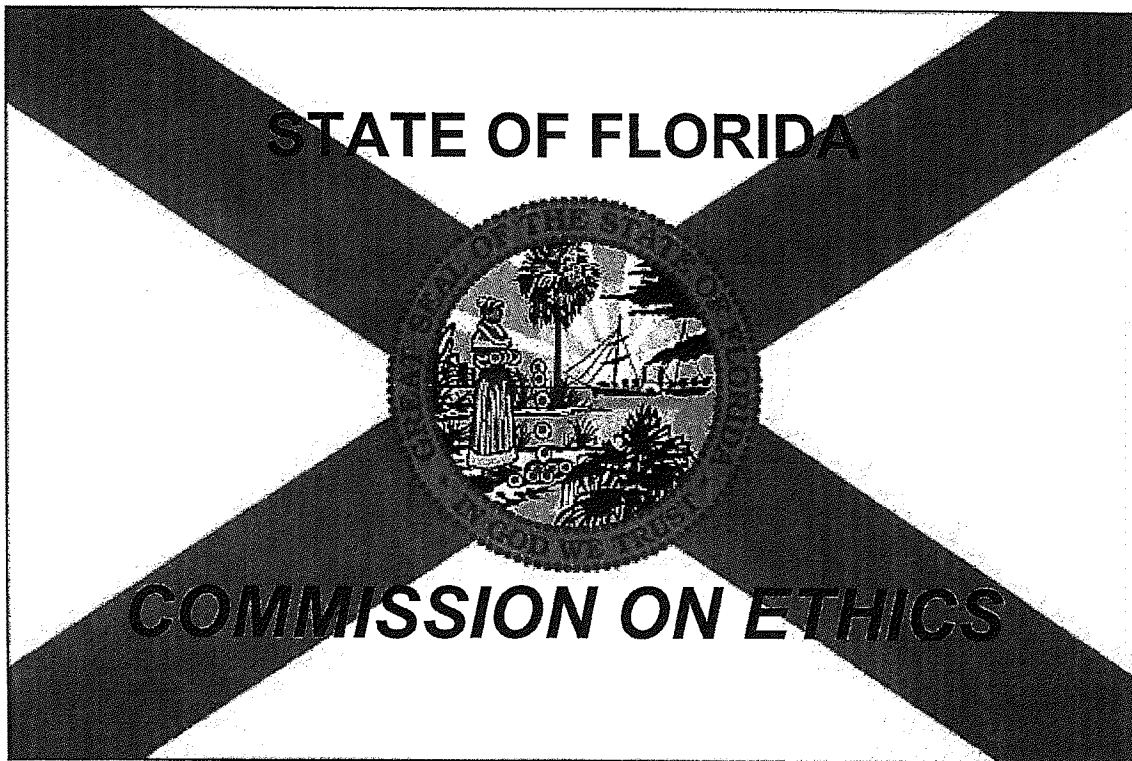


REPORT OF INVESTIGATION



Complaint Number 14-082

NOTICE CONCERNING CONFIDENTIALITY

This report of investigation concerns an alleged violation of Chapter 112, Part III, Florida Statutes, or other breach of public trust under provisions of Article II, Section 8, Florida Constitution. The Report and any exhibits may be confidential (exempt from the public records law) pursuant to Section 112.324, Florida Statutes, and Chapter 34-5, F.A.C., the rules of the Commission on Ethics. Unless the Respondent has waived the confidentiality in writing, this report will remain confidential until one of the following occurs: (1) the complaint is dismissed by the Commission; (2) the Commission finds sufficient evidence to order a public hearing; or (3) the Commission orders a public report as a final disposition of the matter.

STATE OF FLORIDA
COMMISSION ON ETHICS
Post Office Drawer 15709
Tallahassee, Florida 32317-5709

REPORT OF INVESTIGATION

TITLE: Barbara Sue Revels
Flagler County Commissioner, District 3
Flagler Beach, Florida

COMPLAINT NO.: 14-082
Exhibits A through G

INVESTIGATED BY: Roberto Anderson-Córdova
Roberto Anderson-Córdova

Distribution: Commission on Ethics
Respondent
Advocate
File

Releasing Authority: V. L. Anderson
Executive Director

12/1/14
Date

* * * *

**REPORT OF INVESTIGATION
COMPLAINT NO. 14-082**

(1) Mr. Ray Stevens of Palm Coast alleges that Ms. Barbara Sue Revels, a Flagler County Commissioner, failed to declare a conflict of interest, file a voting conflict form, and abstain from voting on County Commission measure(s) related to the County's purchase of real property, where the Respondent was a stockholder in a privately held bank and the president of that bank (also a stockholder) was an officer of the company selling the property to the County. The Complainant further alleges that the Respondent received from the bank, prior to her vote on the measure relating to the property purchase, an increase in the amount of an existing loan.

(2) The Executive Director of the Commission on Ethics noted that based upon the information provided in the complaint, the above-referenced allegations were sufficient to warrant a preliminary investigation to determine whether the Respondent's actions violated Sections 112.3143(3)(a), Florida Statutes (Voting Conflicts) and 112.313(4), Florida Statutes (Unauthorized Compensation).

VOTING CONFLICT ALLEGATIONS

(3) The Complainant alleges that Commissioner Revels voted on August 1, 2013, in favor of the County's purchase of the "Old Flagler Hospital," located at 901 Moody Boulevard East, Bunnell, Florida, for \$1.23 million from Flagler Crossroads, Inc. Mr. Stevens alleges that Mr. Bruce Page is a corporate officer of Flagler Crossroads and that the corporation realized a net gain of \$125,000 when Flagler Crossroads sold the Old Flagler Hospital to the County.

Note: The County purchased the property to be used as the new Flagler County Sheriff's Office Operations Center.

(4) The Complainant further alleges that Commissioner Revels is a business associate of Mr. Page in that they both are shareholders of Intracoastal Bank, with her owning \$100,000 worth of stock in the bank. The Complainant noted that Mr. Page is also Chief Executive Officer (CEO) and President of Intracoastal Bank.

(5) Although not alleged in the complaint, the minutes of the May 6, 2013, Flagler County Board of Commissioners meeting (Exhibit A) reflect that the Respondent made a motion and voted to "approve County Administration moving forward with due diligence on the old hospital property stretching the due diligence period to 90 days, requesting an appraisal either by the appraiser who did the previous appraisal updating it or from a new independent appraiser such that the final purchase price would not exceed appraised value. Seconded by Commissioner Hanns . . . Chair McLaughlin called the question. Motion carried 3 to 2 with Commissioners Meeker and Ericksen dissenting."

(6) The minutes of the August 1, 2013, Flagler County Board of Commissioners meeting (Exhibit B) reflect that the Respondent voted in favor of the County's purchase of the Old

Flagler Hospital. Commissioner Revels made the motion to "direct staff to proceed with the closing of their option contract on the old hospital and immediately start the design process for the Sheriff's Operation Center . . . The motion carried 4-1 with Commissioner Ericksen dissenting."

(7) Page A-13 of the complaint amendment demonstrates that Flagler County bought the Old Flagler Hospital property from Flagler Crossroads for a total of \$1,230,035.50.

(8) Mr. Page acknowledged he was one of the three owners of Flagler Crossroads when the company sold the "Old Flagler Hospital" to Flagler County for approximately \$1.23 million. Mr. Page related that he owned Flagler Crossroads along with business partners Michael Chiumento and James Newslow. Mr. Page explained that he and Flagler Crossroads did not make any profit from the sale of the property. He provided Flagler Crossroads' 2013 Internal Revenue Service Tax Return Form 11205 (Exhibit C) to demonstrate that the company experienced a financial loss of \$863,464. The 2013 IRS Tax Return Form lists Mr. Page as owning 33% of the stock of Flagler Crossroads and that he had a loss of \$284,943 from the sale of the property.

(9) Mr. Page stated Flagler Crossroads bought the property in question for \$1,650,000 on July 1, 2005. He reported that for eight years Flagler Crossroads spent approximately \$145,811.62 annually in costs to maintain the property.

(10) Mr. Page stated that he and Commissioner Revels are not business partners, that she has never had any ownership interest in Flagler Crossroads, and that they do not have any future business ventures planned. He acknowledged that both he and the Respondent are founding shareholders of Intracoastal Bank, which is a privately held bank not listed on any national or regional stock exchange, and have owned stock in the bank since 2008, but he maintains that the sale of the Old Flagler Hospital had no impact on Intracoastal Bank's stock.

(11) Florida Department of State, Division of Corporations' records reflect that the Respondent has never been a corporate officer of Flagler Crossroads and that this company was dissolved on December 31, 2013.

(12) Commissioner Revels stated that, other than both being shareholders of Intracoastal Bank, she has not had any business relationship with Mr. Page and that she was not a silent partner in Flagler Crossroads. The Respondent added that the sale of the Old Flagler Hospital to the County did not cause her to have any financial gain or loss. When asked whether she knew that Mr. Page was a shareholder of Intracoastal Bank at the time she voted she responded through her attorney:

I never really thought about it in that way. He is the CEO, employed by the bank, I guess one might assume he invested in the startup, but that has never been discussed by him around me. That would have been highly inappropriate for him to say something like that as I am not in that "inner circle" of the Board of Directors. Nor do I have any kind of personal relationship with Mr. Page

that he would discuss his personal finances. I bought stock and put my business banking there, that was it.

(13) Upon further questioning, Commissioner Revels stated that she did not know that Mr. Page was a shareholder of Intracoastal Bank at the time she voted on May 6, 2013, and August 1, 2013.

(14) Mr. Page stated that Commissioner Revels "absolutely" knew he was a shareholder of Intracoastal Bank because the fact that he was a shareholder was "clearly disclosed" in Intracoastal Bank's "Offering Circular" and "Subscription Agreement" that Commissioner Revels signed to become a shareholder in 2007. He added that every Intracoastal Bank shareholder received an Offering Circular and completed a Subscription Agreement. Mr. Page added that it is "standard practice that the President/CEO of a community bank has a material ownership in the bank, typically. You want the executive to have a stake in the business and share your interest as a shareholder. That's common."

(15) Pages 15 and 16 of the Offering Circular (composite Exhibit D) demonstrate that Mr. Page is a shareholder of Intracoastal Bank with 3.7 percent of the total shares. Pages 4 and 5 of the Subscription Agreement (composite Exhibit D) demonstrate that Commissioner Revels signed the documents which agree to the terms in the Offering Circular.

(16) Commissioner Revels stated that she does not recall having read the Offering Circular or signed the Subscription Agreement.

(17) Mr. Page stated that he attends the Intracoastal Bank Annual Shareholder Meetings.

(18) Mr. Page confirmed that Mr. Chiumento and Mr. Newslow, the two other officers (owners) of Flagler Crossroads, also have been shareholders of Intracoastal Bank since the bank's inception in 2008.

(19) Commissioner Revels affirmed that she knew at the time she voted on May 6, 2013, and August 1, 2013, that Mr. Chiumento is a shareholder of Intracoastal Bank and that he was a co-owner of the Old Flagler Hospital. She added that she knew that Mr. Chiumento was a shareholder of Intracoastal Bank because it is "common knowledge . . . that if you were a Board of Director [member] you owned a lot of stock in the bank. So I believe that anybody that is a Board of Director [member], separate aside from the CEO, that they owned a fair amount of stock in that bank."

(20) Mr. Page stated that Mr. Chiumento was a member of the Intracoastal Bank Board of Directors from 2008 through 2013. He added that Mr. Newslow has never been a member of the Intracoastal Bank Board of Directors.

(21) Mr. Thomas Hury, the Senior Vice President and Chief Risk Officer for Intracoastal Bank reported that Mr. Chiumento owns 43,000 shares or 2.94 percent of shares in the bank, and Mr. Newslow owns 10,000 shares or 0.685 percent of shares in the bank.

(22) Mr. Page stated that Mr. Newslow has been to approximately half of the Annual Intracoastal Bank Shareholder Meetings since 2008. He noted that Mr. Newslow has been present at the last two annual shareholder meetings (2013 and 2014). Mr. Page stated that Mr. Chimento has been to all of the annual shareholder meetings since 2008 with the exception of the last one held in March 2014. Mr. Page recalled that Commissioner Revels has been to all or almost all of the annual shareholder meetings since 2008. Mr. Page stated that everybody knows that people present at the annual shareholder meetings are there because they are shareholders.

(23) Commissioner Revels stated she did not know Mr. Newslow was a shareholder of Intracoastal Bank at the time that she voted on May 6, 2013 and August 1, 2013, and does not recall having ever seen him at an Intracoastal Bank Annual Shareholder meeting.

(24) Commissioner Revels stated she "never had a thought in the world" that her vote on the Old Flagler Hospital purchase could be a conflict of interest, since she and her relatives have no business relationship with officers of Flagler Crossroads or Intracoastal Bank where she could have realized a gain or loss. She explained that she did not ask anyone for advice on whether she had a possible conflict of interest because she had taken ethics classes with the Florida Association of Counties and believed she had a clear understanding of what constitutes a voting conflict.

(25) Commissioner Revels acknowledged that she has been a shareholder of Intracoastal Bank since 2008. She added that her initial shareholder amount was \$100,000 and that she believes her stock has increased by approximately 15 percent since 2008. The Respondent stated that she owns less than one percent of the Intracoastal Bank shares. Commissioner Revels added that she has no knowledge of how Intracoastal Bank invests its money, but she believes that the sale of the Old Flagler Hospital had no impact on Intracoastal Bank.

(26) Ms. Cheryl Tanenbaum, the Senior Vice President and Chief Financial Officer confirmed that the Respondent owns 10,000 shares of Intracoastal Bank stock and that the purchase date of the stock was September 30, 2007. She added that this represents 0.6855% of outstanding Intracoastal Bank shares and that the value of the stock at the time of purchase was \$10 per share which equates to \$100,000.00.

(27) Mr. Page stated that he currently owns 4.62 percent (67,500 shares of a total 1,458,755 shares) of Intracoastal Bank stock and owned 3.63 percent (50,000 shares of a total 1,378,550 shares) when the bank opened in 2008. He added that the fluctuation in percentage ownership is a result of his exercising stock options that became vested.

(28) Commissioner Revels affirmed she has known Mr. Page for at least 10 years. She added that they are "friendly," but do not socialize, and do not share the same circle of friends or church.

(29) Mr. Page said he has known the Respondent for approximately 20 years. He stated that the relationship he has had with the Respondent has primarily been through their involvement in various community organizations. Mr. Page added that they interact mostly through

organizations such as the Flagler County Chamber of Commerce, Enterprise Flagler (on whose board they both served), and the Flagler County Homebuilders Association, where the Respondent served as President. Mr. Page further added that they both volunteer for JAX USA, which is an economic development arm of the Jacksonville Chamber of Commerce, and occasionally they drive together to quarterly meetings in Jacksonville.

(30) Mr. Page stated the following during his acceptance speech at the Flagler County Commission Chairman Corporate Pinnacle Award meeting on November 5, 2012, regarding his relationship with Commissioner Revels:

I was just told Barbara Revels wants you at the Commission chambers at 9:00 o'clock Monday morning, and those of you that know me, and Barbara, and our relationship, when Barbara tells me to do anything, I do it. When I first moved to this community 20 years ago, a business person, a community leader, Barbara Revels, took me under her wing and has mentored me on every level, professionally; how to be a good community citizen; how it's all about the community and the citizens, not you as a business person or individual. It first started out as a professional relationship, but I am glad to say that she is one of my best friends. I love her and her husband Jerry Lloyd like no other. And so this is especially rewarding that she gave me this award because she's been my mentor all these years, so thanks to everybody and a special thanks to Barbara.

(31) When questioned about the comments of this November 5, 2012 acceptance speech, Mr. Page explained that his situation is unique in that the majority of his friends are made through his involvement in business and community activities. Mr. Page added that he considers many of the Intracoastal Bank shareholders his friends, but acknowledges the reality is that they are business relationships. Mr. Page stated that the majority of his interactions with Commissioner Revels are through community involvement.

(32) Commissioner Revels stated that Mr. Page is very demonstrative and that he has a tendency to compliment people very much. Commissioner Revels stated that she has not been a mentor to Mr. Page. Commissioner Revels explained that Mr. Page can "emote" otherwise but that does not mean they have a personal relationship.

(33) The Respondent recalled that she was approached by Mr. Page and Larry Jones – husband of Margaret Sheehan-Jones, the commercial real estate agent selling the Old Flagler Hospital property – and Mr. Jones made a presentation to her about the old hospital property during which he expressed why it should be used as the Sheriff's Operations Center. She believes this meeting took place in late 2012 or early 2013, and that she did not know prior to the arrival of Mr. Page and Mr. Jones what they wanted to talk to her about. Commissioner Revels added that several years earlier, Flagler Crossroads owners Mr. Newslow, Mr. Chiumento, and Mr. Page had given her a tour of the Old Flagler Hospital property, and solicited her ideas about uses for the property. The Respondent related that she told Mr. Page and Mr. Jones at that meeting in late 2012/early 2013, that she was in favor of having the Sheriff's Operations Center housed in the historic Courthouse Annex, as the County had already spent money and time with that plan. Commissioner Revels maintains that she told

Mr. Page and Mr. Jones that she would "not take forward to the County their property to be considered for that, but if they wanted to take it anywhere they'd have to go sell it to the [County] administrator [Craig Coffey] themselves." Commissioner Revels stated she was approached by Mr. Page and Mr. Jones at her Coquina Real Estate office in Flagler Beach and that the meeting lasted approximately 30 minutes. Commissioner Revels stated that she had no other conversations with Mr. Page about this topic.

Note: According to Respondent's business website, she has owned and operated Coquina Real Estate and Construction, Inc., for more than 25 years and has an extensive background in land use, planning, affordable housing, growth management, and construction.

(34) Mr. Page recalled he and Mr. Jones met the Respondent at her Coquina Real Estate office in Flagler Beach regarding their interest in selling the Old Flagler Hospital to the County and she referred them to County Administrator Coffey during that meeting. Mr. Page stated that this meeting happened in "early 2013, definitely before March 2013." He explained that the Respondent was "non-committal" about the idea and told them that if the County was going to get involved, County Administrator Coffey should lead it and that it was not part of her responsibility as a county commissioner to be involved in that process. Mr. Page related he felt there was "very little possibility" that the County would be interested in the purchase of the Old Flagler Hospital when he left the meeting.

(35) Mr. Page recalled he subsequently met with Mr. Jones and Mr. Coffey either at a conference room at Mr. Coffey's office or at the Old Flagler Hospital property. Mr. Page added that no one else attended this meeting. He related that Mr. Coffey gave them a list of questions about the property. Mr. Page stated that his real estate agent for the property, Margaret Sheehan-Jones, worked with Mr. Coffey and his staff to get the information.

(36) Mr. Coffey said he did not meet in person with Mr. Page, but rather Mr. Jones called him and he (Mr. Coffey) met with only Mr. Jones and Margaret Sheehan-Jones at the Old Flagler Hospital property to discuss the possibility of the County purchasing the property. Mr. Coffey stated that they initially offered him an asking price of \$1.7 million and told him that Flagler Crossroads had paid \$1,650,000 for the property. He explained that the County ordered two appraisals on the Old Flagler Hospital property as well as one "master reviewing" appraisal. These three appraisals were performed by appraisers obtained from a state-certified reference list. Mr. Coffey advised that one appraisal listed the property value at \$1,490,000, the other appraisal was at \$1,500,000, and the master reviewing appraisal found these values acceptable. Mr. Coffey stated that he handled the negotiations with Ms. Sheehan-Jones and made the final offer of \$1,230,000, which the Flagler Crossroads owners accepted.

(37) Mr. Coffey explained that he was in favor of the County purchasing the Old Flagler Hospital to house the Flagler County Sheriff's Operations Center because it was within the County's budget and had ample space for future growth, an impound yard, and parking. He added that these advantages were unavailable with the other properties under consideration.

(38) Commissioner Revels stated she was in favor of the County purchasing the Old Flagler Hospital property once the plan to use the Courthouse Annex for the Sheriff's Operations

Center was ruled out. She added that the hospital property was the best option available because it had the most space, was the largest building, and was on one level.

(39) County Administrator Coffey stated he has no knowledge of any past business relationships between Commissioner Revels and Mr. Page or whether Commissioner Revels realized any gain or loss financially from the sale of the Old Flagler Hospital. He added that to his knowledge Intracoastal Bank did not benefit from the Old Flagler Hospital sale and that the mortgage for the property was held by the Independent Bankers Bank of Florida. Mr. Coffey stated that Commissioner Revels never contacted him to recommend that the County purchase the Old Flagler Hospital property.

(40) Flagler County Attorney Albert Hadeed stated he has no knowledge of any past business relationships between Commissioner Revels and Mr. Page.

RESPONDENT'S LOAN WITH INTRACOASTAL BANK

(41) The Complainant alleges that the Respondent received an increase of approximately \$100,000 to an existing loan with Intracoastal Bank sometime prior to her vote to purchase the Old Flagler Hospital on August 1, 2013.

(42) The Respondent explained that two or three years ago she had a \$100,000 line of credit on her personal residence with another bank (not Intracoastal Bank) and that the line of credit had been active for years, but was due to expire. The Respondent related that the bank required her to complete a new application and pay for an appraisal, but would not guarantee that she could keep her \$100,000 credit line. Commissioner Revels recalled she contacted a lending officer at Intracoastal Bank who informed her that the bank's process is to perform an assessment of her property value and possibly charge a fee in order to provide a line of credit. The Respondent advised that she decided to apply, and received a \$100,000 line of credit from Intracoastal Bank in 2012.

(43) The Respondent stated that in 2012, due to "all of the foreclosures" in the real estate market, she and her husband decided to reduce their involvement in the construction business, and work instead on "flipping houses." Commissioner Revels said she realized that she needed more cash since she wanted to buy houses at auction, and Intracoastal Bank Senior Vice President and Loan Officer Richard Wells recommended that she increase her existing credit line by using her home as collateral to facilitate buying houses to flip while avoiding the long and expensive process of obtaining a standard mortgage. The Respondent related that Mr. Wells reviewed the market value of her home and offered to increase her credit line from \$100,000 to \$300,000. The Respondent advised that the line of credit increase closed on May 31, 2013. The Respondent stated she did not use the credit line until she bought a house to flip in April 2014. The Respondent said that, to her knowledge, Mr. Page was not involved in the loan process. The Respondent added that she dealt specifically with the lending department of Intracoastal Bank through Mr. Wells and that the loan was not contingent on any official actions by her.

(44) Mr. Wells stated that the Respondent contacted him directly by telephone to apply for a line of credit. Mr. Wells verified that the Respondent received a \$200,000 increase to her existing \$100,000 "Home Equity Line of Credit" (HELOC) with Intracoastal Bank. He recalled that the application process started in March or April 2013, and by May 2013 was completed. Mr. Wells related that a HELOC is a common type of loan where money is borrowed against the equity of one's home, which the Respondent secured through her primary residence. Mr. Wells stated that the Respondent's \$300,000 HELOC closed at 3.25 percent interest rate.

(45) The Uniform Residential Appraisal Report for Commissioner Revels' Intracoastal Bank HELOC appraised her primary residence's market value at \$550,000 as of July 17, 2013 (composite Exhibit E).

(46) The Flagler County Property Appraiser's Office listed the 2013 "Just Market Value" for the Respondent's property at \$390,496 (Exhibit F).

(47) Mr. Wells stated that Commissioner Revels was not given any special treatment and that Mr. Page was not involved in this loan process other than being on the Officers Loan Committee which approved the loan. He added that no one at Intracoastal Bank directed him to give Commissioner Revels any special treatment.

(48) Mr. Page explained that Commissioner Revels' \$300,000 HELOC went before the Intracoastal Bank Officers Loan Committee which is composed of four members including himself, Mr. Wells, and two other managers. Mr. Page added that all four members have equal votes with no one having more influence than the other. He stated that Commissioner Revels received what was the standard interest rate at the time for someone with similar credit history.

(49) Records provided by Intracoastal Bank confirm that the Respondent received a \$300,000 HELOC loan on May 31, 2013 (Exhibit G).

END OF REPORT OF PRELIMINARY INVESTIGATION

EXHIBIT A

EXHIBIT A

FLAGLER COUNTY BOARD OF COUNTY COMMISSIONERS

MAY 6, 2013

SPECIAL MEETING

Present: Chair Nate McLaughlin, Vice Chair George Hanns, Commissioners Barbara Revels, Charles Ericksen and Frank Meeker, Clerk Gail Wadsworth, County Administrator Craig Coffey, County Attorney Al Hadeed, and Deputy Clerk Rhea Cosgrove

Chair McLaughlin called the meeting to order at approximately 1:54 p.m. in the Emergency Operations Center of the Government Services Complex in Bunnell, Florida.

ITEM 2 - PLEDGE TO THE FLAG AND MOMENT OF SILENCE

Chair McLaughlin led the Pledge to the Flag and requested a moment of silence.

ITEM 3 - REQUEST THE BOARD TAKE ACTION ON OPTION AGREEMENT FOR SALE & PURCHASE OF PROPERTY LOCATED AT 901 MOODY BLVD. E. BUNNELL

County Administrator Coffey pointed out there was an appendix to the option agreement he signed which would authorize staff to move forward.

Chair McLaughlin confirmed the purchase would not happen without it coming back to the BCC.

County Administrator Coffey stated he would bring it back prior to the end of the due diligence period. Noted the agreement authorized the County Administrator to move forward on the due diligence up to a cost of \$70,000.

County Attorney Hadeed explained if the BCC approved the agreement it would be compressing the actual amount of due diligence activity that could take place.

Chair McLaughlin asked if it was possible to stretch the timeframe from 60 to 90 days.

County Attorney Hadeed stated he felt that would facilitate the ability to accomplish the BCC's objective if the objective was to have another meeting based on whatever the due diligence reports yield in order to decide and close the transaction.

Commissioner Meeker stated he was in favor of 90 days.

Commissioner Hanns stated his support for the County doing its due diligence when inspecting for radon, mold, asbestos and things of that nature. Noted the building was structurally in good shape, but the purchase would depend on how much it would cost to renovate versus new construction.

May 6, 2013
Special Meeting

(Item 3 – continued)


Commissioner Revels commented on the information passed out by Commissioner Meeker noting in the information the BCC was looking at the old hospital at that time for a County Administration facility and not a Sheriff's Operation Center.

Commissioner Meeker noted it was for a County purchase and any deficiencies then could still be relevant today regardless of its use.

There was further discussion.

Commissioner Erickson noted the report stated there was a cursory inspection which he felt meant hasty. Pointed out when this building was considered in the past as the location for a County Administration Building it was rated as an option below the First Baptist Church and it was also noted the old hospital was built in 1979 and its life expectancy was 35 plus years. He asked the Sheriff to hold off for one or two years and to continue using the existing facility.

He suggested an alternative to the old hospital was the EOC (Emergency Operations Center) which he felt would have a much lower cost, so he would not be voting for this purchase.



A motion was made by Commissioner Revels to approve County Administration moving forward with due diligence on the old hospital property stretching the due diligence period to 90 days, requesting an appraisal either by the appraiser who did the previous appraisal updating it or from a new independent appraiser such that the final purchase price would not exceed appraised value. Seconded by Commissioner Hanns.

Commissioner Revels stated from what she knew there were quite a few commercial sales in the County that indicated the old hospital property was worth more than it was currently optioned for and gave examples. Stated the Courthouse Annex had better "ready to go" space at this time, but she felt it was constrictive for future use, and the old hospital had more acreage and square footage that could be used for expansion and additional use. Pointed out it was a hospital so it should be ADA compliant. Stated she saw no cracks on any walls and the roof appeared to be in excellent shape noting it did need a new coating, but the bones of the building were strong.

Commissioner Meeker agreed the bones of the building were strong, but asked if the due diligence would give an analysis of the expected useful life of the building, particularly the roof.

County Administrator Coffey replied the structural engineer could do an overall inspection of the building to include the deficiencies brought up by Commissioner Erickson.

There was further discussion.

Commissioner Meeker asked if the motion included looking at the EOC as a possible location.

Commissioner Revels replied it did not.

May 6, 2013
Special Meeting

(Item 3 – continued)

Chair McLaughlin stated the subject had been discussed and if the old hospital did not work out he would not consider any other option other than the Courthouse Annex because staff already had approval to proceed with that location. Stated he felt no one could buy a shell building at \$20 a square foot, but it would depend on the budget.

County Attorney Hadeed noted with the current purchasing policy if any of the consultants were over \$25,000 staff would have to bring those back to the BCC for approval. **He suggested adding to the motion that the County Administrator be authorized to proceed with the due diligence without returning to the BCC for approval of the scope of service agreements.**

Commissioner Revels amended her motion to include the County Attorney's suggestion. Seconded by Commissioner Hanns.

County Administrator Coffey stated staff would also look at the two alternative options suggested by BCC members.

PUBLIC COMMENT

Al Hanulik stated he had volunteered to work on the jail expansion project and he wished the reception for people who had experience and credibility would be more openly accepted stating he felt he could be very beneficial to the County on the project. Noted he found out there was another retired warden who lived in Flagler County and felt if the County would not let a retired warden help with the project then it was not using its resources properly.

Alan Peterson commended staff on exploring all options, but he felt the process was backward. Noted the wording of the contract was "As Is" and that the approval would lock the price when it had not been determined what the property was worth. He felt the County should do its due diligence and obtain two independent appraisals. Questioned the comparable properties and why the BCC would pay 3.5 times the assessed value. Pointed out \$5 million was only for half of the building and did not include a new roof.

Stated the ½ cent small county sales tax was voted in for the jail and library expansions and other ongoing and delayed capital projects. He asked the BCC to opt for another option that would allow them to do their due diligence.

Jane Gentile-Youd, Plantation Bay, agreed with Mr. Peterson and stated the BCC should not pay more than the County's - not the seller's - independent appraised value. Commented the amount of repairs should be capped to give the County the opportunity to negotiate with the sellers or walk away. Pointed out the property was purchased for \$750,000 in 2006 and then in 2007 the sellers obtained a mortgage of \$1,470,000 and an updated appraisal for \$20,000 less.

Pastor Sims Jones stated the County needed to look at the possible uses for the building noting it could use half of the building for the Sheriff and the other half for the free clinic and a lot of other services that were needed. Stated it was a great location with parking and a perfect opportunity to bring services together and use the building for the good of the entire county.

May 6, 2013
Special Meeting

(Item 3 – continued)

Mark Langelo stated he looked at the building and it did have good bones and was a good platform for a new building. Stated the BCC did need to explore its options and he was in favor of what it was doing.

Hutch King stated he appreciated Mr. Erickson's position on the item and asked why the County Property Appraiser's Office was not used to appraise the property. Noted the market value on the property was \$781,000 and last year it was \$416,000. He called into question the perception the purchase gave to the public. Stated if the County did not need a 60,000 square foot building the BCC should not purchase the property. He felt it would take more than \$10 or \$15 million to complete.

Chair McLaughlin closed public comments.

Chair McLaughlin called the question. Motion carried 3 to 2 with Commissioners Meeker and Erickson dissenting.

Commissioner Revels amended the motion to include a cap of \$70,000 for the due diligence.

**ITEM 4 - REQUEST THE BOARD TAKE ACTION ON INTERLOCAL PROJECTS
FOR SUBMITTAL TO THE HAMMOCK DUNES CDD BOARD**

Withdrawn

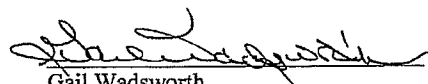
ADJOURNMENT

A motion was made by Commissioner Meeker to adjourn at 2:45 p.m. Seconded by Commissioner Erickson.

APPROVED AND ADOPTED JUNE 3, 2013

ATTEST:

FLAGLER COUNTY BOARD OF
COUNTY COMMISSIONERS


Gail Wadsworth
Clerk and Ex Officio Clerk to the Board

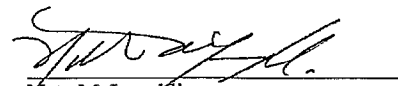

Nate McLaughlin
Chair

EXHIBIT B

EXHIBIT B

FLAGLER COUNTY BOARD OF COUNTY COMMISSIONERS

AUGUST 1, 2013

SPECIAL MEETING

Present: Chair Nate McLaughlin, Vice Chair George Hanns, Commissioners Barbara Revels, Charles Ericksen and Frank Meeker, Clerk Gail Wadsworth, County Administrator Craig Coffey, County Attorney Al Hadeed, and Deputy Clerk Andrew Moss.

ITEM 1 - CALL TO ORDER

Chair McLaughlin called the meeting to order at approximately 4:53 p.m. in the Emergency Operations Center of the Government Services Complex in Bunnell, Florida.

ITEM 2 - PLEDGE TO THE FLAG AND MOMENT OF SILENCE

Chair McLaughlin led the Pledge to the Flag and requested a moment of silence.

ITEM 3 - PUBLIC COMMENT

Bob Halsey, Palm Coast resident, explained the Sheriff's criteria list seemed like an absolute minimum to him, noting he thought there should be even more items on the list.

Reverend Sims-Jones, Flagler County resident, believed the hospital site would be a good location and consolidation of space was a necessity.

Jane Gentile-Youd felt if the BCC could come up with money for the former hospital it could pay for a third helicopter pilot, noting the exact price for a pilot was known and this was not.

Hutch King, Former County Commissioner, stated the Bunnell CRA had not been funded and believed until it was funded it was not technically a CRA, noting there would still be a loss of revenue. Reiterated the bad appearance of this and challenged the BCC to do the right thing.

Michael Barr, Flagler County resident, noted he was past chair of the CRA advisory committee and involved with the CRA effort for eight years. Stated the loss of revenue to Bunnell's general fund was minimal compared to the benefits of the hospital acquisition for the Sheriff's Office.

Catherine Robinson, City of Bunnell Mayor, stated the city commission had not taken a formal stand on this matter, but noted Bunnell's philosophy was that it was "open for business". Spoke on the negative implications the former hospital had on Bunnell's downtown core. She believed it would be positive and offered to get a consensus regarding this matter from her commission.

Dennis McDonald, Flagler County resident, stated there was an exception in the contract for building repairs not to exceed \$250,000.00 and asked the BCC to make sure that did not happen.

There were no further public comments.

Special Meeting
August 1, 2013

**ITEM 4 - STAFF DIRECTION ON THE FORMER HOSPITAL SALES AGREEMENT
DUE DILIGENCE PERIOD**

County Administrator Coffey explained the \$250,000 was a threshold to bring the issue back to the BCC for its attention and action, stating it was brought today.

Commissioner Hanns expressed his appreciation for all the public comments received. Stated in a county of this size the people typically involved in large real estate transactions were the people who had the money to invest in the first place. He assured everyone that no one on this board would be benefitting in any way over this acquisition.

Chair McLaughlin mentioned the integrity of the BCC, noting the commissioners were elected to make decisions like this in the best interest of the County's taxpayers. Stated this had been a long process with years of consideration. Felt he needed to defend the integrity of the BCC, stating he would not have the integrity of the BCC questioned at random with no evidence.

A motion was made by Commissioner Revels to request staff move forward to finalize the option on the old hospital and proceed post haste with design and development of that location for the Sheriff's Operation Center. Seconded by Commissioner Hanns.

Commissioner Meeker asked if the BCC could get more specifics regarding cost during the time that was left prior to commencing purchase.

County Administrator Coffey responded staff could give more due diligence, however to get more cost specific it would need to look for a design firm and issue RFP's. He mentioned at this stage it would always be rough estimates and as the process moved forward the numbers would be more specific through the design and bidding stages.

Commissioner Ericksen was concerned the cost of retrofitting would not be anywhere near the estimated costs currently before the BCC. He viewed it as a property purchase, noting the County should build a new building. He did not think the property was worth \$1.23 million.

Further discussion ensued.

Commissioner Meeker mentioned he had an issue with staff trust.


County Administrator Coffey reminded the BCC that most projects came in on or under budget and on time.

Special Meeting
August 1, 2013

**ITEM 5 - REQUEST THE BOARD TAKE ACTIONS AS DEEMED NECESSARY
REGARDING ISSUES DISCUSSED AT THE WORKSHOP THIS DATE**


Chair McLaughlin reminded the BCC there was a motion and a second on the floor and requested further discussion.

Commissioner Ericksen asked to have the motion repeated.

 Commissioner Revels re-stated her motion was to direct staff to proceed with the closing of their option contract on the old hospital and immediately start the design process for the Sheriff's Operation Center. Seconded by Commissioner Hanns

Chair McLaughlin asked the County Administrator when the BCC could see more specific numbers regarding this acquisition before he called the question.

County Administrator Coffey responded he believed the current numbers were pretty good, but the timeframe for looking at design could be nine months.

 Chair McLaughlin called the question. Motion carried 4-1 with Commissioner Ericksen dissenting.

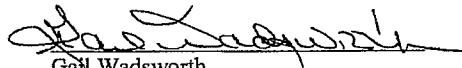
ADJOURNMENT

A motion was made by Commissioner Meeker to adjourn at 5:30 p.m. Seconded by Commissioner Ericksen.

APPROVED AND ADOPTED AUGUST 19, 2013

ATTEST:

FLAGLER COUNTY BOARD OF
COUNTY COMMISSIONERS


Gail Wadsworth
Clerk and Ex Officio Clerk to the Board

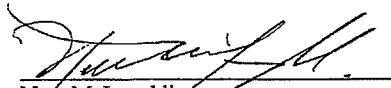

Nate McLaughlin
Chair

EXHIBIT C

EXHIBIT C

Form **1120S**Department of the Treasury
Internal Revenue Service**U.S. Income Tax Return for an S Corporation**Do not file this form unless the corporation has filed or is
attaching Form 2553 to elect to be an S corporation.Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

OMB No 1545-0130

2013

For calendar year 2013 or tax year beginning , ending

A S election effective date 01/23/03	TYPE OR PRINT	Name FLAGLER CROSSROADS, INC.	D Employer identification number 41-2076394
B Business activity code number (see instructions) 531120		Number, street, and room or suite no. If a P.O. box, see instructions. 880 AIRPORT ROAD, SUITE 108	E Date incorporated 01/23/2003
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code ORMOND BEACH FL 32174	F Total assets (see instructions) \$ 0

G Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☒ No If "Yes," attach Form 2553 if not already filedH Check if: (1) ☒ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination or revocationI Enter the number of shareholders who were shareholders during any part of the tax year **3****Caution.** Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	1a	
	b Returns and allowances	1b	
	c Balance. Subtract line 1b from line 1a	1c	
	2 Cost of goods sold (attach Form 1125-A)	2	
	3 Gross profit. Subtract line 2 from line 1c	3	
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4	-791,217
Deductions (see instructions for limitations)	5 Other income (loss) (see instructions—attach statement)	5	
	6 Total income (loss). Add lines 3 through 5	6	-791,217
	7 Compensation of officers (see instructions—attach Form 1125-E)	7	
	8 Salaries and wages (less employment credits)	8	
	9 Repairs and maintenance	9	
	10 Bad debts	10	
	11 Rents	11	
	12 Taxes and licenses	12	6,428
	13 Interest	13	
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14	213
	15 Depletion (Do not deduct oil and gas depletion.)	15	
	16 Advertising	16	
	17 Pension, profit-sharing, etc., plans	17	
	18 Employee benefit programs	18	
	19 Other deductions (attach statement)	19	65,606
20 Total deductions. Add lines 7 through 19	20	72,247	
21 Ordinary business income (loss). Subtract line 20 from line 6	21	-863,464	
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a	
	b Tax from Schedule D (Form 1120S)	22b	
	c Add lines 22a and 22b (see instructions for additional taxes)	22c	
	23a 2013 estimated tax payments and 2012 overpayment credited to 2013	23a	
	b Tax deposited with Form 7004	23b	
	c Credit for federal tax paid on fuels (attach Form 4136)	23c	
	d Add lines 23a through 23c	23d	
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	24	
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed	25	
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26	
	27 Enter amount from line 26 Credited to 2014 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	27	

**Sign
Here**Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements,
and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer)
is based on all information of which preparer has any knowledge.May the IRS discuss this return with the preparer
shown below (see instructions)? ☒ Yes ☐ No**OFFICER**Signature of officer **BRUCE PAGE**

Date

Title

**Paid
Preparer
Use Only**

Print/Type preparer's name

Gerald P. Keyes

Preparer's signature

Gerald P. Keyes

Date

01/29/14Check ☐ if

self-employed

PTIN

20-0519183

Firm's name

Keyes, Stange & Wooten CPA Firm, LLC

Firm's EIN

20-0519183

Firm's address

391 Palm Coast Pkwy SW Ste 3**Palm Coast, FL****32137-4766**

Phone no.

386-446-1743

For Paperwork Reduction Act Notice, see separate instructions.

Form **1120S** (2013)

Form 1120S (2013) **FLAGLER CROSSROADS, INC.**

41-2076394

Page 4

Schedule K Shareholders' Pro Rata Share Items (continued)		Total amount	
Other Information	17a Investment income	17a	13
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14i	18	-864,732

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		22,425		
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	((
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement) Stmt 2		1,696,184		
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	4,882			
b	Less accumulated depreciation	(3,388	1,494	(
11a	Depletable assets				
b	Less accumulated depletion	((
12	Land (net of any amortization)		75,000		
13a	Intangible assets (amortizable only)	182,097			
b	Less accumulated amortization	(661	181,436	(
14	Other assets (attach statement) Stmt 3		110		
15	Total assets		1,976,649		0
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement) Stmt 4		3,024		
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		1,119,939		
21	Other liabilities (attach statement)				
22	Capital stock				
23	Additional paid-in capital		1,546,500		
24	Retained earnings		-692,814		0
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock	((
27	Total liabilities and shareholders' equity		1,976,649		0

Form 1120S (2013)

Form **1120S**
Schedule K-1

Shareholder's Basis Worksheet Page 2

2013

For calendar year 2013 or tax year beginning , ending

Taxpayer Identification Number
41-2076394Name
FLAGLER CROSSROADS, INC.
BRUCE E PAGE

Loss Allocated to Stock and Loan Basis

	Suspended Losses	Current Year Loss	Total Loss	Percent	Allowed Stock Loss	Disallowed Loss	Percent	Allowed Loan Loss	Loss to Carryforward	Total Allowed Loss
Nondeductible noncap expenses:										
Deductible items:										
Ordinary business loss		284,943	284,943	99.85	284,943					284,943
Net rental real estate loss										
Other net rental loss										
Short-term capital loss										
Long-term capital loss										
Net section 1231 loss		423	423	0.15	423					423
Other portfolio loss										
Other losses										
Section 179 expense										
Cash contributions (50%)										
Cash contributions (30%)										
Noncash contributions (50%)										
Qual conserv contrib (50%)										
Noncash contributions (30%)										
Cap gain prop 50% org (30%)										
Cap gain prop (20%)										
Qual conserv contrib (100%)										
Portfolio deductions (2% floor)										
Portfolio deductions (other)										
Investment interest expense										
Deductions-royalty income										
Section 59(e)(2) expend										
Preproductive period exp										
Commercial revitalization ded										
Reforestation expense ded										
Other deductions										
Foreign taxes										
Loss on disposal of 179 assets										
Total deductible items		285,366	285,366	100.00	285,366					285,366
Total nonded and deductible items		285,366	285,366		285,366					285,366

Note to shareholder: This worksheet was prepared based on corporation records. Please consult with your tax advisor for adjustments.

671113

Schedule K-1
(Form 1120S)Department of the Treasury
Internal Revenue Service

2013

For calendar year 2013, or tax

year beginning _____

ending _____

☒ Final K-1☐ Amended K-1

OMB No. 1545-0130

Shareholder's Share of Income, Deductions,
Credits, etc.

▶ See back of form and separate instructions.

Part I Information About the Corporation		Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items	
A Corporation's employer identification number 41-2076394	1 Ordinary business income (loss) -284,943	13 Credits	
B Corporation's name, address, city, state, and ZIP code FLAGLER CROSSROADS, INC. 880 AIRPORT ROAD, SUITE 108 ORMOND BEACH FL 32174	2 Net rental real estate income (loss)		
C IRS Center where corporation filed return e-file	3 Other net rental income (loss)		
Part II Information About the Shareholder	4 Interest income 5		
D Shareholder's identifying number [REDACTED]	5a Ordinary dividends		
E Shareholder's name, address, city, state, and ZIP code BRUCE E PAGE 1520 LAMBERT AVENUE FLAGLER BEACH FL 32136	5b Qualified dividends	14 Foreign transactions	
	6 Royalties		
	7 Net short-term capital gain (loss)		
	8a Net long-term capital gain (loss)		
	8b Collectibles (28%) gain (loss)		
	8c Unrecaptured section 1250 gain		
	9 Net section 1231 gain (loss) -423		
	10 Other income (loss)	15 Alternative minimum tax (AMT) items	
F Shareholder's percentage of stock ownership for tax year 33.000000 %			
For IRS Use Only	11 Section 179 deduction	15 D Items affecting shareholder basis	5,760
	12 Other deductions		
		17 A Other information	5
* See attached statement for additional information.			

For Paperwork Reduction Act Notice, see Instructions for Form 1120S. IRS.gov/form1120s

Schedule K-1 (Form 1120S) 2013

EXHIBIT D

EXHIBIT D

Bank's strategic location, and the abilities of the Organizers. Based upon the foregoing general assumptions, the Organizers believe that the Bank will be operating on a profitable basis within its first three years of operations. However, there can be no assurance that profitability will be achieved in the first three years, if at all.

Bank Premises

The Bank's main office will be located at 1290 NW Palm Coast Parkway, Palm Coast, Florida 32137. The Bank intends to construct a full service facility (up to 6,450 square feet, plus a drive through) on this lot. The Bank's directors have a contract to purchase this lot on behalf of the Bank. The lot, in addition to any improvements, will be sold to the Bank as soon as legally possible at the cost to the directors plus carrying costs and improvement costs in the interim. Upon completion of construction of the main office, the Bank intends to consolidate its staff and operations into the location.

The Bank also plans to open a branch office in its third year of operations near the main entrance of a large master planned community known as The Town Center Palm Coast. This location is approximately four miles south of the Bank's main office. The office will have full service staff, drive throughs and an ATM. Since the Bank has not entered into any agreements or received regulatory approvals relating to the proposed office, there is no assurance as to the opening of such branch office, the timing of any such opening, or whether the Bank will own or lease the facility. See "Use of Proceeds."

MANAGEMENT

Organizers and Directors

The following sets forth the name and occupation of the proposed Directors of the Bank and their proposed ownership of Common Stock assuming the sale of the minimum of 1,352,500 shares of Common Stock offered hereby. It is proposed that each of the individuals listed will serve as a Director of the Bank commencing with its opening. The following individuals serve as the Organizers of the Bank.

<u>Name and Address</u>	<u>Occupation</u>	<u>Number of Shares</u>	<u>Percent of Total Shares</u>
Albert W. Baylor 1860 Country Road 2006 Bunnell, FL 32110	Construction/Farming	50,000	3.70%

<u>Name and Address</u>	<u>Occupation</u>	<u>Number of Shares</u>	<u>Percent of Total Shares</u>
Michael D. Chiumento 4B Old Kings Road N. Palm Coast, Florida 32137	Attorney	50,000	3.70%
Samuel E. Cline Post Office Box 625 Bunnell, Florida 32110	Commercial and Marine Construction	30,000	2.22%
C. Scott Crews Post Office Box 69 Bunnell, Florida 32110	Retired	30,000	2.22%
Robert DeVore 64 Christopher Court Palm Coast, Florida 32137	Real Estate Development	25,000	1.85%
Thomas L. Gibbs 33 Sugar Mill Lane Flagler Beach, Florida 32136	Automobile	50,000	3.70%
Albert B. Johnston, Jr. Post Office Box 245 Bunnell, Florida 32110	Farmer	50,000	3.70%
Gerald P. Keyes 1 Florida Park Drive North Suite 107 Palm Coast, Florida 32137	CPA	50,000	3.70%
Michael Machin 129 Barrington Drive Palm Coast, Florida 32137	Construction/Development	25,000	1.85%
Bruce E. Page 1520 Lambert Avenue Flagler Beach, Florida 32136	Banker	50,000	3.70%
	Totals	<u>410,000</u>	<u>30.31%</u>

- (1) The proposed ownership indicated is based upon the sale of the minimum number of shares in this Offering. There can be no assurance that such persons will purchase the amount of shares so indicated.

INTRACOASTAL BANK

(In Organization)

50 Leanni Way, Suite C-3
Palm Coast, Florida 32137

STOCK SUBSCRIPTION AGREEMENT

To the Organizers and Directors:

The undersigned ("Subscriber") having read the Offering Circular dated August 15, 2007 of Intracoastal Bank (In Organization) (the "Bank"), and in sole reliance on the information contained therein, hereby subscribes for and agrees to purchase the number of shares of Common Stock of the Bank at \$10.00 per share indicated on page 4 of this Subscription Agreement. The minimum subscription that will be accepted is for 10,000 shares (\$100,000) and the maximum subscription that will be accepted from any individual who is not a Bank director, or affiliated group is 25,000 shares (\$250,000), unless otherwise waived by the Bank.

The Subscriber hereby certifies that the shares are subscribed in good faith in the Subscriber's own right and that the Subscriber is not acting as agent or attorney for any undisclosed individual or entity.

The undersigned encloses herewith a check or checks payable to "Independent Bankers' Bank of Florida, Escrow Agent" in an amount equal to \$10.00 for each share subscribed. The amounts payable by check are referred to in this Subscription Agreement as the "Subscription Funds." The Subscription Funds will be held in a separate escrow account maintained by the Escrow Agent. If an aggregate of 1,352,500 shares are subscribed and paid for on or prior to the termination of the Offering (as referred to in the accompanying Offering Circular), and the Bank elects to close on the sale of the shares, the Subscriber understands that the Subscriber's Subscription Funds will be delivered by the Escrow Agent to the Bank in payment of the Subscriber's required subscription payment. As soon as practicable after the sale of the shares, the shares registered in the name of the Subscriber, together with a copy of the Subscription Agreement executed by the Bank, will be delivered to the Subscriber at the address set forth at the end of this Subscription Agreement.

If for any reason the Bank does not open for business and the Offering is terminated or withdrawn and no shares are sold, then the cash paid by the Subscriber for shares will be returned without interest or deduction. The Bank will not pay to the Subscriber any interest on the Subscriber's subscription proceeds, including if the Bank opens for business.

The Subscriber understands that the Bank's Organizers reserve the right to reject in whole or in part any offers to subscribe and to allocate a lesser number of shares to the Subscriber in the event of oversubscription. The Subscriber also understands that until the date the Bank commences operations, the Bank's Organizers have the right to return in full the subscription amounts paid, thereby cancelling this Subscription Agreement.

The Subscriber's right in and under this Stock Subscription Agreement may not be assigned, transferred, or otherwise hypothecated or alienated without prior approval of the Bank's Organizers.

The Subscriber understands that the Bank intends to file an election with the Internal Revenue Service to have the Bank treated as an S Corporation under the Internal Revenue Code. The Subscriber also understands that this election must be signed by each shareholder of the Bank. Accordingly, the Subscriber also has attached to this Subscription Agreement a completed Counterpart Signature Page to S Corporation Election Form. In addition to signing the election, each Bank shareholder also must maintain eligibility to hold S Corporation stock. The Subscriber also understands that if the Bank shares are ever transferred by a Bank shareholder to a holder who is not eligible to own S Corporation stock, then the Bank's S Corporation election will terminate. Accordingly, the Subscriber understands the Bank is requiring each Bank shareholder to sign a form of this Subscription Agreement which will serve as an agreement between the Bank and the shareholder as to the shares of Common Stock owned by the shareholder, in order to preserve for the Bank and its shareholders the benefits of the S Corporation election.

The Subscriber hereby represents, warrants and agrees to the Bank and the Bank shareholders as follows:

1. The Subscriber is eligible to hold and own shares of an S Corporation under the Internal Revenue Code.
2. The Subscriber will promptly sign any additional forms to be filed by the Bank with the Internal Revenue Service in connection with the Bank's S Corporation election under the Internal Revenue Code.
3. The Bank shares owned by the Subscriber (the "Shares") will not be transferred to any individual who is not eligible to own S Corporation stock. Prior to transferring any of the Shares, the Subscriber will provide to the President of the Bank such documentation as the Bank in its sole discretion may require in order to assure that the proposed transfer is to an individual who is eligible to hold S Corporation stock. If the individual is not so eligible, the Subscriber will not transfer the Shares. The Subscriber understands that the Shares may not be transferred by the Subscriber to any entity, including any trust.
4. The Subscriber understands that an S Corporation can have only a limited number of shareholders. As a result, the Subscriber understands that there may be circumstances where the Subscriber would like to transfer all or any part of the Shares to a person eligible to own S Corporation stock, but the Subscriber's transfer, either alone or in combination with other transfers, may cause the number of Bank shareholders to exceed the limitation on the number of S Corporation shareholders deemed appropriate by the Bank. The Subscriber agrees that (unless otherwise agreed to by the Bank) the Subscriber will not transfer Subscriber's Shares unless, following the Subscriber's transfer of shares, the number of Bank shareholders under the Federal tax laws will not increase. The Subscriber also understands that prior to registering any transfer of the Subscriber's Shares the Bank has the right to request from the Subscriber's attorney a legal opinion that the transfer of Shares is in compliance with the terms of this agreement, including that the transferee is an individual eligible to own S Corporation stock.

5. The Subscriber understands that this agreement is irrevocable and will survive the Subscriber's death or disability and will be binding upon the Subscriber's heirs, executors, administrators and permitted successors and assigns. The Subscriber understands that any permitted transferee of the Shares will take such Shares subject to the terms of this agreement and must enter into an agreement with the Bank similar to this agreement prior to the Bank registering any transfer of the Shares.
6. The Subscriber understands that the certificates for the Subscriber's Shares will be legended to reflect the agreements and restrictions on the transfer of the Subscriber's Shares set forth in this letter, and that the Bank will not register or recognize any transfer of the Shares in violation of this agreement. The Subscriber agrees to promptly deliver to the Bank upon request by the Bank all certificates for the Subscriber's Shares in order that the Bank may place a legend on each such certificate in accordance with the foregoing.
7. The Subscriber either alone or with the Subscriber's purchaser representative(s) has the knowledge and experience in financial and business matters that the Subscriber is capable of evaluating the merits and risks of the purchase of the Shares.
8. The Subscriber understands that if the Bank, by the affirmative vote of at least two-thirds of its directors then holding office, and the shareholders of the Bank by the affirmative vote of at least two-thirds of the then issued and outstanding Shares of the Bank, decide to terminate the S Corporation election, the Subscriber will be provided a written notice of such determination. Within 60 days after delivery of such notice, the Subscriber, if requested, will sign and deliver a consent to such revocation to the President of the Bank in the form prescribed by the Internal Revenue Service or the State Department of Revenue, or both, as the case may be.
9. The Subscriber understands the consequences of the agreements set forth in this letter and will indemnify the Bank and its directors, officers and agents from and against all claims, damages, losses, costs and expenses (including reasonable attorneys' fees) which they may incur, directly or indirectly, by reason of the failure by the Subscriber to fulfill any of the terms and conditions of this agreement.

PLEASE RETURN THIS SUBSCRIPTION AGREEMENT TO:

Intracoastal Bank (In Organization)
50 Leanni Way, Suite C-3
Palm Coast, Florida 32137
Attn: Bruce E. Page
President and Chief Executive Officer

SHARES SUBSCRIBED; PAYMENT	
STEP ONE: SHARES SUBSCRIBED: The undersigned hereby subscribes for the following number of shares of Common Stock:	<div style="text-align: right; font-size: 1.2em;">10,000 shares</div>
STEP TWO: AMOUNT OF PAYMENT: The undersigned encloses herewith a check payable to "Independent Bankers' Bank of Florida, ESCROW AGENT" in the following amount (number of shares subscribed for times \$10.00 per share equals amount of payment):	
<div style="font-size: 1.2em;">\$100,000</div>	
STEP THREE: FORM OF PAYMENT: The form of payment enclosed is indicated by the box checked below:	
uncertified check <input checked="" type="checkbox"/> certified or cashier's check <input type="checkbox"/> wire transfer <input type="checkbox"/>	
STEP FOUR: TYPE OF OWNERSHIP: The form of ownership of the Common Stock by the Subscriber is indicated by the box checked below:	
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Subscribing individually <input type="checkbox"/> Subscribing as Joint Tenants with Right of Survivorship (each joint tenant must then sign) <input type="checkbox"/> Subscribing as Tenants in Common (with no right of Survivorship - each tenant in common must then sign) </div> <div style="width: 48%;"> <input type="checkbox"/> Subscribing as Tenants by the Entirety (husband and wife situation only, each must sign) <input checked="" type="checkbox"/> Other qualifying entity <input type="checkbox"/> Subscribing as Custodian for _____ under the _____ Uniform Gift to Minors Act (state) </div> </div>	
STEP FIVE: SIGNATURE: IN WITNESS WHEREOF, the undersigned has executed this Subscription Agreement on this <u>22</u> day of <u>August</u> , 2007. (Please sign in exact name(s) of Subscriber(s). If subscribing as Joint Tenants with Right of Survivorship or Tenants in Common or Tenants by the Entirety, all must sign below.)	
By: <u>Barbara S. Revels</u> Printed Name of Subscriber Trustee	_____ Printed Name of Subscriber
<u>P.O. Box 434</u> (Address)	_____ (Address)
By: <u>Barbara S. Revels</u> Signature Trustee	By: _____ Signature
<u>386-439-3130</u> Daytime Phone Number	_____ Daytime Phone Number
_____ Social Security Number	_____ Social Security Number

ACCEPTED:

INTRACOASTAL BANK (In Organization)

By: [Signature]

As Its: LFO

Date: 9-30, 2007.6

#113

023

Intra Coastal Bank
 1290 NW Palm Coast Pkwy.
 Palm Coast, FL 32137

Name and address of each shareholder or former shareholder required to consent to the election. (See the instructions for column K) If more than 100 shareholders are listed, check the box if treating members of a family as one shareholder results in no more than 100 shareholders (see test 2 under "Who May Elect" in the instructions).	K Shareholders' Consent Statement Under penalties of perjury, we declare that we consent to the election of the above-named corporation to be an S corporation under section 1362(a) and that we have examined this consent statement, including accompanying schedules and statements, and to the best of our knowledge and belief, it is true, correct, and complete. We understand our consent is binding and may not be withdrawn after the corporation has made a valid election. (Sign and date below.)		L Stock owned or percentage of ownership (see instructions)		M Social security number or employer identification number (see instructions)	N Shareholder's tax year ends (month and day)
	Signature	Date	Number of shares or percentage of ownership	Date(s) acquired		
Burton R. Evans, Revenue Trust P.O. Box 434 Oklawaha, FL 32136	*Burton R. Evans Trustee	3/22/07	10,000	2/23/08	[REDACTED]	12/31

Under penalties of perjury, I declare that I have examined this election, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of officer ▶

[Signature]

Title ▶

CFO


Date ▶

9-30-07

Wilson

**INTRACOASTAL BANK (In Organization)
COMMON STOCK OFFERING**

Subscription Instructions

1. **Read Offering Circular:** Read and carefully consider the Offering Circular. 
2. **Pay for Shares:** Have a check issued payable to "Independent Bankers' Bank of Florida, Escrow Agent" in an amount equal to the number of shares purchased multiplied by \$10.00 per share. If paying by wire transfer, please use the following wire transfer instructions:



Independent Bankers Bank of Florida
615 Crescent Executive Court, Suite 400
Lake Mary, FL 32746
Routing #: 
For the benefit of: Intracoastal Bank (I.O.)
Escrow Account#: 
3. **Complete/Sign Subscription Agreement:** Complete and sign the Subscription Agreement.
4. **Complete/Sign the attached Counterpart Signature Page to S Corporation Election Form (page 5).** If subscribing in joint names, both individuals must sign the form.
5. **Mail Subscription Documents and Payment to:** Intracoastal Bank (In Organization), 50 Leanni Way, Suite C-3, Palm Coast, Florida 32137, Attention: Bruce E. Page.
6. **Questions:** If you have questions about how to subscribe for Shares, please call Bruce E. Page (386) 447-1662.

EXHIBIT E

EXHIBIT E

Uniform Residential Appraisal Report

File No. 713-21

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address 354 S 22nd St City Flagler Beach State FL Zip Code 32136

Borrower Revels Owner of Public Record Revels County Flagler

Legal Description Morningside Sub. Block 33, Lots 4-7.

Assessor's Parcel # 19-12-32-4550-00330-0040 Tax Year 2012 R.E. Taxes \$ 7,141

Neighborhood Name Flagler Beach Map Reference MSA 2020 Census Tract 603

Occupant ☒ Owner ☐ Tenant ☐ Vacant Special Assessments \$ 0 ☐ PUD HOA \$ 0 ☐ per year ☐ per month

Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)

Assignment Type ☐ Purchase Transaction ☒ Refinance Transaction ☐ Other (describe)

Lender/Client Intracoastal Bank Address 1290 Palm Coast Pkwy, NW, Palm Coast, FL 32137

Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? ☐ Yes ☒ No

Report data source(s) used, offering price(s), and date(s). Not listed

I ☐ did ☐ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed

Contract Price \$ Date of Contract Is the property seller the owner of public record? ☐ Yes ☐ No Data Source(s)

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? ☐ Yes ☐ No

If Yes, report the total dollar amount and describe the items to be paid. \$0:

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location	Property Values	PRICE	AGE	One-Unit	PRICE	AGE	One-Unit
<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining						
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	5 %		
Growth <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	55 Low	0	Multi-Family	%		
Neighborhood Boundaries Atlantic Ocean to the east, Painters Hill to the north, Flagler County line to the south and John Anderson Highway to the West. All of Flagler Beach		1500 High	70	Commercial	20 %		
Neighborhood Description See Attached Addendum		325 Pred	35	Other Public	5 %		

Market Conditions (including support for the above conclusions) See Attached Addendum

Dimensions 240 x 173 Area 41520 sf Shape Rectangular, View B; Marsh Preserve

Specific Zoning Classification SFR Zoning Description Single Family Residential

Zoning Compliance ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe.

Utilities Public Other (describe) Public Other (describe) Off-site Improvements—Type Public Private

Electricity ☒ Water ☒ Street Asphalt ☒

Gas ☐ Tank for FP, Stove Sanitary Sewer ☒ Alley None ☐

FEMA Special Flood Hazard Area ☒ Yes ☐ No FEMA Flood Zone AE FEMA Map # 120035C-0232D FEMA Map Date 07/17/2006

Are the utilities and off-site improvements typical for the market area? ☒ Yes ☐ No If No, describe.

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? ☐ Yes ☒ No If Yes, describe. See Attached Addendum

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials/condition		INTERIOR materials/condition	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space	Foundation Walls	Frame / Gd	Floors	Wood, Tile / Gd		
# of Stories 3	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Cedar / Gd	Walls	Drywall, Paper / G		
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit	Basement Area 0 sq. ft.	Roof Surface	Metal / Gd	Trim/Finish	Wood / Gd		
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Gutters & Downspouts	Aluminum / Gd	Bath Floor	Tile / Gd		
Design (Style) Contemp	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Anderson / Gd	Bath Wainscot	Tile/marble/Gd		
Year Built 1995	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	Yes / Yes / Gd	Car Storage	None		
Effective Age (Yrs) 10-12	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Yes / Gd	<input checked="" type="checkbox"/> Driveway # of Cars 3			
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWB <input type="checkbox"/> Radiant	Amenities	Wood Stove(s) #0	Driveway Surface	Concrete		
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Elect	<input checked="" type="checkbox"/> Fireplace(s) # 2	Fence None	<input checked="" type="checkbox"/> Garage # of Cars 3			
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Open	Porch None	Carport # of Cars 0			
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool None	Other None	<input checked="" type="checkbox"/> Alt. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in			
Appliances (P) Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave (P) Washer/Dryer <input type="checkbox"/> Other (describe)							
Finished area above grade contains: 7 Rooms 3 Bedrooms 4.0 Bath(s) 3,541 Square Feet of Gross Living Area Above Grade							
Additional features (special energy efficient items, etc.) See Attached Addendum							

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) C3; No updates in the prior 15 years; No external inadequacies were noted during the site inspection. The subject appears to be in good condition. The utilities were on at the time of the inspection and appear to be in working order, although the appraiser is NOT a home inspector. It should be noted that the house was built in three phases. 1991 the garage and living area above, 1995 the kitchen, laundry and bedroom, 2002 the living room and master suite were added on. For the purposes of this report the 1995 date was used as the year built.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe. None

Known. The appraiser is not an engineer or contractor and is not qualified to comment on the soundness or structural integrity of the property.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe Yes it does conform, yet it is one of a kind in terms of size and style. There are other stilt homes in the area but none are of this size. The foundation above was noted as a crawl space as there is no category for a stilt house and UAD does not allow variations.

E-1

Uniform Residential Appraisal Report

File No 713-21

There are 12 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 479,000 to \$ 1,389,000	
There are 8 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 295,000 to \$ 850,000.	
FEATURE	SUBJECT
354 S 22nd St	1915 N Oceanshore Blvd
Address Flagler Beach, FL 32136	Flagler Beach, FL 32136
Proximity to Subject	3.42 miles NNW
Sale Price	\$ 475,000
Sale Price/Gross Liv. Area	\$ 211.49 sq. ft.
Data Source(s)	FCMLS#191825;DOM 136
Verification Source(s)	FCPAO / Inspection
VALUE ADJUSTMENTS	DESCRIPTION
Sale or Financing	ArmLth
Concessions	Conv;0
Date of Sale/Time	s02/13;unk
Location	B;Beachside;
Leasehold/Fee Simple	Fee Simple
Site	41520 sf
View	B;MarshPresrv;
Design (Style)	Contemp
Quality of Construction	Q2
Actual Age	18
Condition	C3
Above Grade	Total Bdrms Baths
Room Count	7 3 4.0
Gross Living Area 60	3,541 sq. ft.
Basement & Finished	0sf
Rooms Below Grade	0sf
Functional Utility	Good
Heating/Cooling	Central
Energy Efficient Items	See page one
Garage/Carport	3 Car Garage
Porch/Patio/Deck	Decks,
	2 F/P
	No Pool
Net Adjustment (Total)	\$ 98,700
Adjusted Sale Price of Comparables	\$ 573,700
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain	
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.	
Data source(s) MLS/Public records	
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.	
Data source(s) MLS/Public records	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).	
ITEM	SUBJECT
Date of Prior Sale/Transfer	
Price of Prior Sale/Transfer	
Data Source(s)	Public Records
Effective Date of Data Source(s)	07/25/2013
Analysis of prior sale or transfer history of the subject property and comparable sales 1-3 are closed sales.	
Summary of Sales Comparison Approach. See Attached Addendum	
Indicated Value by Sales Comparison Approach \$ 550,000	
Indicated Value by: Sales Comparison Approach \$ 550,000 Cost Approach (if developed) \$ 639,000 Income Approach (if developed) \$ 0	
All three approaches to value were considered but only the Cost and Sales Approach could be developed. There was insufficient data for the development and support of the Income Approach to value as houses of this size and quality are not typically purchased for their income potential.	
This appraisal is made <input checked="" type="checkbox"/> as is, <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: See Attached Addendum.	
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 550,000 as of 07/17/2013, which is the date of inspection and the effective date of this appraisal.	

Uniform Residential Appraisal Report

File No. 713-21

Clarification of Intended Use and Intended User:

The Intended User of this appraisal report is the Lender/Client. No additional Intended Users are identified by the appraiser.

The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value.

The inspection of the subject dwelling consisted of measuring the exterior of the building as well as the garage and porch amenity. Observation of the quality and condition were noted along with the level of deferred maintenance. The interior inspection included observation of the overall quality and condition of the dwelling. The appraiser did NOT observe the attic. The inspection is limited to those things that are readily observable without the use of special testing or equipment. The appraiser may have used plans, specifications, photographs, owner records and/or property sketches provided at the time of the inspection. The primary reason for the inspection is to gather information about the characteristics of the property that are relevant to its value.

No, employee, director, officer or agent of the lender, or any other third party acting as a Joint venture partner, independent contractor, appraisal Management Company, or partner on behalf of the lender has influenced or attempted to influence the development, reporting, result or review of this assignment through coercion, extortion, collusion, compensation, instruction, inducement, intimidation, bribery or in any other manner. I have not been contacted by anyone other than the intended user (lender/client as identified on the first page of the report), borrower, or designated contact to make an appointment to enter the property. I agree to immediately report any unauthorized contacts either personally, via phone or electronically to the client.

ADDITIONAL COMMENTS

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) A search of both public records and MLS found listings and sales of land that backs to the marsh. Prices range from \$59,900 for a single site with 10,500 sf to \$149,000+ for approximately 1 acre on the marsh. Data is retained in the file.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	\$ 125,000
Source of cost data Files	Dwelling 3,541 Sq. Ft. @ \$ 135	\$ 478,035
Quality rating from cost service Q2 Effective date of cost data Current	Sq. Ft. @ \$	\$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Decks, 2 FP,	50,000
Effective age/life depreciation. The cost approach to value is NOT intended to be used for insurance purposes. "As Is" site improvements include drive, walks, landscape, sod, impact fees.	Garage/Carport 1,057 Sq. Ft. @ \$ 35.00	\$ 36,995
	Total Estimate of Cost-New	\$ 565,030
	Less Physical Functional External	
	Depreciation \$81,000	\$ (81,000)
	Depreciated Cost of Improvements	\$ 484,030
	"As-is" Value of Site Improvements	\$ 30,000
Estimated Remaining Economic Life (HUD and VA only) 50 Years	INDICATED VALUE BY COST APPROACH	\$ 639,000

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ 0 X Gross Rent Multiplier 0 = \$ 0 Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) The Income Approach to value was not developed since the neighborhood is predominantly owner occupied.

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project

Total number of phases

Total number of units

Total number of units sold

Total number of units rented

Total number of units for sale

Data source(s)

Was the project created by the conversion of an existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data source(s)

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

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EXHIBIT F

EXHIBIT F

[Sales In Area](#)[Previous Parcel](#)[Next Parcel](#)[Return to Main Search](#)[Flagler Home](#)

Property Record Card

Owner and Parcel Information

Owner Name	REVELS BARBARA S LIFE ESTATE	Today's Date	October 13, 2014
Mailing Address	P O BOX 434	Parcel Number	19-12-32-4550-00330-0040
	FLAGLER BEACH, FL 32136	Tax District	FLAGLER BEACH AREA (District 21)
Location Address	354 22ND ST S	2013 Millage Rates	21.96840
Property Usage	SINGLE FAM (000100)	Homestead	Y

Tax Collector Bill	Show Parcel Maps	Generate Owner List By Radius	Show Assessment Notice	Show Historical Assessments
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Value Information

Legal Information

	2012 Certified Values	2013 Certified Values	2014 Proposed Values
Building Value	\$241,240	\$249,933	\$307,953
Extra Feature Value	\$11,422	\$12,021	\$13,248
Land Value	\$122,542	\$128,542	\$145,792
Land Agricultural Value	\$0	\$0	\$0
Agricultural (Market) Value	\$0	\$0	\$0
Just (Market) Value*	\$375,204	\$390,496	\$466,993
Assessed Value	\$375,204	\$381,582	\$387,306
Exempt Value	\$50,000	\$50,000	\$50,000
Taxable Value	\$325,204	\$331,582	\$337,306
Protected Value	\$0	\$8,914	\$79,687

MORNINGSIDE SUB DIV BL-33 LOTS4 - 7, LOT 9 & LOTS 17 & 18 BLK 31 FUQUAY SUBD OR 272/42 OR 329/685 OR 335/ 254-CD OR 335/256 OR 444/ 1002 (ESMNT ON LOT 4) OR 447/29-FPL ESMT NLY 10' LOT 4 OR 632/395-REVELS TRUST OR 1484/1643-RDMAN REVELS TRUST OR 1670/364-CD

The legal description shown here may be condensed for assessment purposes. Exact description should be obtained from the recorded deed.

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

Building Information

Type	Effective Area	Living Area	Exterior Wall	Roof Cover	Interior Wall
SINGLE FAM	4,193	3,431	WD SIDING	ANOD GALV	DRYWALL
Baths	Heating Type	A/C Type	Flooring	Actual Year Built/Effective Year Built	Sketch Building
4	FO AIR DCT	CENTRAL	HARDWOOD / CERA/CLAY	1991 / 1991	Show Building Sketch

Extra Features Data

Description	Units	Effective Year Built
CONCRETE DW	1,500 SF	1991
CONCRETE WW	90 SF	1991
FIREPLACE-C	1 UT	1991
STORAGE BLDG	96 SF	1994
FIREPLACE-A	1 UT	2002
BOAT DOCK AVG.COST	600 SF	2002
BRICK WW	50 SF	2002
CONC. PATIO	600 SF	1991

Sale Information

Sale Date	Sale Price	Instrument	Deed Book	Deed Page	Sale Qualification	Vacant or Improved	Grantor
10-01-1998		N/A	632	395	Unqualified	Improved	REVELS BARBARA S
12-01-1987	\$ 25,000	N/A	335	256	Qualified	Vacant	
11-01-1987	\$ 100	N/A	329	685	Unqualified	Vacant	
12-01-1985		N/A	272	42	Unqualified	Vacant	
02-01-1900	\$ 277,783	N/A	0	0	Qualified	Vacant	CONVERSION
01-01-1900	\$ 403,375	N/A	0	0	Qualified	Vacant	CONVERSION

Land Information

For land plat information see [Flagler Clerk of Court Website](#)

The Flagler County Property Appraiser's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The Senior Exemption Does Not Apply to All Taxing Authorities. Just (Market) Value is established by the Property Appraiser for ad valorem tax purposes. It does not represent anticipated selling price. Working values are subject to change. Website Updated: October 8, 2014

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EXHIBIT G

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$300,000.00	05-31-2013	02-24-2020				RW	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing ***** has been omitted due to text length limitations.

Borrower: Barbara S. Revels
PO Box 434
Flagler Beach, FL 32138

Lender: Intracoastal Bank
Palm Coast Parkway Office
1290 Palm Coast Pkwy NW
Palm Coast, FL 32137

LOAN TYPE. This is a Variable Rate Disclosable Open-end Line of Credit Loan to an individual with a Credit Limit of \$300,000.00.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- ☒ Personal, Family, or Household Purposes or Personal Investment.
☐ Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: HELOC INCREASE.

REAL ESTATE DOCUMENTS. If any party to this transaction is granting a security interest in any real property to Lender and Barbara S. Revels am not also a party to the real estate document or documents (the "Real Estate Documents") granting such security interest, I agree to perform and comply with the Real Estate Documents just as if I have signed as a direct and original party to the Real Estate Documents. This means I agree to all the representations and warranties made in the Real Estate Documents. In addition, I agree to perform and comply strictly with all the terms, obligations and covenants to be performed by either me or any Grantor or Trustor, or both, as those words are defined in the Real Estate Documents. Lender need not tell me about any action or inaction Lender takes in connection with the Real Estate Documents. I assume the responsibility for being and keeping informed about the property. I also waive any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the property, or any delay by Lender in realizing upon the property.

DISBURSEMENT INSTRUCTIONS. I understand that no loan proceeds will be disbursed until any notice of the right to cancel time period specified has expired and all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$300,000.00 as follows:

Undisbursed Funds:	\$221,936.86
Other Disbursements:	\$78,063.14
\$78,063.14 ACCOUNT BALANCE	
Credit Limit:	\$300,000.00

CHARGES PAID IN CASH. I have paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash:	\$209.86
\$209.86 Interest Due through 05/24/13	
Other Charges Paid in Cash:	\$3,263.00
\$27.00 Mortgage Modification Recording Fee	
\$1,575.00 Title Insurance to Coast Title Insurance Agency, Inc./Chicago Title	
\$350.00 Closing Cost to Coast Title Insurance Agency, Inc.	
\$150.00 Title Search to Coast Title Insurance Agency, Inc.	
\$61.00 Trust Certification to County Clerk of Court	
\$700.00 Documentary Stamp Tax	
\$400.00 Intangible Tax	

Total Charges Paid in Cash: \$3,472.86

Advance loan to pay fees.

TAX CONSEQUENCES. I understand that Lender makes no representation or warranty whatsoever concerning the tax consequences of this loan, including the deductibility of interest, and that I should consult with my own tax advisor for guidance on this subject. I also agree that Lender shall not be liable in any manner whatsoever should the interest paid on the loan not be deductible.

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, I REPRESENT AND WARRANT TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN MY FINANCIAL CONDITION AS DISCLOSED IN MY MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED MAY 31, 2013.

BORROWER:

x Barbara S. Revels
Barbara S. Revels

CREDIT INSURANCE DISCLOSURE

VOLUNTARY CREDIT INSURANCE. CREDIT LIFE INSURANCE, CREDIT DISABILITY INSURANCE AND INVOLUNTARY UNEMPLOYMENT INSURANCE ARE NOT REQUIRED TO OBTAIN CREDIT.

By signing below, I acknowledge that I am not obtaining credit insurance for this loan for one of the following reasons:

- (A) I am not eligible for credit insurance;
(B) Credit insurance is not available from Lender; or
(C) if I am eligible and credit insurance is available from Lender, I do not want it.

Prior to signing this Credit Insurance Notice on May 31, 2013, I read and understood all of the provisions of this Disclosure.

BORROWER:

x Barbara S. Revels
Barbara S. Revels