**SELF-CONTAINED REPORT**
**REAL ESTATE APPRAISAL**

**Of**
Flagler Crossroads Property

901 East Moody Boulevard,
Bunnell, FL 32110
Flagler County

**As of**
June 20, 2013

**Prepared For**
Mr. Tim Telfer
Environmental Planner/Land Manager
Flagler County Administration
1769 East Moody Boulevard, Bldg. #2
Bunnell, Florida 32110

**Prepared by**
COOKSEY & ASSOCIATES, INC.

Howard J. Cooksey, MAI
State-Certified General Real Estate Appraiser Florida-RZ2265

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File Number: 7415

COOKSEY & ASSOCIATES, INC.
Real Estate Appraisers, Consultants

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Real Estate Appraisers, Consultants

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July 2, 2013

Mr. Tim Telfer
Environmental Planner/Land Manager
Flagler County Administration
1769 East Moody Boulevard, Bldg. #2
Bunnell, Florida 32110

Re: Self-Contained Report, Real Estate Appraisal
Flagler Crossroads Property
901 East Moody Boulevard, Bunnell
Flagler County, FL 32110

File Number: 7415

Dear Mr. Telfer:

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

- Type: Shell Building (Former Hospital) and smaller out building.
- Condition: Fair - Average
- Year Built: 1979-1985
- Gross Building Area: 61,900± square feet
- Site Size: 276,044± square feet, 6.34± acres

Please reference page 11 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.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. The appraisers have 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 10). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Hypothetical Conditions:

- This appraisal is made under the Hypothetical Condition that the building improvements on the subject property are in a "shell" condition. Shell condition is defined as inclusive of the structural interior and exterior walls, concrete floor slab, roof structure with covering in its present condition and the current fire walls. The appraisal is made as though all mechanical, electrical and plumbing items have been removed and that all interior, non-load bearing walls have been removed. We assume that

no further interior or exterior demolition work is required. We understand that this is the basis for the current purchase negotiations.

Extraordinary Assumptions:

- There are no Extraordinary Assumptions for this appraisal.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions and Hypothetical Conditions it is our opinion that the market value of the Fee Simple estate of the property, as of June 20, 2013, is

**$1,500,000**
**One Million, Five Hundred Thousand Dollars**

Respectfully submitted,

Cooksey & Associates, Inc.

Howard J. Cooksey, MAI
State-Certified General Real Estate Appraiser
RZ2265

T. James Cooksey, MAI, CCIM
State-Certified General Real Estate Appraiser
RZ 343

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# Summary of Important Facts and Conclusions

**Subject:** Flagler Crossroads Property
901 East Moody Boulevard, Bunnell,
Flagler County, FL, 32110

- Type: Shell Building (Former Hospital) and smaller out building.
- Condition: Fair
- Year Built: 1979-1985
- Gross Building Area: 61,900± square feet
- Site Size: 276,044± square feet, 6.34± acres

**Owner:** Flagler Crossroads Inc.

**Legal Description:** Lengthy; a copy has been included in the addenda.

**Date of Report:** July 2, 2013

**Intended Use:** The intended use is for to aid the client in their due diligence in consideration of a purchase option.

**Intended User(s):** The client.

**Assessment:**

**Real Estate Assessment and Taxes**

| Tax ID | Land | Improvements | Other | Total | County Tax Rate | Rate | Taxes |
|---|---|---|---|---|---|---|---|
| 10-12-30-0850-00180-0000 | $353,951 | $1 | $0 | $353,952 | 23.17540 | $23.18 | $8,203 |

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

**Current Listing/Contract(s):** The subject has been listed in Loopnet for $1,750,000 since January 14, 2013
And
The subject is currently under option for $1,230,000. The option agreement is dated April 19, 2013.

**Land:**

| Land Summary | | | | | | |
|---|---|---|---|---|---|---|
| **Parcel ID** | **Gross Land Area (Acres)** | **Gross Land Area (Sq Ft)** | **Usable Land Area (Acres)** | **Usable Land Area (Sq Ft)** | **Topography** | **Shape** |
| Parcel 1 | 6.34 | 276,044 | 6.34 | 276,044 | The subject has level topography at grade and no areas of wetlands. | The site is comprised of three rectangular portions. |

**Improvements:**

| Building Summary | | | | |
|---|---|---|---|---|
| **Building Name/ID** | **Year Built** | **Condition** | **Number of Stories** | **Gross Building Area** |
| Building 1 | 1979 | Fair | 1.0 | 57,800 |
| Building 2 | 1985 | Average | 1.0 | 4,100 |
| Totals | | | 2.0 | 61,900 |

Notes: Building 1 is the former hospital. Building 2 houses a community outreach center; it may have formerly housed the hospital's maintenance operations.

See area definitions, page 24.

**Zoning:** B-2 and O-1

**Highest and Best Use of the Site:** Holding for future development when demand is present.

**Highest and Best Use as Improved:** Holding for future redevelopment when demand is present.

**Type of Value:** Market Value

**Land Value:** $380,000

**Cost Approach:** $1,510,000

**Sales Comparison Approach:** $1,420,000

**Income Approach:** N/A

**Reconciled Value(s):** **Per Hypothetical Condition**

| | |
|---|---|
| Value Conclusion(s) | $1,500,000 |
| Effective Date(s) | June 20, 2013 |
| Property Rights | Fee Simple |

# Overview

## *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. Tim Telfer, Environmental Planner / Land Manager Flagler County Administration. The problem to be solved is to estimate the 'as is' market value of the subject property. The intended use is for to aid the client in their due dilligence in consideration of a purchase option. This appraisal is intended for the use of client.

| | |
|---|---|
| Report Type: | This is a Self-Contained report as defined by the Uniform Standard of Professional Appraisal Practice under Standards Rule 2-2(A). This format provides a detailed and complete description of the appraisal process, subject data and valuation. |
| Property Identification: | The subject has been identified by the legal description and the assessors' parcel number. |
| Inspection: | A complete interior and exterior inspection of the subject property has been made, and photographs taken. |
| Market Area and Analysis of Market Conditions: | This analysis is based on and limited to an **inferred market analysis, not a fundamental market study**. Our scope of work agreement with our client does not include a detailed fundamental analysis. A separate feasibility analysis was not developed. |
| 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. |
| Type of Value: | Market Value |
| Valuation Analyses | |
| Cost Approach: | A cost approach was applied as there is adequate data to develop a land value and the depreciation accrued to the improvements can be reasonably measured. |
| 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 could not be rented in its shell condition, and would require significant renovations and modifications prior to occupancy. The client is considering purchasing this property for owner-occupancy, and rental income is not a consideration for this client. |
| Hypothetical Conditions: | This appraisal is made under the Hypothetical Condition that the building improvements on the subject property are in a "shell" condition. Shell condition is defined as inclusive of the structural interior and exterior walls, concrete floor slab, roof structure with covering in its present condition and the current fire walls. The appraisal is made as though all mechanical, electrical and plumbing items have been removed and that all interior, non-load bearing walls have been removed. We assume that no further interior or exterior demolition work is required. We understand that this is the basis for the current purchase negotiations. |
| Extraordinary Assumptions: | There are no Extraordinary Assumptions for this appraisal. |
| Information Not Available: | N/A |

## *Definitions*

**Market Value**

Per Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989. (Source: 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24,1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994.). A very similar definition is also cited in Advisory Opinion 30 of the 2012-2013 version of the Uniform Standards of Professional Appraisal Practice (USPAP), lines 124 to 138.

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

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

A **Fee Simple** estate quoted from *The Dictionary of Real Estate Appraisal*, Fifth Edition; published by the Appraisal Institute, copyright 2012.

> 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.

## *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 Cooksey & Associates, Inc. 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) Cooksey & Associates, Inc.'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.

# Disclosures

## *Professional Standards*

All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised biennially to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared. It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law.

## *Competency*

The person(s) signing this report are licensed to appraise real property in the state the subject is located. They affirm they have the experience, knowledge, and education to value this type property. They have previously appraised similar real estate.

# Market Area Analysis

## Market Area and Property Characteristics

The subject is located in the City of Bunnell, however, the subject's market area is considered to include the entire County. The subject's location in Bunnell is near the geographic center of the County; Bunnell is the County Seat and the County Courthouse and government offices are nearby.

Regarding the immediate surroundings, the City of Bunnell has had limited newer development in the last several years due to the economic slowdown that occurred after 2007-2008. Furthermore, most newer development prior to that time was occurring in Palm Coast, in areas to the north and east of the subject.

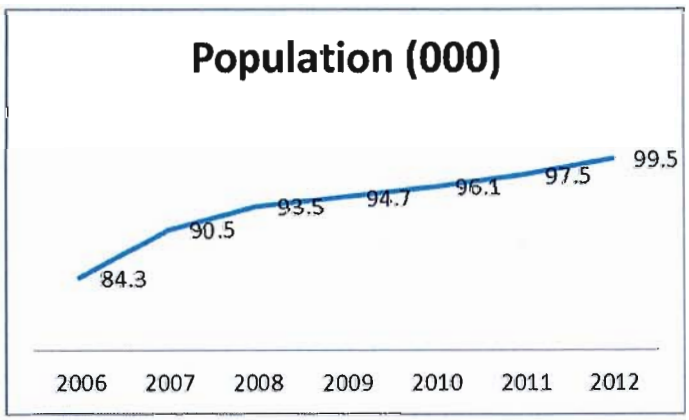
Notable development near the subject in Bunnell in the last few years include construction of new County Courthouse and Administration buildings to the east along S.R. 100, as well as a Wendy's restaurant near that location. A Family Dollar store was constructed near the subject in the "downtown" area of Bunnell.

A discussion of the Flagler County market characteristics follows.

## Flagler County

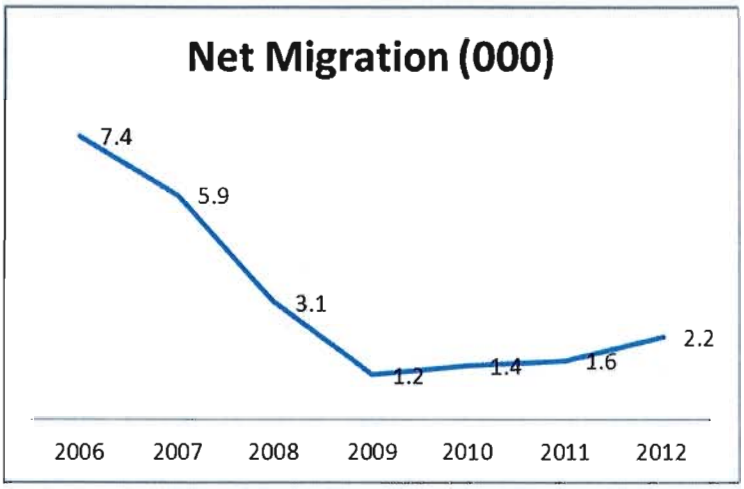
### *Population*

Flagler County, which encompasses 491 square miles, has been one of the fastest growing counties in the state and in the nation. This statistic must be considered in the context of its relatively small population. Flagler County was once the fastest growing county in the United States. Although population growth has slowed from peak levels, population will continue to increase. Population figures are as follows:



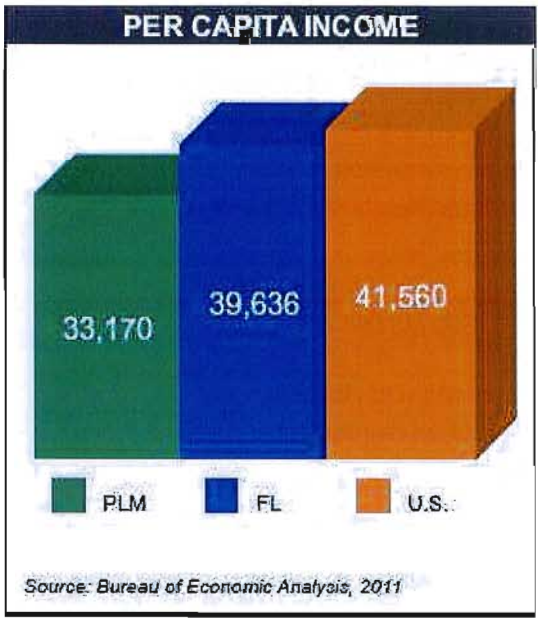

### *Migration*

Net migration into Flagler County ranged from 3,368 to 7,287 from 2001 – 2006 while it was the fastest growing county in the United Sates (percentage). It has fallen significantly from that time. Net migration projections are projected to increase from 2,700 per year in 2013 to 5,300 in 2017.




### *Income*

Per capita income is below the state and national averages.




### *Employment*

Moody's Analytics, March 2013 ranks the Palm Coast/Flagler County in the 1st Quintile in terms of Employment Growth from 2012 – 2017.

| COMPARATIVE EMPLOYMENT AND INCOME | | | | | | |
|---|---|---|---|---|---|---|
| Sector | % of Total Employment | | | Average Annual Earnings | | |
| | PLM | FL | U.S. | PLM | FL | U.S. |
| Mining | 0.1% | 0.1% | 0.6% | nd | $17,910 | $80,442 |
| Construction | 4.5% | 4.6% | 4.2% | $26,791 | $45,882 | $57,059 |
| Manufacturing | 4.1% | 4.3% | 8.9% | $50,004 | $66,463 | $76,451 |
| *Durable* | *87.6%* | *66.0%* | *62.6%* | *nd* | *$69,307* | *$78,378* |
| *Nondurable* | *12.4%* | *34.0%* | *37.4%* | *nd* | *$61,073* | *$73,303* |
| Transportation/Utilities | 1.1% | 3.2% | 3.7% | nd | $53,286 | $63,289 |
| Wholesale Trade | 1.1% | 4.3% | 4.2% | $40,761 | $73,826 | $78,458 |
| Retail Trade | 15.8% | 13.2% | 11.1% | $23,502 | $32,597 | $32,088 |
| Information | 4.6% | 1.8% | 2.0% | $41,216 | $76,139 | $96,383 |
| Financial Activities | 3.7% | 6.7% | 5.8% | $28,826 | $39,081 | $50,553 |
| Prof. and Bus. Services | 11.2% | 14.4% | 13.4% | $38,410 | $47,793 | $61,371 |
| Educ. and Health Services | 12.8% | 15.0% | 15.2% | $52,021 | $50,165 | $50,771 |
| Leisure and Hosp. Services | 15.8% | 13.5% | 10.3% | $21,531 | $27,282 | $24,149 |
| Other Services | 7.4% | 4.2% | 4.1% | $29,323 | $28,355 | $34,601 |
| Government | 17.8% | 14.6% | 16.4% | $54,291 | $67,847 | $68,458 |

*Sources: Percent of total employment — Moody's Analytics & BLS, 2012; Average annual earnings — BEA, 2011*

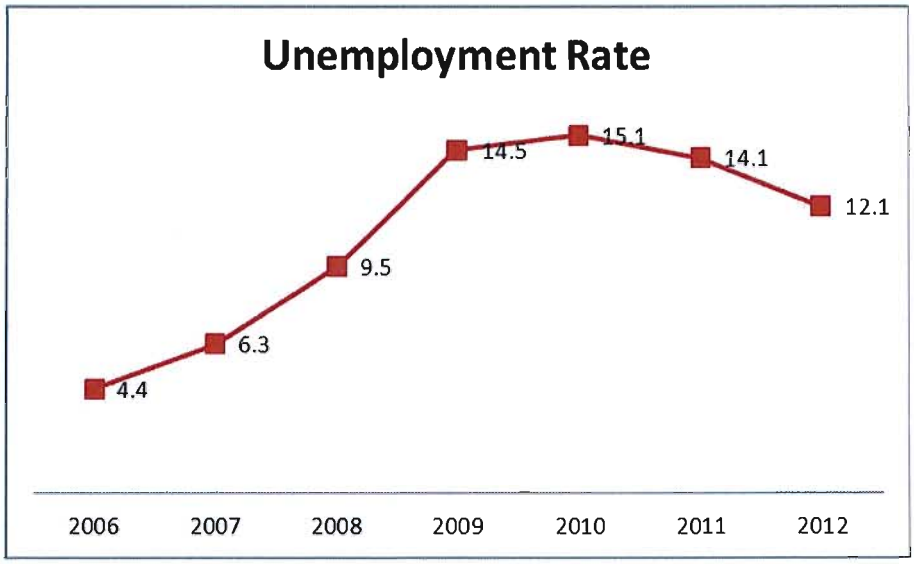
## *Largest Employers*

Flagler County's top private employers are listed below.

| TOP EMPLOYERS | |
|---|---|
| Florida Hospital-Flagler | 930 |
| Palm Coast Data | 850 |
| Publix Supermarkets Inc. | 584 |
| Ocean Hammock Resort | 490 |
| Wal-Mart Stores Inc. | 425 |
| Sea Ray Boats Inc. | 410 |
| Grand Oaks Health and Rehabilitation | 178 |
| Skinners Wholesale Nursery | 167 |
| SuperTarget | 160 |
| Flagler Pines Nursing Home | 158 |
| Red Lobster/Olive Garden | 150 |
| Winn-Dixie | 149 |
| Albertson's | 125 |
| The Home Depot U.S.A. Inc. | 115 |
| Federal Aviation Admin. - Center for Mgmt. Dvplmnt. | 115 |
| Builders First Source | 100 |
| Kanthal Palm Coast | 92 |
| Golden Lion | 90 |
| Bealls | 89 |
| Kohl's | 85 |

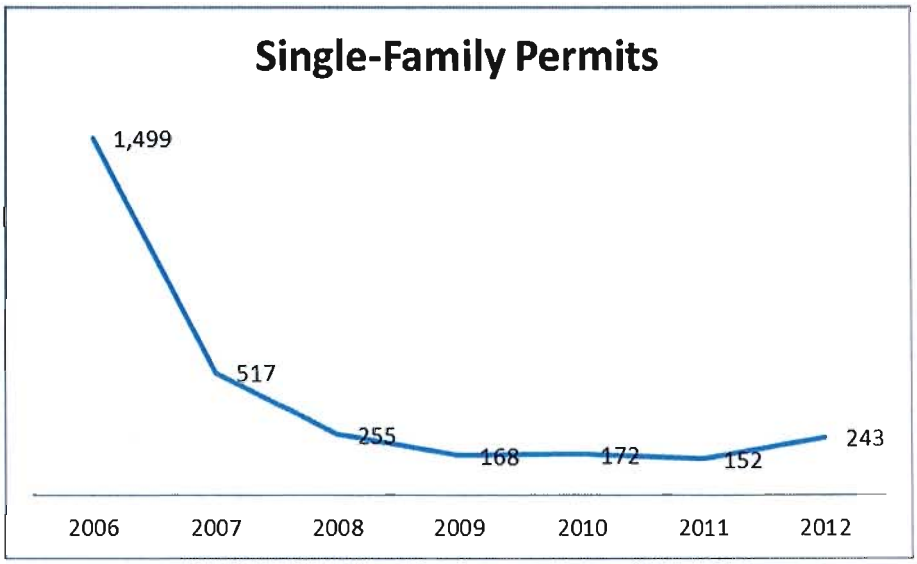
*Sources: Enterprise Flagler, 2007, Flagler County Chamber of Commerce, 2012*

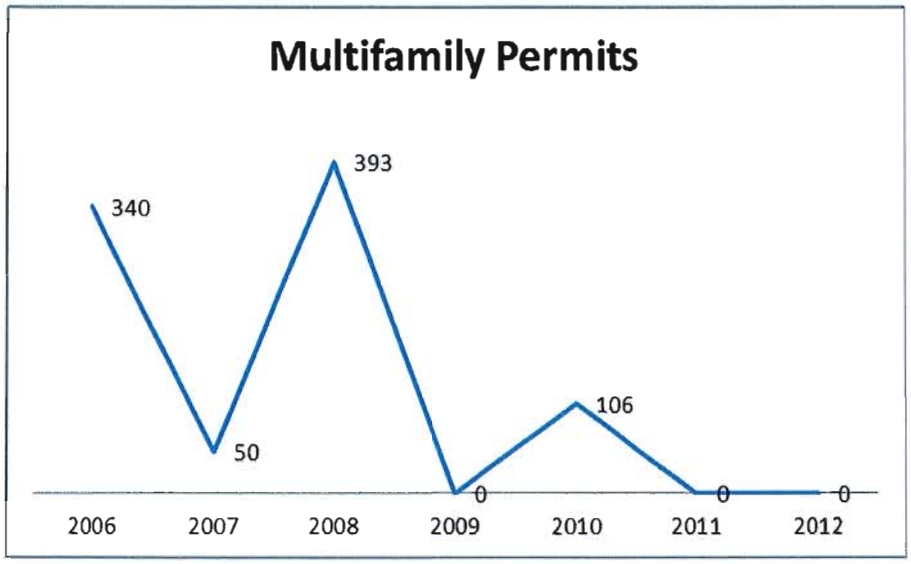
The unemployment rate has been declining in recent months, although it is still above the state average.



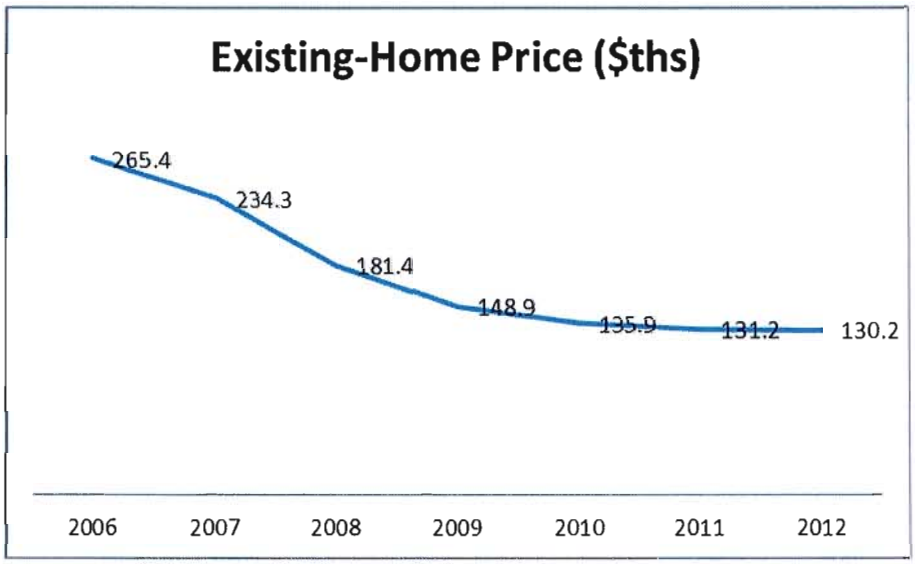

*Real Estate & Construction*

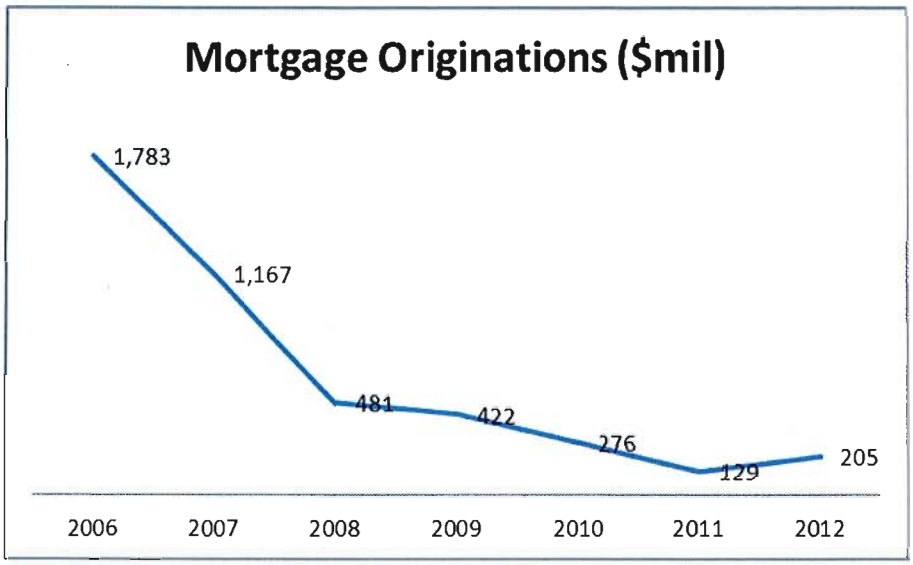
Construction had slowed significantly since 2006; however, permit activity for single family construction is showing modest increases.





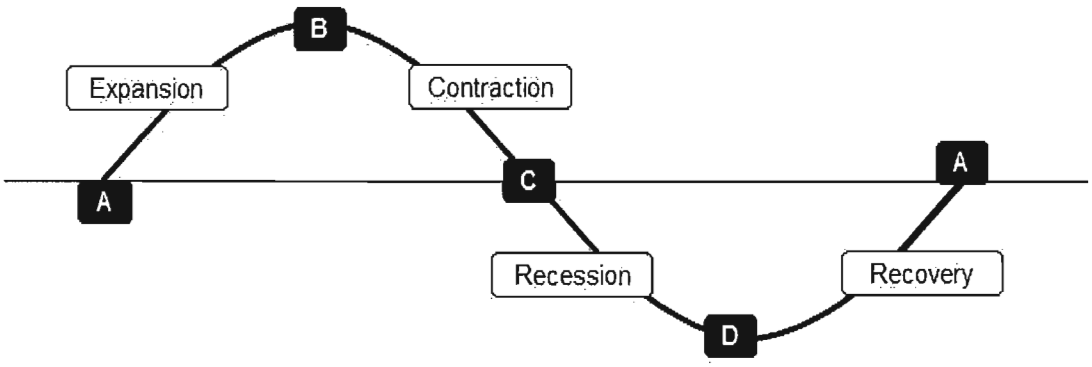

Existing home prices declined since 2006, fueled by declining market conditions and a large number of bank-owned foreclosures competing in the market. Overall, prices appear to have bottomed out recently, and sales activity has increased.






*Real Estate Cycle*

*Real estate generally has four market cycles. "Understanding where the market is and forecasting the extent of duration of the cycle are important in projecting the pattern of future income."*[1] *These cycles are depicted below.*




| Segment | Name | Characteristics |
|---|---|---|
| AB | Expansion | Growing demand, rental rates climbing above replacement cost, decreasing vacancy, concessions not prevalent, high profit potential stimulating much new construction |
| BC | Contraction | Stable to weakening demand, stable to weakening vacancy, small concessions beginning to occur, rents stable to mildly weakening, profit potential shrinking so new construction slowing |

[1] *Advanced Concepts & Case Studies*, pg 253, Appraisal Institute, copyright 2010

| | | |
|---|---|---|
| CD | Recession | Stagnant to declining demand, vacancy growing, rental rates falling, significant concessions prevalent, new construction virtually halted |
| DA | Recovery | Demand strengthening, vacancy shrinking, rental rates starting to climb, concessions shrinking, new construction beginning to occur |
| Appraiser(s) opinion of the approximate current point in the market cycle | | Between D and A, closer to D |
| Next major point | | A |
| Time until next major point | | 3-7 years |

## Location Map

# Subject Property

## *Identification of the Property*

Capsule Description here

## *Site Description*

| | |
|---|---|
| Location: | The subject is located on the south side of E. Moody Boulevard at Hospital Drive and along the South side of Canakaris Avenue between S. Chapel Street to the west and S. Lemon Street to the east. |
| Current Use of the Property: | Vacant former hospital building. |
| Site Size: | Total: 6.34 acres; 276,044 square feet<br><br>Usable: 6.34 acres; 276,044 square feet |
| Shape: | The subject site consists of two rectangular portions that extend south from Moody Boulevard to Canakaris Street and that are split by Hospital Drive. The primary portion of the subject site is a rectangular area along Canakaris Street between Chapel Street to the west and Lemon Street to the east. |
| Frontage/Access: | The subject property has access via Hospital Drive from Moody Boulevard access with frontage as follows:<br>• Moody Boulevard: 200' feet<br>• Canakaris Street: 730' feet |
| Visibility: | The portions of the subject with direct frontage on Moody Boulevard represent a relatively small portion of the property, and contain no building improvements. The improved portion of the property has somewhat limited visibility from Moody Boulevard; the other streets that border the property are interior streets. |
| Topography: | Fairly level near road grade. |
| Soil Conditions: | The soil conditions observed at the subject appear to be typical of the region and adequate to support development. |
| Utilities: | Electricity: The site is served by FPL.<br>Sewer: City sewer<br>Water: City water<br>Underground Utilities: No<br>Adequacy: Assumed adequate. |
| Site Improvements: | • pole mounted street lights<br>• Concrete sidewalks<br>• Curbs along E. Moody Boulevard |
| Flood Zone: | The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The majority of the subject is located in FEMA flood zone X, which is not classified as a flood hazard area. A small portion near the southeast corner appears to lie in Zone A, which is a |

special flood hazard area.

FEMA Map Number: 12035C0207D
FEMA Map Date: July 17, 2006

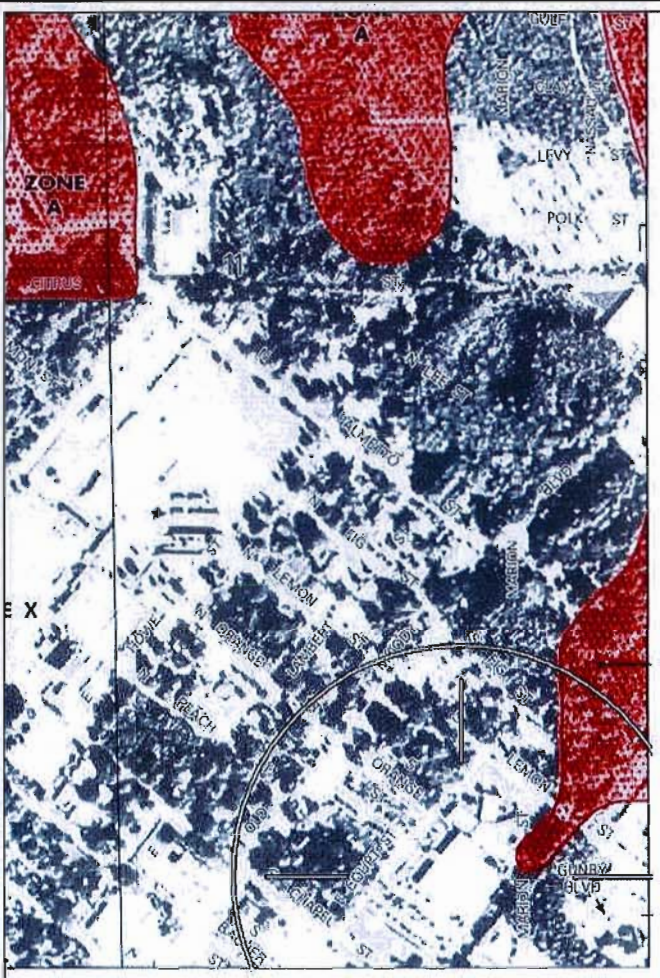
The appraiser is not an expert in this matter and is reporting data from FEMA maps.

| | |
|---|---|
| Wetlands/Watershed: | None |
| Environmental Issues: | No adverse environmental issues known. |
| Encumbrance / Easements: | There no known adverse encumbrances or easements. Drainage and utility easements were noted along the east and west boundaries of the parking lot parcels. A utility easement was noted on the Hospital site at the east portion in an area that was formerly an alley that was vacated. A possible easement was also noted at the southeast corner of the hospital site. |
| Site Comments: | The subject's primary (Moody Boulevard) frontage is bifurcated by Hospital Drive, with paved parking areas on either side. The developed portion has primary frontage on Canakaris Street.<br><br>The current owners had previously planned to convert Building 1 to office condominiums, while removing the southeast wing and Building 2 to make room for additional parking and required stormwater retention areas. This plan included no improvements to the Moody Boulevard portions of the site. |

## *Flood Map*

STDBONLINE.com
FLOODSOURCE
FLOODSCAPE™

**PROPERTY ADDRESS:**
Lat%3A+3435548.175579%2C+Lon%3A+-9044924.473227




North

0' 300' 600' 900' 1200'

FLOODSCAPE™

Flood Hazards Map

**Map Number**
12035C0207D

**Effective Date**
July 17, 2006

**Flood Legend**
- High flood risk
- Moderate flood risk
- Low flood risk

This report makes no representations or warranties concerning its content, accuracy or completeness.

**STDBonline.com**
469.574.1234

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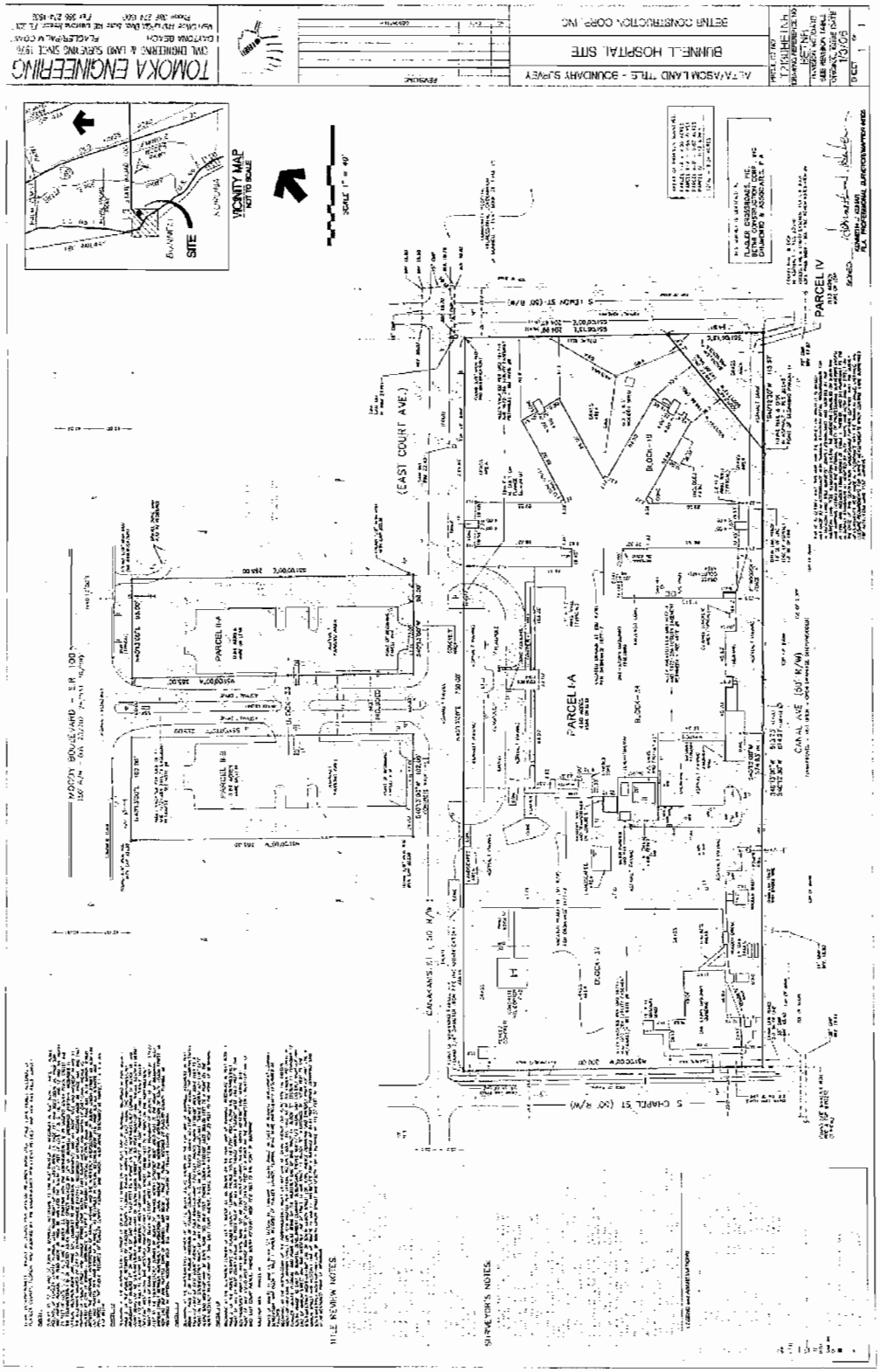
## *Survey*


TOMOKA ENGINEERING
BUNNELL HOSPITAL SITE
BETHA CONSTRUCTION CORP. INC
VICINITY MAP
NOT TO SCALE
SITE
PARCEL IV
PARCEL I-A
(EAST COURT AVE.)
MOODY BOULEVARD - S.R. 100
CANAL AVE (50' R/W)
S CHAPEL ST (50' R/W)
TITLE REVIEW NOTES
SURVEYOR'S NOTES

## *Improvements Description*

| | |
|---|---|
| Development/Property Name: | Flagler Crossroads Property |
| Property Type: | Shell Building |
| Overview: | • Type: Shell Building (Former Hospital) and smaller out building.<br>• Condition: Fair<br>• Year Built: 1979-1985<br>• Gross Building Area: 61,900± square feet |

**Building Summary**

| Building Name/ID | Year Built | Condition | Number of Stories | Gross Building Area |
|---|---|---|---|---|
| Building 1 | 1979 | Fair | 1.0 | 57,800 |
| Building 2 | 1985 | Average | 1.0 | 4,100 |
| Totals | | | 2.0 | 61,900 |

Notes: Building 1 is the former hospital. Building 2 houses a community outreach center; it may have formerly housed the hospital's

| | |
|---|---|
| Building Identification: | Building 1 |
| Building Description: | Shell (former hospital) |
| Building Class: | C |
| Construction: | C |
| Construction Quality: | Average |
| Year Built: | 1979 |
| Renovations: | N/A |
| Effective Age: | 35 years |
| Remaining Useful Life: | 15 |
| Condition: | Fair |
| Appeal/Appearance: | Fair to Average |
| Areas, Ratios & Numbers: | Number of Stories: 1.00<br>Gross Building Area: 57,800<br>Gross Leasable Area: 57,800<br>Rentable Area: 57,800<br>Building Efficiency Ratio: 100.0% |

| | |
|---|---|
| Foundation: | Concrete slab on grade |
| Basement/Sublevels: | N/A |
| Basement Use: | N/A |
| Structural Frame: | Concrete block |
| Exterior: | Painted stucco |
| Windows: | Fixed Pane |
| Roof/Cover: | Concrete over metal decking. Roof surface not observed. |

| | |
|---|---|
| Interior Layout: | Shell |
| Floor Cover: | Concrete |
| Walls: | Load bearing concrete block walls; no non-load bearing interior partitions assumed. |
| Ceilings & Ceiling Height: | None; exposed steel support structure and underside of steel decking. / 14' - 18' (approximate) |
| Lighting: | Assumed none (shell) |
| Restrooms: | Assumed none (shell) |

| | |
|---|---|
| Heating: | Assumed none (shell) |
| Cooling: | Assumed none (shell) |
| Electrical: | Assumed none (shell) |
| Plumbing Condition: | Unknown; plumbing infrastructure in place. |
| Sprinkler: | Former hospital building is partially fire sprinklered. |
| Elevators/Escalators: | N/A; one story building |
| Security: | None |
| Other: | N/A |
| Comments, Building 1: | To reiterate, the building is appraised as a shell, with no non-load bearing interior partitioning, finishes, or mechanical systems including HVAC, lighting, etc. |

| | |
|---|---|
| Building Identification: | Building 2 |
| Building Description: | General purpose building |
| Construction: | C |
| Construction Quality: | Average |
| Year Built: | 1985 |
| Renovations: | N/A |
| Effective Age: | 35 years |
| Remaining Useful Life: | 15 |
| Condition: | Fair to Average |
| Appeal/Appearance: | Fair to Average |
| Areas, Ratios & Numbers: | Number of Stories: 1.00<br>Gross Building Area: 4,100<br>Gross Leasable Area: 4,100<br>Rentable Area: 4,100<br>Building Efficiency Ratio: 100.0% |

| | |
|---|---|
| Foundation: | Concrete block |
| Basement/Sublevels: | N/A |
| Basement Use: | N/A |
| Structural Frame: | Concrete block |
| Exterior: | Painted concrete block |
| Windows: | Single hung |
| Roof/Cover: | Shingles |
| Other: | |

| | |
|---|---|
| Interior Layout: | Building 2 is tenant occupied and used as a community outreach center. The floorplan includes classroom areas, storage, and office area. |
| Floor Cover: | Carpet |
| Walls: | Drywall |
| Ceilings & Ceiling Height: | Painted plywood, drywall / 10' (approximate) |
| Lighting: | Typically ceiling mounted fluorescent fixtures. |

| | |
|---|---|
| Restrooms: | Average |
| Other: | |

| | |
|---|---|
| Heating: | Wall unit(s) |
| Cooling: | Wall unit(s) |
| Electrical: | Assumed to code. |
| Plumbing Condition: | Assumed adequate. |
| Sprinkler: | None |
| Comments, Building 2: | This building may have been formerly used to house the maintenance department/equipment for the former hospital. Interior finishes are very basic and of fair quality. |

| | |
|---|---|
| Parking Type and Number of Spaces: | Type: Paved open surface parking<br>Spaces: 136<br>Condition: Fair |
| Parking Ratio: | 2.2 spaces per 1,000 square feet. |

| | |
|---|---|
| Design & Functional Utility: | Average |
| Deferred Maintenance: | Exterior paint, parking lots and landscaping are in below average condition. |
| Capital Improvements: | Flagler County is considering purchasing the former hospital property to house the Sherrif's Department, which will require major renovations. This appraisal does not consider any future renovations or improvements. |
| Comments: | The improvements were considered as a building shell, and assumes that demolition of interior finishes is complete. |

## *Environmental Risks*

### *Disclosure*

During the course of this appraisal, the appraiser(s) did **not** detect or attempt to discover any environmental hazard on, under, above, or within the subject real estate. No overt evidence of any environmental hazard is apparent to the untrained eye. It should be known the appraiser(s) did not view the subject property with the intent of detecting any environmental hazard. It is beyond the expertise of the appraiser(s) to detect or determine the chemical nature of any substance or gas. No effort was made to dismantle or probe any part of the property to discover enclosed, encased, or concealed hazards. No effort was exerted to ascertain the presence of any environmental hazard including but not limited to the following.

| | |
|---|---|
| *Asbestos* | *Urea-formaldehyde insulation* |
| *Underground storage tanks* | *Soil contamination or deficiencies* |
| *Lead-based paint* | *Toxic mold* |
| *Radon* | *PCB* |
| *Chemical spills* | *Fire resistant treated plywood (FRTP)* |

Flood hazards are detailed elsewhere in this report. Except as enumerated herein, the appraiser(s) were not given the results of any environmental testing on or near the property being appraised. Neither observation of the subject property, or research conducted as part of a typical real estate appraisal suggest the presence of any hazardous substance or detrimental environmental condition affecting the subject. Nearby sites were not investigated to determine whether they are contaminated. Public information and other Internet sources were not researched to determine the presence of hazardous substances or detrimental environmental conditions in the subject's vicinity.

Federal, State, and local laws concerning any hazardous substance or gas are sometimes contradictory. Therefore, any needed clean up should comply with the most stringent laws. The appraiser(s) are **not** informed or trained in environmental legalities. It is assumed no hazardous substance or gas adversely affects the subject real estate. If the subject is adversely influenced by a hazardous condition, then the subject's market value would be impaired.

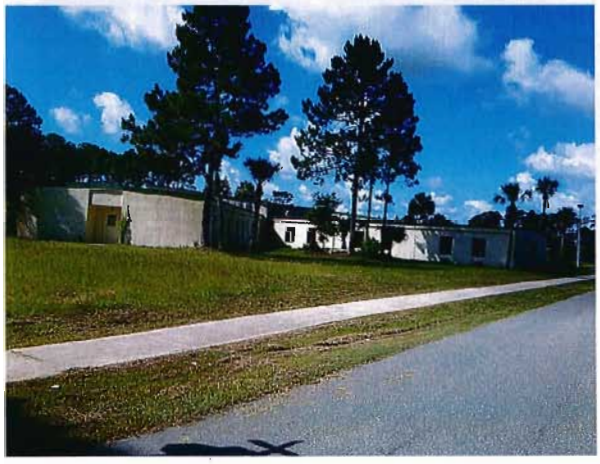
### *Recommendation*

The presence of any hazardous condition usually diminishes market value. The value opinion formed in this report assumes there is no environmental hazard affecting the subject real estate. Our client is urged to retain an expert in this field, if desired.

***Subject Photographs***

View of Building 1 Facing South from SR 1 Parcel

Building 1, North Entrance



View of Building 1 Facing West From Canakaris St.

South Side of Building 1

North Side of Building 1

West Side of Building 1

Typical Interior View

View of Roof Structure from Interior

Building 2, Front View

Building 2, Interior

Canakaris St. Facing East, Building 1 Parcel to Right

Canakaris St. Facing East

Moody Blvd. Facing East

Moody Blvd. Facing West

## *Assessment and Taxes*

**Taxing Authority** Flagler County Property Appraiser

**Assessment Year** 2012

| Real Estate Assessment and Taxes | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Tax ID** | **Land** | **Improvements** | **Other** | **Total** | **County Tax Rate** | **Rate** | **Taxes** |
| 10-12-30-0850-00180-0000 | $353,951 | $1 | $0 | $353,952 | 23.17540 | $23.18 | $8,203 |

| Real Estate Assessment Analysis | | | | | |
|---|---|---|---|---|---|
| **Tax ID** | **Per SF** | **Per Acre** | **Total** | **Equalization Ratio** | **Implied Value** |
| 10-12-30-0850-00180-0000 | $6.12 | $55,828 | $353,952 | 85.0% | $416,414 |

Notes:

**Comments**

2013 Working Value is $661,453; the property would be tax-exempt if purchased by the client, although the assessed value would likely be adjusted after a sale of the property.

## *Zoning*

| | |
|---|---|
| Zoning Code | B-2 and O-1 |
| Zoning Description | B-2 (Business District) and O-1 (Office, Medical and Related Services District) |
| Zoning Density/FAR | 40% |
| Actual Density of Use | 22% Building Coverage |
| Current Use Legally Conforming | The building is vacant and being appraised based on the hypothetical condition that it is a shell with no partitioning or mechanical systems. The former hospital use and potential public use are permitted by zoning and/or future land use. Building coverage and height conform to zoning. Any future use, including the possible County use would require that current building and safety codes be met as well as parking requirements, etc. |
| Zoning Change Likely | A zoning change would likely be unnecessary if purchased by the client. |
| Zoning Change Description | N/A |
| Set Back Distance | 25' |

| | |
|---|---|
| Side Yard Distance | 10' |
| Zoning Comments | The parking lot sites that front along E. Moody Boulevard are zoned B-2, Business. The former hospital site is zoned O-1, Office, Medical & Related Services. |
| Future Land Use | The front portion (former parking lot) along Moody Boulevard has a future land use designation of "High Intensity Commercial'. The improved portion has a future land use designation of "Public", which we understand was adopted for the former use. No change would be necessary if the County purchased the property for public use. Our land value estimate assumes commercial use would be permitted. |

# Analysis & Conclusions

## *Highest and Best Use*

A highest and best use analysis identifies the most reasonably probable and appropriately supported use of the property appraised. Since supply & demand and market conditions can change, a property's highest and best use may change as well. This analysis is an essential step in the determination of market value. Market dynamics determines a property's use and an appraisal values the use.

There are four main tests in a highest and best use study, which are:

1. legal permissibility - governmental requirements and limitations like zoning and private deed restrictions are considered
2. physical constraints like size and shape are weighed
3. financial feasibility is ascertained via either an implied or calculated method
4. maximum productivity is determined
5. If more than one use survives the first three tests, then the use that produces the highest appropriately supported, positive value with the least risk is the highest and best use.

Highest and best use analyses can be categorized into two different levels of detail.

- *inferred* emphasizing historic and current data/trends typically required for smaller properties and land tracts
- *fundamental* requiring forecasts of future demand, typically required for new projects or larger commercial properties.

An inferred analysis has been developed based on local trends and patterns from which inferences have been made. It presumes that recent past trends will continue for the near future. Sale prices, number of competitive listings, marketing intervals, and / or price changes for other similar properties infer there is adequate demand for the subject at a price level congruous with this data.

### Highest and Best Use of the Site As Vacant

The subject site is zoned B-2, Business District and O-1, Office, Medical and Related Services District. Both districts have several permitted uses in common such as offices, medical, and public buildings. The site is of adequate size to support permitted uses; however, the maximum building coverage of 40% (110,000± SF) could likely not be achieved, due to current stormwater drainage/retention & parking requirements. Building coverage ratios in the 15% - 20% range are more typical, which would indicate a building size in the 40,000 – 55,000± square foot range.

Based on current market conditions, rent levels are not sufficient to warrant new construction by an investor/developer at this time. This is evidenced by sale prices below replacement costs. The exception would be development by an owner/user such as municipality.

Based on the above considerations, the highest and best use of the site, as vacant would be to hold for future office use when demand and rent levels are sufficient.

## Highest and Best Use as Improved

The subject was originally constructed as a hospital, with an out building for storage/maintenance operations. As previously discussed, the buildings are considered to be in "shell" condition. The building shells are assumed to be sound, although they would require significant interior improvements prior to occupancy. Based on our land value conclusion as well as sales comparison approach, as improved, the property is clearly worth more as improved than as vacant, however, market conditions do not warrant redevelopment by typical investors at this time.

The property was purchased several years ago for redevelopment as office condominiums, however, plans were halted due to deteriorating economic conditions. Current economic conditions and rent levels are such that redevelopment is still not financially feasible for an investor. However, for an owner/user such as the client or another user that has an immediate need for a large amount of building area, redevelopment could be feasible at this time.

In light of the foregoing highest and best use determinations, land and building comparables were selected with the same or similar highest and best use. This data was used to frame a value opinion for the property appraised.

## *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:

Cost New
- Depreciation
+ Land Value
= Value

### 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.

### 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.

### 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 developed because there is adequate data to develop a land value and the depreciation accrued to the improvements can be reasonably measured.

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 could not be rented in its shell condition, and would require significant renovations and modifications prior to occupancy. The client is considering purchasing this property for owner-occupancy, and rental income is not a consideration for this client.

## *Cost Approach*

The Cost Approach is based on the principle of substitution - that a prudent and rational person would pay no more for a property than the cost to construct a similar and competitive property, assuming no undue delay in the process. The Cost Approach tends to set the upper limit of value before depreciation is considered. The applied process is as follows:

- Estimate the land value according to its Highest and Best Use. We have used the Sales Comparison Approach; the process is as follows:
    - Comparable sales, contracts for sale and current offerings are researched and documented.
    - Each comparable is analyzed and adjusted to equate with the subject property.
    - The value indication of each comparable is analyzed and the data reconciled for a land value indication.
- Estimate the replacement cost of the building and site improvements.
- Estimate the physical, functional and/or external depreciation accrued to the improvements.
- Sum the depreciated value of the improvements with the value of the land for an indication of value.

### Land Valuation

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

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

### Land Comparables

We have researched four comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

## Land Listing No. 1

**Property Identification**

| | |
|---|---|
| **Record ID** | 3643 |
| **Property Type** | Land, Commercial |
| **Property Name** | Commercial Parcel |
| **Address** | 4560 N. U.S. 1, Palm Coast, Flagler County, Florida 32137 |
| **Location** | E side of U.S. 1, opposite Town & Country Bus. Pk. |
| **Tax ID** | 22-11-30-5545-00000-0030 |

**Sale Data**

| | |
|---|---|
| **Grantor** | Old Dixie Cattle Co, LLC |
| **Survey Date** | July 09, 2013 |
| **Property Rights** | Fee simple |
| **Marketing Time** | 17 MOS |
| **Verification** | MLS, public records; January 20, 2012; Confirmed by Howard Cooksey |
| **Listing Price** | $450,000 |
| **Cash Equivalent** | $450,000 |

**Land Data**

| | |
|---|---|
| **Zoning** | COM-2, Commercial - General |
| **Topography** | Usable area level |
| **Utilities** | Available |
| **Shape** | Triangle |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 6.330 Acres or 275,735 SF |
| **Useable Land Size** | 4.000 Acres or 174,240 SF , 63.19% |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $71,090 |
| **Sale Price/Gross SF** | $1.63 |
| **Sale Price/Useable Acre** | $112,500 |
| **Sale Price/Useable SF** | $2.58 |

**Remarks**

Property reported to be "shovel ready", with preliminary plans for a convenience store/strip center, with approx. 4 acres approved for development.

**Land Sale No. 2**

**Property Identification**

| | |
|---|---|
| **Record ID** | 3189 |
| **Property Type** | Land, Commercial |
| **Property Name** | Vacant Land |
| **Address** | North U.S. Highway 1, Ormond Beach, Volusia County, Florida 32174 |
| **Location** | .5 miles N of Destination Daytona |
| **Tax ID** | 3126-00-00-0070 |

**Sale Data**

| | |
|---|---|
| **Grantor** | Wells Fargo Bank, N.A. |
| **Grantee** | DS US1 Property, LLC |
| **Sale Date** | May 30, 2013 |
| **Deed Book/Page** | 6865/0601 |
| **Recorded Plat** | 11/92 |
| **Property Rights** | Fee Simple |
| **Marketing Time** | 6/2004 |
| **Conditions of Sale** | Bank Sale |
| **Financing** | Cash |
| **Sale History** | Acquired by bank 12/2012 $359,700 |
| **Verification** | Public Records; July 09, 2013; CoStar, Other sources: |

| | |
|---|---|
| | Previous listing agents, Confirmed by Howard Cooksey |
| **Sale Price** | $275,000 last listed for $290,000 |
| **Cash Equivalent** | $275,000 |

**Land Data**

| | |
|---|---|
| **Zoning** | AG (FLU Volusia County Commercial), Agriculture |
| **Topography** | Mostly level, near grade, partially cleared |
| **Utilities** | Near site |
| **Dimensions** | ±1,000 x ±238' |
| **Shape** | Rectangular |
| **User 5** | On-site required |
| **Depth** | 238 |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 5.450 Acres or 237,402 SF |
| **Useable Land Size** | 4.905 Acres or 213,662 SF , 90.00% |
| **Front Footage** | 1000 ft. Total Frontage: 1000 ft. N. US Hwy 1 |

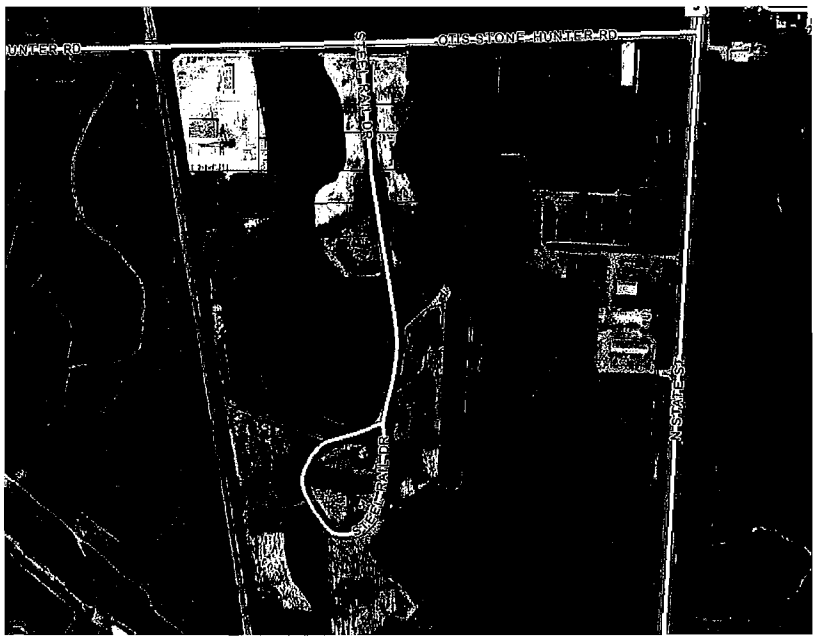
**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $50,459 |
| **Sale Price/Gross SF** | $1.16 |
| **Sale Price/Useable Acre** | $56,065 |
| **Sale Price/Useable SF** | $1.29 |
| **Sale Price/Front Foot** | $275 |

**Remarks**

This is the sale of a rectangular shaped parcel of land on the north side of US-1 in unincorporated Volusia County ±.5 miles N of Destination Daytona Lane. The property had been on the market since prior owners purchased it in June 2004 for $589,000 or $108,073 per acre. The asking price has been as high as $1.444 million and came down to $950,000 2/12/2009, then to $850,000 in May 2009, then to $750,000 in June 2009, $395,000 in October of 2011, and was reduced to the current asking price in January of 2013 The comp plan has been amended to Commercial.

## Land Listing No. 3




**Property Identification**

| | |
|---|---|
| **Record ID** | 3697 |
| **Property Type** | Land, Industrial |
| **Property Name** | Listings - Steel Rail Industrial Park |
| **Address** | Steel Rail Drive, Bunnell, Flagler County, Florida 32110 |
| **Location** | S side of Otis Stone Hunter Rd., W of U.S. 1 |
| **Tax ID** | Multiple |

**Sale Data**

| | |
|---|---|
| **Grantor** | Bunnell Winds, LLC |
| **Survey Date** | July 09, 2013 |
| **Property Rights** | Fee simple |
| **Marketing Time** | 4+ years |
| **Verification** | Loopnet Listing, Jerry Masiello; 386-517-9323, May 30, 2012; Loopnet Listing, Margaret Jones, 386-931-0488, July 09, 2013; Other sources: Prior appraisal of park, Confirmed by Howard Cooksey |
| **Listing Price** | $290,325 avg. lot price/upland ac. |
| **Cash Equivalent** | $290,325 |

**Land Data**

| | |
|---|---|
| **Zoning** | Industrial |
| **Topography** | Uplands - level |
| **Utilities** | All available |
| **Shape** | Various |
| **User 5** | Off-site stormwater retention |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 4.550 Acres or 198,198 SF |
| **Uplands Land Size** | 4.550 Acres or 198,198 SF , 100.00% |

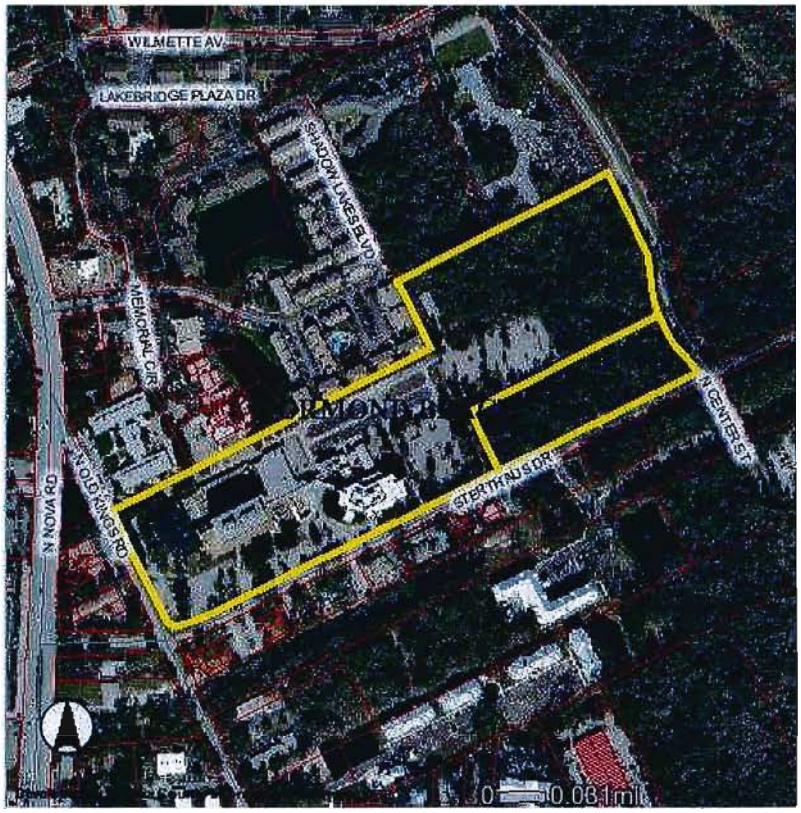
**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $63,808 |
| **Sale Price/Gross SF** | $1.46 |
| **Sale Price/Uplands Acre** | $63,808 |
| **Sale Price/Uplands SF** | $1.46 |

**Remarks**

This represents the average asking price per lot for the 17 lots in the Steel Rail Industrial Park. The park features off-site retention. Lot7 has rail access; its asking price is $75,000 per upland acre. Most are priced at $65,000 per upland acre.

## Land Sale No. 4




**Property Identification**

| | |
|---|---|
| **Record ID** | 3809 |
| **Property Type** | Land, Commercial |
| **Property Name** | Former Ormond Memorial Hospital Site |
| **Address** | 875 Sterthaus Drive, Ormond Beach, Volusia County, Florida 32174 |
| **Location** | NEQ Sterthaus & Old Kings Road, just E of Nova |
| **Tax ID** | 4214-01-05-0070 & -0080 |

**Sale Data**

| | |
|---|---|
| **Grantor** | Memorial Health Systems |
| **Grantee** | Ormond King Center, LLC |
| **Sale Date** | January 04, 2013 |
| **Deed Book/Page** | 6804/1681 |
| **Property Rights** | Fee simple |
| **Marketing Time** | 5+ years |
| **Conditions of Sale** | Arm's length |
| **Financing** | Cash |
| **Verification** | News-Journal article; March 20, 2013; Other sources: Public Records, Confirmed by Howard Cooksey |
| **Sale Price** | $2,000,000 |

| | |
|---|---|
| **Cash Equivalent** | $2,000,000 |

**Land Data**

| | |
|---|---|
| **Zoning** | B-1, Professional Office-Hospital |
| **Topography** | Level |
| **Utilities** | All available |
| **Shape** | Rectangle |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 27.875 Acres or 1,214,218 SF |

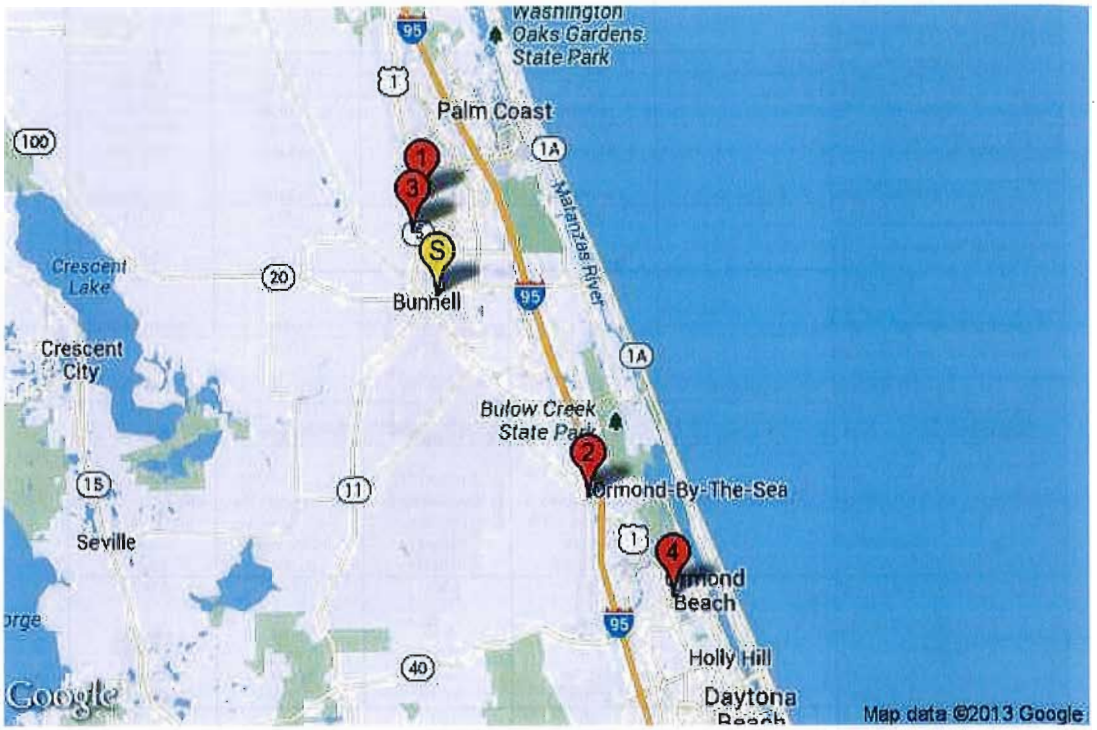
**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $71,750 |
| **Sale Price/Gross SF** | $1.65 |

**Remarks**

This is the former site of Ormond Memorial Hospital; the former hospital was demolished in 2012. The site was purchased for what will likely be a mixed use development. This location is central in Ormond Beach, just east of Nova Road and south of Granada Boulevard.

### *Comparables Map*




## Analysis Grid

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

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

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied. The sales were compared to the subject based on their prices per usable acre.

| SALES ANALYSIS GRID | | | | | |
|---|---|---|---|---|---|
| | Subject | Comparable 1 | Comparable 2 | Comparable 3 | Comparable 4 |
| Address | 901 E. Moody Blvd. | 4560 N. U.S. 1 | North U.S. Highway 1 | Steel Rail Drive | 875 Sterthaus Drive |
| City | Bunnell | Palm Coast | Ormond Beach | Bunnell | Ormond Beach |
| Incorporated / Unincorporated | | | | | |
| DataComp Number | | 3643 | 3189 | 3697 | 3809 |
| OR Book/Page | | Listing | 6865/0601 | Listing | 6804/1681 |
| Sale Date | | Listing | 5/30/2013 | Listing | 1/4/2013 |
| Sale Price | | $450,000 | $275,000 | $290,325 | $2,000,000 |
| Sale Price/Useable Acre | | $112,500 | $56,065 | $65,000 | $71,736 |
| Property Rights | Fee simple | Fee simple | Fee Simple | Fee simple | Fee simple |
| Adjustment | | 0.00% | 0.00% | 0.00% | 0.00% |
| Financing | | N/A, Listing | Cash | Listing | Cash |
| Adjustment | | 0.00% | 0.00% | 0.00% | 0.00% |
| Conditions of Sale | | Listing | Bank Sale | Listing | Arm's length |
| Adjustment | | 0.00% | 15.00% | 0.00% | 0.00% |
| Market Conditions | 6/20/2013 | Listing | 5/30/2013 | Listing | 1/4/2013 |
| Adjustment/Mo. | | | 0.00% | | 0.00% |
| **Adj Price / Usable Acre** | | **$112,500** | **$64,475** | **$65,000** | **$71,736** |
| Location | Central Bunnell | E side of U.S. 1, opposite Town & Country Bus. Pk. | .5 miles N of Destination Daytona | S side of Otis Stone Hunter Rd., W of U.S. 1 | NEQ Sterthaus & Old Kings Road, just E of Nova |
| Comparison | | No adj. | No adj. | Slightly inferior | Superior |
| % Adjustment | | 0.00% | 0.00% | 20.00% | -20.00% |
| $ Adjustment | | $0 | $0 | $13,000 | -$14,347 |
| Gross Land Size | 6.34 | 6.33 | 5.45 | Varies | 27.88 |
| Usable Land Size | 6.34 | 4.00 | 4.91 | Varies | 27.88 |
| Comparison | | Similar | Similar | Similar | Larger |
| % Adjustment | | 0.00% | 0.00% | 0.00% | 20.00% |
| $ Adjustment | | $0 | $0 | $0 | $14,347 |
| Main Frontage | | | 1,000 | | |
| Shape | Rectangle, 2 portions separated by street | Triangle | Rectangular | Single, contiguous parcel(s) | Rectangle |
| Comparison | | Superior | Superior | Superior | Superior |
| % Adjustment | | -10.00% | -10.00% | -10.00% | -10.00% |
| $ Adjustment | | -$11,250 | -$6,448 | -$6,500 | -$7,174 |
| Utilities | All available | Available | Near site | All available | All available |
| Comparison | | | | | |
| % Adjustment | | 0.00% | 0.00% | 0.00% | 0.00% |
| $ Adjustment | | $0 | $0 | $0 | $0 |
| Zoning | B-2 & O-1 | Commercial - General | Agriculture, Commercial FLU | Industrial | Professional Office-Hospital |
| Comparison | | | No adj. | No adj. | No adj. |
| % Adjustment | | 0.00% | 0.00% | 0.00% | 0.00% |
| $ Adjustment | | $0 | $0 | $0 | $0 |
| Topography | Level | Usable area level | Mostly level, near grade, partially cleared | Uplands - level | Level |
| Comparison | | | | | |
| % Adjustment | | 0.00% | 0.00% | 0.00% | 0.00% |
| $ Adjustment | | $0 | $0 | $0 | $0 |
| Other | On-site retention required | Similar | Similar | Off-site retention | Similar |
| Comparison | | | | Superior | |
| % Adjustment | | 0.00% | 0.00% | -15.00% | 0.00% |
| $ Adjustment | | $0 | $0 | -$9,750 | $0 |
| **Final Adjusted Price** | | **$101,250** | **$58,028** | **$61,750** | **$64,562** |
| | Average | $71,397 | | | |
| | Reconciled Value | $65,000 /acre | | $410,000 | |

## Comparable Land Sale Adjustments

Property Rights

Rights conveyed may be leased fee, fee simple, leasehold or partial interests. Unless noted otherwise, the property interests conveyed are similar.

Financing

Seller financing or assumption of existing financing at non-market terms may have influence the purchase price.

Conditions of Sale

Extraordinary motivations on the part of the seller or buyer may influence the sale price. Comparable 2 was a bank sale. An upward adjustment was applied for this factor. Comparables 1 and 3 are listings; no adjustments were applied, although we recognize that actual selling prices are typically negotiated down from asking prices. This factor was considered in the reconciled land value.

Economic Trends

This considers changes in the economic environment of time that affect value. These include local, national and worldwide economies.

Location

This considers influences in the market or submarket area and surrounding land uses. Comparables 1 and 2 are located along U.S. 1 in Flagler and Volusia Counties, which provides good north-south access to other parts of their respective counties. No adjustments were applied. Comparable 3 are available lots in an industrial park west of U.S. 1 in Bunnell; access to U.S. 1 is good; however, it's visibility is inferior, and an upward adjustment was applied.. Comparable 4 is centrally located in Ormond Beach in an area near shopping centers, and an established residential base with superior demographics; a downward adjustment was applied for location.

Physical Attributes

A myriad of physical characteristics can affect land value. Some examples are lot size, shape, site orientation, availability of utilities, and soil conditions. Those sales with superior physical qualities warrant downward adjustment and vice versa.

Size

Generally an inverse relationship exists between building size and unit value. Comparable 4 is significantly larger than the subject; a downward adjustment was applied.

Shape/Utility

The subject site is comprised of two areas, separated by Canakaris Street. The comparables are considered superior in this regard, as they are not bifurcated; downward adjustments were applied.

Zoning

Zoning determines the allowable density and use of the property. In certain zones the cities may offer incentives for new development. No adjustments were deemed necessary for zoning.

Other Characteristics

These can include entitlements, impact fee credits, or other soft costs that may benefit or lower the cost of development for the buyer.

The subject will require on-site retention when redeveloped; Comparables 1, 2 and 4 are similar in this regard. Comparable 3 represents lots in an industrial park with a master stormwater retention system; a downward adjustment was made for this factor.

**Sales Comparison Approach Conclusion – Land Valuation**

The adjusted values of the comparable properties range from $58,028 to $101,250 per usable acre; the average is $69,505. The high end of the range is set by a listing, and was given minimal weight. All of the value indications have been considered, and in the final analysis, Comparables 2 and 4, have been given most weight in arriving at our final reconciled per usable acre value of $65,000.

| | |
|---|---|
| **Indicated Value per Acre:** | $65,000 |
| **Subject Size:** | 6.34 |
| **Indicated Value:** | $412,100 |
| **Rounded:** | $410,000 |
| **Four Hundred Ten Thousand Dollars** | |

## *Cost Analysis*

The next step in the Cost Approach is to estimate the replacement cost of the buildings and site improvements. The replacement cost of the subject improvements are based on Marshall & Swift, a nationally recognized cost service. A copy of the Swift Estimator detailed cost report was included in the addenda. The subject's site improvements would have nominal value, and were excluded.

### Indirect Costs

Fees not included in the cost estimate include indirect costs, such as property tax during construction and impact fees.

### Property Tax

The Property Tax is based on land value only. The subject's 2013 preliminary assessment for the land only is $510,653. Using the 2012 millage rate of $23.17540 per $1,000 of assessed value, the Property Tax for the land only is $11,835 per year. We estimate that it would take 6± months to construct the subject's improvements. The Property Tax during construction is estimated to be $6,000, rounded.

### Impact Fees

Impact fees are not included in the Marshall & Swift Costs. For this type of building, the County transportation impact fees would be $0.97 per square foot or approximately $60,000±. Impact fees for utilities are based on fixture count or rate per day, and are $6,000+ per 15 fixtures.

In this case, we have allocated an allowance for indirect costs of 2.5% of the building cost for these items.

## Entrepreneurial Profit

An entrepreneurial profit is that amount of money a developer expects to receive in addition to the construction costs of the improvements, for his effort in, and the risks associated with, developing the property. In our discussions with local building contractors over the years, an entrepreneurial profit of between 10% and 15% is near typical for an investment property. We have adopted an entrepreneurial profit of 15% for the subject. The entrepreneurial profit is based on the replacement cost new. It is calculated as follows (rounded):

| Improvements Cost | x | Entrep. Profit % | = | Entrep. Profit $ |
|---|---|---|---|---|
| $3,206,188 | | 15% | | $480,928 |

## Depreciation Analysis

Depreciation may be defined as any loss of value from any cause. There are three general areas of depreciation: physical deterioration, functional obsolescence and external obsolescence. Depreciation may be curable or incurable, the test being that money spent to cure the depreciation be gained in value. If the depreciation costs more to fix than will be gained in value, then the depreciation is considered incurable.

### Physical Deterioration

This results from deterioration from aging and use. This type of depreciation may be curable or incurable. Physical deterioration is a factor.

### Functional Obsolescence

This results from a lack of utility or desirability due to design or market perception of the improvements. This type of depreciation may be curable or incurable. Some functional obsolescence is a factor as the subject was originally designed for hospital use.

### External Obsolescence

This is due to circumstances outside the property itself, such as industry, demographic and economic conditions or an undesirable proximate use. This type of depreciation is rarely curable. Economic obsolescence is a factor due to economic conditions and lack of demand and financing for most new commercial buildings.

In this case, the Economic Age-Life Method was used, as described below. This method does consider functional and external obsolescence and physical deterioration, but it does not differentiate between the separate causes of accrued depreciation.

## Economic Age-Life Method

To estimate accrued depreciation with the economic age-life method, the ratio between the effective age and total economic age and total economic life of a building is applied to the cost of the improvements as of the effective appraisal date to obtain a lump-sum deduction for accrued depreciation. The economic age-life concept normally pertains to overall depreciation.

The formula is:

$$\frac{\text{Effective age}}{\text{Total economic life}} \text{ X reproduction or replacement cost = accrued depreciation}$$

Economic life is usually shorter than the improvements life expectancy, which is the total period the improvement can be expected to exist physically. Options available at the end of the buildings economic life include:

- Renovation or Conversion to a new use
- Rehabilitation
- Remodeling
- Demolition and replacement with a suitable new structure.

Obviously the applicable option would determine the contributory value of the improvements. The need for remodeling only would reduce the effective age. Improvements that require demolition are a negative contribution since the cost of demolition must be considered. In the case of the subject the building shell has a positive value contribution as the shell can be utilized.

The effective age has been estimated, in this instance, to be similar to the actual physical age of the building. The total economic life was based on useful life studies published by Marshall Valuation Service. Thus accrued depreciation for the buildings long-lived components is estimated to be 35/50 or 70%

| Total Depreciation, Economic Age-Life Method | | | | |
|---|---|---|---|---|
| **Component** | **Effective Age** | **Life** | **Percent** | **Amount** |
| Total Depreciation - Improvements | 35 | 50 | 70% | $2,637,090 |
| | | | **Total Depreciation** | **$2,637,090** |

## Cost Approach Conclusion

Based on the analysis detailed on the following page, as of June 20, 2013 we have reconciled to a cost approach value of:

**$1,540,000**

**One Million Five Hundred Forty Thousand Dollars**

## Cost Analysis

| Building Improvements | | | Cost Section 1 of 1 | |
|---|---|---|---|---|
| **Item** | **Unit Type** | **Cost** | **Quantity** | **Total** |
| Building 1 | Sq. Ft. | $50.81 | 57,800 | $2,936,818 |
| Building 2 | Sq. Ft. | $65.70 | 4,100 | $269,370 |
| | | | **Total Building Improvement Costs** | **$3,206,188** |

| Site Improvements | | | | |
|---|---|---|---|---|
| **Item** | **Unit Type** | **Cost** | **Quantity** | **Total** |
| Nominal Contributory Value | Lump Sum | $0.00 | 0 | $0 |
| | | | **Total Site Improvement Costs** | **$0** |
| | | | **Subtotal: Building & Site Costs** | **$3,206,188** |

| Soft Costs | | | |
|---|---|---|---|
| **Item** | **Percent Cost** | **Percent Type** | **Total** |
| Engineering | 0.0% | % Building Cost | $0 |
| Impact Fees, Misc. | 2.5% | % Building Cost | $80,155 |
| Permits & Legal | | | $0 |
| Leasing | | | $0 |
| | | **Total Soft Costs** | **$80,155** |
| | Entrepreneurial Profit | 15.0% | $480,928 |
| | | **Total Cost** | **$3,767,271** |

| Cost Allocation | |
|---|---|
| Total Building Costs | **$3,767,271** |
| Total Site Costs | **$0** |

| Total Depreciation, Economic Age-Life Method | | | | |
|---|---|---|---|---|
| **Component** | **Effective Age** | **Life** | **Percent** | **Amount** |
| Total Depreciation - Improvements | 35 | 50 | 70% | $2,637,090 |
| | | | **Total Depreciation** | **$2,637,090** |
| | | | **Depreciated Value of Improvements** | **$1,130,181** |

| Land Value | |
|---|---|
| Land Value | $410,000 |
| Other | $0 |
| **Cost Approach Value Indication** | **$1,540,181** |
| **Rounded** | **$1,540,000** |

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## *Sales Comparison Approach*

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

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

### Comparables

We have researched five comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

The sales selected are similar with respect to being shell buildings or having advanced effective age, near the end of economic life, requiring renovation or remodeling for alternative use.

**Improved Sale No. 1**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2515 |
| **Property Type** | Retail/Commercial, Mixed Use/Office/Retail-Industrial |
| **Property Name** | Freestanding Commercial |
| **Address** | 499 S. Nova Road, Ormond Beach, Volusia County, Florida 32174 |
| **Location** | East side of S. Nova Road, just north of Division Avenue |
| **Tax ID** | 4221-00-03-0090 |

**Sale Data**

| | |
|---|---|
| **Grantor** | 499 N. Nova Road, LLC |
| **Grantee** | Bright Beginnings Ormond, LLC |
| **Sale Date** | July 21, 2010 |
| **Deed Book/Page** | 6496/4568 |
| **Property Rights** | Fee Simple |
| **Marketing Time** | 424 DOM |
| **Conditions of Sale** | Normal |
| **Financing** | PMM |
| **Sale History** | 5/2009; $1,250,000 |
| **Verification** | Dick McNerney; 386-679-5037, May 11, 2011; Other sources: MLS; Public Records, Confirmed by Charles Hussey |
| **Sale Price** | $2,000,000 |
| **Cash Equivalent** | $2,000,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 4.568 Acres or 199,000 SF |
| **Front Footage** | 290 ft. Total Frontage: 290 ft. S. Nova Road |
| **Zoning** | B-8, Business |
| **Topography** | Generally level, open |
| **Utilities** | All |

| | |
|---|---|
| Dimensions | 290' x 760' |
| Shape | Rectangular |
| Depth | 760 |

| General Physical Data | |
|---|---|
| Building Type | Single Tenant |
| SF | 49,097 |
| Construction Type | Concrete Block |
| Roof Type | Monolithic |
| Foundation | Poured Concrete |
| Electrical | 3-Phase |
| HVAC | 80% |
| Sprinklers | Full |
| Stories | One |
| Floor Height | 10'/17' |
| Year Built | 1983 |
| Condition | Average |

| Indicators | |
|---|---|
| Sale Price/ SF | $40.74 |
| Floor Area Ratio | 0.22 |
| Land to Building Ratio | 4.05:1 |

Remarks

According to the selling agent, this property was a former retail furniture store that was purchased for conversion to an educational facility. The gross floor area of 49,097 square feet was reportedly composed of about 2,000 square feet of office space, 6 to 8,000 square feet of warehouse space, and approximately 40,000 square feet of showroom area. The improvement was reportedly in average condition at the time of sale, and the buyer reportedly spent roughly $1,000,000 in conversion/rehabilitation costs.

**Improved Listing No. 2**

| | |
|---|---|
| **Property Identification** | |
| **Record ID** | 2899 |
| **Property Type** | Office, Office Building/Low-Rise |
| **Property Name** | 2 Story Office Building |
| **Address** | 228 N. Ridgewood Ave., Daytona Beach, Volusia County, Florida 32114 |
| **Location** | E. side of Ridgewood, N of U.S. 92 |
| **Tax ID** | 5339-02-53-0071 |
| **Sale Data** | |
| **Grantor** | Harbor Community Bank |
| **Survey Date** | July 10, 2013 |
| **Property Rights** | Fee simple |
| **Marketing Time** | 40 mos. |
| **Conditions of Sale** | Listing |
| **Sale History** | Certificate of Title in 10/2009 |
| **Verification** | Bob Rand, Listing Agent; 386-295-9827, July 10, 2013; Other sources: Loopnet, 2011 Appraisal, Confirmed by Howard Cooksey |
| **Listing Price** | $596,000 previously $639,000 |
| **Land Data** | |
| **Land Size** | 1.065 Acres or 46,375 SF |
| **Zoning** | RDD-3 & M-1, Redevelopment District |
| **Topography** | Slopes downward east to west |
| **Utilities** | All available |
| **Dimensions** | 100' x 456' |
| **Shape** | Rectangle |
| **Landscaping** | Minimal |
| **Flood Info** | Shaded zone X |

**General Physical Data**

| | |
|---|---|
| **Building Type** | Single Tenant |
| **Gross SF** | 20,813 |
| **Construction Type** | Concrete Block/Brick |
| **Roof Type** | Built-up |
| **Foundation** | Concrete |
| **HVAC** | Hot & chilled water system |
| **Sprinklers** | Yes |
| **Stories** | 2 |
| **Year Built** | 1957 |
| **Condition** | Fair |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross SF** | $28.64 |
| **Floor Area Ratio** | 0.47 |
| **Land to Building Ratio** | 2.23:1 |

**Remarks**

This is a bank-owned property. The previous owner reported that the roof and second floor HVAC system were in poor condition and in need of replacement. It is our understanding the elevator needs replacement. The listing agent reported an estimated cost to cure deferred maintenance of $275,000 - $300,000.

The property has been listed since March 2010, originally at a price of $825,000. The listing agent reported little activity on the property, and believes a price reduction to the $400,000 range might be necessary to entice a buyer.

## Improved Sale No. 3

| | |
|---|---|
| **Property Identification** | |
| **Record ID** | 2900 |
| **Property Type** | Retail/Commercial, Showroom/Warehouse |
| **Property Name** | Former Kitty Scott's Furniture |
| **Address** | 685 S. Yonge Street, Ormond Beach, Volusia County, Florida 32174 |
| **Location** | SEC U.S. 1 & Arroyo Pkwy. |
| **Tax ID** | 4242-20-31-0050, -0140 |
| **Sale Data** | |
| **Grantor** | Kitty Scott's Furniture |
| **Grantee** | HDH Investments 2, LLC |
| **Sale Date** | March 29, 2013 |
| **Deed Book/Page** | 6839/2879 |
| **Property Rights** | Fee simple |
| **Marketing Time** | 6 yrs. |
| **Conditions of Sale** | Normal; motivated seller |
| **Financing** | Cash |
| **Verification** | Paul Scott, seller; April 01, 2013; Other sources: Public Records, Confirmed by Jim Cooksey |
| **Sale Price** | $575,000 |
| **Cash Equivalent** | $575,000 |
| **Land Data** | |
| **Land Size** | 1.964 Acres or 85,550 SF |
| **Front Footage** | 570 ft. Total Frontage: 570 ft. |
| **Zoning** | B-8, Commercial |
| **Topography** | Fairly level |
| **Utilities** | All available |
| **Shape** | Nearly rectangular |
| **Landscaping** | Minimal |

**General Physical Data**

| | | | |
|---|---|---|---|
| **Building Type** | Single Tenant | | |
| **Gross SF** | 40,584 | | |
| **Area Breakdown** | Showroom | 21,584 | 53% |
| | Warehouse | 19,000 | 47% |
| **Construction Type** | CB & Metal | | |
| **HVAC** | Showroom - 53% | | |
| **Sprinklers** | Yes | | |
| **Stories** | 1 | | |
| **Floor Height** | 10-22' | | |
| **Year Built** | 1959 WH addition in 1980 | | |
| **Condition** | Average | | |

**Indicators**

| | |
|---|---|
| **Sale Price/ SF** | $14.17 |
| **Floor Area Ratio** | 0.47 |
| **Land to Building Ratio** | 2.11:1 |

**Remarks**

This former furniture store & warehouse building were on the market for an extended period of time. The property was purchased by another furniture store operator that will use the building for that use. The HVAC system was reported to be operable. The property has very limited parking.

**Improved Sale No. 4**

**Property Identification**

| | |
|---|---|
| **Record ID** | 2901 |
| **Property Type** | Retail/Commercial, Neighborhood Shopping Center |
| **Property Name** | Roma Court |
| **Address** | 515 Palm Coast Parkway SW, Palm Coast, Flagler County, Florida 32137 |
| **Location** | NWQ Palm Coast Pkwy SW & Corporate Dr. |
| **Tax ID** | 14-11-30-5538-00000-0080 |

**Sale Data**

| | |
|---|---|
| **Grantor** | Eagle FL I SPE, LLC |
| **Grantee** | 515 Palm Coast, LLC |
| **Sale Date** | June 24, 2013 |
| **Deed Book/Page** | 1949/157 |
| **Recorded Plat** | 32/81-82 |
| **Property Rights** | Fee simple |
| **Marketing Time** | 3+ years |
| **Conditions of Sale** | Bank Sale |
| **Financing** | Cash |
| **Sale History** | Acquired by lender in 10/2011 |
| **Verification** | Indirect, Russ Hamilton appraiser; July 10, 2013; Other sources: Previous appraisals, public records, Confirmed by Howard Cooksey |
| **Sale Price** | $1,550,000 |
| **Cash Equivalent** | $1,550,000 |

**Land Data**

| | |
|---|---|
| **Land Size** | 4.000 Acres or 174,240 SF |
| **Zoning** | COM-2, Commercial General |
| **Topography** | Fairly level |
| **Utilities** | All available |

| | |
|---|---|
| **Shape** | Rectangle |
| **Landscaping** | Average; had been neglected |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Roma Court |
| **Building Type** | Single Tenant |
| **Gross SF** | 55,042 79% unfinished shell |
| **Construction Type** | Masonry |
| **Roof Type** | Flat; concrete & rubber |
| **Foundation** | Concrete |
| **HVAC** | Finished area only21% |
| **Sprinklers** | 100% |
| **Stories** | 2 |
| **Floor Height** | 13' |
| **Year Built** | 2008 |
| **Condition** | Average |

**Indicators**

| | |
|---|---|
| **Sale Price/ SF** | $28.16 |
| **Floor Area Ratio** | 0.32 |
| **Land to Building Ratio** | 3.17:1 |

**Remarks**

There is an underground parking garage below the 2 story building as well as a concrete paved parking lot. Two elevators provide second floor access. The majority of the building was in shell condition. Only limited leasing activity had occurred after completion, as market conditions had deteriorated significantly from the time the project was planned to completion.

## Improved Sale No. 5

| | |
|---|---|
| **Property Identification** | |
| **Record ID** | 2902 |
| **Property Type** | Assembly/Meeting Place, Other |
| **Property Name** | Shell Building |
| **Address** | 4015 S. Williamson Blvd., Port Orange, Volusia County, Florida 32129 |
| **Location** | NEC Williamson Blvd. & Madeline Ave. |
| **Tax ID** | 6201-00-00-0050 |
| **Sale Data** | |
| **Grantor** | Goldstar Trust Company |
| **Grantee** | Rainbow Development Group, LLC |
| **Sale Date** | July 26, 2012 |
| **Deed Book/Page** | 6743/4980 |
| **Property Rights** | Fee simple |
| **Marketing Time** | 6+ years |
| **Conditions of Sale** | Normal |
| **Financing** | Cash |
| **Sale History** | Certificate of title 4/2009 |
| **Verification** | Loopnet Listing, Matt Messier; July 10, 2013; Indirect, Russ Hamilton, appraiser, July 10, 2013; Other sources: Public records, Confirmed by Howard Cooksey |
| **Sale Price** | $427,800 |
| **Cash Equivalent** | $427,800 |
| **Land Data** | |
| **Land Size** | 8.030 Acres or 349,787 SF |
| **Zoning** | PCD, Planned Comm. Development |
| **Topography** | Level, with large retention pond |
| **Utilities** | All available |
| **Dimensions** | 675' x 514' |

| | |
|---|---|
| **Shape** | Rectangle |
| **Landscaping** | None |

**General Physical Data**

| | |
|---|---|
| **Building Name** | Shell Building |
| **Building Type** | Single Tenant |
| **Gross SF** | 24,015 |
| **Construction Type** | CB |
| **Roof Type** | Metal |
| **Foundation** | Concrete slab on grade |
| **HVAC** | None |
| **Sprinklers** | None |
| **Stories** | 1 |
| **Floor Height** | 10-20' |
| **Year Built** | 2006 |
| **Condition** | Average, shell |

**Indicators**

| | |
|---|---|
| **Sale Price/ SF** | $17.81 |
| **Floor Area Ratio** | 0.07 |
| **Land to Building Ratio** | 14.57:1 |

**Remarks**

This is the sale of a shell building that was originally intended to be a church; however, construction was halted before the building was completed due to financial difficulties. The property had been listed for 5-6 years, and was significantly overpriced. The most recent listing originated 7-8 months prior to the sale, beginning at $995,000, and later reduced to $640,000.

The listing indicates that there is a leased telecommunications tower on the property. Permitted uses are reported to include churches, child care center, professional office and banking.

## *Comparables Map*

### Analysis Grid

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

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

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied. In this case, a qualitative analysis was applied.

| QUALITATIVE SALES ANALYSIS GRID | | | | | | |
|---|---|---|---|---|---|---|
| | Subject | Comparable 1 | Comparable 2 | Comparable 3 | Comparable 4 | Comparable 5 |
| Address | 901 E. Moody Boulevard | 499 S. Nova Road | 228 N. Ridgewood Ave. | 685 S. Yonge Street | 515 Palm Coast Parkway SW | 4015 S. Williamson Blvd. |
| City | Bunnell | Ormond Beach | Daytona Beach | Ormond Beach | Palm Coast | Port Orange |
| DataComp Number | | 2515 | 2899 | 2900 | 2901 | 2902 |
| Parcel Number | | 4221-00-03-0090 | 5339-02-53-0071 | 4242-20-31-0050, -0140 | 14-11-30-5538-00000-0080 | 6201-00-00-0050 |
| OR Book/Page | | 6496/4568 | N/A, Listing | 6839/2879 | 1949/157 | 6743/4980 |
| Sale Date | Current | 7/21/2010 | 7/10/2013 | 3/29/2013 | 6/24/2013 | 7/26/2012 |
| Sale Price | $1,230,000 | $2,000,000 | $596,000 | $575,000 | $1,550,000 | $427,800 |
| Sale Price/SF | $19.87 | $40.74 | $28.64 | $14.17 | $28.16 | $17.81 |
| Property Rights | Fee simple | Fee Simple | Fee simple | Fee simple | Fee simple | Fee simple |
| Financing | Cash | PMM | N/A, listing | Cash | Cash | Cash |
| Conditions of Sale | Normal | Normal | Listing | Normal; motivated seller | Bank Sale | Bank/Lender Sale |
| Economic Trends | 6/20/2013 | 7/21/2010 | 7/10/2013 | 3/29/2013 | 6/24/2013 | 7/26/2012 |
| Adjustment/Mo. | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Adjusted Price | | **$40.74** | **$28.64** | **$14.17** | **$28.16** | **$17.81** |
| Location Characteristics | Central Bunnell | Nova Road -Superior | U.S. 1, Daytona Beach | U.S.1, Ormond Beach/Superior | Palm Coast Parkway | NEC Williamson Blvd. & Madeline Ave. |
| Gross Building Area | 61,900 | 49,097 Smaller | 20,813 Smaller | 40,584 | 55,042 | 24,015 |
| Land Size SF | 276,170 | 199,000 | 46,375 | 85,550 | 174,240 | 349,787 |
| Floor Area Ratio | 0.22 | 0.25 | 0.47/Inferior | 0.47/Inferior | 0.32 | 0.07 |
| Year Built | 1979 - 1985 | 1983 | 1957 | 1959, 1980 | 2008 | 2006 |
| Construction Class / Quality | C/Average | C/Average | C/Average | C & S/Average | C/Superior | C/Average |
| Condition | Fair/Eff: 30-35 | Average | Fair | Average | 2008/Superior | 2006/Superior |
| Use | Shell | Showroom - Superior | Showroom | Showroom/WH | Mostly Shell | Shell |
| HVAC | 0% | 100% - Superior | Not operable | Showroom only | Office only | None |
| Comparison | | Superior | Similar | Superior | Slightly Superior | Similar |
| Shell Interior | | Showroom/Superior | Office shell | Showroom/Superior | 79% Shell | Shell |
| Parking | | Superior | Inferior | Inferior | Paved & underground / Superior | No paved parking |
| Overall Comparability | | Very Superior | Similar | Inferior | Very Superior | Similar |
| Final Adjusted Price | | **$40.74** | **$28.64** | **$14.17** | **$28.16** | **$17.81** |
| Average: | | **$25.90** | | | | |
| Minimum $SF: | | **$14.17** | | | | |
| Maximum $SF: | | **$40.74** | | | | |
| Reconciled Unit Value: | | **$23.00** | | | **$1,420,000** | |

## Analysis Discussion

### Comparable 1

Comparable 1 is the sale of a large building located on Nova Road in Ormond Beach that was originally a discount retail store. Prior to the sale, it had been occupied by a furniture retailer. The building was purchased for redevelopment for a daycare center/preschool use. Comparable 1's Nova Road location is considered superior to the subject, due to its high traffic count and exposure and more active commercial market. This sale is also superior to the subject in terms of interior finishes/systems, although significant remodeling was required to convert the building to its current use. It is also considered superior in terms of condition. It sold in July 2010 for $2,000,000 or $40.74 per square foot of GBA with seller financing. Based on the overall superiority of this property, the subject's market value would be significantly below the $40.74/SF sale price.

### Comparable 2

Comparable 2 is the listing of a 2-story office building located along U.S.1 near Downtown Daytona Beach. It is listed for $596,000 or $28.64 per square foot. The improvements are in fair condition, needing roof repairs, a new elevator, electrical upgrades, HVAC, etc. Given its condition and repairs needed, it is essentially a shell building. This property's location is considered superior to the subject's due to its exposure and more active market; however, it is inferior in terms of land to building ratio. The improvements are significantly smaller than the subject and there is, generally, an inverse relationship between the size of a structure and the price per square foot. This property has been on the market for an extended time, with little to no interest. This is a bank-owned listing reflecting a "distressed" offering. A market value indication for the subject property would below the $28.64 indicated by this sale with its size and listing status being the primary considerations.

### Comparable 3

Comparable 3 is the sale of a former furniture showroom and warehouse that had been vacant for several years. The property sold in March 2013 for $14.17 per square foot The improvements were in average condition, with working HVAC in the showroom, and is superior to the subject in this regard. This location is considered superior to the subject's; however, it is significantly inferior in terms of land to building ratio, with limited site area for parking. It is fairly similar in terms of effective age/condition. The building was purchased by another furniture retailer for similar use. The comparability of this property for redevelopment of another use such as office is limited, due to its lack of area for parking. The seller had retired and was highly motivated to dispose of the property due to high carrying costs of maintenance. It had been vacant over 3 years. Overall, this property is inferior to the subject primarily due to lack of parking and the conditions of sale. . As such a "market" value indication for the subject would be above $14.17 per square foot.

### Comparable 4

Comparable 4 is the sale of Roma Court, a 55,000± square foot building constructed in 2008. This building was designed for multiple tenancies; however, the previous ownership had little success leasing space, due to poor market conditions at the time of completion. Approximately 79% of the building consisted of shell finishes. This property is superior to the subject in terms of the interior finishes in place, underground parking, and effective age/condition. This was a bank-owned property, thus the conditions of the sale likely reflect distressed pricing. Overall, this property is considered superior to the subject, primarily due to its location and age. A market value indication for the subject's would be below the June 2013 sale price of $28.16 per square foot.

### Comparable 5

Comparable 5 is the sale of a shell building that was intended to be a church before construction was halted in 2006±. Site clearing and retention areas were done; however, no paved parking was constructed. This is the sale of a lender-owned property; and the conditions of sale reflect a distressed property. This building is superior in terms of age/condition. The improvements are significantly smaller than the subject and there is, generally, an inverse relationship between the size of a structure and the price per square foot. A market value indication for the subject would be higher than $17.81 per square foot indicated by this sale with the condition of sale offsetting the superior characteristics being the primary consideration.

## Sales Comparison Approach Conclusion

The sale prices of the comparable properties range from $14.17 to $40.74 per square foot of GBA, with an average sale price of $24.90/SF. Giving more weight to sales 2, 4 and 5 a market value indication would be between $17.81 and $28.16 and market value would be below the average indicated by the comparable sales. A value of $23.00 per square foot was concluded providing and indication as follows:

| | |
|---|---|
| **Indicated Value per Square Foot:** | $23.00 |
| **Subject Size:** | 61,900 |
| **Indicated Value:** | $1,423,700 |
| **Rounded:** | $1,420,000 |
| **One Million Four Hundred Twenty Thousand Dollars** | |

## *Final Reconciliation*

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

## *Value Indications*

| | |
|---|---|
| **Land Value:** | $410,000 |
| **Cost Approach:** | $1,540.00 |
| **Sales Comparison Approach:** | $1,420,000 |
| **Income Approach:** | N/A |

### Cost Approach

Adequate data was available to develop a land value of the subject site, as vacant. Marshall & Swift cost data was used to estimate the replacement cost new of the building shell(s). Due to the age of the improvements, a very large depreciation deduction was necessary; the economic age-life method was applied based on the subject's effective age. Such large depreciation adjustments are considered to weaken the reliability of the cost approach, which is most applicable for newer properties that are improved to their highest and best use. This approach supports the sales comparison approach, but was given least emphasis.

### Sales Comparison Approach

In the sales comparison approach, we analyzed sales of building shells and/or buildings that were purchased or were suitable for redevelopment. Adequate data was available for comparison, and the value indication of this approach was considered reliable, as it reflects the actions of buyers and sellers in the market. This approach was considered most appropriate in the valuation of a shell building such as the subject, and was emphasized.

### Income Approach

As previously discussed the subject was appraised as a shell building; it is not suitable for occupancy or rental at this time. No comparable rental data was available for large shell structures. As such, this approach was not developed.

## *Value Conclusion*

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

**Reconciled Value(s):**

Premise: Shell Building (per hypothetical condition)
Interest: Fee Simple
Value Conclusion: $1,500,000
**One Million Five Hundred Thousand Dollars**

# Exposure Time

Terminology abounds in the real estate appraisal profession. Two related but different concepts that are often confused are Exposure Time and Marketing Time. USPAP specifically addresses the confusion.

| Term | Definition | Explanation |
|---|---|---|
| Exposure Time (Statement 6) | *"... 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".* | Backward looking; ends on the effective value date. Based on factual, past events. |
| Marketing Time (Advisory Opinion 7) | *"... an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value during the period immediately after the effective date of the appraisal".* | Forward looking; starts on the effective value date. A forecast based on expectancies of future occurrences. |

Marketing time and exposure time are both influenced by price. That is, a prudent buyer could be enticed to acquire the property in less time if the price were less. Hence, the time span cited below coincides with the value opinion(s) formed herein.

USPAP Standard rule 1-2(c)(iv) requires an opinion of exposure time, not marketing time, when the purpose of the appraisal is to estimate market value.

The current listing of the subject originated approximately 6 months ago, although has been offered for sale prior to the current listing. The comparable improved sales and listings used in the sales comparison approach were exposed to the market for 1 to 6 years prior to sale. The high marketing times are attributed to overpricing, a limited pool of buyers for these vacant or predominantly vacant larger buildings, and general market conditions. Given the large size of the subject and limited demand for this relatively large amount of space, an extended exposure time would be necessary.

With consideration of these factors, and market conditions over the last few years, an exposure time of 3-4 years is estimated. Marketing time would be likely be less, as the market appears to have bottomed out and signs of improvement are beginning to show.

## 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 conclusion were developed, and this report has been prepared in conformity with the requirements of the Code of Profession Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice.
- Use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- T. James Cooksey is a designation member of the Appraisal Institute and has completed the continuing education program prior to this preparation date.
- Howard J. Cooksey is a designation member of the Appraisal Institute and has completed the continuing education program prior to this preparation date.
- 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.
- Howard J. Cooksey has made an inspection of the subject property.
- T. James Cooksey has made an inspection of the subject property.

Howard J. Cooksey, MAI
State-Certified General Real Estate Appraiser
RZ2265

T. James Cooksey, MAI, CCIM
State-Certified General Real Estate Appraiser
RZ343

# Addenda

## *Legal Description*

PARCEL I

OFF REC 0894 PAGE 175

BLOCKS 18, 33, 34 AND 37, TOWN OF BUNNELL, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 1, PAGE 2, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, LESS ROAD RIGHT-OF-WAY IN DEED BOOK 23, PAGE 207 AND DEED BOOK 24, PAGE 539 AND PARTIAL RELEASE IN DEED BOOK 39, PAGE 59 AND LESS THE SOUTH 27 FEET OF LOTS 7, 8, 9, 10, 11, AND 12 AND THE NORTH 23 FEET OF LOTS 1, 2, 3, 4, 5 AND 6, BLOCK 33, TOGETHER WITH THE NORTHEASTERLY ½ OF VACATED SOUTH PEACH STREET AND THE SOUTHWESTERLY ½ OF VACATED SOUTH ORANGE STREET VACATED BY CITY OF BUNNELL ORDINANCE #1979-4, RECORDED IN OFFICIAL RECORDS BOOK 264, PAGE 501, (SUBJECT TO RESERVATION OF EASEMENT), AND ALL RIGHT, TITLE AND INTEREST IN AND TO THE ALLEYWAYS VACATED BY CITY OF BUNNELL ORDINANCE #1977-1, RECORDED IN OFFICIAL RECORDS BOOK 85, PAGE 555, AND THAT PORTION OF PEACH STREET AND ORANGE STREET LYING SOUTH OF EAST COURT AVENUE AND NORTH OF EAST CANAL AVENUE AS VACATED BY CITY OF BUNNELL ORDINANCE NO. 1977-2, RECORDED IN OFFICIAL RECORDS BOOK 85, PAGE 556; ALSO MARION STREET BETWEEN THE NORTHERLY INTERSECTION OF CANAL AVENUE AND THE NORTHERLY INTERSECTION OF SOUTH LEMON STREET, AS NOW LAID OUT AND PLATTED PER SAID TOWN OF BUNNELL, AS RECORDED IN OFFICIAL RECORDS BOOK 315, PAGE 63; ALL SITUATED AND RECORDED IN THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, SAID PARCEL ALSO BEING DESCRIBED AS PARCELS 1-A, II-A AND II-B BELOW.

PARCEL I-A

BEGINNING AT THE NORTHWESTERLY CORNER OF BLOCK 37, AS SHOWN ON THE PLAT, MAP OF BUNNELL, RECORDED IN PLAT BOOK 1, PAGE 2, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, THENCE NORTH 40°13'00" EAST ALONG THE NORTHWESTERLY BOUNDARY OF BLOCKS 37, 34, AND IS OF SAID PLAT 730.0 FEET TO A POINT ON THE NORTHEASTERLY CORNER OF BLOCK 18, SAID POINT BEING ON THE SOUTHWESTERLY RIGHT-OF-WAY OF SOUTH L??ON STREET 50 FOOT RIGHT-OF-WAY, THENCE SOUTH 51°00'00" EAST 172.40 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF MARION STREET 25 FOOT RIGHT-OF-WAY, THENCE SOUTH 00°13'44" WEST ALONG SAID WESTERLY RIGHT-OF-WAY OF MARION STREET 198.66 FEET TO A POINT ON THE NORTH WESTERLY RIGHT-OF-WAY OF CANAL AVENUE, THENCE SOUTH 40°13'00" WEST ON THE SOUTHERLY BOUNDARY OF BLOCKS 13, 34, AND 37, 574.83 FEET TO THE SOUTHWESTERLY CORNER OF BLOCK 37, THENCE NORTH 51°00'00" WEST 300.0 FEET TO THE POINT OF BEGINNING. ALSO MARION STREET BETWEEN NORTHERLY INTERSECTION OF CANAL AVENUE AND THE NORTHERLY INTERSECTION OF SOUTH L??ON STREET, AS NOW LAID OUT AND PLATTED, TOWN OF BUNNELL, MAP BOOK 1, PAGE 2, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, AS RECORDED IN OFFICIAL RECORDS BOOK 315, PAGE 63, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA.

UNOFFICIAL DOCUMENT

PARCEL II-A

BEGINNING AT THE NORTHEASTERLY CORNER OF LOT 12, BLOCK 33, AS SHOWN ON THE PLAT, MAP OF BUNNELL, RECORDED IN PLAT BOOK 1, PAGE 2, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, THENCE SOUTH 40°13'00" WEST ALONG THE NORTHWESTERLY RIGHT-OF-WAY OF EAST COURT AVENUE, A 50 FOOT RIGHT-OF-WAY 73.0 EAST, THENCE NORTH 51°00'00" WEST 285.0 FEET TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY OF STATE ROAD 100 ?? FOOT RIGHT-OF-WAY, THENCE NORTH 40°13'00" EAST ALONG SAID RIGHT-OF-WAY OF STATE ROAD 11, 98.0

FEET, THENCE SOUTH 51°00'00" EAST 285.00 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY OF SAID EAST COURT AVENUE, THENCE SOUTH 40°13'00" WEST 25 FEET TO THE POINT OF BEGINNING

PARCEL II-B

BEGINNING AT THE SOUTHERLY CORNER OF LOT 1, BLOCK 33, AS SHOWN ON THE PLAT, MAP OF BUNNELL, RECORDED IN PLAT BOOK 1, PAGE 2, OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, THENCE SOUTH 40°13'00" WEST ALONG THE NORTHWESTERLY RIGHT-OF-WAY OF EAST COURT AVENUE, 50 FOOT RIGHT-OF-WAY 25.0 FEET, THENCE NORTH 51°00'00" WEST 285.0 FEET TO THE SOUTHEASTERLY RIGHT-OF-WAY OF STATE ROAD 100, 80 FOOT RIGHT-OF-WAY, THENCE NORTH 40°13'00" EAST ALONG SAID RIGHT-OF-WAY 102.00 FEET, THENCE SOUTH 51°00'00" EAST 285.00 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY OF SAID EAST COURT AVENUE, THENCE SOUTH 40°13'00" WEST 77.0 FEET TO THE POINT OF BEGINNING.

PARCEL IV

PARTS OF TRACTS 11 AND 14, BLOCK "C", SECTION 11, TOWNSHIP 12 SOUTH, RANGE 30 EAST OF BUNNELL DEVELOPMENT COMPANY SUBDIVISION, MAP BOOK 1, PAGE 1, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY RIGHT-OF-WAY LINE OF CANAL AVENUE (50' R/W) WITH THE EASTERLY RIGHT-OF-WAY LINE OF MARION STREET (25' R/W VACATED PER OFFICIAL RECORDS BOOK 315, PAGE 63 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA), SAID POINT ALSO BEING ON THE WESTERLY LINE OF SAID TRACT 14, BLOCK "C", SECTION 11, TOWNSHIP 12 SOUTH, RANGE 30 EAST OF BUNNELL DEVELOPMENT COMPANY SUBDIVISION; THENCE N00°17'12"E ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF MARION STREET AND SAID WESTERLY LINE OF TRACT 14 AND TRACT 11, BLOCK "C", A DISTANCE OF 147.86 FEET TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SOUTH LEMON STREET (50' R/W); THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY LINE OF MARION STREET AND WESTERLY LINE OF TRACTS 14 AND 11, S51°06'13"E FOR A DISTANCE OF 94.91 FEET; THENCE DEPARTING SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF SOUTH LEMON STREET S40°12'30"W FOR A DISTANCE OF 115.57 FEET TO THE AFOREMENTIONED POINT OF BEGINNING.

DRAFT

## *Marshall & Swift - SwiftEstimator*
## *Commercial Estimator - Detailed Report*

# General Information

| | | | |
|---|---|---|---|
| **Estimate ID:** | 7415 | **Date Created:** | 07-09-2013 |
| **Property Owner:** | Flagler Crossroads | **Date Updated:** | 07-09-2013 |
| **Property Address:** | 901 E. Moody Boulevard<br>Bunnell, FL 32110 | **Date Calculated:** | 07-10-2013 |
| **Local Multiplier:** | | **Cost Data As Of:** | 07-2013 |
| **Architects Fee:** | | **Report Date:** | using default |

# Building 1

| | | | |
|---|---|---|---|
| **Area** | 57800 | **Overall Depreciation %** | |
| **Stories in Section** | 1 | **Physical Depreciation %** | |
| **Stories in Building** | | **Functional Depreciation %** | |
| **Shape** | very irregular | **External Depreciation %** | |
| **Perimeter** | (auto-calc) | | |
| **Effective Age** | | | |

# Occupancy Detail

| **Occupancy** | **%** | **Class** | **Height** | **Quality** |
|---|---|---|---|---|
| 492 Shell, Office | 100 | C | 14 | 2.0 |
| **Occupancy Total Percentage** | 100 | | | |

**System : Exterior Walls**

| | **%/Units** | **Quality** | **Depr %** | **Other** |
|---|---|---|---|---|
| 804 Exterior Walls : Block with Stucco | 100 | Occ. | | |
| **Total Percent for Exterior Walls:** | **100** | | | |

| | **Units** | **Unit Cost** | **Total Cost New** | **Less Depreciation** | **Total Cost Depreciated** |
|---|---|---|---|---|---|
| **Basic Structure** | | | | | |
| Base Cost | 57,800 | 29.43 | 1,701,054 | | 1,701,054 |
| Exterior Walls | 57,800 | 21.38 | 1,235,764 | | 1,235,764 |
| **Basic Structure Cost** | **57,800** | **50.81** | **2,936,818** | **0** | **2,936,818** |

# Building 2

| | | | |
|---|---|---|---|
| **Area** | 4100 | **Overall Depreciation %** | |
| **Stories in Section** | 1 | **Physical Depreciation %** | |
| **Stories in Building** | | **Functional Depreciation %** | |
| **Shape** | rectangular | **External Depreciation %** | |
| **Perimeter** | (auto-calc) | | |

**Effective Age**

## Occupancy Detail

| Occupancy | % | Class | Height | Quality |
|---|---|---|---|---|
| 344 Office Building | 100 | C | 9 | 1.0 |
| **Occupancy Total Percentage** | 100 | | | |

**System : Exterior Walls**

| | %/Units | Quality | Depr % | Other |
|---|---|---|---|---|
| 812 Exterior Walls : Concrete Block | 100 | Occ. | | |
| **Total Percent for Exterior Walls:** | **100** | | | |

| | Units | Unit Cost | Total Cost New | Less Depreciation | Total Cost Depreciated |
|---|---|---|---|---|---|
| **Basic Structure** | | | | | |
| Base Cost | 4,100 | 48.86 | 200,326 | | 200,326 |
| Exterior Walls | 4,100 | 15.02 | 61,582 | | 61,582 |
| Heating & Cooling | 4,100 | 1.82 | 7,462 | | 7,462 |
| **Basic Structure Cost** | **4,100** | **65.70** | **269,370** | **0** | **269,370** |

***Except for items and costs listed under "Addition Details," this SwiftEstimator report has been produced utilizing current cost data and is in compliance with the Marshall & Swift Licensed User Certificate. This report authenticates the user as a current Marshall & Swift user.***

## *Qualifications of Appraiser*

*Howard J. Cooksey, MAI*
*FLORIDA State-Certified General Real Estate Appraiser RZ 0002265*

*Education*
Bachelor of Arts Degree, Economics
University of South Florida, August 1994
Tampa, Florida

*Real Estate/Appraisal Courses & Seminars*

- **National USPAP Update (2012-2013)**
  McKissock Appraisal School-Successfully Completed-November 2012
- **The Dirty Dozen**
  McKissock Appraisal School-Successfully Completed-November 2012
- **Even Odder – More Oddball Appraisals**
  McKissock Appraisal School-Successfully Completed-November 2012
- **The Nuts & Bolts of Green Building for Appraisers**
  McKissock Appraisal School-Successfully Completed-November 2012
- **Appriasing FHA Today**
  McKissock Appraisal School-Successfully Completed-November 2012
- **Florida Appraisal Laws & Regulations**
  McKissock Appraisal School-Successfully Completed-November 2012
- **National USPAP Update (2010)**
  McKissock Appraisal School-Successfully Completed-November 2010
- **Current Issues in Appraising**
  McKissock Appraisal School-Successfully Completed-November 2010
- **Ad Valorem Tax Consulting**
  McKissock Appraisal School-Successfully Completed-November 2010
- **Supervisor/Trainee Roles & Relationships**
  McKissock Appraisal School-Successfully Completed-November 2010
- **Appraising Apartments, The Basics**
  McKissock Appraisal School-Successfully Completed-November 2010
- **Florida Core Law**
  McKissock Appraisal School-Successfully Completed-November 2010
- **National USPAP Update (2008)**
  Bert Rodgers-Successfully Completed-September 2008
- **General Demonstration Report Writing Seminar**
  Appraisal Institute-Successfully Completed-April 1, 2008
- **Florida State Law for Real Estate Appraisers**
  Appraisal Institute-Successfully Completed – February 2008
- **Supervisor/Trainee Roles & Relationships**
  Appraisal Institute-Successfully Completed – February 2008
- **The Valuation of Wetlands**
  Appraisal Institute – September 2007
- **Comprehensive Appraisal Workshop**
  Ted Whitmer Seminars – July 2007
- **Computer Enhanced Cash Flow Modeling**
  Appraisal Institute-Successfully Completed - March 2007
- **Analyzing Operating Expenses**
  Appraisal Institute-November 2006
- **Using Your HP12C Financial Calculator**
  Appraisal Institute-October 2006

- **Florida Dirty Dozen**
  McKissock Appraisal School-October 2006
- **Analyzing Distressed Real Estate**
  Appraisal Institute-October 2006
- **Florida National USPAP Update Equivalent 2006**
  McKissock Appraisal School-October 2006
- **Real Estate Finance: Value and Investment Performance**
  Appraisal Institute – November 2004
- **Sales Comparison Approach: General Applications**
  Bert Rodgers Schools – September 2004
- **Communicating The Appraisal**
  Bert Rodgers Schools – September 2004
- **Federal National Mortgage Association**
  Bert Rodgers Schools – September 2004
- **Real Estate, Mortgages, and the Law**
  Bert Rodgers Schools – September 2004
- **Residential Subdivision Analysis (ACE01-24)**
  Bert Rodgers Schools, Inc.—November 2002
- **Communicating the Appraisal (ACE01-22)**
  Bert Rodgers Schools, Inc.—November 2002
- **Analyzing Commercial Lease Clauses**
  Appraisal Institute, Successfully Completed—February 2002
- **FREC Course I: Principles, Practices & Law/Real Estate Salesperson Pre-licensing**
  Climer School of Real Estate, February 2002
- **Real Estate Fraud: The Appraiser's Responsibilities and Liabilities**
  Appraisal Institute, Successfully Completed—February 2002
- **Legal Issues in Valuation (MSRA 610)**
  University of St. Thomas, January 2001
- **540: Report Writing**
  Appraisal Institute, Successfully Completed—July 2000
- **550: Advanced Applications**
  Appraisal Institute, Successfully Completed—March 2000
- **Appraising From Blueprints and Specifications Seminar**
  Appraisal Institute, Successfully Completed—February 2000
- **Standards of Professional Practice, Part C**
  Appraisal Institute, Successfully Completed—December 1999
- **Argus Lease By Lease Training**
  DCF Consulting & Services, Ltd., November 1999
- **FHA & The Appraisal Process Seminar**
  Appraisal Institute, Successfully Completed—September 1999
- **520: Highest and Best Use & Market Analysis**
  Appraisal Institute, Successfully Completed—August 1999
- **Cost Approach, Feasibility & Highest and Best Use Seminar**
  Ted Whitmer, MAI, CCIM, January 1999
- **Uniform Standards of Professional Appraisal Practice/Florida Core Law Update**
  McKissock Data Systems, September 1998
- **530: Advanced Sales Comparison and Cost Approaches**
  Appraisal Institute, Challenged—May 1998
- **510: Advanced Income Capitalization**
  Appraisal Institute, Successfully Completed—May 1998
- **Data Confirmation and Verification Methods Seminar**
  Appraisal Institute, Successfully Completed—June 1996
- **320: General Applications**
  Appraisal Institute, Successfully Completed—May 1996

- **420: Standards of Professional Practice, Part B**
  Appraisal Institute, Successfully Completed—June, 1994
- **310: Basic Income Capitalization**
  Appraisal Institute, Successfully Completed—May, 1994
- **410: Standards of Professional Practice (USPAP), Part A**
  Appraisal Institute, Successfully Completed—October, 1993
- **120: Appraisal Procedures**
  Appraisal Institute, Successfully Completed—August, 1993
- **110: Appraisal Principles**
  Appraisal Institute, Successfully Completed—March, 1993
- **Principles of Real Estate**
  University of South Florida, 1992

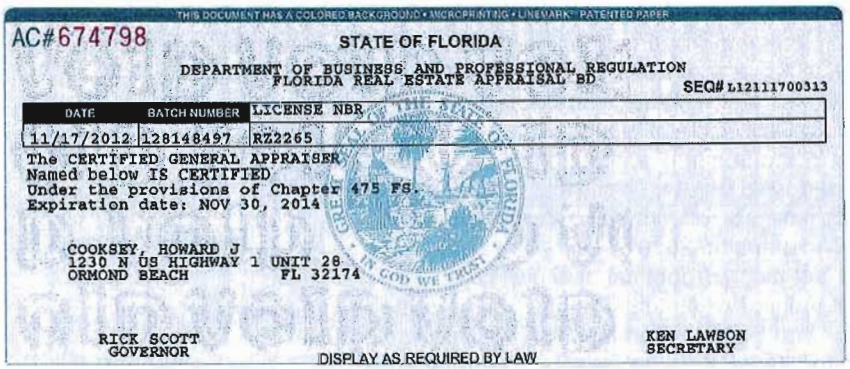
### *Professional Affiliations*

- Appraisal Institute; MAI Member
- FHA Approved Appraiser
- Licensed Real Estate Salesperson – State of Florida
- Daytona Beach Area Association of Realtors, Member

### *Experience*

General Appraiser
Cooksey & Associates, Inc. f/k/a Massie, Cooksey & Associates, Inc.
Daytona Beach, Florida
(1993 – Present)

*Types of properties appraised include:* Single and multi-tenant industrial, retail, office, and general commercial properties, shopping centers, mobile home parks, multi-family properties, condominiums, vacant land, subdivisions, and single family residences.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STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

SEQ# L12111700313

| DATE | BATCH NUMBER | LICENSE NBR |
|---|---|---|
| 11/17/2012 | 128148497 | RZ2265 |

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2014

COOKSEY, HOWARD J
1230 N US HIGHWAY 1 UNIT 28
ORMOND BEACH FL 32174

RICK SCOTT
GOVERNOR

DISPLAY AS REQUIRED BY LAW

KEN LAWSON
SECRETARY

*T. James Cooksey, MAI, CCIM*
***State-certified general real estate appraiser RZ343***

## *Education*

Bachelor of Arts Degree, Behavioral Science, University of South Florida, 1973 with minor studies in accounting & economics.

## *Partial List of Specialized Appraisal & Real Estate Education:*

Course 101 - Introduction to Appraising Real Property, 1976
Course 102 - Applied Residential Property Valuation, 1984
Course 201 - Principles of Income Property Appraising, 1984
Course 202 - Applied Income Property Valuation, 1985
Appraisal Regulations of the Federal Banking Agencies Seminar, 1991
Case Studies, University of San Diego, Appraisal Institute, June 10-15, 1991
Litigation Valuation, University of Colorado, Appraisal Institute, June, 1992
Appraisal of Retail Properties, Appraisal Institute, 1995
Special Purpose Properties: The Challenges of Appraising in Limited Markets, Appraisal Institute 1995
Business Valuation Parts I & II, Appraisal Institute, 1996
Market Analysis of Commercial Real Estate, CIREA, 1997
Decision Analysis for Commercial Real Estate, CIREA, 1997
Eminent Domain – September 27, 1998
Highest & Best Use Applications – Appraisal Institute 1998
FHA And The Appraisal Process – September 2, 1999
Valuation of Detrimental Conditions in Real Estate, November 1999
Partial Interest Valuation, Divided – Appraisal Institute, September 8, 2000
Marina Valuation – International Marina Institute, January 2002
Analyzing Commercial Lease Clauses, Appraisal Institute, February 2002
Separating Real & Personal Property from Intangible Business Assets, May 2002
Subdivision Analysis-November 2003
Eminent Domain Conference – CLE, Tampa October 2004
Computer Enhanced Cash Flow Modeling, Appraisal Institute, February 2006
Uniform Appraisal Standards for Federal Land Acquisitions, April 2007
Analyzing Distressed Real Estate, December 2007
Supervisor/Trainee Roles & Relationships, November 2010
Ad Valorem Tax Consultation, 2010
Small Hotel/Motel Valuation, Appraisal Institute, 2010
Feasibility, Market Value, Investment Timing: Option Value, Appraisal Institute 2010
Business Practices and Ethics, Appraisal Institute December 2012
Florida State Law for Real Estate Appraisers, February 2012
USPAP Update – McKissock, November 2012
Appraising & Analyzing Retail Shopping Centers for Mortgage Underwriting, McKissock 2012
Appraising & Analyzing Industrial & Flex Buildings for Mortgage Underwriting, McKissock 2012
Appraisal Curriculum Overview – General, Appraisal Institute, November 2012

## *Employment History*

| | |
|---|---|
| Military | 1968-1970 USAF, Weather Observer |
| Banking | 1974 – 1976 Florida National Bank, St. Petersburg, Fl, Credit Analyst |
| | 1976 – 1981 Ellis Banking Corporation, Bradenton, Flagler County and Ormond Beach, Fl; Holding Company Staff Auditor, Bank Operations & Vice President, Commercial Lending |
| Appraisal | 1981 – Present. Cooksey & Associates, f/k/a Massie Appraisal Company acquired after |

retirement of founder E.R. Massie, Jr. MAI, JD in 1987

Teaching Adjunct professor Daytona Beach Community College, Real Estate Appraisal State Certification (AB1) 1989 - 2003

## *Appraisal Experience*

Vacant land and acreage, subdivisions, farms, single family residences, mobile home parks, condominiums, motels, timeshare projects, banking facilities, warehouses, industrial, apartment projects, retail stores, shopping centers, office buildings gas station/convenience stores, restaurants, condemnation/litigation and market/feasibility studies.

## *Partial List of Clients:*

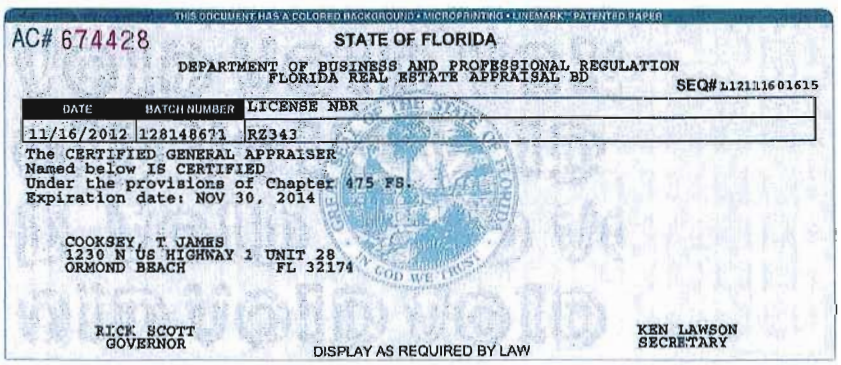
| | | |
|---|---|---|
| Bank of America | Florida Community Bank | City of Port Orange |
| Fifth Third | PNC | City of Daytona Beach |
| National City Bank | Main Street Bank | Florida Power & Light |
| RBC Bank | Surety Bank | FDIC |
| Wells Fargo | Gateway Bank | Harbor Community Bank |
| Floridian Bank | Regions Bank | Dept. of Natural Resources |
| Intracoastal Bank | Prosperity Bank | International Speedway Corp |
| Hancock Bank | BB&T | City of Flagler Beach |
| Halifax Health Systems | Flagler County Commission | Daytona State College |
| City of Ormond Beach | Volusia County Public Works | Embry Riddle University |
| Space Coast Credit Union | Florida Hospital – Adventist Health | Bethune- Cookman University |

## *Professional Memberships*

- MAI - Member of the Appraisal Institute
- CCIM, Certified Commercial Investment Member - Commercial Investment Real Estate Institute
- State of Florida Certified General Real Estate Appraiser #0000343
- Licensed Real Estate Broker, Member of Daytona Beach, Flagler County and New Smyrna Beach Board of Realtors
- Past President - Appraisal Institute, Volusia/Flagler Chapter, 1991; Current Chairman of the Admissions Committee of East Florida Chapter of Appraisal Institute
- Ormond Beach Rotary Club, President-Elect

## *Continuing Education Requirement*

The Appraisal Institute conducts a program of continuing education for its designated members. Members who meet the minimum standards of this program are awarded periodic educational certification. I have completed the requirements under the continuing education program of the Appraisal Institute.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