

APPRAISAL REPORT



A 7.44 ACRE COMMERCIAL ZONED PARCEL OF LAND

**1 CORPORATE DRIVE
PALM COAST, FL 32137**

AS OF

MAY 9, 2018

PREPARED FOR

**MS. JILL POOLMAN, FCCM
COORDINATOR OF PURCHASING
FLAGLER COUNTY SCHOOL BOARD
1769 E. MOODY BOULEVARD, BUILDING #2
BUNNELL, FL 32110**



HEFFINGTON & ASSOCIATES

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May 18, 2018

Ms. Jill Poolman, FCCM
FLAGLER COUNTY SCHOOL BOARD
1769 E. Moody Boulevard, Building #2
Bunnell, FL 32110

Dear Ms. Poolman,

In accordance with your request, we hereby submit an *Appraisal Report* in Summary Format on the following property:

**A 7.44 ACRE COMMERCIAL ZONED PARCEL OF LAND
LOCATED AT
1 CORPORATE DRIVE
PALM COAST, FL 32110**

The purpose of the appraisal is to form an opinion of the "As Is" Market Value for the above referenced property. The property is appraised as a Fee Simple Estate, subject to typical mortgage loan encumbrances and utility easements. The intended use of the appraisal report is for asset value determination to assist in the sale of the property. The intended user of the report is the Flagler County School Board, c/o Ms. Jill Poolman.

After careful investigation, it is our opinion the "As Is" Market Value of the fee simple interest in the subject property as of May 9, 2018, was:

AS IS MARKET VALUE (LAND ONLY)

TWO MILLION DOLLARS

(\$2,000,000)



Ms. Jill Poolman
May 18, 2018
Page Two

As requested, the communication, presentation, and analysis of data for this Appraisal Report has been summarized. It should be noted that there is a sufficiency of additional property information and market data retained within the appraisers' files which has been analyzed and serves to support the values and conclusions contained within the report.

The valuation analysis contained within the appraisal report is intended to adhere to the Uniform Standards of Professional Appraisal Practice ("USPAP") adopted by the Appraisal Standards Board of the Appraisal Foundation, FIRREA, and supplemental appraisal requirements. Furthermore, the appraiser has complied with the competency provision under the Uniform Standards of Professional Appraisal Practice.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. Designated members who meet the minimum standards of this program are awarded periodic educational certification. I am currently certified under this program.*

If you should have any questions concerning this report, please do not hesitate to contact our office.

Respectfully submitted,

HEFFINGTON & ASSOCIATES



*R. Todd Heffington, MAI
Cert Gen RZ2368



Patricia Fisher-Brewer
Cert Gen RZ2416

RTH: PFB::ds

TABLE OF CONTENTS

| | |
|--|------|
| CERTIFICATION | -1- |
| ASSUMPTIONS AND LIMITING CONDITIONS | -2- |
| SUMMARY OF SALIENT FACTS AND CONCLUSIONS | -4- |
| PHOTOGRAPHS OF THE SUBJECT PROPERTY | -5- |
| PURPOSE OF THE APPRAISAL | -12- |
| MARKET VALUE DEFINITION | -12- |
| PROPERTY INTEREST APPRAISED | -13- |
| EFFECTIVE DATE OF THE APPRAISAL AND DATE OF THE REPORT | -13- |
| INTENDED USE AND USER OF THE APPRAISAL | -13- |
| SCOPE OF WORK | -13- |
| IDENTIFICATION OF THE SUBJECT PROPERTY | -14- |
| LEGAL DESCRIPTION | -14- |
| LAND USE, PLANNING, ZONING AND CONCURRENCY | -14- |
| TAX ASSESSMENT AND ANALYSIS | -16- |
| THREE YEAR SALES HISTORY | -17- |
| ESTIMATED EXPOSURE TIME | -18- |
| LOCATION MAP | -19- |
| MARKET AREA DISCUSSION | -20- |
| AERIAL PLAT MAP | -27- |
| SKETCH OF LEGAL DESCRIPTION | -28- |
| FLORIDA DEPT. OF TRANSPORTATION TRAFFIC COUNT MAP | -29- |
| DESCRIPTION OF THE SUBJECT SITE | -30- |
| HIGHEST AND BEST USE ANALYSIS | -31- |
| THE SALES COMPARISON APPROACH | -34- |
| CONCLUDED VALUE VIA SALES COMPARISON APPROACH | -43- |
| RECONCILIATION AND FINAL VALUE ESTIMATE | -44- |
| ESTIMATED MARKETING PERIOD | -45- |

ADDENDUM

ENGAGEMENT LETTER
PROPERTY APPRAISER'S TAX PARCEL ASSESSMENT RECORD
MOST RECENT DEED OF CONVEYANCE
ZONING MAP
QUALIFICATIONS AND LICENSES OF THE APPRAISERS

CERTIFICATION

The undersigned do hereby certify that, except as otherwise noted in this appraisal report:

To the best of our knowledge and belief:

1. The statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.
2. The reported analysis, opinions and conclusions are limited only by the assumptions and limiting conditions and are our personal, impartial, and unbiased professional analysis, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no personal interest or bias with respect to the subject matter of this appraisal report nor the parties involved. Our employment is not contingent on the amount reported.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions and conclusion were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice.
8. Patricia Fisher-Brewer, Cert Gen RZ2416, made a personal inspection and careful investigation of the property herein described.
9. Patricia Fisher-Brewer, Cert Gen RZ2416, provided professional assistance in the inspection, data collection, writing and preparation of this appraisal report. The analysis and value conclusions were a joint effort.
10. This appraisal report sets forth all of the limiting conditions (imposed by the terms of our assignment or by the undersigned) affecting the analyses, opinions, and conclusions contained in this report.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. We certify that, to the best of my knowledge and belief, the reported analyses, opinions, or conclusions were developed and this report has been prepared in conformity with the requirements of the State of Florida for state-certified appraisals (Florida Statutes, Chapter 475, Part II). The use of this report is subject to the requirements of the State of Florida related to review by the Florida Appraisal Board.
13. The Appraisal Institute conducts a program of continuing education for its designated members. Designated members who meet the minimum standards of this program are awarded periodic educational certification. I, R. Todd Heffington, MAI, am currently certified under this program.
14. Heffington & Associates has not performed services as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period preceding acceptance of this assignment.

Patricia Fisher-Brewer

Patricia Fisher-Brewer
Cert Gen RZ 2416
X Did Did Not Inspect Property

R. Todd Heffington

R. Todd Heffington, MAI
Cert Gen RZ2368
 Did X Did Not Inspect Property

EXTRAORDINARY ASSUMPTIONS

None.

ASSUMPTIONS AND LIMITING CONDITIONS

1. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
2. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
3. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property. The appraisers are not experts in engineering or construction and are not licensed construction contractors.
6. It is assumed that there are no hidden or unapparent conditions on the property, subsoil, or structures that render it more or less valuable but are not apparent. This appraiser can assume no responsibility for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all federal, state and local environmental regulations and laws unless otherwise stated in this report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
10. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property liens of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

12. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumptions that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
13. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with requirements of the Americans with Disabilities Act ("ADA") which became effective January 26, 1992. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
14. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
15. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
16. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
17. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.
18. The appraiser, by reason of this report, is not required to give testimony or attend court or any governmental hearing with reference to the property in question, unless arrangements have been previously made therefore.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Effective Date of Value: May 9, 2018

Date of Report: May 18, 2018

Date of Inspection: May 9, 2018

Location: 1 Corporate Drive, Palm Coast, FL 32110
(Southeast corner of Palm Coast Parkway NW and Corporate Drive)

Owner(s) of Record: School Board of Flagler County

Tax Parcel No.: 14-11-30-0000-01010-0020

Property Rights Appraised: Fee Simple

Estimated Market Value: \$2,000,000
7.44 acres @ \$278,000 per acre

Value Indicated by
Sales Comparison Approach: \$2,000,000
Cost Approach: Not processed
Income Approach: Not processed

Estimated Exposure Time: 7 - 12+/- months

Site Size: 7.44 acres

Zoning: Com-2, General Commercial, by the City of Palm Coast

Future Land Use: Mixed-Use

Flood Zone: Zone "X", not a special flood hazard area, per FEMA Flood Map #12035C0136D, effective 7/17/2006.

Improvements: There is a portable building (former portable classroom) on the site which is currently leased to the Palm Coast Duplicate Bridge Club. The building contains 6,992 square feet, was built in 2008, and is of plywood panel construction. This building was not included in our valuation.

SUBJECT PHOTOGRAPHS



VIEW OF SITE FACING SOUTHEAST FROM INTERSECTION



VIEW OF SITE FACING EASTERLY FROM INTERSECTION



VIEW OF SITE FACING SOUTHWEST ACROSS PALM COAST PARKWAY NW

SUBJECT PHOTOGRAPHS



VIEW SOUTH ALONG SITE'S CORPORATE DRIVE FRONTAGE



VIEW NORTH ALONG SITE'S CORPORATE DRIVE FRONTAGE



VIEW WEST ALONG PALM COAST PARKWAY RIGHT-OF-WAY

SUBJECT PHOTOGRAPHS



VIEW WEST ALONG SITE'S PALM COAST PARKWAY FRONTAGE



VIEW EAST ALONG SITE'S PALM COAST PARKWAY FRONTAGE



EXIT DRIVEWAY TO CORPORATE DRIVE FROM SUBJECT SITE, VIEW EAST

SUBJECT PHOTOGRAPHS



ENTRANCE DRIVEWAY FROM CORPORATE DRIVE TO SUBJECT SITE, VIEW WEST

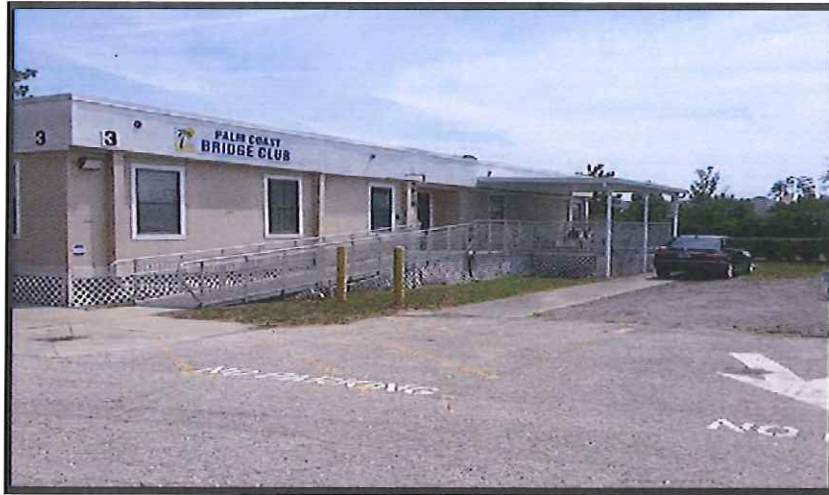


PARKING LOT AREA ON WEST SIDE OF SITE, VIEW WEST



PORTABLE BUILDING ON EAST SIDE OF SITE

SUBJECT PHOTOGRAPHS



PORTABLE BUILDING IS LEASED TO PALM COAST BRIDGE CLUB



PARKING LOT FOR PORTABLE BUILDING



VIEW OF PORTABLE BUILDING FROM ADJACENT KOHL'S PARKING LOT

SUBJECT PHOTOGRAPHS



VIEW TOWARDS ADJACENT KOHL'S PARKING LOT FROM EAST SIDE OF SITE



VIEW TOWARDS ADJACENT FIRE STATION TO THE SOUTH



DRAINAGE DITCH ALONG SITE'S PALM COAST PARKWAY FRONTAGE, VIEW WEST

SUBJECT PHOTOGRAPHS



INTERIOR VIEW OF SITE FACING WEST



INTERIOR VIEW OF SITE FACING SOUTHWEST



HERO'S MEMORIAL PARK ACROSS PALM COAST PARKWAY FROM SUBJECT

APPRAISAL REPORT – SUMMARY FORMAT

PURPOSE OF THE APPRAISAL

The *purpose* of the appraisal is to form an opinion of the "As Is" Market Value to a single purchaser, on a cash equivalent basis, assuming a reasonable marketing period. The property is appraised as a Fee Simple Estate, subject to typical mortgage loan encumbrances and utility easements.

MARKET VALUE DEFINITION

Market Value is defined herein as:

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

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

MARKET VALUE, as defined by the Supreme Court of Florida, Walter vs. Schuler, Florida 176 So. 2d81, May 21, 1965, No. 34039. "Fair Market Value" may be established by classic formula that, "it is the amount a purchaser willing but not obliged to buy, would pay to one willing but not obliged to sell."

¹Title 12, Code of Federal Regulations (12 CFR 34), Section 34.42, dated August 9, 1990.

PROPERTY INTEREST APPRAISED

The subject property is appraised as a fee simple estate. As defined in the Dictionary of Real Estate Appraisal published by the American Institute of Real Estate Appraisers, a fee simple estate is the "Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation."

EFFECTIVE DATE OF THE APPRAISAL AND DATE OF REPORT

The *effective date* of value is May 9, 2018. The date of this report is May 18, 2018.

INTENDED USE AND INTENDED USER OF THE APPRAISAL

The *intended use* of the appraisal is for asset value determination to assist in the sale of the property. The *intended user* of the report is the Flagler County School Board, c/o Ms. Jill Poolman.

SCOPE OF WORK

The *appraisal problem* is to form a market value opinion of the subject property including land only. The portable building on the site has not been included in this valuation.

Scope of Work is defined as the type and extent of research and analyses in an appraisal or appraisal review assignment.

In order to produce a credible assignment, the appraisal work and analyses included:

- * physically identifying the subject property as well as the surrounding market area;
- * an analysis of regional and market area trends, including social, economic, governmental and environmental influences;
- * an analysis of general value influences in the subject's competitive market;
- * research of applicable tax data and physical characteristics;
- * an exterior inspection of the subject property;
- * an analysis of the highest and best use of the subject property, which considered pertinent variables such as property characteristics, zoning, future land use, and support facilities, as well as exposure time;
- * application of the Sales Comparison Approach in valuing the subject property; and
- * reconciliation of all market data uncovered in our research into a final value opinion.

An appraiser begins to derive an opinion of property value using one or more of the three approaches to value. The approaches employed depend on the type of property, the use of the appraisal and the quality and quantity of the data available for analysis.

Careful consideration was given to the applicability of each of the three approaches to value in this report. In this case, only the Sales Comparison Approach has been utilized since it is believed to be the most accurate and best indicator of value for the intended use of this appraisal report. This approach is typically used when valuing vacant land. The Income and Cost Approaches are not applicable in this case.

In estimating the land value, we researched and analyzed recent comparable land sales with a similar Highest and Best Use as the subject site and which are also located within the subject's market area and/or a similar competitive neighborhood.

This *Appraisal Report* sets forth only a brief analysis of the subject property, comparable data, and analyses. This report is considered to be consistent with the needs of the client and the intended use stated in this report.

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property has a legal address of 1 Corporate Drive, Palm Coast, Flagler County, Florida. The property is located at the southeast corner of Palm Coast Parkway NW and Corporate Drive on the west end of the city's main business corridor.

LEGAL DESCRIPTION

Lengthy; please see the Legal Description contained in the most recent deed of conveyance which is presented in the Addendum.

LAND USE, PLANNING, ZONING AND CONCURRENCY

The subject site is zoned Com-2, General Commercial, by the City of Palm Coast. The future land use designation is Mixed Use. The purpose of the Com-2 district is to provide areas for general commercial and office uses to meet the community-wide demand for retail, services, business, and employment opportunities.

Allowable Uses in the Com-2 District include the following:

Civic, Nonprofit and Institutional

Civic Uses
Hospice Services
Hospitals
Houses of Worship
Nonprofit organizations

Eating, Drinking and Entertainment

Drinking Establishments, without outdoor entertainment
Beer, Wine and Liquor Stores
Cafeterias, Coffee and Donut Shops, Snack Bars, Sandwich Shops, Delicatessens, Bakeries
Performing Arts Facilities
Pizza Delivery Establishments and Takeout Places
Restaurants, fast food and sit-down

Educational Facilities

Elementary/Secondary Schools, public and private

Laboratories

Medical and Diagnostic
Dental Labs

Office, Medical and Professional

Banks and Credit Unions
Mail Order Facilities
Medical and Professional Offices
Outpatient Care Facilities
Pharmacies
Scientific and Technical Services/Offices
Temporary Employment Agencies and Management Services
Veterinarians, without kennels, post-operative care only

Recreation and Tourism

Bed and Breakfast Inns
Hotels/Motels
Commercial Marinas
Recreation, indoor

Residential

Assisted Living Facilities, Nursing Homes

Retail Sales and Services

Art Dealers
Building Material Stores
Clothing and Accessory Stores
Retail
Florists
Food and Beverage Stores
Furniture and Home Furnishings Stores
Home Improvement Centers
Large-Scale Retail
Lawn and Garden Equipment and Supplies Stores
Model Home Centers
Pet Stores (domestic)
Plant Nurseries
Photo Finishing
Sporting Goods, Hobby, Book and Music Stores
Used Merchandise Stores

Service, Business

Printing and Publishing
All Other Business Services

Service, Personal

Adult Day Care Centers
Child Care Centers
Funeral Homes

All Other Personal Services

Service, Major

Landscaping Services

Training Facilities

Automobile Driver Schools

Technical Trade Schools

Utilities and Public Works

Municipal Pump Stations and Well Sites

Passenger Transit or Rail Stations

Vehicle Sales, Rental, Service and Repair

Convenience Stores with Fueling Facilities

Motorcycle Dealers

Service Stations

Taxi and Limousine Services

Dimensional Requirements for Non-Airfield Development:

| | |
|---|---|
| Minimum Lot Size: | 20,000 square feet |
| Minimum Lot Width: | 100 feet |
| Maximum Impervious Surface Ratio: | 0.70 |
| Maximum Floor Area Ratio (FAR): | 0.40 |
| Maximum Building Height: | 100 feet |
| Interior Side and Rear Setbacks: | 10 feet |
| Minimum Building Setbacks from Streets: | 25 feet – Arterial/Collector Road 20 feet – Local Road |

The subject site contains 7.44 acres. It has a lot width of 600 feet (east-west) and 540 feet (north-south). Therefore, the subject site is a legally conforming lot.

Based on an analysis of various parcels in this area, concurrency is not a limiting factor with respect to new development. There are no known pending public developments or regulations likely to have an effect on the zoning of the subject property.

TAX ASSESSMENT AND ANALYSIS

The subject property is currently assessed by the Flagler County Tax Assessor for ad valorem taxes for the year 2017. The Volusia County Board of Commissioners determines the millage rate used in calculating the tax bill in October of each year. The tax collector issues the tax bill providing for a 4 percent discount of the bill if paid in November, a 3 percent discount for payment in December, a 2 percent discount if paid in January, and a 1 percent discount for payment in February. All taxes become delinquent after March 31st of each year.

2017 Certified Values

| | |
|----------------------|---|
| Building Value | \$ 84,123 |
| Extra Features Value | \$ 348 |
| Land Value | \$1,289,174 (7.44 acres @ \$173,276/acre) |
| Just (Market) Value | \$1,373,645 |
| Assessed Value | \$1,373,645 |
| Exempt Value | \$1,254,659 |
| Taxable Value | \$0 |
| Protected Value | \$0 |

Taxes for this area are based on a millage rate of 20.3891 for 2017. Based on the information presented in this report, the real estate tax structure for the subject property is very favorable based on the information presented in this report.

It should be noted the Flagler County Property Appraiser's assessment has *not* been relied upon in valuing the subject property and the assessment is included herein for informational purposes only.

THREE YEAR SALES HISTORY

Based on a review of the public records, the subject property has not been transferred within the past three years.

The most recent conveyance of the subject property was on August 16, 2001, from Corporate Plaza Inc. (Grantor) to The School Board of Flagler County, Florida (Grantee) for a consideration of \$3,500,000, as recorded in O.R. Book 763, Page 1467, Public Records of Flagler County, Florida. A copy of the deed is presented in the Addendum. The site was improved with a corporate office building at the time of this sale. The School Board purchased the property for use as a training school, the Flagler Technical Institute. The main building has since been demolished. A portable building remains on the site which is leased to the Palm Coast Duplicate Bridge Club.

According to a March 7, 2018 news article which appeared on *FlaglerLive*, our client, the School Board of Flagler County, last year turned down a proposed sale of \$1.8 million to the developers of Island Walk, who envisioned a similar development on the subject site. This offer is equivalent to \$241,935 per acre or \$5.55 per square foot of land area.

Also according to *FlaglerLive*, three years ago the Board decided to offer the land and the building (which has since been demolished) for \$2.3 million. There were no bids and the building was demolished in April 2016. The reported demolition cost was \$200,000.

The School Board will be accepting sealed bids for the sale of the property on May 23, 2018.

ESTIMATED EXPOSURE TIME

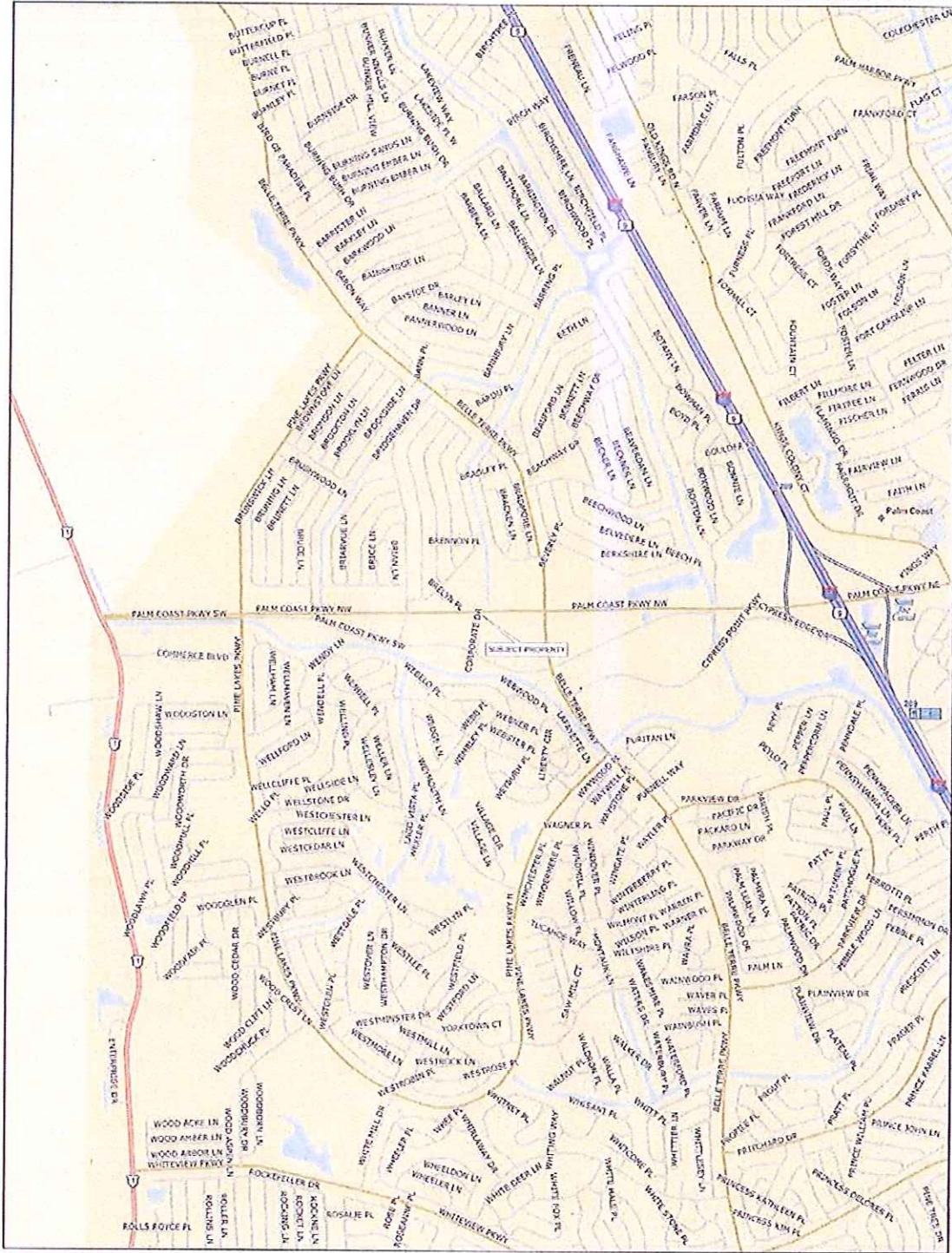
The Dictionary of Real Estate Appraisal, 3rd Edition, defines *Exposure* on page 126 as: The time a property remains on the market, or the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always considered to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

The Navica MLS/Flagler County MLS Sold Market Analysis Report for the prior twelve month period indicated the average days on market for commercial land in the City of Palm Coast was 217 days and the properties sold at a list-to-sale-price ratio of 91 percent. Therefore, based on the available information, we feel that with effective marketing and exposure, it may be possible for the subject property to transfer within 7 to 12 months at the appraised value.

LOCATION MAP



DeLorme Street Atlas USA® 2014



Data use subject to license.

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MARKET AREA DISCUSSION

Brief Metro Area Discussion

The subject property is located in the City of Palm Coast in Flagler County, Florida. Palm Coast is part of the Deltona-Daytona Beach-Ormond Beach metropolitan statistical area (MSA) which includes neighboring Volusia County in addition to Flagler County. The MSA had a 2017 population of 649,202. This represents an increase of 1.94% from the 2016 population of 636,843.

The metro area is located approximately 50 miles northeast of Orlando, 140 miles northeast of Tampa/St. Petersburg, 260 miles north of Miami, and 90 miles south of Jacksonville. The metro area is convenient to all portions of the state via the excellent interstate highway system including Interstate 95 and Interstate 4.

A national report released May 9, 2018 by *Realtor.com* ranks the Volusia-Flagler metro area as one of the country's top real estate markets to watch. *Realtor.com's* recently issued ranking of the nation's "Next Urban Powerhouses" includes the Volusia-Flagler metro area at No. 8, the only metro area in Florida to make the top 10 list. The Volusia-Flagler area, according to the report, was chosen in part because of its growing and diversifying local economy, which the Milken Institute a year ago ranked as the most improved in the country, and reputation as a "prime Central Florida resort destination". Over the past five years, the Volusia-Flagler metro area has grown faster than any other major metro area in the state, boosted by a low cost of living, affordable housing and ocean breezes that make the Florida summers bearable, the report states.

Realtor.com in November 2017 also ranked the two-county metro area as the nation's third-hottest home resale market in the country.

According to *Forbes*, the Volusia-Flagler area was listed among America's fastest growing metro areas in 2017, and it was ranked 4th on their list as an area in the United States experiencing surges in growth. Further, according to a report released in March 2017 by the U.S. Census Bureau, the two-county metro area was among the 25-fastest growing metro areas in the country between 2015 and 2016.

U.S. News & World Report ranked the Volusia-Flagler area at No. 94 in its "Best Places to Live" list in April 2018. Further, it ranked the metro area No. 7 in its inaugural list of the nation's "Best Places to Retire" in October 2017. That ranking was based on a number of factors including housing affordability, retiree taxes, quality of health care and overall happiness of each area's residents. Amenities touted in the Best Places to Retire Report include the metro area's beaches, abundance of places to fish and golf, and Daytona International Speedway. In addition to outdoor pursuits, there are museums, theaters, performing arts centers, antique markets, restaurants, malls and colleges that combine to make the Volusia-Flagler Area one of Florida's most well-rounded metro areas.

The above reports come at a time when the housing market for Volusia and Flagler Counties continues to sizzle, with the median sale price of existing homes sold in the metro area jumping 18 percent in March 2018 to a new record high of \$234,998, surpassing the previous record high of \$219,900 set in 2006, according to the Daytona Beach Area Association of

Realtors data. New home construction is also on the rise as builders in Flagler County in the first quarter of 2018 pulled the most permits for housing starts since the second quarter of 2006, while builders in Volusia County started the most new homes in a first quarter since 2007.

The increase in home prices and new home construction are being fueled by a steady influx of newcomers from the Northeast and Midwest, as well as other parts of Florida, as the population for both Volusia and Flagler Counties continues to rise to new record highs.

As to the metro area's economy, the Volusia-Flagler area is currently suffering a worker shortage as the jobless rate in both counties is the lowest since 2000. At the end of March 2018, Volusia County's jobless rate stood at 3.9 percent, while unemployment in Flagler County stood at 4.1 percent, both down from a year ago and significantly improved from the Great Recession years. During that downturn, unemployment in Flagler County peaked at 15.2 percent, while Volusia's jobless rate soared as high as 12.8 percent in 2000. The greatest gain in jobs has come from the Leisure and Hospitality industry followed by the Education and Health Services sector and the Construction industry.

The shortage of available skilled workers has been a concern for employers in both counties as well, with a number of businesses saying it is impeding their ability to grow. In the two-county area the average annual wages have slowly but steadily risen since 2006, but remain below both the statewide and national averages. The metro area's average annual wages have run 15 to 20 percent less than the state average for a very long time and continue to do so.

Brief Flagler County Discussion

Flagler County was formed in 1917 out of Volusia and St. Johns Counties. Flagler County is situated on the northeast coast of Central Florida and comprises an area of approximately 485 square miles. The nearest cities include Daytona Beach located approximately 25 miles to the south and Jacksonville located 65 miles to the north. Historic St. Augustine is located 20 miles north. Flagler County is convenient to all portions of the state, via the excellent interstate highway system, principally Interstate 95 traversing the east coast of Florida.

Flagler County had been regularly cited by the U.S. Census Bureau as one of the fastest growing counties in the nation between 2000 and 2006. It was ranked 55th in the nation as one of the fastest growing counties between 2010 and 2011. The largest private employers in Flagler County are Palm Coast Data, Sea Ray Boats, Walmart, and Florida Hospital Flagler.

Flagler County can be divided into two major geographic areas: the coastal area east of US 1, and western Flagler County west of US 1. Unlike other coastal counties in central Florida, US 1 is west of Interstate 95 in Flagler County. The coastal area east of US 1 occupies approximately 35 percent of the total land area. This area contains the coastal cities of Flagler Beach, Beverly Beach, Marineland, and Palm Coast; and the planned communities of Plantation Bay, Matanzas Shores, Grand Haven, and Hammock Dunes; and unincorporated Painters Hill and Hammock areas along State Road A1A. Most of the urban development activity in Flagler County has occurred in this area.

Current land development patterns show that most of the residential development in the

coastal area has been and is still occurring in the City of Palm Coast. A significant amount of new residential development activity in Flagler County is expected to continue to be located primarily within the City of Palm Coast. Outside of the city, residential development activity is anticipated along the Interstate 95 corridor extending southward toward the City of Ormond Beach and into unincorporated Volusia County.

The region of Flagler County west of US 1 occupies approximately 65 percent of the total land area. US 1 is west of Interstate 95 in Flagler County. This area is characterized by farming and timber production. Small rural communities that have existed for many years include St. Johns Park, Espanola, Haw Creek, and Cody's Corner. Rural subdivisions (one acre minimum) include Flagler Estates, Daytona North, and Smokerise. Flagler Estates and Daytona North are antiquated subdivisions that provide no infrastructure and few paved roads.

The West Flagler region is sparsely populated and contains no municipalities. Little development has occurred in this area, and the land is used for agricultural pursuits or timber production. The bulk of the agricultural acreage in the county is located in the west-central area, with potatoes, cabbage, feed corn, and assorted vegetables as the main crops. A large portion of the West Flagler region is underlaid with unsuitable soil for urban development. Increased development activity is not expected due to the severe limitations imposed by low wet terrain, lack of urban services and continued use of the land for agricultural pursuits and timber production. The large swamp areas, including Hull Cypress, Big Cypress, Pringle, Sweetwater, Black Branch, White Oak, and Haw Creek, coupled with the Relay Wildlife Management Area; act as major buffer spaces which deter development potential and encroachment from the east.

Current land development patterns in West Flagler show residential development occurring as scattered single-family residences, mobile homes or farms. The most significant concentration of residential density west of US 1 occurs in Espanola and the platted one unit per acre subdivisions of Daytona North and Smokerise. Daytona North is located in the west-central portion of the county. This antiquated subdivision consists of 2,848 lots on 3,652 acres, which are being developed with mobile homes and single-family residences. A moderate development pace is expected to continue in this subdivision over the next decade.

Interstate 95 and US 1 traverse Flagler County from north to south and provide the best access to local road transportation within the county. Flagler County has another major transportation system in US 1. This alternative four-lane road was the original means of movement through all of eastern Florida until the innovation of the Interstate 95 system. Today, usage on this major artery is moderate and is capable of withstanding major increases in utilization. US 1 also parallels large tracts of industrial property that is readily available for development.

State Road 100 and Palm Coast Parkway are Flagler County's major east-west routes serving Palm Coast and Bunnell. State Road 100 extends westward toward Palatka. Palm Coast Parkway extends east from US 1 to the Intracoastal Waterway Bridge.

The Florida East Coast Railway (FEC) parallels US 1 and is accessible in many locations on the western side of the county, and directly from US 1. Currently, there are three industrial locations that have readily available access to this rail system. This means of movement is a target of the County in its development efforts. Daily, there are some 16 freight trains over

these rails. Passenger rail service is available at the Amtrak/Flag stop in Palatka (30 miles to the west).

Market Area Discussion

The subject property is situated in Palm Coast. Its market area can be described as the densely developed commercial core area of the city situated along both sides of Palm Coast Parkway to both the east and west of Interstate 95, extending west to US 1. Palm Coast Parkway is the primary east/west transportation corridor for this market area. It is centrally located within the city and provides access to U.S. Highway 1 to the west and the upscale oceanfront golf course and resort community of Hammock Dunes to the east across the Intracoastal Waterway.

Commercial development in the market area includes big box retailers, department stores, shopping centers, retail stores, gas station/convenience stores, professional offices, professional and retail strip centers, medical offices, professional office park condominiums, interstate hotels/motels, and institutional uses.

Retail development proximate to Interstate 95 along Palm Coast Parkway includes Super Walmart, Kohl's, Belk, Home Depot, Lowe's, several hotels, fast food and other restaurants, gas station/convenience stores and neighborhood shopping centers. There are numerous other retail and office projects located throughout this commercial core. The commercial core is nearly built out with only a few remaining undeveloped parcels. Palm Coast Parkway has been the traditional commercial and shopping area for Palm Coast residents. However, that emphasis is now shared with the 1,557-acre Town Center at Palm Coast which is generally located along the north side of State Road 100 between Interstate 95 and Belle Terre Parkway. The entire stretch of State Road 100 between Interstate 95 and Belle Terre Parkway is currently experiencing significant new development in the way of shopping/strip centers, gas station/convenience stores and restaurants.

There is a large residential base surrounding the commercial core. Residential development consists mostly of single family detached home subdivisions. Other residential development in the market area includes attached patio homes and townhome development on a limited basis.

Properties in close proximity to the subject include the following:

Market Street Memory Care Residence is currently under construction at 2 Corporate Drive across the street from the subject property. This project will include 64 all-memory care units in an innovative 46,000+/- square foot facility. The site was improved with a 14,835 square foot office building (former ITT Community Development Corp. building) which was demolished after the sale of the property in December 2016 (Comparable Sale No.1 in the Sales Comparison Approach). Watercrest Senior Living is the developer (parent company of Market Street Palm Coast RE LLC). Market Street Memory Care is anticipated to be completed and open by summer 2018.

Roma Court, a 55,000 square foot mixed-use complex, was constructed in 2008 at the northwest corner of Palm Coast Parkway SW and Corporate Boulevard. This complex is a two story Italian Renaissance design with an interior courtyard, underground parking garage and two elevators. On top of being completed just as the Great Recession hit the area, the project's

design and layout was never well received, and this project fell into foreclosure in 2011. A new investor/developer bought the mostly vacant building in 2013 and has been trying to lease it up ever since. The building is currently 57 percent vacant. Units are available for lease from 1,000 to 20,000 square feet of contiguous space. The interiors of most of the units were never fully built out, and units are being leased in vanilla shell condition and include HVAC with duct work, ADA bathrooms, electric stub out and sheet rocked walls. The largest tenant in the building is a child day care center. There is also a Chinese restaurant in the building. This property is also located across the street from the subject site.

Kohl's department store was built in 2008 at 665 Palm Coast Parkway SW. This property abuts the subject site to the east and south. Kohl's is part the 20.2-acre PC Parkway Plaza Development Order approved in 2008 that has frontage along Palm Coast Parkway SW and Belle Terre Parkway. The Development Order also includes a city fire station that was built at 9 Corporate Drive which abuts the subject property to the south, as well as several outparcels.

The PC Parkway Plaza Development Order allows up to 166,590 square feet of space to be built. To date, some 106,312 square feet has been developed with the following buildings: Kohl's (88,704 SF, built 2008), city fire station (7,229 SF, built 2008), McDonald's (4,220 SF, built 2014), Auto Zone (2,359 SF, built 2014), and Aspen Dental (3,800 SF, built 2016). The Kohl's and Aspen Dental sites were developed as long-term ground leases.

Lot 2 of the PC Parkway Plaza is still undeveloped and is currently being offered for sale at \$1,800,000 for the 6.53 acre site. This is equivalent to \$275,651 per acre or \$6.33 per square foot of land area. This available site abuts the subject on the east and south sides. It has two stormwater retention ponds in place plus parking lot areas. This is a shovel-ready site which would permit up to 60,278+/- square feet to be developed according to the Development Order. According to the listing agent for this property there have been a number of offers made, including one offer from a retail developer that fell through after the developer's anchor tenant backed out of his build-to-suit deal.

There is a CVS drug store at the southwest corner of Palm Coast Parkway NW and Belle Terre Parkway which was built in 2003. There is also a 19-acre county-owned property across Palm Coast Parkway from the subject which is improved with a library built in 2000. The Heroes Memorial Park, a 9.6-acre city park, is located at the northwest corner of the Palm Coast Parkway/Corporate Drive intersection, diagonally across the street from the subject. Both the city and county owned properties have significant wetlands which would not be conducive to commercial development.

There is an 11+/- acre parcel of undeveloped land just west of Corporate Drive along Palm Coast Parkway NW which extends south to Palm Coast Parkway SW and has frontage along Bridgehaven Drive. This property is currently being offered for sale by owner. After several attempts, we were not able to obtain an asking price for this undeveloped commercial site.

Selected demographics for those areas within a 3-mile, 5-mile and 7-mile radius of the subject property are shown below.

Selected Demographics - Areas Within a 3-, 5- and 7-Mile Radius of the Subject Property

| | <u>3 Miles</u> | <u>5 Miles</u> | <u>7 Miles</u> |
|--|----------------|----------------|----------------|
| Total Population (2016) | 49,060 | 75,760 | 86,342 |
| Total Households (2016) | 19,406 | 29,894 | 34,485 |
| Population Annual Growth Rate 2010-2016 | 1.4% | 1.5% | 1.8% |
| Household Annual Growth Rate 2010-2016 | 1.1% | 1.2% | 1.5% |
| Population Annual Growth Rate 2016-2021 projected | 1.9% | 2.0% | 2.1% |
| Household Annual Growth Rate 2016-2021 projected | 1.7% | 1.9% | 1.9% |
| 2016 Households by Income | | | |
| \$50,000 - \$74,999 | 22% | 22% | 22% |
| \$35,000 - \$49,999 | 16% | 15% | 15% |
| \$25,000 - \$34,999 | 14% | 12% | 12% |
| \$15,000 - \$24,999 | 13% | 12% | 12% |
| \$75,000 - \$99,999 | 12% | 13% | 12% |
| Less than \$15,000 | 11% | 10% | 11% |
| \$100,000 - \$149,999 | 8% | 9% | 9% |
| \$150,000 - \$199,900 | 2% | 3% | 3% |
| \$200,000+ | 2% | 3% | 3% |
| Median Household Income 2016 | \$45,342 | \$49,995 | \$49,203 |
| Average Household Income 2016 | \$58,969 | \$65,828 | \$65,172 |
| Per Capita Income 2016 | \$23,484 | \$26,178 | \$26,222 |
| Median Net Worth (2016) | \$129,694 | \$136,700 | \$131,731 |
| Median Disposable Income (2016) | \$ 38,193 | \$ 40,798 | \$ 40,452 |
| Collage Educated Population (2016) | 21% | 24% | 24% |
| Average Household Size (2016) | 2.52 | 2.52 | 2.49 |
| Median Age (2016) | 48.4 | 49.0 | 49.3 |
| Total Housing Units (2016) | 22,616 | 36,828 | 42,881 |
| Owner Occupied (2016) | 63% | 60% | 58% |
| Renter Occupied (2016) | 23% | 22% | 22% |
| Vacant Housing Units (2016) | 14% | 19% | 20% |
| Total Daytime Employment | 13,811 | 18,178 | 23,644 |
| Total Businesses | 1,524 | 1,984 | 2,696 |

Source: U.S. Bureau of the Census, 2010 Census of Population and Housing, Esri forecasts for 2016 and 2021.

Summary of Metro Area, County and Market Area Trends

The metro area and city in which the subject property is located continue to experience positive economic and real estate trends above par of the rest of the state and country.

The subject's market area in general is also experiencing positive trends, particularly for retail uses. However, the subject's immediate neighborhood (Belle Terre Parkway west to US 1) appears to be a less desirable retail location than the rest of the Palm Coast Parkway corridor. This stretch of Palm Coast Parkway NW between Belle Terre Parkway and US appears to have the most amount of vacant land remaining for development anywhere along its entire length. This stretch also has the lowest traffic counts anywhere along its entire length.

There are two acreage development sites in very close proximity to the subject which have been for sale and/or on and off the market since about 2012. One of these includes the aforementioned 6.53 acre site in the Kohl's subdivision which is currently listed at \$1,800,000 or \$275,651 per acre (\$6.33 per square foot). This site abuts the subject property to the east and south. The other large acreage parcel is the aforementioned 11+/- acre site at Palm Coast Parkway and Bridgehaven Drive. This is currently being offered for sale by owner. However, after several attempts, we were not able to obtain the asking price for this site.

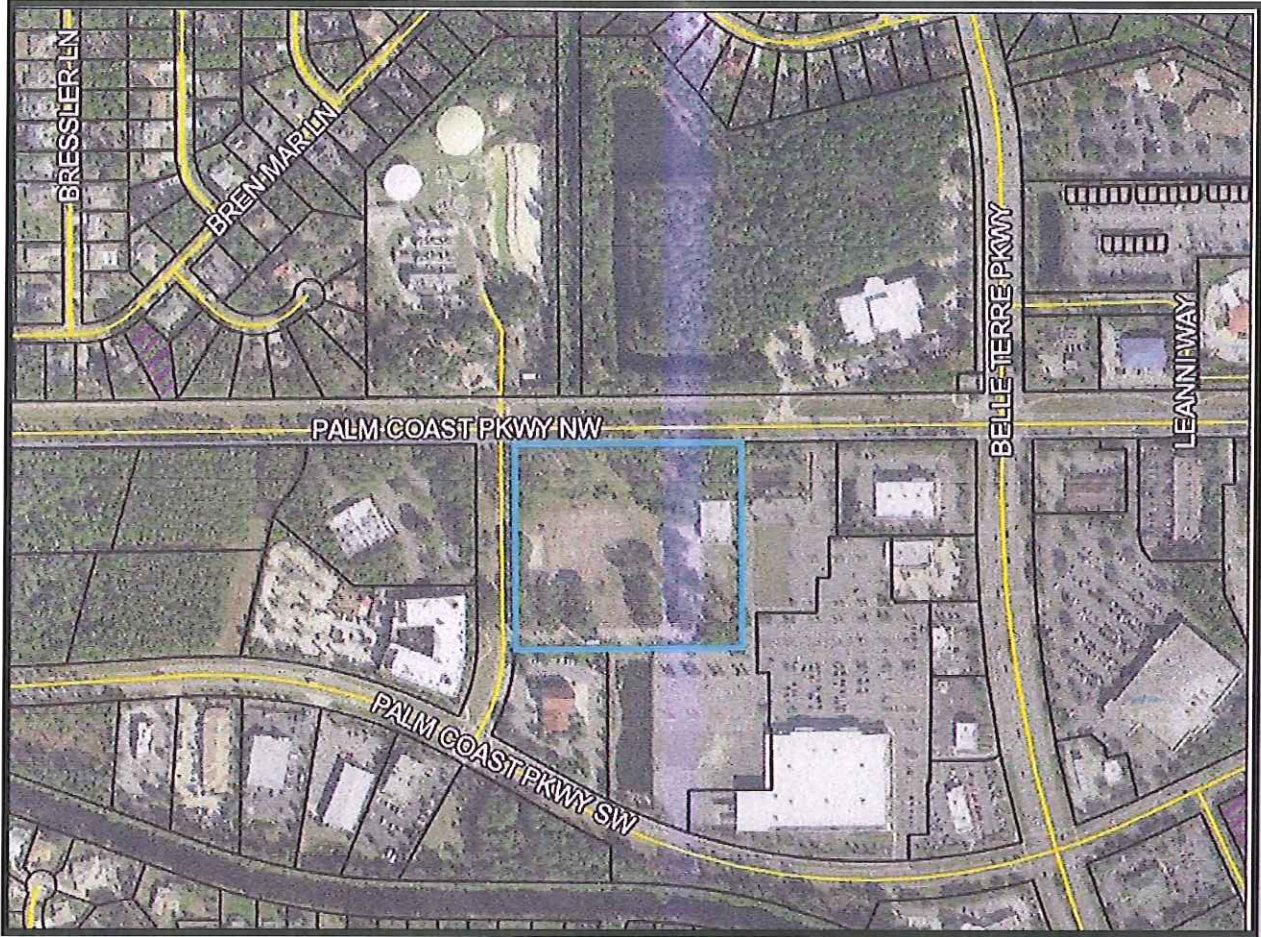
Additionally, there is a vacant 2.15 acre parcel of land located at 420 Palm Coast Parkway SW which was bought by a large franchisee of Zaxby's in 2012 who planned to develop a Zaxby's on the site. This location is on the south side of Palm Coast Parkway SW between Corporate Drive and Bridgehaven Drive and is also opposite an 11+/- acre vacant parcel of land. The property sold for \$250,000 in June 2012. This is equivalent to \$116,279 per acre (\$2.67 per square foot). The site remains undeveloped. The owner of this site instead purchased a site in the Cobblestone Village commercial subdivision further east near Palm Coast Parkway and Interstate 95 and developed a Zaxby's on that site which opened in 2013.

There is one other vacant commercially zoned land parcel in the immediate vicinity of the subject. The 2.43 acre parcel located at 540 Palm Coast Parkway SW was last sold in 2002 and still remains undeveloped. This property is located at the southwest corner of Palm Coast Parkway SW and Corporate Drive.

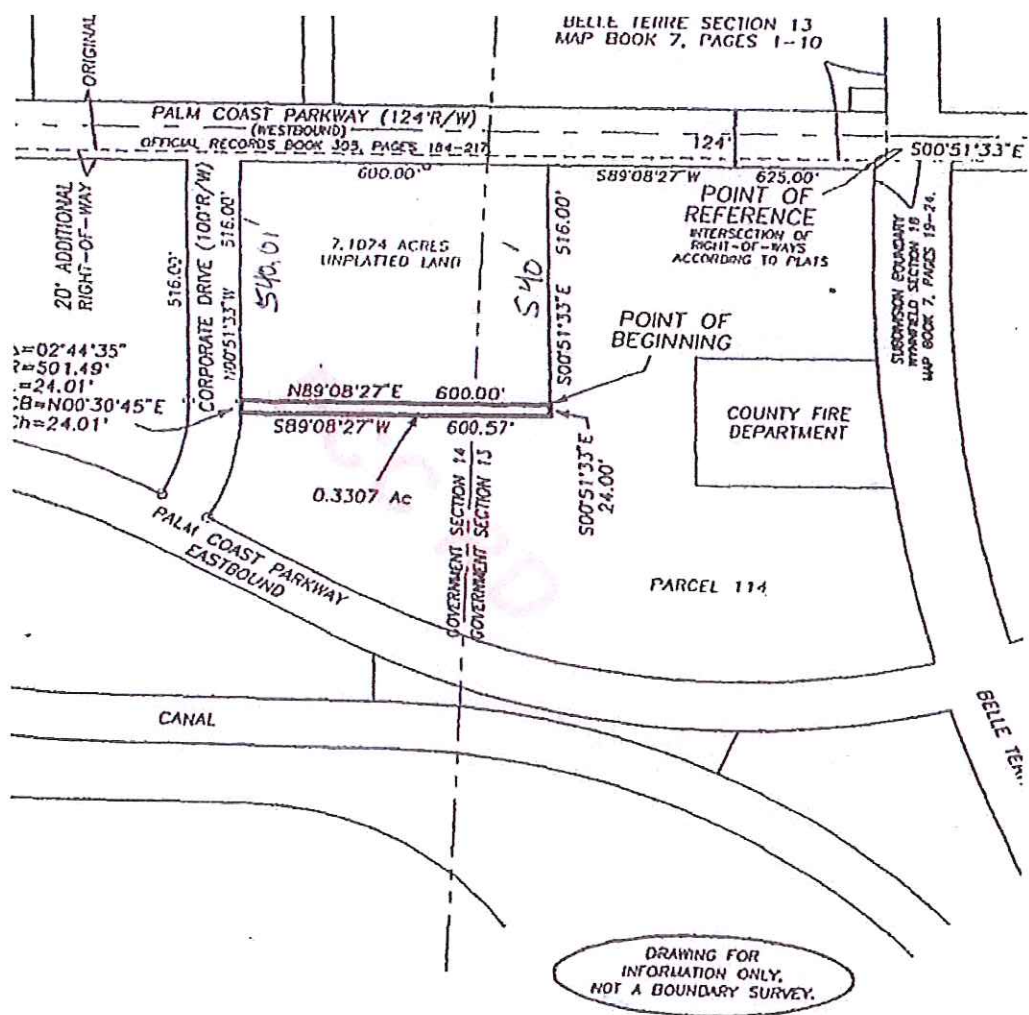
It therefore seems that while the subject property is well located, it does not appear to be a highly desired retail location at this time. This could be attributed to the low traffic counts along the stretch of Palm Coast Parkway NW between Belle Terre Parkway and Pine Lakes Parkway where the subject is located. This stretch of roadway had a 2017 traffic count of 8,100. This compares to traffic counts of 12,400 along Palm Coast Parkway NW between Pine Lakes Parkway and US 1; and to traffic counts of 16,000 to 26,000 for Palm Coast Parkway NW east of Belle Terre Parkway. The client is referred to the Florida Department of Transportation 2017 Traffic Count Map which is shown on Page 29.

The 3.9 acre site across the street from the subject at 2 Corporate Drive which recently sold is being developed with a non-commercial project, Market Street Memory Care Residence, an assisted living facility which will include 64 all-memory care units. And the attempted sale of the subject property itself has not had positive results in the recent past. According to *FlaglerLive*, three years ago the School Board decided to offer the land and the building (which has since been demolished) for \$2.3 million. No bids were made at that time.

AERIAL PLAT MAP



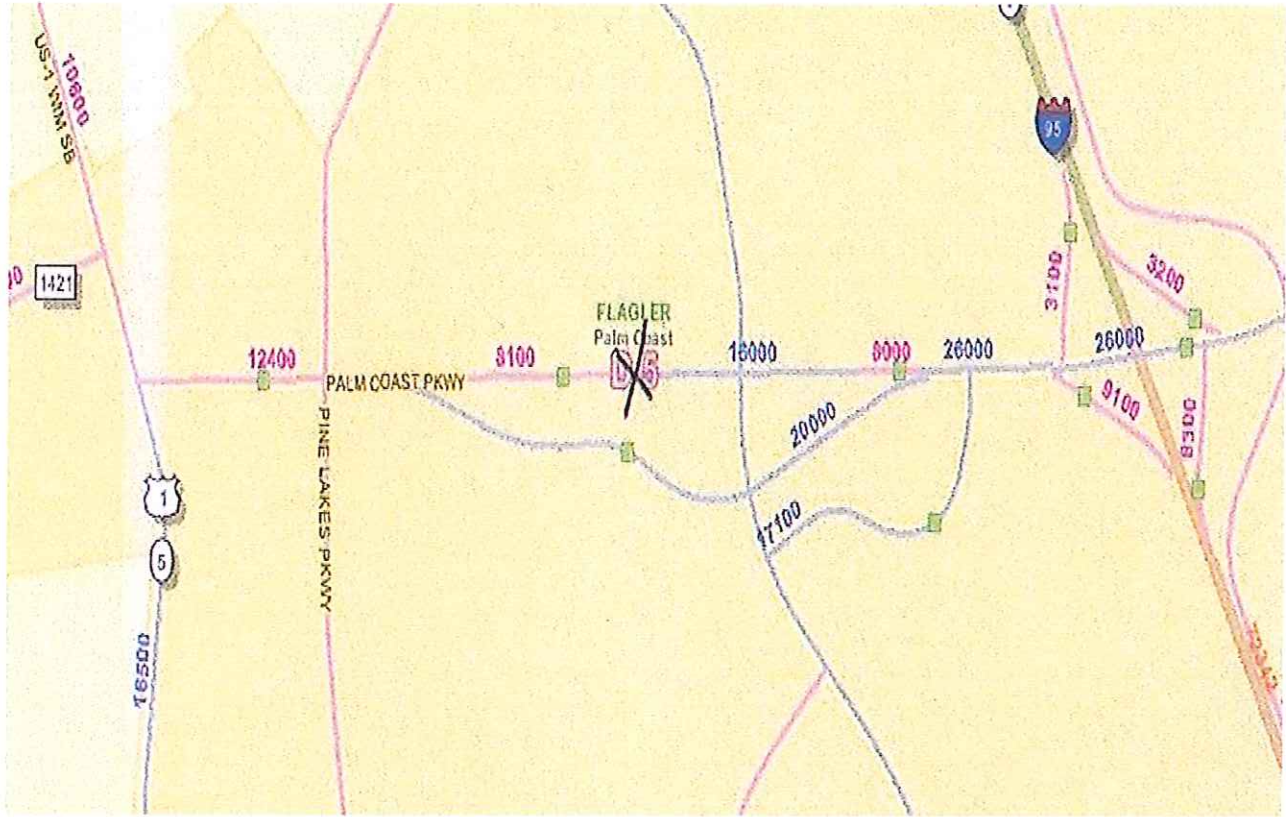
SKETCH OF LEGAL DESCRIPTION



SKETCH OF LEGAL DESCRIPTION
 ADDITION TO I.T.T. COMMUNITY DEVELOPMENT CORPORATION HEADQUARTERS SITE
 PARCEL LYING WITHIN
 GOVERNMENT SECTIONS 13 AND 14

FLORIDA DEPT. OF TRANSPORTATION 2017 TRAFFIC COUNT MAP

(Subject location is marked with an "X", between Belle Terre Parkway to the east and Pine Lakes Parkway to the west)



DESCRIPTION OF THE SUBJECT SITE

Location, Size and Shape: The subject site is situated at the southeast corner of Palm Coast Parkway NW and Corporate Drive. The site has 600 feet of frontage along the south side of Palm Coast Parkway NW and 540 feet of frontage along the east side of Corporate Drive. The site is rectangular in shape.

Topography/Soil Characteristics: The topography of the site ranges from generally level to slightly hilly. The site is cleared except for a portable building that is leased to the Palm Coast Bridge Club. Parking lot and driveway areas and large shade trees and other vegetation has been left in place after demolition of the main building on the site in April 2016. Storm water drainage on the site appeared adequate at the time of inspection. There is a drainage ditch along the site's Palm Coast Parkway frontage.

We were not furnished with a soil analysis of the subsoil conditions for the subject site. At the time of our inspection, there were no apparent unfavorable soil conditions found which might adversely affect the subject site. In the event soil tests or other sources should indicate detrimental soil conditions, the appraisers reserve the right to modify the value conclusions accordingly.

Street Improvements/Access: Access to the subject site is by way of Corporate Drive. There is no access from Palm Coast Parkway NW, which is a one-way westbound traffic artery. The intersection of Palm Coast Parkway NW and Corporate Drive has a traffic signal. Palm Coast Parkway in the vicinity of the subject is a two-lane, one-way westbound, 124 foot right-of-way. It has concrete sidewalks along its northern side. Corporate Drive is a two-lane, two-way 100 foot right-of-way which has concrete sidewalks along its eastern side.

Traffic Counts:

Palm Coast Parkway NW between Belle Terre Parkway and Pine Lakes Parkway: 8,100

Utilities and Services: All municipal utilities and services are provided to the site. The subject site is served with public water and public sewer. Capacity is sufficient, and these utilities are supplied by the City of Palm Coast. Electricity, telephone, cable and fiber optic services are provided by publicly regulated companies. These services and utilities are considered to be commensurate with surrounding municipalities.

Easements, Encroachments, and Restrictions: There are no known adverse easements, encroachments or other restrictions which may impact the value or marketability of the subject site. Typical utility easements may apply.

Flood Zone Data: The subject site lies within a Zone "X" per FEMA Flood Map #12035C0136D, effective 7/17/2006. Zone "X" is not a special flood hazard area.

HIGHEST AND BEST USE ANALYSIS

The Highest and Best Use of the subject property will be analyzed both in terms of its existing use as improved and as if it were vacant and ready to be put to use.

Highest and Best Use can be defined as: *"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."*¹

A site is valued as though vacant in terms of its Highest and Best Use which may be defined as: *"The use of a property based on the assumption that a parcel of land is vacant or can be made vacant through demolition of any improvements."*²

The following narration highlights the process utilized in formulating a conclusion of appropriate Highest and Best Use.

1. Legally Permissible: Legal permissibility considers the effect of private restrictions, zoning ordinances, building codes, historic district controls, land use regulations or any additional governing authority.
2. Physically Possible: The test for physical possibility considers those uses from among legally permissible uses which could satisfactorily be accommodated on the subject property.
3. Financially Feasible: Is there economic or financial logic in pursuing any of the legally permissible and physically possible uses which remain?
4. Maximally Productive: Of the legally permissible, physically possible and financially feasible uses, which produces the highest land value or economic return to the land.

The foregoing process applies specifically to the Highest and Best Use of land. *"It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its Highest and Best Use exceeds the total value of the property in its existing use."*³

As Vacant

The Highest and Best Use of the subject property considers the physical characteristics of the

¹The Dictionary of Real Estate Appraisal, Second Addition, Appraisal Institute, (Chicago, IL, 1993), Page 149.

²Ibid., Page 149.

³Real Estate Appraisal Terminology, Revised Edition, Byrl N. Boyce, Ballinger Publishing Company, (Cambridge, MA, 1981), Page 127.

land such as size, location, access to major transportation routes, availability of utilities and current trends in the market. In addition, consideration must be given to the existing zoning, potential for rezoning, surrounding development, and demand for real property in the present real estate market.

The category of legally permissible uses is the initial consideration in the analysis of Highest and Best use for the subject property as vacant. This category of legally permissible uses should include an analysis of public development regulations, including current and possible future changes in zoning regulations and procedures, as well as private constraints including deed restrictions, liens, easements, leases, or known encumbrances on the title of the property.

The subject site is zoned Com-2, General Commercial, by the City of Palm Coast. The future land use designation is Mixed Use. The purpose of the Com-2 district is to provide areas for general commercial and office uses to meet the community-wide demand for retail, services, business, and employment opportunities.

The Com-2, General Commercial zoning classification permits a wide variety of commercial uses, business service uses, and some other types of uses for which the 7.44 acre subject site could be developed with. Thus, legally, the subject could be developed with any number of the permitted uses in the Com-2 district.

The minimum lot size requirement in the Com-2 district is 20,000 square feet and the minimum lot width requirement is 150 feet. Physically, the subject site is of adequate size and shape to be developed with most of the permitted uses in the Com-2 district.

In considering the financially feasible and maximally productive uses for the subject property, traffic patterns and development trends in the neighborhood should be taken into consideration. As discussed earlier in this report, the traffic count along Palm Coast Parkway NW between Belle Terre Parkway and Pines Lakes Parkway (the subject location) is only 8,100 as compared to the traffic counts along Palm Coast Parkway NW east of Belle Terre Parkway which are 16,000 to 26,000. The subject's stretch of Palm Coast Parkway appears to have the lowest traffic counts along all of Palm Coast Parkway anywhere in the city.

The subject's immediate neighborhood also has the greatest amount of undeveloped commercial land along Palm Coast Parkway anywhere in the city. A 6.53 acre "shovel-ready" site in the Kohl's subdivision which abuts the subject to the east and south sides has been on the market for several years and there is an 11+/- acre parcel of commercial land just west of the subject (comprised of four tax parcels owned by the same or related entities) which has remained undeveloped. Additionally, there are two 2+/- acre commercial sites which remain undeveloped in the immediate neighborhood.

The most feasible and maximally productive use of the site would be one that would return the most money to a developer in the shortest amount of time. Based on an analysis of the subject site, the current zoning classification and future land use designation of Mixed Use, it is our opinion the Highest and Best Use of the subject site is considered to be for some type of use that does not require a lot of vehicular traffic or exposure. Among the permitted uses in the Com-2 zoning district are assisted living and nursing home facilities for which there appears to be good demand for in the local area. There are two such facilities currently under

construction in Palm Coast. The Market Street Memory Care Residence is currently under construction across the street from the subject at 2 Corporate Drive, and the Tuscan Gardens Senior Living Complex is also under construction along Colbert Lane just south of Palm Coast Parkway SE in the eastern portion of the city.

It is our opinion that the Highest and Best Use of the subject site would be for a mixed-use project consisting of some type of assisted living campus along with commercial outparcels that could be developed with complementary uses such as medical offices, a café/delicatessen, etc.

SALES COMPARISON APPROACH

The Sales Comparison Approach is an appraisal technique which utilizes recent transactions of similar properties to derive an indication of value for the subject. These comparable properties are adjusted for variables to enhance their degree of comparability to the subject. Based upon these adjustments supported by market evidence, the appraisers are then able to develop a clear indication of value for the subject. This technique is particularly accurate when there is an active and normal sales market of similar properties and when the details of the transactions can be verified by reliable sources involved in the sales.

The Sales Comparison Approach is based upon the principle of substitution, in that a knowledgeable buyer will not pay any more for a particular property than it would cost to purchase a duplicate property with equal utility.

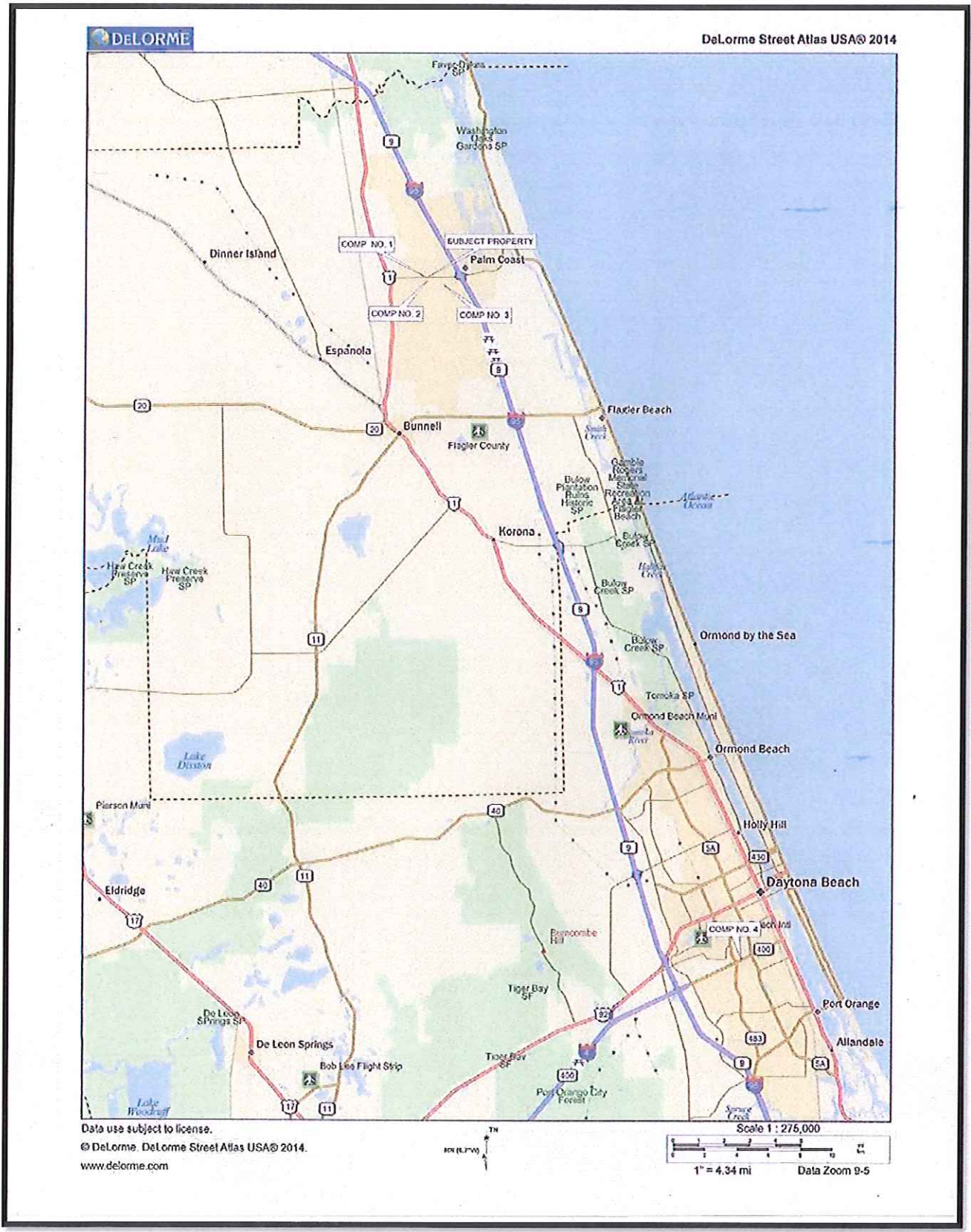
The unit of comparison utilized in this section of the report is based on selling price per acre of land area, which is generally recognized as the best means of relating the comparables to the subject when analyzing acreage commercial land sales. The most appropriate sales for utilization in the Sales Comparison Approach are considered to be properties that convey the same property rights and share similar locational, land, and other characteristics. For this reason, sales of reasonably similar commercial acreage parcels in the two-county market area are considered the most appropriate value indicators for the subject. There has not been a lot of recent sale activity for larger commercial sites in the Palm Coast market area and we have extended our sales research to include the two-county metro area. We have also extended our research to include active listings of commercial sites deemed similar to the subject.

The comparable sales used herein have been found through a thorough search of the Public Records of Flagler and Volusia Counties, the Daytona Beach Area Association of Realtors Multiple Listing Service, the Flagler County Association of Realtors Multiple Listing Service, as well as our own files and those of other appraisers. The comparable sales/listings used are considered to be the most relevant in valuing the subject site.

The comparable land sales/listings are summarized on the following page, followed by a location map of the sales/listings, aerial plat maps of the sales/listings, and a Land Sales/Listings Adjustment Grid.

| SUMMARY OF COMPARABLE LAND SALES/LISTINGS | | | | | | |
|---|--|---|--|--|--|--|
| COMP # | GRANTOR GRANTEE | LOCATION TAX PARCEL NUMBER(S) | SALE PRICE | SITE SIZE ZONING | PRICE PER ACRE & SF LAND AREA | |
| Subject | School Board of Flagler County N/A | 1 Corporate Drive SE/C Palm Coast Parkway & Corporate Dr Palm Coast, Flagler County 14-11-30-0000-01010-0020 | N/A | 7.44 Acres COM-2 General Commercial Palm Coast | N/A | |
| 1 Dec 9, 2016 2174725 | ITT LLC Market Street Palm Coast RE LLC | 2 Corporate Drive SW/C Palm Coast Parkway & Corporate Dr Palm Coast, Flagler County 14-11-30-0000-01010-0010 | \$925,000 | 3.90 Acres OFC-2 General Office Palm Coast | \$237,170/AC \$5.45/SF | |
| 2 Listing | PC Parkway Continental LLC N/A | 645 Palm Coast Parkway SW Palm Coast, Flagler County 13-11-30-4970-00000-0020 | \$1,800,000 List Price | 6.53 Acres COM-2 General Commercial Palm Coast | \$275,651/AC \$6.33/SF | |
| 3 June 29, 2015 20731838 | Yahmom Investment Corporation SSL Palm Coast LLC | 144 Cypress Point Parkway Palm Coast, Flagler County 07-11-31-7025-00050-00F1 | \$645,000 | 4.33 Acres Total 1.65 Acres Wetlands 2.68 Acres Usable MFR-2 Multifamily Residential Palm Coast | \$240,672/AC \$5.53/SF Per usable area | |
| 4 Dec 5, 2017 748073403 | The Southeastern District of the Christian and Missionary Alliance JB Daytona Beach, LLC | 1250 Beville Road Daytona Beach, Volusia County 5340-05-22-0090 | \$1,675,000 +50,000 demo cost \$1,725,000 Total cost | 5.08 Acres PD-G Planned Dev-General Daytona Beach | \$339,567/AC \$7.80/SF | |

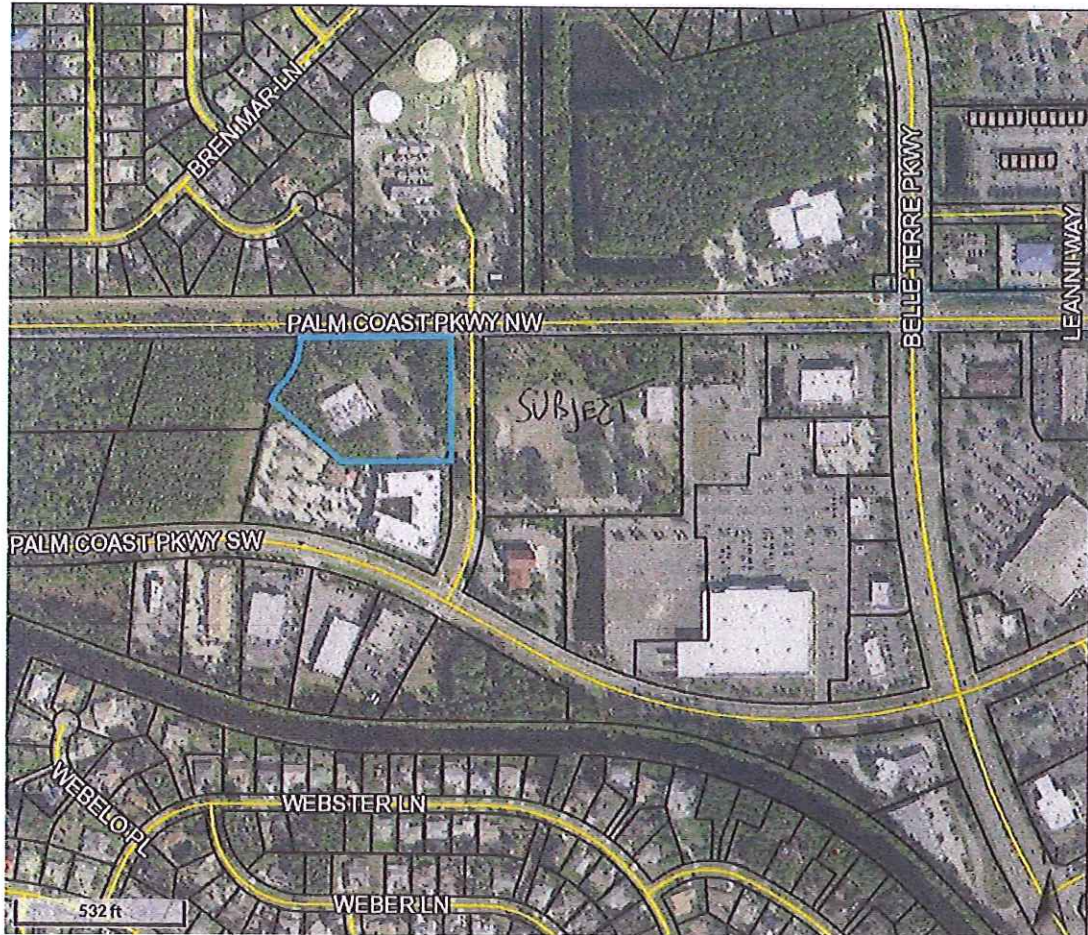
LOCATION MAP OF COMPARABLE LAND SALES/LISTINGS



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 www.delorme.com

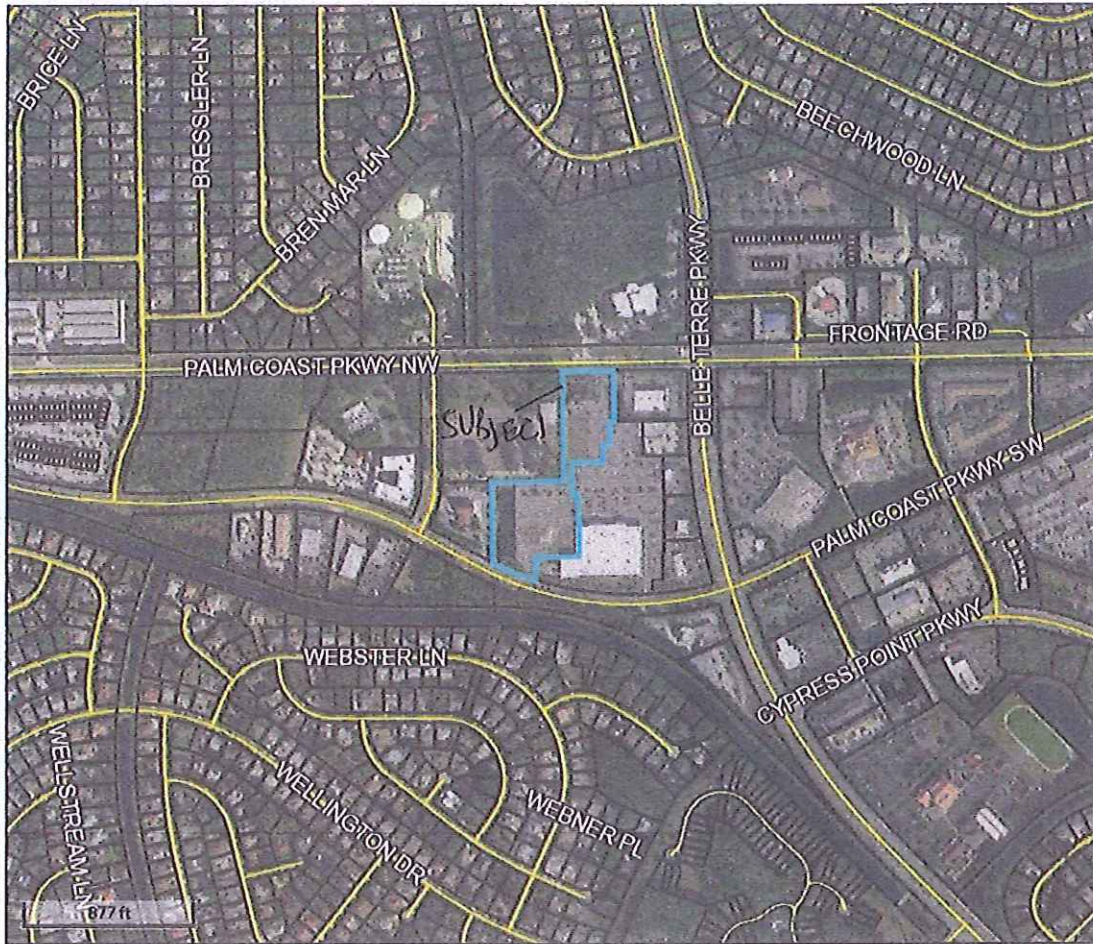
COMPARABLE NO. 1 AERIAL PLAT MAP

2 CORPORATE DRIVE, PALM COAST, FLAGLER COUNTY



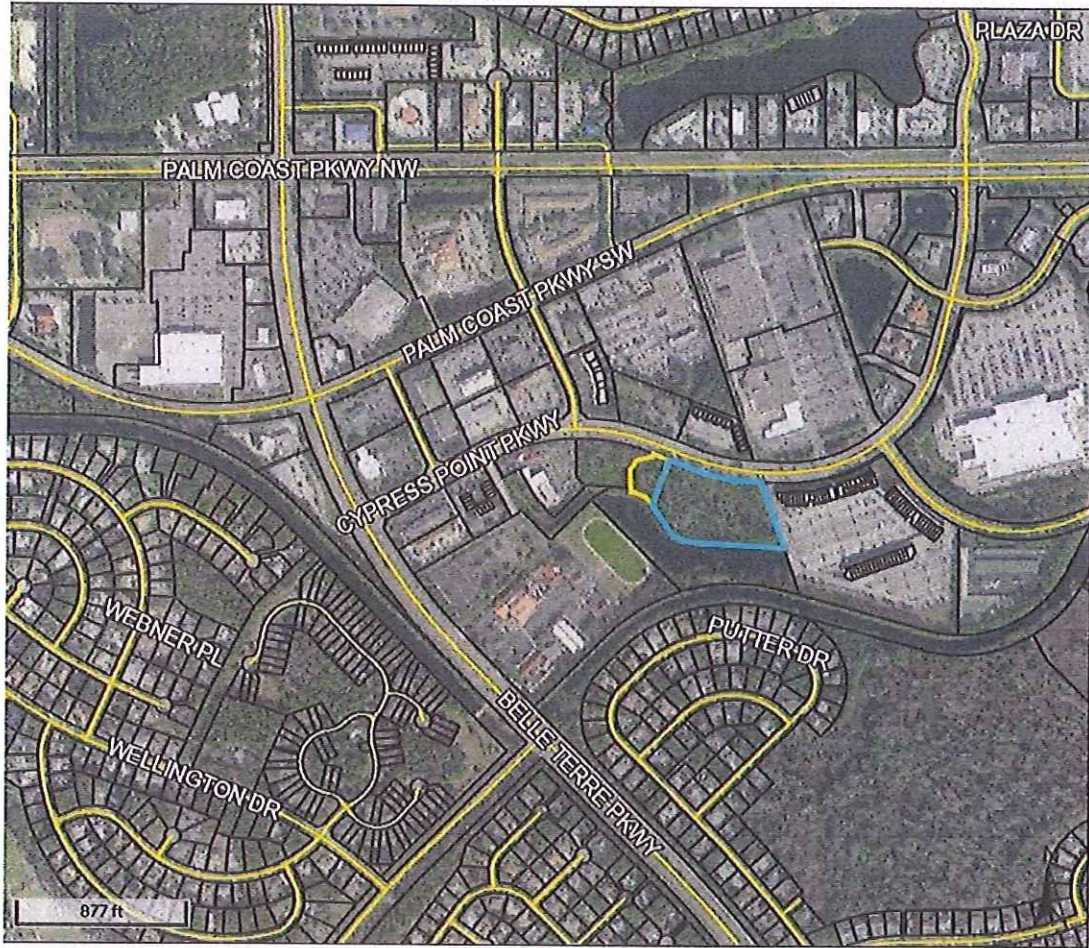
COMPARABLE NO. 2 AERIAL PLAT MAP

645 PALM COAST PARKWAY SW, PALM COAST, FLAGLER COUNTY



COMPARABLE NO. 3 AERIAL PLAT MAP

144 CYPRESS POINT PARKWAY, PALM COAST, FLAGLER COUNTY



COMPARABLE NO. 4 AERIAL PLAT MAP

1250 BEVILLE ROAD, DAYOTNA BEACH, VOLUSIA COUNTY



COMPARABLE LAND SALES/LISTINGS ADJUSTMENT GRID

| | SUBJECT | COMP 1 | COMP 2 List Price | COMP 3 | COMP 4 |
|--|------------------------------|--|---|---------------------------------------|-------------------------------------|
| SALE PRICE | N/A | \$925,000 | \$1,800,000 | \$645,000 | \$1,725,000 |
| PRICE PER ACRE | N/A | \$237,170 | \$275,651 | \$240,672 | \$339,567 |
| PROPERTY RIGHTS ADJUSTMENT | Fee Simple | Fee Simple 0% | Fee Simple 0% | Fee Simple 0% | Fee Simple 0% |
| FINANCING ADJUSTMENT | N/A | Normal 0% | Normal 0% | Normal 0% | Normal 0% |
| CONDITIONS OF SALE ADJUSTMENT | N/A | Arm's Length 0% | Arm's Length 0% | Arm's Length 0% | Arm's Length 0% |
| SALE DATE ADJUSTMENT | N/A | 12/2016 8.5% | Listing -10% | 6/2015 17.5% | 12/2017 2.5% |
| ADJUSTED PRICE PER ACRE | N/A | \$257,329 | \$248,086 | \$282,790 | \$348,056 |
| LOCATION ADJUSTMENT | 1 Corporate Dr Palm Coast | 2 Corporate Dr Palm Coast 0% | 645 PC Parkway Palm Coast 0% | 144 Cypress Pnt Palm Coast -20% | 1250 Beville Daytona Bch -20% |
| VISIBILITY/EXPOSURE ADJUSTMENT | Signalized Inters | Signalized Intersec 0% | Interior Lot, Inward facing dev 30% | Interior Lot 15% | Minor Corner 5% |
| SITE SIZE ADJUSTMENT | 7.44 Acres | 3.90 Acres -10% | 6.53 Acres 0% | 2.68 Acre Usable -10% | 5.08 Acres -5% |
| SHAPE ADJUSTMENT | Rectangle | Irregular Rect 0% | Very Irreg 15% | Irreg Rect 0% | Rectangle 0% |
| TOPOGRAPHY ADJUSTMENT | Level, Trees | Level, Trees 0% | Level, Cleared -5% | Level, Wooded 10% | Level, Trees 0% |
| UTILITIES ADJUSTMENT | All available | All available 0% | All available 0% | All available 0% | All available 0% |
| ZONING ADJUSTMENT | COM-2 Gen Commercial | OFC-2 Gen Office 10% | COM-2 Gen Commercial 0% | MFR-2 Multifamily Res 15% | PD-G Plan Dev Gen 0% |
| ENTITLEMENTS ADJUSTMENT | None | Yes Buyer paid for 0% | Yes Seller paid for -10% | Yes Buyer paid for 0% | Yes Buyer paid for 0% |
| OTHER ADJUSTMENT | On-Site Ret | On-Site Retention 14,835 SF bldg requires demo 8% | Off-Site Retention Shovel Ready Site -20% | Off-Site Retention -10% | On-Site Ret 0% |
| NET ADJUSTMENT | | 8% | 10% | 0% | -20% |
| FINAL ADJ PRICE/AC FINAL ADJ PRICE/SF | | \$277,915 \$6.38 | \$272,895 \$6.27 | \$282,790 \$6.49 | \$278,445 \$6.39 |
| ADJUSTED MEAN: \$ | | | | | |

Concluded Land Value

All of the sales conveyed the same property rights as the subject, and all were arm's length transactions.

Sale Date Adjustments were made for all of the sold comparables based on 6 percent per year to reflect continued increases in commercial land values in this market area. Comparable No. 2 is a listing and we have deducted 10 percent to allow for the probable negotiation of the asking price. The adjustment was based on a Navica MLS/Flagler County MLS Sold Market Analysis Report for the prior twelve month period which indicated the average days on market for commercial land in the City of Palm Coast was 217 days and the properties sold at a list-to-sale-price ratio of 91 percent.

Site Size Adjustments were made based on the premise that larger size parcels tend to sell for less dollars per square foot than smaller size parcels (economies of scale). Therefore, comparables which had a smaller lot size than the subject required a downward adjustment of the unit rate (price per acre).

Comparable No. 1 is located across the street from the subject at the southwest corner of Palm Coast Parkway NW and Corporate Drive. It was purchased for development of the Market Street Memory Care Residence. The project will include 64 all-memory care units in an innovative facility. This property was improved with a 14,835 square foot office building at the time of sale. We have estimated a demolition cost of \$75,000 or approximately \$5.06 per square foot of building area for this sale, and have made an 8% upward adjustment to reflect this added cost to the land purchase price. This site is zoned OFC-2, General Office, which does permit assisted living facilities, among other specialized commercial uses. However, it was considered an inferior zoning category compared to the general commercial zoning of the subject site.

Comparable No. 2, at 645 Palm Coast Parkway SW, is an active listing which has been on the market for some time. This 6.33 acre lot abuts the subject to the south and east and is part of the PC Parkway Plaza/Kohl's subdivision. This site is shovel-ready and has off-site retention areas in place. While this site has frontage on both Palm Coast Parkway NW and Palm Coast Parkway SW, it is accessible only from Belle Terre Parkway via cross access easements with Kohl's and the various outparcels which are already developed. Thus, like the Kohl's store, any new retail development would also be oriented to facing inward on the site, reducing their visibility/exposure to passing motorists. A development agreement is in place for the entire PC Palm Coast Parkway Plaza, with the 6.33 acre lot having three retail pad sites with up to 60,273+/- square feet of retail space that can be developed. It is noted that a new developer could make modifications to the existing development agreement as to the retail pad site layout on this lot.

Comparable No. 3 is located at 144 Cypress Point Parkway between City Marketplace and a new Super wash Express Car Wash which opened last year. This site was purchased for development of a Starling Assisted Living Facility which will consist of a 65,497 square foot, 74-unit, and 86-bed facility in a single two-story building. The sale's location is considered to be inferior to the subject's. The site is zoned MFR-2, Multifamily Residential, which permits assisted living facilities. It is our opinion the zoning on this site could have easily been changed to Commercial, since it is surrounded by commercially-zoned land. Subsequent to this sale,

the buyer was required to purchase an additional small parcel of land (0.67 acres) in order to provide two access points to the property, one from the east and one from the west side. The buyer purchased this additional land area in June 2016 for \$35,800 from the Cypress Point at Palm Coast Owners Association which abuts the sale site at the rear. There are approximately 1.65 acres of wetlands on the site with an off-site mitigation parcel included in the sale. The developable land area is 2.68 acres of a total 4.33 acres.

Comparable No. 4 is located at 1250 Beville Road in Daytona Beach. This location is between Nova Road and Clyde Morris Boulevard and is just east of Interstates 95 and 4. It is also located across the street from a Walmart and Sam's Club. The site was improved with an older church which was demolished by the buyer at a reported cost of \$50,000 which we have added to the land purchase price. The site was purchased for development of Bellewood Commons, a mixed-use project which includes a 6,946 square foot Tire Kingdom, a 7,225 square foot O'Reilly's Auto Parts, a third retail pad site of 5,775 square feet which has not yet been leased/sold, and limited infrastructure (retention and utilities stubbed) for a multi-family use (student housing) in the rear of the commercial pad sites.

The sales indicated selling prices between \$237,170 and \$339,567 per acre (\$5.45 to \$7.80 per square foot).

After making adjustments to the sales, the indicated value range to the subject is between \$272,895 and \$282,789 per acre (\$6.27 to \$6.49 per square foot). The adjusted mean value is \$278,011 (\$6.38 per square foot).

Placing the most reliance on Comparable No. 1 which is located across the street from the subject at the same intersection, and also relying on the adjusted mean value of \$278,000 per acre, we have estimated a value of \$278,000 per acre for the subject site.

Therefore,

| | |
|-----------------------------------|-----------------|
| 7.44 acres @ \$278,000 per acre = | \$2,068,320 |
| | R/T \$2,000,000 |

LAND VALUE OPINION BY THE SALES COMPARISON APPROACH

TWO MILLION DOLLARS

(\$2,000,000)

RECONCILIATION AND FINAL VALUE ESTIMATE

The reconciliation analysis is the process of correlating and integrating related factors contained within this report in order to form a cohesive and logical conclusion of the value for the subject property. A reevaluation of the specific data, procedures, and techniques utilized in estimating each separate value conclusion must be scrutinized.

During the reconciliation process, "the appraiser weighs the relative significance, applicability, and defensibility of the indicators of value derived from each applicable approach, and places most weight and reliance on the one which, in his professional judgment, best approximates the value being sought in the appraisal."⁴

For the appraisal to be pertinent, it is essential that the final value estimate reflects the definition of value being sought within the appraisal report.

According to a March 7, 2018 news article which appeared on *FlaglerLive*, our client, the Flagler County School Board, last year turned down a proposed sale of the subject site for \$1.8 million to the developers of Island Walk, who envisioned a similar development on the subject site. This offer was equivalent to \$241,935 per acre or \$5.55 per square foot of land area.

Based on the market data researched for this valuation, it is our opinion that the market value of the subject site, as of the effective date, was:

FINAL MARKET VALUE OPINION

TWO MILLION DOLLARS

(\$2,000,000)

⁴ Real Estate Appraisal Terminology, Byrl N. Boyce, Ballinger Publishing Company, Cambridge, MA, 1975, Page 112.

ESTIMATED MARKETING TIME

Marketing Time may be defined as *“an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.”*¹ An estimate of marketing time is not mandated by USPAP.

The marketing time that should be anticipated for the potential sale of the subject property, on the open market, is greatly dependent upon the market conditions in effect at the time of marketing, the effort and contacts applied to the marketing program, as well as the availability of financing.

The Navica MLS/Flagler County MLS Sold Market Analysis Report for the prior twelve month period indicated the average days on market for commercial land in the City of Palm Coast was 217 days and the properties sold at a list-to-sale-price ratio of 91 percent.

As to active listings of commercially zoned land in the Palm Coast area, there are numerous sites that are for sale all over the city which could lengthen the marketing time for the subject.

Therefore, based on the available information, we feel that with effective marketing and exposure, it may be possible for the subject property to transfer within 12 months at the appraised value.

¹Standards Of Professional Appraisal Practice Of The Appraisal Institute, 1998 Edition, The Appraisal Foundation, 1998, Page 77.

ADDENDUM

ENGAGEMENT LETTER

PAGE 1 OF 1

| |
|----------------|
| PO DATE |
| 04/17/2018 |

FLAGLER COUNTY PUBLIC SCHOOL DISTRICT

386-437-7526
 INVOICE TO: ACCOUNTS PAYABLE DEPARTMENT
 PO Box 755
 Bunnell, Florida 32110-0755
 FLORIDA STATE TAX EXEMPTION # 85-8012621910C-7
 ALL INVOICES, PACKING SLIPS, SHIPPING CONTAINERS
 AND CORRESPONDENCE MUST HAVE PO # ON THEM.

| |
|------------------------------|
| PURCHASE ORDER NUMBER |
| 0011718080 |

PRINTED 04/26/2018
 DUPLICATE

VENDOR KEY : HEFFINGT000
 SHIP DATE : 04/17/2018
 FISCAL YEAR : 2017-2018
 ENTERED BY : GROSSTAY000
 ORIGINAL REQ # : 0000034288

VENDOR:
 HEFFINGTON AND ASSOCIATES
 911 BEVILLE RD
 SUITE #8
 DAYTONA BEACH, FL 32119

SHIP TO:
 FLAGLER COUNTY SCHOOL BOARD
 1769 E. Moody Blvd BLDG #2
 BUNNELL, FL 32110

PHONE: (386) 760-7601 FAX: (386) 760-5161

| QUANTITY | UNIT | DESCRIPTION OF ITEMS OR MATERIALS | UNIT PRICE | AMOUNT |
|---|------|---|-------------------|----------|
| 1 | | Appraisal for 1 Corp. Drive, Palm Coast per attached quote. | 1900.00000 | 1,900.00 |
| ACCOUNT SUMMARY (FOR INTERNAL USE) | | | | |
| | | ACCOUNT NUMBER | ACCOUNT AMOUNT | |
| | | 0160E9100 0390 0092 10000 00000 00000 | 1,900.00 | |
| | | | PAGE TOTAL | 1,900.00 |
| | | | TOTAL | 1,900.00 |

PARTIAL OR FINAL PAYMENT
 Flagler County School Board's performance and obligation to pay under this contract is contingent upon appropriation of funds by the legislature

PURCHASE APPROVED BY:

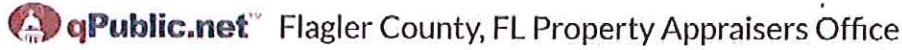
COMPLIANCE WITH FEDERAL REGULATIONS: All contracts involving Federal funds will contain certain provisions required by applicable sections of Title 34, Section 80.36(1) and 85.510, Code of Federal Regulations are included by reference herein. The vendor certifies by accepting this purchase order that the vendor and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in federally funded transactions and may, in certain instances, be required to provide a separate written certification to this effect.

Jim M. Poolman

PROPERTY APPRAISER'S TAX PARCEL ASSESSMENT RECORD

4/10/2018

qPublic.net - Flagler County, FL Property Appraisers Office



Owner Information

Primary Owner
 School Board Of Flagler
 County
 (Flagler Technical Center)
 PO Box 755
 Bunnell, FL 32110

Parcel Summary

Parcel ID 14-11-30-0000-01010-0020
 Location 1 CORPORATE DR
 Address PALM COAST 32137
 Brief 7.11 AC THAT PT OF GOVT SEC 13 & 14-11-30 DESC AS BEG 625' W OF INTERSECTION OF BELLE TERRE & S R/W PC PKWY W. 600' ALONG PC PKWY
 Tax Description* TO CORPORATE DR R/W, S ALONG CORPORATE DRIVE 516', E 600', N 516' TO POB OR 422 PG 756-ESMT TO SO BELL 10 X 14 OR 564 PG 1406 & 24 FT ON CORPORATE DR BY 600 FT STRIP ON S BOUNDARY OR 576 PG 1080, 1083 OR 763 PG 1467
*The Description above is not to be used on legal documents.
 Property Use SCHOOL OWN (008300)
 Code
 District CITY OF PALM COAST WITH MOSQUITO CONTROL (District 61)
 Millage Rate 20.3891
 Acreage 7.110 *7.4381 AC (DEED)*
 Homestead N
 Feet (GIS) 324155.08

[View Map](#)

Valuation

| | 2017 Certified Values | 2016 Certified Values | 2015 Certified Values | 2014 Certified Values |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Building Value | \$84,123 | \$84,123 | \$427,045 | \$1,728,515 |
| Extra Features Value | \$348 | \$87,921 | \$91,333 | \$95,833 |
| Land Value | \$1,289,174 | \$1,056,128 | \$1,056,128 | \$1,561,764 |
| Land Agricultural Value | \$0 | \$0 | \$0 | \$0 |
| Agricultural (Market) Value | \$0 | \$0 | \$0 | \$0 |
| Just (Market) Value | \$1,373,645 | \$1,228,172 | \$1,574,506 | \$3,386,112 |
| Assessed Value | \$1,373,645 | \$1,228,172 | \$1,574,506 | \$3,386,112 |
| Exempt Value | \$1,254,659 | \$1,228,172 | \$1,574,506 | \$3,386,112 |
| Taxable Value | \$0 | \$0 | \$0 | \$0 |
| Protected Value | \$0 | \$0 | \$0 | \$0 |

Current Exemptions on this parcel:
 01 - COUNTY/SCHOOL

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.

Historical Assessments

TRIM Notice

TRIM Notice

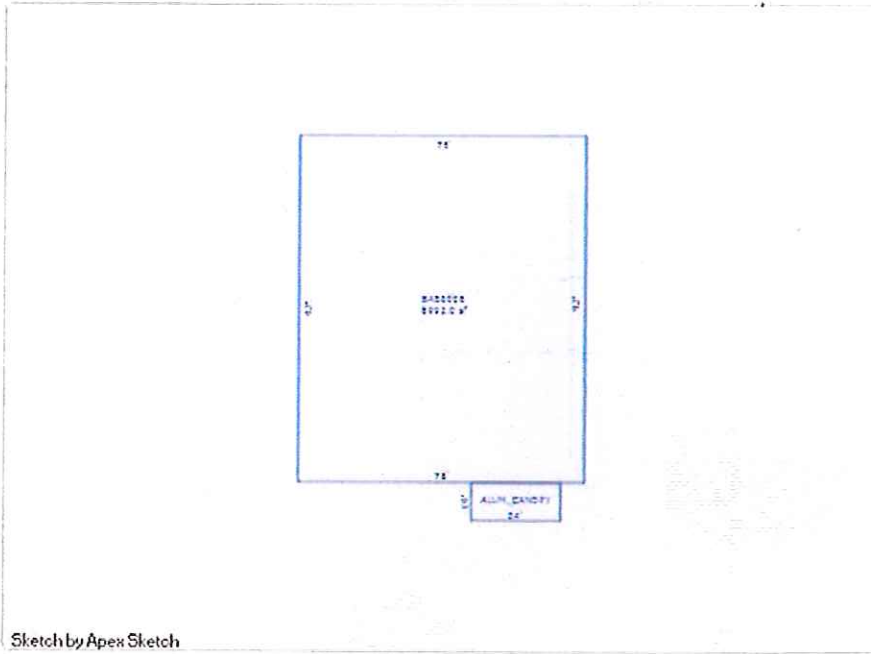
Commercial Buildings

Building 2
 Type RELO CLSRM
 Construction Class 00
 Total Area 6992
 Finished Area 6992
 Perimeter 0
 Exterior Walls PLY PANEL
 Wall Frame CLASS D
 HVAC IND WALLHP
 Stories 0
 Wall Height 10
 Actual Year Built 0
 Effective Year Built 2000
 Fire Sprinklers

Sketches

4/10/2018

qPublic.net - Flagler County, FL Property Appraisers Office



Building Area Types

| Type | Description | Sq. Footage | Year |
|------|---------------------|-------------|------|
| BAS | Base Area | 6,992 | 2008 |
| NCA | Non-Calculated Area | 240 | 2008 |

Extra Features

| Code | Description | Number of Items | Units | Unit Type | Effective Year Built |
|--------|-----------------|-----------------|-------|-----------|----------------------|
| 886904 | CANOPY ALUMINUM | 1 | 240 | SF | 2000 |

Sales

| Multi Parcel | Sale Date | Sale Price |
|--------------|------------|-------------|
| N | 08/01/2001 | \$3,500,000 |
| N | 02/01/1997 | \$0 |
| N | 08/01/1996 | \$1,100,000 |
| N | 01/01/1900 | \$3,049,093 |

No data available for the following modules: Property Information, Residential Buildings, Photos.

The Property Appraiser 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 assessment information is from the last certified tax roll. If you feel that any information contained herein is incorrect, please contact our office at (386)313-4150.

Last Data Upload: 4/10/2018, 6:00:07 AM



Developed by
The Schneider
Corporation

MOST RECENT DEED OF CONVEYANCE

RK

PREPARED BY AND RETURN TO:
Michael D. Chiumento, Esquire
Chiumento & Associates, P.A.
4 Old Kings Road North
Palm Coast, Florida 32137

Inst No: 01024015 Date: 08/21/2001
Doc Stamp-Deed : 24500.00
GAIL WADSWORTH, FLAGLER County
By: *[Signature]* D.C. Time: 08:46:26

OFF REC 0763 PAGE 1467

Property Appraisers Parcel
Identification Numbers
141130-0000-01010-0020;

WARRANTY DEED

THIS INDENTURE, Made this ¹⁸16 day of August, 2001, Corporate Plaza, Inc., a Florida corporation, 76-36 265TH Street, New Hyde Park, NY 11040 hereinafter called the Grantor, to The School Board of Flagler County, Florida, whose post office address is P.O. Box 755, Bunnell, FL 32110, hereinafter called the Grantee:

WITNESSETH, That said Grantor, for and in consideration of the sum of \$10.00 and other good and valuable consideration to said Grantor in hand paid by said Grantee, the receipt whereof is hereby acknowledged, by these presents does grant, bargain, sell, alien, remise, release, convey and confirm unto the grantee, all that certain land situate in Flagler County, Florida, to-wit:

SEE ATTACHED EXHIBIT "A"

TOGETHER with all the tenements, hereditament and appurtenances thereto belonging or in anywise appertaining.

TO HAVE AND TO HOLD, the same in fee simple forever.

AND the Grantor hereby covenants with said Grantee that the Grantor is lawfully seized of said land in fee simple; that Grantor has good right and lawful authority to sell and convey said land; that the Grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing subsequent to December 31, 2000.

IN WITNESS WHEREOF, the Grantor has signed sealed these presents the day and year first above written.

Signed, sealed and delivered in the presence of:

Witness Name: Michael Chiumento
Witness Name: Stephen L. Sapientia

Corporate Plaza, Inc.
a Florida corporation

By: Ronald J. Szymanski, Pres
Ronald J. Szymanski
President



(Corporate Seal)

State of Florida
County of Flagler

The foregoing instrument was acknowledged before me this 16th day of August, 2001 by Ronald J. Szymanski, President of Corporate Plaza, Inc., a Florida corporation, on behalf of the corporation. (He/she) is personally known to me or has produced a driver's license as identification.

[Notary Seal]

[Signature]
Notary Public

Printed Name: _____

My Commission Expires: _____

Kelly Devore
My Commission CC799157
Expires December 23 2002

EXHIBIT "A"

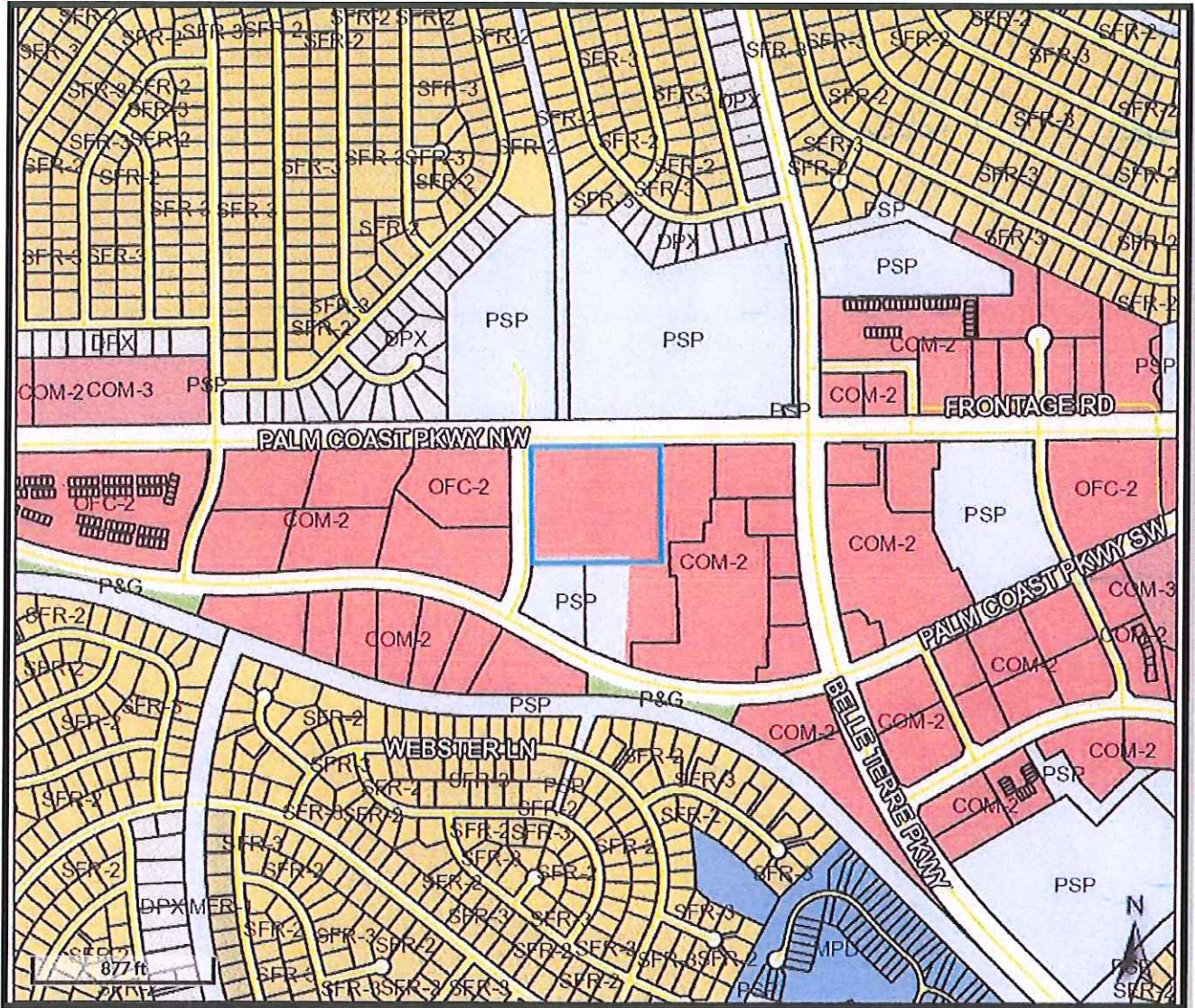
Legal Description

A parcel of land being a portion of Parcel 114, as recorded at OR Book 576, pages 1083 through 1085 and OR Book 0564, pages 1406 through 1408, of the Public Records of Flagler County, Florida, laying in Government Sections 13 and 14, Township 11 South, Range 30 East, Flagler County, Florida, being more particularly described as follows:

A POINT OF REFERENCE being the Northwest corner of the right-of-way of Belle Terre Parkway (150' R/W) as shown on the Subdivision Map Wynnfield Section 18, Palm Coast, recorded in Map Book 7, Pages 19 through 24, of the Public Records of Flagler County, Florida, thence South $00^{\circ}51'33''$ East a distance of 20.00 feet to a point on the Southerly right-of-way line of Palm Coast Parkway (West) (124' R/W) as recorded in Official Records Book 305, Pages 184 through 217, of the Public Records of Flagler County, Florida, thence South $89^{\circ}08'27''$ West along the Southerly line of Palm Coast Parkway (West) a distance of 625.00 feet to the Point of Beginning; thence departing Palm Coast Parkway South $00^{\circ}51'33''$ East a distance of 540.00 feet; thence South $89^{\circ}08'27''$ West a distance of 600.57 feet to a point on the East right-of-way line of Corporate Drive (100' R/W), said point being on a curve, thence Northerly 24.01 feet along the arc of a curve to the left (concave westerly) having a central angle of $02^{\circ}44'35''$, a radius of 501.49 feet, a chord Bearing of North $00^{\circ}30'45''$ East and a chord distance of 24.01 feet; thence $N00^{\circ}51'33''W$ along the East right-of-way of Corporate Drive, a distance of 516.00 feet to the Southerly line of Palm Coast Parkway (West); thence $N89^{\circ}08'27''E$ along the Southerly line a distance of 600.00 feet, to the Point of Beginning.

Containing 7.4381 acres, more or less

ZONING MAP



QUALIFICATIONS OF THE APPRAISER

R. TODD HEFFINGTON, MAI
911 BEVILLE ROAD, STE. 8
DAYTONA BEACH, FL 32119
Email: todd@heffingtonandassociates.com

BUSINESS AND PROFESSIONAL AFFILIATIONS

Member, Appraisal Institute
State Certified General Real Estate Appraiser - State of Florida, License 2368
Florida Real Estate Salesman, License SL 0589200
Member DeLand-West Volusia Board of Realtors

EDUCATION

B.S. Degree Real Estate, University of Florida, 1992
Master Of The Arts Degree in Real Estate, University of Florida, 1994
Numerous continuing education courses and seminars

APPRAISAL EXPERIENCE

Clayton, Roper, and Marshall, May 1993 through August 1993
Heffington & Associates, September 1, 1993 to Present

Completed appraisals on Single Family Residences, Vacant Residential Land, Agricultural Land, Producing Agricultural Properties, Vacant Commercial Properties, Apartment Developments, Industrial Properties, Golf Courses, and Office Buildings

COURT QUALIFICATIONS

Qualified as expert witness for Real Estate Valuation
Provided testimony in court hearings for condemnation, deficiency judgments, etc.

PARTIAL LIST OF CLIENTS

BB&T
Fairwinds Credit Union
Farm Credit
Florida Capital Bank
Florida Community Bank
Friends Bank
Main Street Community Bank
PNC Bank
Regions Bank
Seacoast Bank
Wells Fargo

City of Daytona Beach
City of DeLand
City of New Smyrna Beach
City of Ormond Beach
City of Port Orange
City of South Daytona
County of Volusia
Florida Department of Transportation
School Board of Volusia County
TD Bank

QUALIFICATION OF THE APPRAISER

PATRICIA FISHER-BREWER
HEFFINGTON AND ASSOCIATES
911 BEVILLE ROAD, SUITE 8
DAYTONA BEACH, FL 32119
Email: pfisher2@bellsouth.net

BUSINESS AND PROFESSIONAL AFFILIATIONS:

State Certified General Appraiser, State of Florida, License RZ2416
Real Estate Associate, State of Florida, License SL3323569

EDUCATION:

Keystone School of Business Administration (now Chubb Institute), Swarthmore, PA
(1977-1979) Associate Degree, Business Administration
Appraisal Institute: Awarded 4-year college equivalency in March 1988

BUSINESS EXPERIENCE:

Heffington and Associates, Daytona Beach, Florida (1998 - Present)

Camins Associates/Bernard W. Camins, MAI, Philadelphia Pennsylvania (March 1992-May 1997), Independent Contractor

Metro Appraisal Services, Marmora, New Jersey and Conshohocken, Pennsylvania (April 1996-May 1997) Independent Contractor

Fisher Realty Appraisal Services, Kulpville, Pennsylvania (June 1988-March 1995) Owner

Property Appraisal Associates, a division of The Phifer Group, Lansdale, Pennsylvania (March 1983- May 1988), Manager, Commercial/Industrial Division

Cushman & Wakefield of Pennsylvania, Inc., Philadelphia, Pennsylvania (June 1980-December 1981), Research Assistant /Appraisal Associate.

William T Burke, MAI, SRPA, Springfield, Pennsylvania (June 1978-June 1980), Assistant/Trainee.

COURT QUALIFICATIONS

Qualified as an Expert Witness in various Pennsylvania Courts, including Bucks County Court of Common Pleas, Montgomery County Court of Common Appeals, and Montgomery County Orphans' Court.

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BOARD

| | |
|-----------------------|--|
| LICENSE NUMBER | |
| P2266 | |

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS
Expiration date: NOV 30, 2018



HEFFINGTON, RAYMOND TODD
911 BEVILLE RD
SUITE 8
DAYTONA BEACH FL 32119



ISSUED: 11/20/2018

DISPLAY AS REQUIRED BY LAW

SEO# L151122002002

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BOARD

| | |
|-----------------------|--|
| LICENSE NUMBER | |
| P2249 | |

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS
Expiration date: NOV 30, 2018



FISHER-SREWER, PATRICIA KATHERINE
911 BEVILLE RD #3
DAYTONA BEACH FL 32119



ISSUED: 11/20/2018

DISPLAY AS REQUIRED BY LAW

SEO# L151122002002