Agent	Official Records Book	6826
		Recorded Page	144

Site

Acres	40.00	Topography	Level
Land SF	NA	Road Frontage	NA
Shape	Irregular	Depth	NA
Utilities	No sewer	Zoning	VAG-1

Comments

This is a 40 acre tract that is fully manicured with water, power and septic system in place. There is a county engineered, fully stocked pond in place with overflow and drought protection. There were several unique plants on the site that were appealing to the buyer such as large diameter bamboo he intended to harvest as well as hybrid camillias that are unique to only that property. 1

Land Comparable 3



Transaction

ID	1249	Date	9/19/2012
Address	7000 Hwy 97, North	Price	\$220,000
City	Molino		
State	Florida	Financing	Owner
Tax ID	14-3N-32-1000-003-001	Price Per Front Foot	NA
Grantor	Mick J. Breault, Trustee	Price Per SF	\$0.12
Grantee	James David Cunningham, et al	Price Per Acre	\$5,332
Verification Source	MLS#430215	Official Records Book	6909
		Recorded Page	891

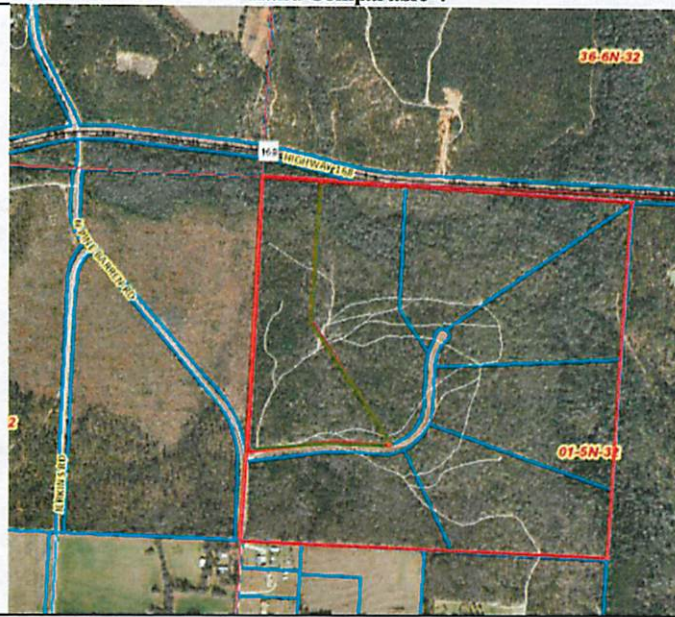
Site

Acres	41.26	Topography	Slight slope
Land SF	NA	Road Frontage	NA
Shape	Irregular	Depth	NA
Utilities	No sewer	Zoning	VAG-1

Comments

This is a large acreage tract located on Highway 97, North just south of Pilgrim Trail Road. The property is mostly cleared and used as farmland.

Land Comparable 4



Transaction

ID	1198	Date	2/19/2013
Address	Pine Barren Rd.	Price	\$353,395
City	Century		
State	Florida	Financing	Conv.
Tax ID	MultipleParcels	Price Per Front Foot	NA
Grantor	DSK LLC	Price Per SF	NA
Grantee	Daniel Morgan	Price Per Acre	\$2,195
Verification Source	MLS# 377824	Official Records Book	6979
		Recorded Page	1267

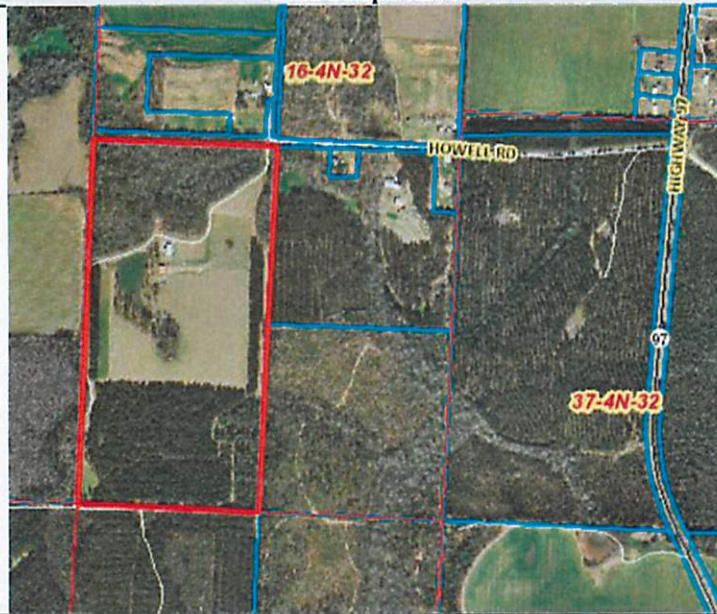
Site

Acres	161.00	Topography	Wooded
Land SF	NA	Road Frontage	NA
Shape	Irregular	Depth	NA
Utilities	No sewer	Zoning	VAG-1

Comments

This is the sale of a larger acreage parcel that had previously been subdivided into 20+ acre tracts with a private access roadway. All seven parcels and the right-of-way were part of this purchaser of the total 161 acres. This property was scattered woodlands in a mixed area of farm and timberland. All of the property was cleared for farming except for about nine acres in the northeast corner.

Land Comparable 5



Transaction

ID	1354	Date	8/14/2013
Address	3800 Howell Rd.	Price	\$222,800
City	Molino		
State	Florida	Financing	Cash
Tax ID	16-4n-32-1000-001-010	Price Per Front Foot	NA
Grantor	Brown Bros Inc.	Price Per SF	NA
Grantee	Percy Lee & Paula Brantley	Price Per Acre	\$3,524
Verification Source	Mr. Brantley	Official Records Book	7060
		Recorded Page	976

Site

Acres	77.42	Topography	Sloping
Land SF	NA	Road Frontage	corners at road
Shape	Rectangular	Depth	2560
Utilities	No sewer	Zoning	VAG-1

Comments

This property sold for \$272,800 for cash with the buyer indicating a rather quick sale due to situation with the owners. There were several small buildings (pole barn, carport) that we have estimated to be worth \$50,000 leaving the \$222,800 indicated adjusted price. The property had a 7 acre lake with approximately 1/3 cleared and the rest in timber and wooded areas.



Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	
Address	Just East of Ard	1200 Blk Corley	3600 Hanks Rd.	7000 Hwy 97,	Pine Barren Rd.	3800 Howell Rd.	
City	Jay (Allentown)	Walnut Hill	Walnut Hill	Molino	Century	Molino	
State	Florida	Florida	Florida	Florida	Florida	Florida	
Date	9/20/2013	10/13/2011	3/1/2012	9/19/2012	2/19/2013	8/14/2013	
Price	--	\$223,200	\$162,250	\$220,000	\$353,395	\$222,800	
Acres	601.00	71.75	40.00	41.26	161.00	77.42	
Acre Unit Price	\$0	\$3,111	\$4,056	\$5,332	\$2,195	\$2,878	
Transaction Adjustments							
Property Rights	Fee Simple	Simple	0.0%	Simple	0.0%	Simple	0.0%
Financing	Conventional	Cash	0.0%	Conv.	0.0%	Owner	0.0%
Conditions of Sale	Cash	Typical	0.0%	Typical	0.0%	Typical	0.0%
Expenditures After Sale		\$0	\$0	\$0	\$0	\$0	
Adjusted Acre Unit Price		\$3,111	\$4,056	\$5,332	\$2,195	\$2,878	
Market Trends Through	9/20/13	0.0%	0.0%	0.0%	0.0%	0.0%	
Adjusted Acre Unit Price		\$3,111	\$4,056	\$5,332	\$2,195	\$2,878	
Location	Good	Good	Good	Good	Good	Good	
% Adjustment		5%	0%	0%	0%	0%	
\$ Adjustment		\$156	\$0	\$0	\$0	\$0	
Distance	0.00	20.21	17.38	14.39	17.97	17.20	
% Adjustment		0%	0%	0%	0%	0%	
\$ Adjustment		\$0	\$0	\$0	\$0	\$0	
Acres	601	71.75	40	41.26	161	77.42	
% Adjustment		0%	0%	0%	0%	0%	
\$ Adjustment		\$0	\$0	\$0	\$0	\$0	
Adjusted Acre Unit Price		\$3,266	\$4,056	\$5,332	\$2,195	\$2,878	
Net Adjustments		5.0%	0.0%	0.0%	0.0%	0.0%	
Gross Adjustments		5.0%	0.0%	0.0%	0.0%	0.0%	

Sales Comparison Approach Conclusion – Land Valuation

The adjusted values of the comparable properties (sales 1-8) range from \$2,199 to \$4,736; the average is \$3,318. All of the value indications have been considered, and in the final analysis, all of the comparables have been generally given equal weight in arriving at our final reconciled per acre value of \$3,500 for the mostly cleared portion of the subject property. This is slightly higher than the average, but considering the good topography of the subject property and the continuing increasing market, it is our opinion that a final value at or slightly higher than the average is indicated. We have seen sales increase in the past 12-18 months and our discussion with brokers has indicated that prices are also increasing. They have indicated an opinion of value for farmland to be in the \$3,500 to \$4,000 per acre range with timberland more in the \$2,800 to \$3,200 price range or approximately 20% less.

The second group of sales of generally smaller parcels indicated unit prices ranging from \$2,878 to \$5,332 per acre with an average of \$3,545 per acre for an average size of 78.3 acres. The highest price per acre was for the two smaller sites (40 acres +/-) with the lowest price per acre for the largest site.

We have also reviewed the local MLS system for possible similar listings. Four listings were noted that ranged in size from 100 to 1,155 acres and in price from \$1,990 to \$4,850 per acre with an average of \$3,478 per acre for an average size of 383 acres.

Estimating the more open property of the subject to be valued at \$3,500 per acre, we adjusted that price to a value approximately 20% less of \$2,750 per acre for the area that is more treed. The final value of the subject property is therefore as follows:

Ranges & Reconciled Values	
Low:	\$2,199
High:	\$4,736
Average:	\$3,318
Reconciled Value/Unit Value:	\$3,500
Subject Size:	307.00
Type of Unit Value:	acre
Cleared Property:	\$1,074,500
Reconciled Value/Unit Value:	\$2,750
Subject Size:	294.00
Type of Unit Value:	acre
Timbered Property:	\$808,500
Total Value:	\$1,883,000
Reconciled Final Value:	\$1,880,000

The value of the subject property combining the unit prices follows since the pending contract for the subject property is based on an individual price per acre and that amount of acreage has yet to be determined.

As Is Market Value

Indicated Value per Acre: \$3,133

Subject Size: 601 acres

Indicated Value: \$1,883,000

Rounded: \$1,880,000

One Million Eight Hundred Eighty Thousand Dollars

Value Conclusion

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), as of September 20, 2013, subject to the Limiting Conditions and Assumptions of this appraisal.

Reconciled Value(s): Premise: As Is
Interest: Fee Simple
Value Conclusion: **\$1,880,000**
One Million Eight Hundred Eighty Thousand Dollars

Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.
- Terry G. Hoffman has made an inspection of the subject property.
- Terry G. Hoffman, MAI is currently certified under the voluntary continuing education program of the Appraisal Institute.



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

Addenda

Hoffman & Associates, P.A.

Real Estate Appraisers - Consultants
1550 Creighton Road Ste. #4
Pensacola, Florida 32504
hoffmanappraiser.com

QUALIFICATIONS TERRY G. HOFFMAN, MAI



STATE CERTIFICATION

April 7, 1990 I was state certified for Florida as a "State Certified General Real Estate Appraiser #RZ46" after successfully completing the required courses and examinations. I am also a Certified General Real Property Appraiser for Alabama #G00817.

MEMBER

National Association of Realtors
Florida Association of Realtors
Pensacola Association of Realtors
Baldwin County Association of Realtors
Pensacola Area Chamber of Commerce
Appraisal Institute-MAI (Designated 1992)

EDUCATION BACKGROUND

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

I have taken real estate and real estate appraising courses (60+) from the winter of 1969 to recently as part of my working towards the MAI designation and the continuing education required to maintain that designation along with my licenses in both Florida and Alabama. Most of the courses were sponsored by the American Institute of Real Estate Appraisers and later the Appraisal Institute.

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

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

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

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

PROFESSIONAL EXPERIENCE

- Employed by the Escambia County Tax Assessor's office from September 1965 until June 1970 in the Land Department. Three years of this time was spent in full time appraising.
- I entered the real estate profession in Pensacola, Florida in October 1970 employed as a real estate salesman with Better Homes Realty.
- I was employed with Adkinson and Associates, under the supervision of F. Earle Adkinson, MAI for one and one half years, specializing in appraisals of commercial and investment properties.
- January 1974 I became a partner in the firm of Swaine, Hoffman & Associates, a real estate appraisal company specializing in all aspects of real estate appraising.
- January 1997 I formed Hoffman & Associates, P.A., I hold a broker's license with the Florida Real Estate Commission and state-certification general real estate appraiser certificate with the Florida Real Estate Appraisal Board.
- I have had appraisal experience in single-family residences, multi-family residential properties, town homes, condominiums, warehouses, retail stores, shopping centers, restaurants, office buildings, vacant acreage, and vacant and improved commercial and industrial properties.
- I served as Vice Chairman of the Associate Realtors of the Pensacola Board of Realtors in 1973, Director for the Board in 1974, Treasurer in 1975, 1st Vice President of the Board in 1976, President of the Board in 1977, and Director of the Board in 1978.
- I have served as a Director for the Florida Association of Realtors for the years 1976 and 1977 and National Director for the year 1977.
- I was awarded the MAI designation by the Appraisal Institute in November 1992 (#9731).
- I was the candidate's guidance chairman and Vice President of the Northwest Florida Chapter of the Appraisal Institute for 1994.
- I was president of the Northwest Florida Chapter of the Appraisal Institute for 1995. At that time the district extended from the Florida/Alabama line east approximately 50 miles east of Tallahassee. Total membership in the chapter was approximately 200.

BUSINESS OVERVIEW

The majority of our work is within a 60 mile radius of Pensacola, Florida. The metropolitan area of Pensacola is slightly more than 450,000 people and includes Escambia and Santa Rosa County. We specialize in commercial appraisal assignments and do no individual residential appraisals. Our primary clients are local and national banks including Bank America, Wells Fargo Bank, Royal Bank of Canada, BB&T Bank, Hancock Bank and most of the local banks within our working area. We also do work for individual banks outside our area upon request along with local clients including individuals, Realtors, attorneys, CPA, etc. We work closely with the local commercial brokers and developers to keep abreast of the changing market and market conditions. We belong to MLS services extending from Baldwin County, Alabama to Panama City, Florida (150 miles of the Gulf Coast). We subscribe to Metro Market Data providing sales data for these areas along with Loopnet for both regional and local data.

Our office is staffed by three State Certified General Appraisers with a total of over 70 years full time appraisal experience.

REFERENCES

Gregg Beck, President
Beck Property Company, Inc.
850-477-7044

Robert Fair, Exec. SVP
ServisFirst Bank
850-266-9100

Keith Hodges, MAI
Escambia Co. Property Appraiser's Office
850-434-2735

John Griffing, President
NAI Halford Company
850-433-0577

Johnnie Wright, Senior VP
Hancock Bank
850-432-9018

AG# 5373477

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BOARD

SEQ# L10120900899

DATE	BATCH NUMBER	LICENSE NBR
12/09/2010	100235484	RZ46

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS
Expiration date: NOV 30, 2012



HOFFMAN, TERRY GENE
1550 CREIGHTON RD STE 4
PENSACOLA FL 32504

CHARLIE CRIST
GOVERNOR

DISPLAY AS REQUIRED BY LAW

CHARLIE LIEM
SECRETARY

State of Alabama



This is to certify that

Terry Gene Hoffman

having given satisfactory evidence of the necessary
qualifications required by the laws of the State of Alabama
is licensed to transact business in Alabama as a

Certified General Real Property Appraiser

With all rights, privileges and obligations
appurtenant thereto.

LICENSE NUMBER: G00817
EXPIRATION DATE: 09/30/2013

Steve Brooks Executive Director
ALABAMA REAL ESTATE APPRAISERS BOARD