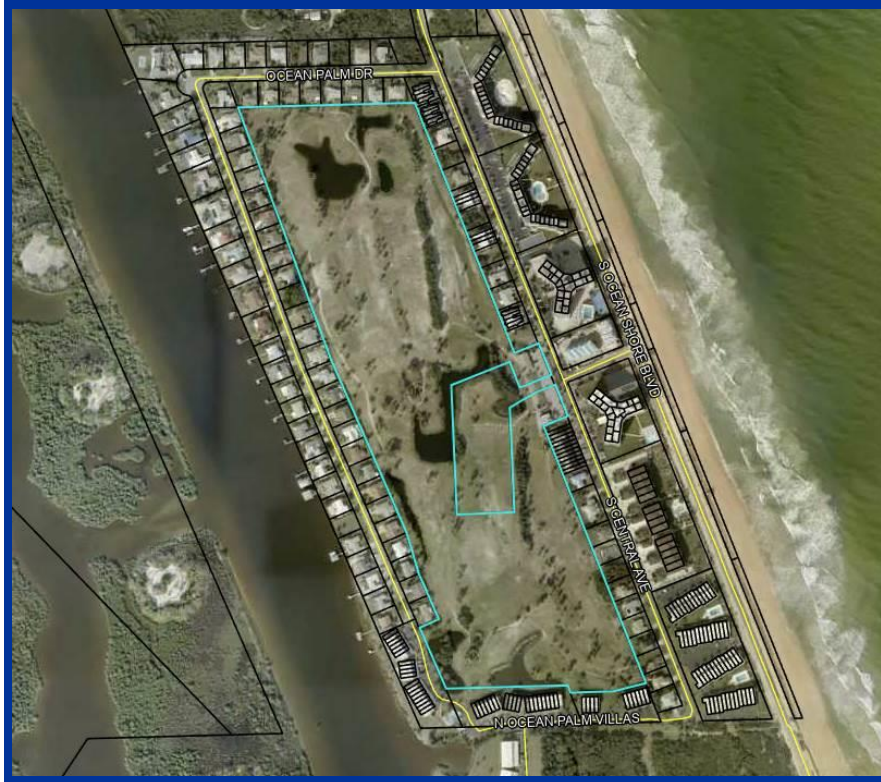


APPRAISAL REPORT



**OCEAN PALM GOLF CLUB
3600 S. CENTRAL AVE.
FLAGLER BEACH, FL 32136**

PREPARED FOR

**MR. DALE L. MARTIN
CITY MANAGER
105 S. 2ND STREET
FLAGLER BEACH, FL 32136**

AS OF

MARCH 10, 2025



HEFFINGTON & ASSOCIATES

911 BEVILLE ROAD, STE. 8 / DAYTONA BEACH, FL 32119 / (386) 760-7601 / FAX (386) 760-5161



HEFFINGTON & ASSOCIATES, LLC

911 BEVILLE ROAD, STE. 8 / DAYTONA BEACH, FL 32119 / (386) 760-7601 / FAX (386) 760-5161

March 12, 2025

Mr. Dale L. Martin
City Manager
105 S. 2nd Street
Flagler Beach, FL 32136

RE: Ocean Palm Golf Club
3600 S. Central Ave
Flagler Beach, FL 32136

Dear Mr. Martin:

In accordance with your request, I hereby submit an "appraisal report" on the above referenced parcel. The intended use of this appraisal was to provide an opinion of the market value to assist in potential sale negotiations. The intended user is the City of Flagler Beach, c/o Mr. Dale L. Martin. The date of valuation is March 10, 2025. This property is appraised as a fee simple estate, subject to typical mortgage loan encumbrances and utility easements

It should be noted that this appraisal assignment was not made, nor was the appraisal rendered on the basis of a requested minimum valuation or specific valuation.

After careful investigation, it is my opinion that the Market Value of the subject property, as of March 10, 2025, was:

SEVEN HUNDRED NINETY-FOUR THOUSAND DOLLARS

(\$794,000)

The supporting data and the analyses and conclusions upon which this opinion of value is based are contained in the attached narrative appraisal report. Included in this report and addenda are pertinent exhibits such as maps and drawings.

The valuation analyses contained herein are intended to adhere to the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation. Furthermore, the appraiser has complied with the competency provision under the USPAP.

R. TODD HEFFINGTON, MAI
CERT GEN RZ2368



Mr. Dale Martin
March 12, 2025
Page Two

This value opinion is predicated on the assumption that there are no materials on, or in, the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

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

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

Respectfully submitted,

HEFFINGTON & ASSOCIATES



*R. Todd Heffington, MAI
Cert Gen RZ2368

RTH/Enclosures

TABLE OF CONTENTS

CERTIFICATION	1
ASSUMPTIONS AND LIMITING CONDITIONS	2
SUMMARY OF SALIENT FACTS AND CONCLUSIONS	5
IDENTIFICATION OF THE SUBJECT PROPERTY	6
PURPOSE	6
INTENDED USE AND USER	6
MARKET VALUE DEFINITION.....	6
PROPERTY INTEREST APPRAISED.....	6
SCOPE OF WORK.....	7
AREA/MARKET AREA MAP	8
AREA/MARKET AREA ANALYSIS.....	9
DESCRIPTION OF THE PROPERTY	15
PHOTOGRAPHS OF THE SUBJECT PROPERTY.....	17
SURVEY/LEGAL DESCRIPTION.....	23
LAND USE PLANNING, ZONING, CONCURRENCY	24
ASSESSED VALUES, TAXES, AND SPECIAL ASSESSMENTS	24
PROPERTY HISTORY	24
EXPOSURE TIME	25
PUBLIC AND PRIVATE RESTRICTIONS	25
HIGHEST AND BEST USE ANALYSIS	26
THE APPRAISAL PROCESS	29
SALES COMPARISON APPROACH (BEFORE)	30
COMPARABLE LAND SALES MAP	31
COMPARABLE VACANT LAND SALES CHART	32
ANALYSIS OF COMPARABLE VACANT LAND SALES.....	33
RECONCILIATION OF VALUES VALUES.....	34

ADDENDUM

ZONING MAP

FUTURE LAND USE MAP

FLOOD ZONE MAP

SOILS MAP

QUALIFICATIONS OF THE APPRAISER

CERTIFICATION

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

To the best of my 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 my personal, impartial, and unbiased professional analysis, opinions, and conclusions.
3. I 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. I have no personal interest or bias with respect to the subject matter of this appraisal report nor the parties involved. My employment is not contingent on the amount reported.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My 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. I 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.
9. Unless stated herein, I have made a thorough inspection and careful investigation of the property herein described.
10. Unless stated herein, no one provided significant real property appraisal assistance to the person signing this certification.
11. This appraisal report sets forth all of the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analyses, opinions, and conclusions contained in this report.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
14. That, as of the date of this report, the undersigned has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.
15. Heffington & Associates has performed no services as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



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

HYPOTHETICAL CONDITIONS

None

EXTRAORDINARY ASSUMPTIONS

The appraisal assignment includes the extraordinary assumption that the subject will be deed restricted to golf course use only, to include associated golf course buildings and accessory uses such as a restaurant, pro shop, etc. This assumption is considered reasonable as the restriction was defined by the owner, the City of Flagler Beach. The use of this extraordinary assumption, if found to be false, could have an effect on the value conclusions herein.

ASSUMPTIONS AND LIMITING CONDITIONS

1. This appraisal is intended to comply with the Scope of Work requirements enacted July 1, 2006 by the Uniform Standards of Professional Appraisal Practice.
2. 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.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property. The appraisers are not experts in engineering or construction and are not licensed construction contractors.
7. 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.
8. It is assumed that there is full compliance with all federal, state and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.

10. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the 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.
14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with 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.
15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.

18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.
19. 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 IMPORTANT FACTS AND CONCLUSIONS

EFFECTIVE DATE OF APPRAISAL	March 10, 2025
DATE OF REPORT	March 12, 2025
PROPERTY OWNERS NAME(S) & ADDRESS	City of Flagler Beach 105 S. 2 nd St. Flagler Beach, FL 32136
STREET ADDRESS OR LOCATION	3600 S. Central Ave., Flagler Beach, FL 32136
BRIEF LEGAL DESCRIPTION	Please reference legal description presented on the site survey within this report.
PROPERTY INSPECTION Dates of Inspection:	February 6, and March 10, 2025
SITE DATA: Site Size: Land Use Category: Zoning: Present Use/Improvements:	36.905± Acres (Provided Survey) Golf Course & High Density (Appraised as restricted for Golf Course Use Only) Recreational & Medium Density Residential by Flagler County Municipal Golf Course
VALUE INDICATIONS: Estimated Market Value:	\$794,000

APPRAISAL REPORT

IDENTIFICATION OF THE SUBJECT

The subject is a municipally owned golf course currently known as Ocean Palm Golf Club. It is located at 3600 S. Central Avenue, Flagler Beach, Flagler County, Florida.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to develop and report an opinion of market value of the subject property, based on the extraordinary assumption that it will be restricted to golf course uses only and associated buildings and accessory uses. The property is appraised as a fee simple estate, subject to typical mortgage loan encumbrances and utility easements.

INTENDED USE AND USER

The intended use of this appraisal was to provide an opinion of the market value to assist in potential sale negotiations. The intended user is the City of Flagler Beach, c/o Mr. Dale L. Martin.

MARKET VALUE DEFINITION

A current definition of Market Value is:

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

PROPERTY INTEREST APPRAISED

The subject is appraised as a Fee Simple Estate subject to typical mortgage loan encumbrances and utility easements. As defined in the Dictionary of Real Estate Appraisal published by the

¹FDIC Interagency Appraisal and Evaluation Guidelines, December 2010

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.*"

SCOPE OF WORK AND APPRAISAL DEVELOPMENT

The scope of this assignment requires providing a written report on the estimated market value of the subject property. The scope included a personal inspection of the subject property, review of public records concerning the subject and other neighborhood properties, and an analysis of any information provided by the owner(s) or their representative.

Market data utilized in the valuation process was gathered using public records, tax assessment records, other appraisers, local REALTORS® and licensed real estate salesmen, online sales and listing services, and through field inspections of comparable properties. Market data gathered includes sales and listings of properties with similar use potential as that of the subject. The subject's highest and best use was estimated to be as redevelopment and is appraised as vacant land. Therefore, the search for market data involved sales of vacant properties with similar use potential and amenities as the subject. The search involved Volusia and Flagler Counties and surrounding areas. Attempts were made to confirm all sales utilized in this report. If a sale could not be verified by contacting and interviewing either the buyer or seller, other individuals with knowledge of the transaction, such as a real estate agent involved in the transaction, other appraisers, and/or public officials, then public data was relied upon for the confirmation. In the latter instances, the sale write-up sheet identifies that the sale was only confirmed through public records.

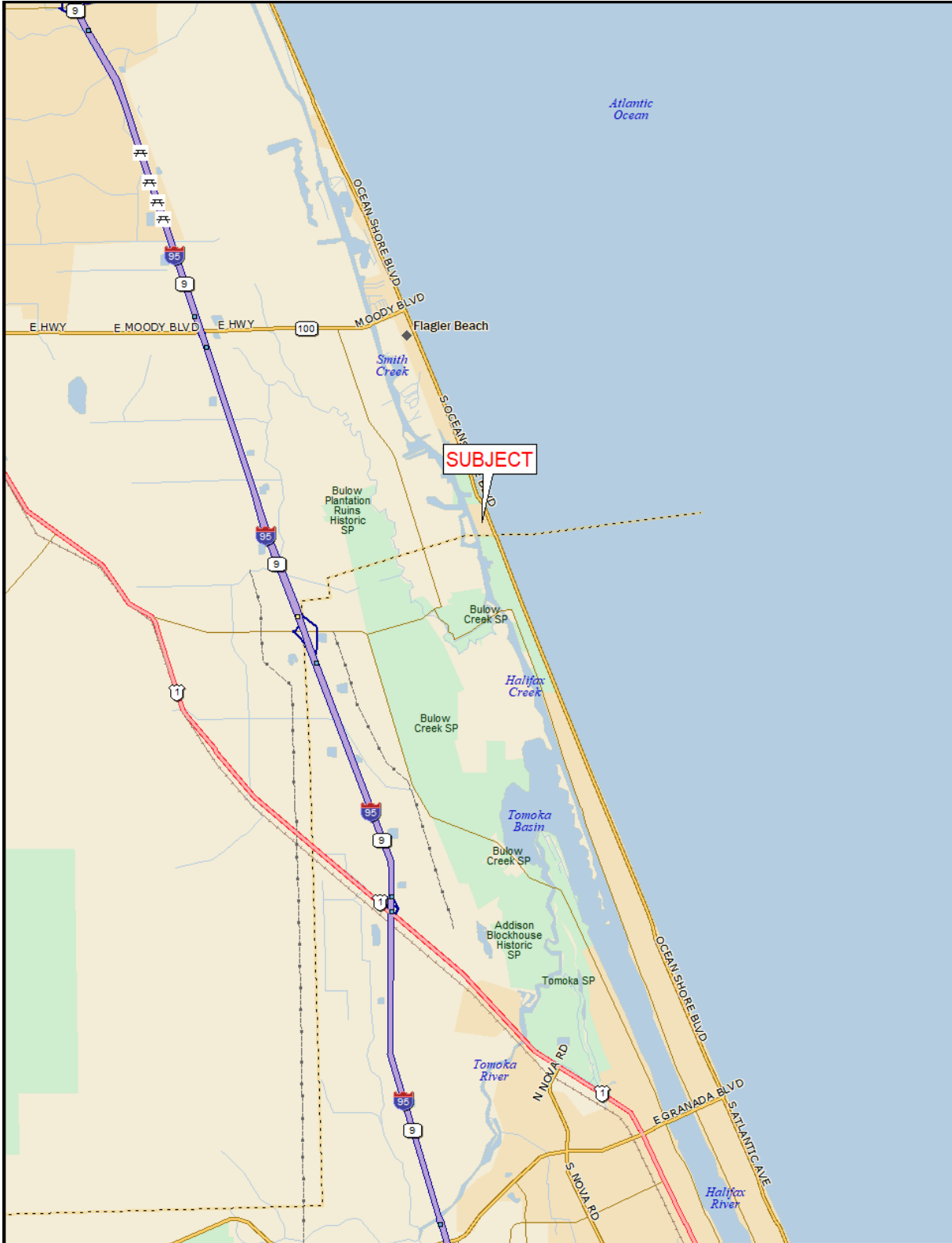
A highest and best use analysis is part of this assignment, including consideration of all the physically possible, legally permissible, financially feasible, and maximally productive uses of the subject property. That analysis is detailed in this report. The data utilized to value the subject is based on this highest and best use conclusion.

The appraisal process involved developing a Direct Sales Comparison Approach for the land in its as vacant condition, based on direct comparison of the most relevant market transactions to the subject property. Adjustments are applied to the comparable market transactions for any significant differences between the comparable property and the subject property. After all relevant comparisons and adjustments, the resulting value indications from the comparable transactions are reconciled to form the basis for the final market value estimate.

Reporting Option:

This appraisal is presented in an "Appraisal Report" format in accordance with standards rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. This reporting format is consistent with the intended use of the appraisal. It is the intent of this appraisal report to comply with contemporary report writing standards as well as the standards and report writing requirements of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

MARKET AREA MAP



Data use subject to license.

© DeLorme. DeLorme Street Atlas USA© 2014.

www.delorme.com



MN (7.4° W)



Data Zoom 10-5

GENERAL DESCRIPTION OF THE AREA & NEIGHBORHOOD

BRIEF METRO AND CITY OVERVIEW

The subject property is located in the City of Flagler Beach, in Flagler County, Florida. Flagler Beach is part of the Deltona-Daytona Beach-Ormond Beach Metropolitan Statistical Area (MSA) in East Central Florida. The Deltona-Daytona Beach-Ormond Beach MSA includes both Volusia and Flagler Counties.

According to U.S. Census Bureau estimates, the subject's metropolitan area population has grown over the past several years as shown below.

2023: 721,796	+2.3%
2022: 705,897	+2.8%
2021: 686,892	+2.2%
2020: 671,794	+0.3%
2019: 669,546	+1.5%
2018: 659,532	

Recent unemployment rates for the Deltona-Daytona Beach-Ormond Beach MSA are shown below:

December	2024	3.5%
November	2024	4.1%
October	2024	4.0%
September	2024	4.0%
August	2024	4.1%
July	2024	4.2%
June	2024	4.0%
May	2024	4.0%
May	2024	3.3%
April	2024	3.6%
March	2024	3.7%
February	2024	3.7%
January	2024	3.7%
December	2023	3.4%

Source: U.S. Bureau of Labor Statistics, data extracted on March 2025

Limited-access highways in the Volusia-Flagler area include Interstate 95, the main highway through the area, which connects with Jacksonville to the north and Miami to the south; and Interstate 4, which has its eastern terminus at I-95 in Daytona Beach, and which travels west to connect with Orlando and eventually to Tampa on the west coast of Florida. Major surface highways include US 1, US 17 and US 92. State Road A1A extends north/south along the Volusia-Flagler County coastline.

The Volusia/Flagler area is best known for its tourism industry, which attracts millions of visitors each year. Motorsports dominate the area, with several racetrack venues as magnets. The best known is Daytona International Speedway, where the headquarters of NASCAR is located.

Other racing venues include New Smyrna Speedway and Volusia Speedway Park. Other motorsports events include Daytona Beach Bike Week, a massive biker rally that occurs in March with a smaller rally in October, along with several classic car shows throughout the year. The main natural attraction for tourists is the beaches of Volusia and Flagler Counties, with Daytona Beach, Flagler Beach, New Smyrna Beach, and Ormond Beach being the largest draws. Summer is usually the High Season for beach tourism in this area.

Despite the impact of back-to-back tropical storms Ian and Nicole, Volusia County attracted a record 10.6 million visitors in 2022, an increase over the previous record-setting total of 10.2 million in 2018, according to figures released by the Daytona Beach Area Convention & Visitors Bureau. The 10.6 million total in 2022, based on data from Mid-Florida Marketing & Research, also represents a 7% increase over the 9.9 million visitors that traveled to the destination in 2021.

By comparison, the county attracted 7.2 million visitors in pandemic-plagued 2020, the lowest total in a decade, and 9.8 million in pre-COVID 2019. Tourism figures for 2023 indicate that 10.14 million people visited Volusia County in 2023, down from 10.6 million in 2022, but up from 9.8 million in pre-COVID 2019.

Manufacturing is another strong sector in this metro area. Building upon an existing base of over 400 manufacturers, from boat manufacturing to medical devices, from Boston Whaler to B. Braun Medical, Inc., this cluster spans a host of manufacturing types, and benefits from a robust workforce training and education sector, including the Advanced Technology College at Daytona State College.

Another growing industry in the metro area is Aviation, Aerospace and Innovation. Florida's high-tech corridor is benefitting from relocations and expansions of leading-edge companies. Volusia County's proximity to Cape Canaveral and strategic location on the northern point of the Space Triangle, along with being the home to seven institutions of higher learning, including Embry-Riddle Aeronautical University, are foundational to the county's viability with the Aviation and Aerospace sector.

The Deltona-Daytona Beach-Ormond Beach MSA is ranked 10th out of 22 MSAs in Florida for exports. The top exports consist of transportation equipment, machinery, computer & electronic products, electrical equipment and textile mill products respectively by value and make up 59% of the products exported. Volusia County's gross domestic product (GDP) of \$20 billion is ranked 14th out of 67 counties in Florida.

The National Association of Realtors (NAR), *Commercial Real Estate Metro Market Report, 3rd Quarter 2024 (most recent)*, compares the subject MSA demographics and economy to those of the United States on the following table.

COMMERCIAL REAL ESTATE REPORT Q3 2024

Select a Metro Area

Deltona-Daytona Beach-Ormond Beach, FL Metro Area

Deltona-Daytona Beach-Ormond Beach, FL Metro Area

Demographics and Economy			
Demographics			
2.3%	24.5%	-0.5%	Net Migration 19,187 (2023)
population growth (2023) U.S.: 0.5%	share of renters (2023) U.S.: 34.7%	renter household formation (2023) U.S.: 1.0%	23,154 (2022)
Economy			
10.3%	800	0.4%	4.8%
GDP growth (2023) U.S.: 6.6%	12-month job creation (October 2024)	1-year job growth (October 2024) U.S.: 1.4%	1-year wage growth (October 2024) U.S.: 3.7%
\$46,350	3.9%	14.7%	International Migration 1,617 (2023)
Average wage per year (October 2024) U.S.: \$63,100	unemployment rate (October 2024) U.S.: 4.1%	share of workers teleworking (2023) U.S.: 13.8%	1,046 (2022)

As can be seen, the subject’s MSA outperformed the United States as to population growth, one-year job growth, one-year wage growth, the unemployment rate and GDP growth. However, the subject MSA had lower average wages per year of \$46,350 compared to the United States average wages of \$63,100.

Additionally, the same report indicates that the demand for industrial, office, retail, and multi-family *is stronger than nationwide*, as this area has a faster absorption of space. As a result, rent prices rose faster than nationwide and vacancy rates are lower in this area.

In conclusion, the subject’s metro area is experiencing substantial growth across multiple sectors, making it appealing to property developers and new businesses. The combination of its strategic location, ongoing infrastructure improvements, and a diverse economy creates numerous opportunities for businesses and investors. It is our opinion these favorable trends will continue into the foreseeable future.

Brief Description of Flagler Beach

Flagler Beach combines the beauty of the Florida coastline with a quaint, small town atmosphere. Flagler Beach, for the most part, is a narrow island bordered on the east by the Atlantic Ocean and on the west by the Intracoastal Waterway. A portion of the town’s land area is situated on the west side of the Intracoastal Waterway. The town is less than a 10 minutes’ drive from Interstate 95 and about a 20 minutes’ drive to Daytona Beach.

Incorporated in 1925, Flagler Beach was, at that time, no more than a sleepy fishing village. It has since grown into a unique seaside community with numerous amenities to offer tourists yet has retained much of its original charm.

Flagler Beach is part of the growing Palm Coast area, a 21-mile stretch of scenic coastline that offers the following advantages: close proximity to resort and culture centers, tranquil waterways, subtropical forests and freshwater lakes, and first class golf and amenities, while still removed from the congestion of larger coastal cities.

The City itself offers over six miles of oceanfront beach with the Flagler Beach Pier being the center of many community activities. The pier is currently closed due to hurricane damage but is scheduled to reopen sometime in 2026. The Intracoastal Waterway flows through the City and provides countless other opportunities for fishing and boating. The City has only three traffic lights.

Residential development in Flagler Beach includes single family detached dwellings, 2-4 family dwellings, condos and townhouses. The City has a maximum building height limitation of three stories; thus, there are no high rise buildings in Flagler Beach.

Recent selling prices over the past twelve months for single family detached homes in Flagler Beach that sold via the Stellar MLS have ranged between \$300,000 and \$1,300,000. Oceanview and riverfront homes tend to set the upper limit of value. Most of the homes are newer (1990s to present), with some dating back to the 1970s and a few dating back to the 1900s.

The downtown area of Flagler Beach is centered along Moody Boulevard/SR 100 between the Atlantic Ocean Beach and the Intracoastal Waterway and extending north and south about 10 blocks. Most of the town's shops and stores, restaurants and businesses are located in this area, as are local government offices, the police station and the post office.

Many of the restaurants offer outside dining. Smaller mom-and-pop type motels are located along Ocean Shore Boulevard, extending north and south from the town square. There is no local supermarket on the beach side of town. There are no franchise fast food restaurants in Flagler Beach east of the Intracoastal Waterway.

Most of the commercial development on the beachside of Flagler Beach is older. However, a new mixed-use project, known as Compass by Margaritaville, is currently under construction on a 1.3-acre site at Central Avenue and Moody Boulevard/SR 100. It will include a three-story, 100-room hotel with a swimming pool and a restaurant, plus ten townhome condominium units. This hotel is scheduled to be completed sometime in 2025 and will be the city's first modern hotel and will mark the tenth location in Florida for Margaritaville Hotels & Resorts, a brand which already has locations across the United States, in Mexico, and the Caribbean. Tourist accommodations are lacking in Flagler Beach and consist mostly of smaller mom-and-pop type motels.

A commercial redevelopment project is planned for the former Bank of America building at 300 South Ocean Shore Boulevard. The two-story, 6,600± square foot building was purchased last year, and the buyer plans to make over the circa 1979 building into seven efficiency-type vacation rentals upstairs and a clothing and gift shop downstairs to be called Ocean Club. The existing

building will be expanded in size. The buyer is the owner of several other Ocean Club stores that sell beachwear, souvenirs, gifts, etc.

There is currently a large scale, mixed-use development, known as Veranda Bay, planned for 899 acres located south of East Moody Boulevard in the Bulow Creek area. Proposed development calls for 2,400 homes and commercial space. This development would more than double the population of Flagler Beach. The property would need to be annexed into Flagler Beach and obtain utilities and municipal services from Flagler County as well. However, there has been considerable opposition to this project due to the environmentally sensitive nature of the area.

The nearest shopping facilities are found within one mile of the town square, just west over the Intracoastal Waterway via the State Road 100 Bridge. The stretch of State Road 100 extending west from the Intracoastal Waterway to Interstate 95 is a growing development area in southeast Flagler County. A portion of this high-growth area is within the Flagler Beach city limits.

There is a newer Publix anchored shopping center with several outparcels located at the northwest corner of State Road 100 and Roberts Road/John Anderson Highway. The subject site is located directly behind this center. The Publix anchored center includes Mavis Tires, High Tide Dental, Truist Bank, and 7-11. Also, in close proximity to the subject is a CVS, Caliber car wash, Sherwin Williams paint store, etc. The Preserve at Flagler Beach, recently completed up-scale, 240 unit apartment complex is located on the north side of the subject site. Beach Park Village, a 112 lot residential subdivision, is currently being developed by KB Homes just north of the subject on the east side of Roberts Road.

There is another shopping center on the mainland just west of Flagler Beach, the Flagler Regional Plaza, that is situated at the southwest corner of Old Kings Road and State Road 100. The Flagler Regional Plaza was developed in 1995 and is anchored by a Winn-Dixie supermarket. The Old Kings Elementary School is located just south of State Road 100 on Old Kings Highway.

The City of Flagler Beach has a Community Redevelopment Area (CRA) for its downtown area which was created in 2007. The Downtown Master Plan designates the boundaries of the Downtown Planning area as follows: the area bounded by the A1A corridor on the east, city owned properties along Flagler Avenue on the west, 9th Street North to the north (selected blocks only), and 9th Street South as the southern extent.

The Downtown Design Guidelines establish three (3) planning areas within the designated Downtown Area Overlay Character District based on existing land uses, zoning classifications, desired development characteristics and geographic locations. The three (3) areas represent distinct character districts of the Downtown that create a functional whole, each of which emulates the design guidelines and the goals of the CRA. The character areas are as follows:

Flagler Beach, FL Data & Demographics (As of July 1, 2024)

POPULATION		HOUSING	
Total Population	5,433 (100%)	Total HU (Housing Units)	3,830 (100%)
Population in Households	5,433 (100.0%)	Owner Occupied HU	2,257 (58.9%)
Population in Families	4,167 (76.7%)	Renter Occupied HU	562 (14.7%)
Population in Group Quarters ¹	0	Vacant Housing Units	1,011 (26.4%)
Population Density	1,532	Median Home Value	\$481,281
Diversity Index ²	26	Average Home Value	\$579,774
		Housing Affordability Index ³	63

INCOME		HOUSEHOLDS	
Median Household Income	\$76,602	Total Households	2,819
Average Household Income	\$118,219	Average Household Size	1.93
% of Income for Mortgage ⁴	39%	Family Households	1,692
Per Capita Income	\$61,340	Average Family Size	2.00
Wealth Index ⁵	153		
Socioeconomic Status Index ⁶	Moderate (58.3)		

Source: Florida Gazetteer HomeTown Locator.

1. **Downtown Mixed-Use District:** provides general guidelines for commercial and mixed use areas in the Downtown Core excluding the parcels located along Ocean Shore Boulevard.
2. **Downtown A1A Core Retail Corridor:** provides design guidelines for properties located along the A1A corridor. The subject property is located in this area.
3. **Residential Neighborhoods:** includes general design guidelines for new developments/renovations of residential areas in the Downtown.

In conclusion, the subject is located in a desirable area within short driving distances to Interstate 95, the Atlantic Ocean beach and the neighboring cities of Palm Coast, Ormond Beach, Daytona Beach, and St. Augustine. Most local amenities are within a short driving distance and larger shopping facilities are located within five miles on the mainland. The City of Flagler Beach has good income demographics. It is our opinion that commercial property values, as well as residential property values, will be stable over the foreseeable future.

While the coronavirus pandemic significantly slowed the local economy in 2020, the market improved substantially in 2021 and early 2022; however, some slow down and uncertainty is expected through the remainder 2025 due to lingering inflation, interest rate uncertainty and worldwide conflicts.

DESCRIPTION OF THE PROPERTY

Location, Size, Shape, Access

The subject property consists of two parcels located west of Central Avenue and north, south and east of Ocean Palm Drive in Flagler Beach, Flagler County, Florida. The street address is 3600 S. Central Avenue, Flagler Beach, Florida.

Based on the survey provided by the City of Flagler Beach, the overall parcel contains 36.905 acres. It has frontage on only a small section of Central Avenue which provides its ingress and egress. There is no other road frontage. Central Avenue is a 2 lane, asphalt paved, public right-of-way. Access is considered average.

The survey provided is presented on a following page.

Legal Description

Please reference the survey provided presented in the addendum to this report.

Topography/Soil Characteristics

The subject is an active golf course. It is generally cleared with elevations changes and ponds/water hazards typical for a golf course. Based on the USDA Web Soils Survey, there are no hydric or wetland soils on the subject site.

I was not furnished with a soil analysis of the subsoil conditions for the subject site, and the detection of any subsoil instabilities is beyond the scope of my expertise. Therefore, I assume no liability for any adverse soil conditions which may be found to exist. In addition, the value estimate presented herein is based on the assumption that the subject property is not adversely affected by environmental contaminants. The appraiser reserves the right to amend the appraised value if any environmental hazards are found to exist.

Flood Plain Data

Based on FEMA Flood Map #12035C0261E, effective 6/6/2018, the subject site lies within Zone "X", shaded Zone "X" and Zone "AE". Zone "X" and Shaded Zone "X" are not special flood hazard areas. Zone "AE" is considered to be withing a special flood hazard area. An estimated 1/3 of the site is located in Zone "AE". A copy of the FEMA flood map is presented in the Addendum.

Street Improvements

Current access to the site is from its frontage along S. Central Avenue. The site has no other access. S. Central Avenue is a 2 lane, asphalt paved, public right-of-way.

Utilities and Services

All municipal utilities and services are available to the site and are provided by the City of Flagler Beach. Electricity, telephone and cable service are provided by publicly regulated companies. Police and fire protection services are provided by The City of Flagler Beach. These services and utilities are considered to be commensurate with surrounding municipalities.

Easements and Encroachments

No survey title search has been provided. Based on my observation of the information supplied, there do not appear to be any significant easements of record. However, as previously discussed, the subject is appraised as being restricted to a golf course use with associated buildings.

Building/Site Improvements

The subject is currently operating as a public golf course with a small clubhouse/restaurant, an equipment storage building and associated parking lot and site improvements. The buildings are in excess of 60 years old and at the end of their economic life. The golf course, cart paths, putting greens, etc. have all been severely neglected and are not in the condition to attract the majority of golfers in the area, when other options are available. Extensive site work and renovation would be required for the current facilities to compete with other courses in the Central and North Florida Area. In addition, the estimated highest and best use is for redevelopment. Therefore, the golf course and improvements have not been considered herein.

**PHOTOS TAKEN 02/06/2025
BY: R. TODD HEFFINGTON, MAI**



TYPICAL VIEW OF GOLF COURSE



TYPICAL VIEW OF GOLF COURSE

**PHOTOS TAKEN 02/06/2025
BY: R. TODD HEFFINGTON, MAI**



VIEW OF THE WESTERN PARCEL FROM ABUTTING RAILROAD



TYPICAL VIEW OF GOLF COURSE

**PHOTOS TAKEN 02/06/2025
BY: R. TODD HEFFINGTON, MAI**



TYPICAL VIEW OF GOLF COURSE



TYPICAL VIEW OF GOLF COURSE

PHOTOS TAKEN 02/06/2025
BY: R. TODD HEFFINGTON, MAI



VIEW OF CLUBHOUSE/RESTAURANT



VIEW OF CLUBHOUSE/RESTAURANT

PHOTOS TAKEN 02/06/2025
BY: R. TODD HEFFINGTON, MAI



VIEW OF CLUBHOUSE/RESTAURANT



VIEW OF STORAGE BUILDING

**PHOTOS TAKEN 02/06/2025
BY: R. TODD HEFFINGTON, MAI**



VIEW OF PARKING AREA

LAND USE PLANNING, ZONING, CONCURRENCY

The subject is currently zoned Recreational & Medium Density Residential by Flagler County. The future land use designation is Golf Course & High Density. However, at the request of the client, the subject is being appraised based on a specific restriction that the property can only be used as a golf course that allows associated golf course buildings and accessory uses such as a restaurant, pro shop, etc. Considering this restriction, the subject's existing zoning and future land use restrictions are not applicable and will not be considered herein.

Therefore, the subject is considered to be limited to use as a golf course, with the ability to operate golf course associated uses including a restaurant and pro shop. No other zoning or land use restrictions have been considered herein.

ASSESSED VALUES, TAXES, & SPECIAL ASSESSMENTS

The subject is currently being assessed by the Flagler County Tax Assessor for ad valorem taxes for the year 2024. Until 2023, Parcel ID 29-12-32-0000-01010-0000 was tax exempt. The 2024 assessed values and taxes for the subject parcels are as follows:

Parcel ID: 29-12-32-0000-01010-0000

Land -	\$ 8,498.00
Building -	\$ 95,132.00
Extra Features -	<u>\$ 67,886.00</u>
Just Assessed Value	\$171,516.00
Taxable Value	\$170,852.00
Taxes	\$ 3,349.26

Parcel ID: 29-12-32-0000-01010-0010

Land -	\$378,000.00
Building -	\$ 0.00
Extra Features -	<u>\$ 1,481.00</u>
Just Assessed Value	\$379,481.00
Taxable Value	\$379,481.00
Taxes	\$ 7,431.14

Taxes have been paid for 2024 and previous years. It should be noted that 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.

PROPERTY HISTORY

Based on a review of the public records, Parcel No. 29-12-32-0000-01010-0000 has not transferred in the 10 years preceding this appraisal. Parcel No. 29-12-32-0000-01010-0010 was purchased by the City of Flagler Beach in March 2022 for \$459,000. This was considered an unqualified sale and was purchased as an assemblage to the existing golf course.

The subject is not currently listed for sale, but is part of negotiations with a future golf course developer.

EXPOSURE TIME

Exposure Time may be defined as, "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."¹

The estimated exposure time for the parent tract on the open market is greatly dependent upon the following: 1) the market conditions in effect at the time of marketing; 2) the effort, influence and exposure applied to this marketing program; and 3) the availability of financing for this type of property.

As will be discussed in the Highest and Best Use, the subject has a highest and best for golf course use. Considering the unique nature of the site's restrictive use, an exposure time could not be estimated through market data. It is reasonable to believe that because of the limitation of use, there would be a limited market, and considering the condition of the property for that use, the number of buyers would likely be further reduced. Therefore, I believe that the exposure time for the golf course restricted portion of the site could exceed 12 months and could extend to several years.

PUBLIC AND PRIVATE RESTRICTIONS

With the exception of the applicable zoning, restrictions and easements previously discussed, no other significant public or private restrictions were noted.

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

HIGHEST AND BEST USE ANALYSIS

The Highest and Best Use of the subject property is typically 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."*²

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."*³

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."*⁴

As If Vacant

The first area to be considered in the Highest and Best Use Analysis is the subject site as if vacant and available, to be put to its highest and best use. The category of *legally permissible* uses is the initial consideration in the analysis of the Highest and Best Use for the subject property, as if vacant. As previously discussed, the subject is currently zoned Recreational & Medium Density Residential by Flagler County. The future land use designation is Golf Course & High Density. However, at the request of the client, the subject is being appraised based on a specific restriction that the property can only be used as a golf course that allows associated golf course buildings

² The Dictionary of Real Estate Appraisal, Second Addition, Appraisal Institute, (Chicago, IL, 1993), Page 149.

³Ibid., Page 149.

⁴ Real Estate Appraisal Terminology, Revised Edition, Byrl N. Boyce, Ballinger Publishing Company, (Cambridge, MA, 1981), Page 127.

and accessory uses such as a restaurant, pro shop, etc. Considering this restriction, the subject's existing zoning and future land use restrictions are not applicable and will not be considered herein.

Physically, the subject site is of adequate size and shape to accommodate a small golf course with associated improvements. The site is currently used in a similar capacity and has been in operation for many years. The site is in a residential location surrounded by residential structures already fronting the existing golf course. Access to the site is adequate.

In considering the feasible and maximally productive uses for the subject property, surrounding property uses, physical access and access to support facilities have to be considered. As discussed, the subject is located in a residential area of Flagler Beach. It has operated as a community golf course with a restaurant for many years.

The subject is located in Flagler Beach, an established and popular beach side community in Florida. Golf is very popular in Florida and the demographics, access and location of the subject property all tend to be good for a golf related use.

The appraiser has reviewed several publications and market analysis to determine the current state of the golf industry. Publications reviewed include, but are not limited to: Golf participation in the US 2007-2023 published by Statista Research Department; Ken Research – The Growing Global Golf Market Size and Revenue; Golf Property Analysis – 2024 Golf Market Summary; Bobby Jones Links – State of the Industry 2024 Report; etc. In addition, information was provided by appraisers with CB Richard Ellis was reviewed and analyzed. Based on all of the information reviewed, the golfing industry is strong. Key figures include increased golf rounds over the past decade, and post Covid growth is still positive; average rounds per golfer are near their 25 year peak; steadily increasing participation in golf since 2016 as well as increasing numbers of younger players; market trends tend to reflect a healthy growth rate into the near future; high percentages of both public and private facilities rate their financial health as good or excellent; etc.

Based on this information, and considering the subjects limited potential uses, I believe that development with a golf course would be the only potential use. The financial feasibility of this type of use is heavily reliant on management. It is impossible to determine the feasibility of a new golf course without full knowledge of the development costs, estimated income, estimated expenses, and management, and no feasibility study has been provided to the appraiser.

The fact that the subject site is limited to only one use, creates a very limited market. An investor/developer would have no other options if the golf industry collapsed or if the development costs became infeasible. The cost to redevelop the subject site would be extensive, and considering the lack of potential alternative uses, it would be considered a very high risk project. With this in mind, it is not possible for the appraiser to definitively state that highest and best use of the site to be redevelopment of a golf course. Even though that is the only permitted use, if development costs are too high, and demand and income are too low, or the amount of time it takes to recoup development costs are too long, then the highest and best use could be as vacant public land. Therefore, it is my opinion that the market for the subject property as restricted would be too limited, and the value of the overall parcel is likely for public use.

Consideration was also given to the fact that, along with the golf course, the restrictions would allow for a restaurant and pro shop. These uses are general commercial uses, that could occupy a small portion of the overall parcel and could help support the overall use as a golf course. However, according to the client, if the golf course fails, the accessory uses will also be shut down. Therefore, I do not believe there is any specific benefit or decrease in risk associated with the accessory uses.

Therefore, based on this discussion, it is my opinion that the highest and best use of the overall parcel could be as a golf course or possibly a public use.

As Improved

The subject is currently improved with a community golf course and associated restaurant that are both in poor condition. Based on the overall condition, it is my opinion that the subject site should be redeveloped as a golf course or public use.

THE APPRAISAL PROCESS

There are normally three approaches to value available for use in the estimation of Market Value. The three widely recognized approaches include the Cost Approach, the Income Approach, and the Direct Sales Comparison (Market Data) Approach.

These three approaches to value result in preliminary indications of value which may be somewhat at a variance with each other. When this is the case, the relative significance, applicability and defensibility of the indications of value derived from each approach are weighed. This analysis leads to the selection of a final value estimate that, in the appraisers' professional judgment, best reflects the attitudes, responses, and behavior of the typically informed, rational purchaser in the market in question.

In this case, the subject is considered to have a highest and best use of redevelopment. Therefore, it is appraised as vacant land, and only the Direct Sales Comparison Approach is considered applicable.

DIRECT SALES COMPARISON APPROACH

The Direct Sales Comparison (Market Data) Approach is typically the only approach utilized when determining value of a vacant, non-commercial site. It employs the Principle of Substitution, in that a knowledgeable buyer will not pay more for a particular property than what it would cost to purchase a duplicate property with equal utility.

The Market Data Approach requires careful selection of sale properties to ensure they are relatively similar to the subject. No two properties are exactly alike. The factors of comparison between the subject and the sales must be considered in arriving at an indication of value for the subject.

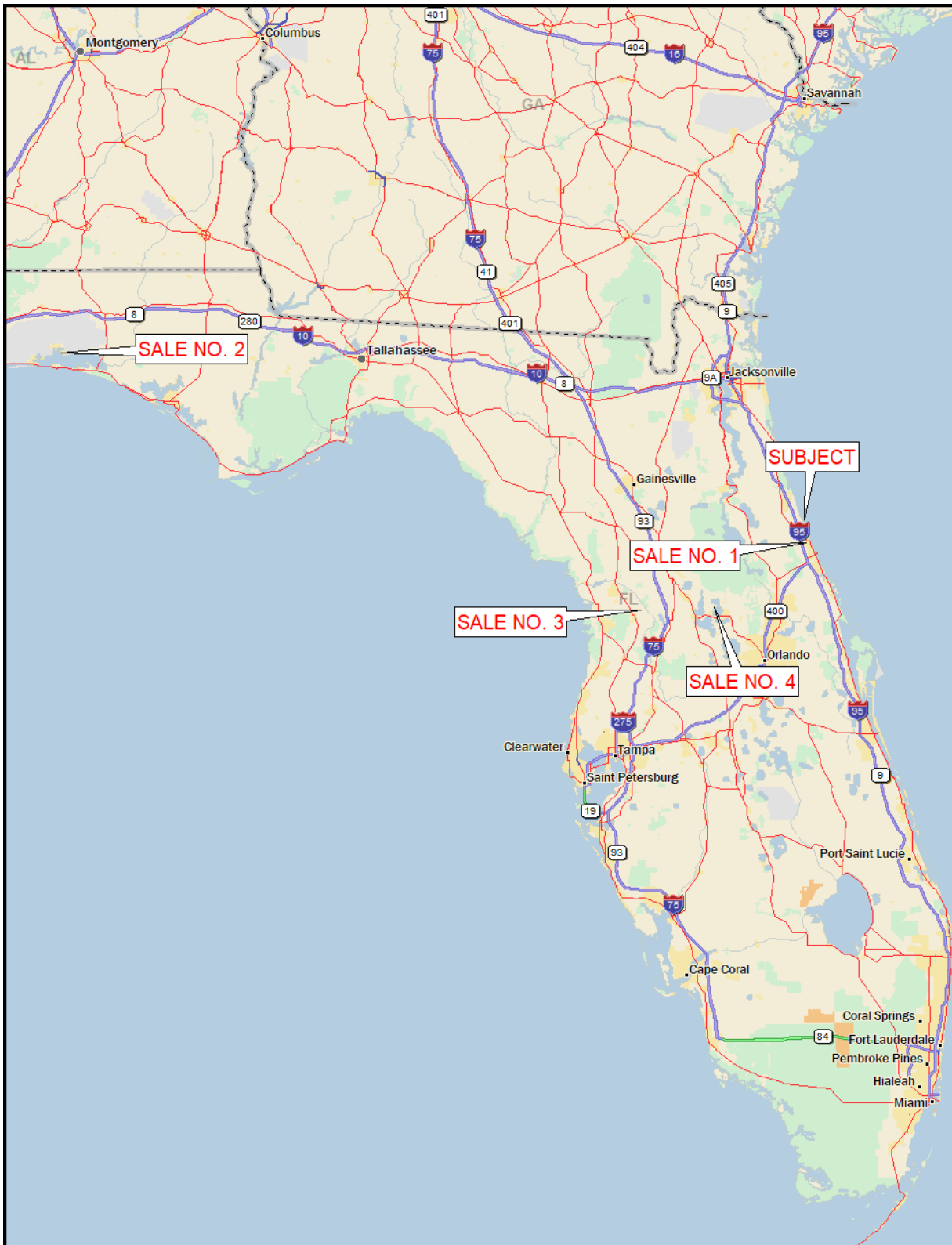
In this case, as previously discussed, the subject consists of a parcel with a very restrictive use. It is restricted to use as a golf course with associated uses such as a restaurant and pro shop. The highest and best use estimated that the overall parcel had limited marketability due to its restriction and high risk for development. In developing an estimate or indication of value by the Direct Sales Comparison Approach, a search was made for sales of golf course properties with similar restrictions. A statewide search was necessary to find an adequate number of sales.

While a number of sales were analyzed, those described on the following pages reflect the most comparable to the subject. The sales represent transactions which are considered to be reasonably comparable properties and whose sales represent valid indications of market activity and demand for this type of property. A location map and a brief description of the sales and their comparability to the subject may be found in the chart on the following pages.

No two properties are exactly alike. The factors of comparison between the subject and the sales must be considered in arriving at an indication of value. Characteristics such as financing, time, location, size, zoning, topography, accessibility, etc., are noted, analyzed, and compared to the subject site. In this case, the numerous factors associated with this type of property that are difficult to analyze and compare, the limited potential uses, and the uncertainty of development costs, I have chosen to use a qualitative comparison analysis. A qualitative analysis uses inferior and superior considerations for comparison instead of attempting to arrive at qualitative (percentage) adjustments.

The unit of comparison utilized in this section of the report is based on selling price per useable acre of land, which is generally recognized as the best means of relating the comparables to the subject when analyzing vacant parcels.

COMPARABLE SALES MAP



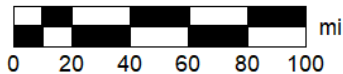
Data use subject to license.

© DeLorme. DeLorme Street Atlas USA© 2014.

www.delorme.com



MN (5.9° W)



Data Zoom 5-7

COMPARABLE LAND SALES CHART

DESCRIPTION	SUBJECT	SALE NO. 1	SALE NO. 2	SALE NO. 3	SALE NO. 4
O.R. BOOK/PAGE	N/A	8036/3448	3108/166	3371/2454	6431/1832
TAX ID#	29-12-32-0000-01010-0000+	3242-07-00-0010	22-1S-22-0000-0001-0110	20E-19S-02-0000-2A00	31-18-26-0003-000-01300
GRANTOR	N/A	ETTS HOLDINGS, LLC	BLUWATER BAY RESORT, LLC	B&L ENTERPRISES OF CITRUS, INC.	JOHN R. HARAZ
GRANTEE	N/A	TRIUMPH OAKS OF ORMOND BEACH I, LLC	AP NICEVILLE DEVELOPMENT, LLC	RC BECK, LLC	JAT INVESTMENT GROUP, INC.
SALE PRICE	N/A	\$2,600,000	\$1,400,000	\$750,000	\$750,000*
PRICE/ACRE	N/A	\$17,808	\$22,555	\$24,958	\$20,380
PROPERTY RIGHTS	FEE SIMPLE	FEE SIMPLE 0%	FEE SIMPLE 0%	FEE SIMPLE 0%	FEE SIMPLE 0%
FINANCING	N/A	NORMAL 0%	NORMAL 0%	NORMAL 0%	NORMAL 0%
CONDITIONS OF SALE	N/A	NORMAL 0%	RELATED PARTIES ** 0%	NORMAL 0%	NORMAL 0%
SALE DATE	N/A	04/23/2021 0%	10/26/2021 0%	04/19/2023 0%	11/15/2024 0%
ADJUSTED PRICE/ACRE	N/A	\$17,808	\$22,555	\$24,958	\$20,380
LOCATION/ACCESS	3600 S. CENTRAL AVE. FLAGLER BEACH	FORMER TOMOKA OAKS GOLF COURSE ORMOND BEACH SIMILAR	BLUEWATER BAY RESORT NICEVILLE SIMILAR	POINTE O WOODS GOLF CLUB INVERNESS SIMILAR	WEDGEWOOD GOLF COURSE GRAND ISLAND SIMILAR
SIZE (UPLAND ACRES) COMPARISON	36.905	146.000 MUCH LARGER	62.070 LARGER	30.050 SIMILAR	36.800 SIMILAR
SHAPE COMPARISON	RECTANGULAR	IRREGULAR SIMILAR	IRREGULAR SIMILAR	IRREGULAR SIMILAR	IRREGULAR SIMILAR
TOPOGRAPHY COMPARISON	ALL UPLANDS	ALL UPLANDS SIMILAR	ALL UPLANDS SIMILAR	ALL UPLANDS SIMILAR	40-50 AC WET/UNUSEABLE NOT CONSIDERED IN SIZE
UTILITIES COMPARISON	ALL AVAILABLE	ALL AVAILABLE SIMILAR	ALL AVAILABLE SIMILAR	ALL AVAILABLE SIMILAR	ALL AVAILABLE SIMILAR
ZONING COMPARISON	RESTRICTED TO GOLF COURSE	RESTRICTED TO GOLF COURSE SIMILAR	RESTRICTED TO RECREATION SIMILAR	PDR, RESIDENTIAL USES PARMITTED SUPERIOR	RESTRICTED TO GOLF COURSE SIMILAR
BUILDINGS COMPARISON	RESTAURANT	CLUBHOUSE/RESTAURANT SIMILAR	CLUBHOUSE, ETC. SIMILAR	CLUBHOUSE, ETC. SIMILAR	NONE INFERIOR
CONDITION OF COURSE COMPRISON	POOR	POOR SIMILAR	AVERAGE SUPERIOR	AVERAGE SUPERIOR	POOR SIMILAR
OVERALL COMPARISON	N/A	SIMILAR/LARGER	SUPERIOR/LARGER	SUPERIOR	SLIGHTLY INFERIOR

*RECORDED SALE PRICE IS \$650,000 BUT LISITING SERVICE AND LISTING BROKER BOTH CONFIRM THE SALE PRICE TO BE \$750,000

**NOT ABLE TO FULLY VERIFY BY THE DELIVERY DATE - LIMITED VERIFICATION CONFIRMED SOME RELATED PARTIES BUT THE TRANSFER MAY OR MAY NOT HAVE BEEN BASED ON A DETERMINED MARKET VALUE.

Analysis of Comparable Sales

The appraiser has used four sales of golf course properties, three of which were restricted to golf course or recreational use similar to the subject. The sales occurred between April 2021 and November 2024 and reflect a price range of \$17,808 to \$24,958 per useable acre. A brief comparison of the sales to the subject is as follows:

Market Conditions Adjustments

The effective date of this appraisal is March 10, 2025. In general, as of mid-2022 the market stabilized due to multiple factors including multiple interest rate increases, hurricanes and skyrocketing insurance costs. Sale Nos. 1 and 2 occurred in 2021. However, after reviewing the sales, there does not appear to be a notable difference in sale price that would be attributed to sale date. Therefore, no adjustments have been applied.

Remaining Comparisons

Considering the relatively tight range of values, there do not appear to be factors that significantly affect the sale prices of this type of property. Sale No. 1 reflects the lowest price per acre but is the oldest sale and is a much larger parcel than all the others, both factors that could explain the lower price.

Sale No. 3 represents the highest price per acre but is the only sale that has residential development potential, making it superior to the subject.

The remaining two sales both are restricted to recreational or golf course uses and reflect prices of \$22,555 and \$20,380 per acre.

The average price per acre of all four sales is \$21,426, which is similar to the average price per acre of Sale Nos. 2 and 4 (\$21,468).

Conclusion

Based on these sales and analysis, and placing equal consideration on all four sales, it is my opinion the subject has a market value of \$21,500 per useable acre, or:

36.905 Acres x \$21,500/Acre	=	\$793,458
Rounded To		\$794,000

RECONCILIATION OF APPROACHES

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."⁵

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.

As explained previously, only the Direct Sales Comparison (Market Data) Approach was considered applicable. It employs the Principle of Substitution, in that a knowledgeable buyer will not pay more for a particular property than what it would cost to purchase a duplicate property with equal utility. The appraiser utilized sales of sites considered similar to the subject. Despite their varying factors of comparison, these sales were believed to offer a good indication of value for the subject.

After evaluating the Direct Sales Comparison Approach, it is my opinion that the market value of the unencumbered interest of the subject property is:

SEVEN HUNDRED NINETY-FOUR THOUSAND DOLLARS

(\$794,000)

⁵ Real Estate Appraisal Terminology, Byrl N. Boyce, Ballinger Publishing Company, Cambridge, MA, 1975, Page 112.

A D D E N D U M

ZONING MAP
FUTURE LAND USE MAP
FLOOD ZONE MAP
SOILS MAP
QUALIFICATIONS OF THE APPRAISER

ZONING MAP



FUTURE LAND USE MAP



Flagler Beach FLUM

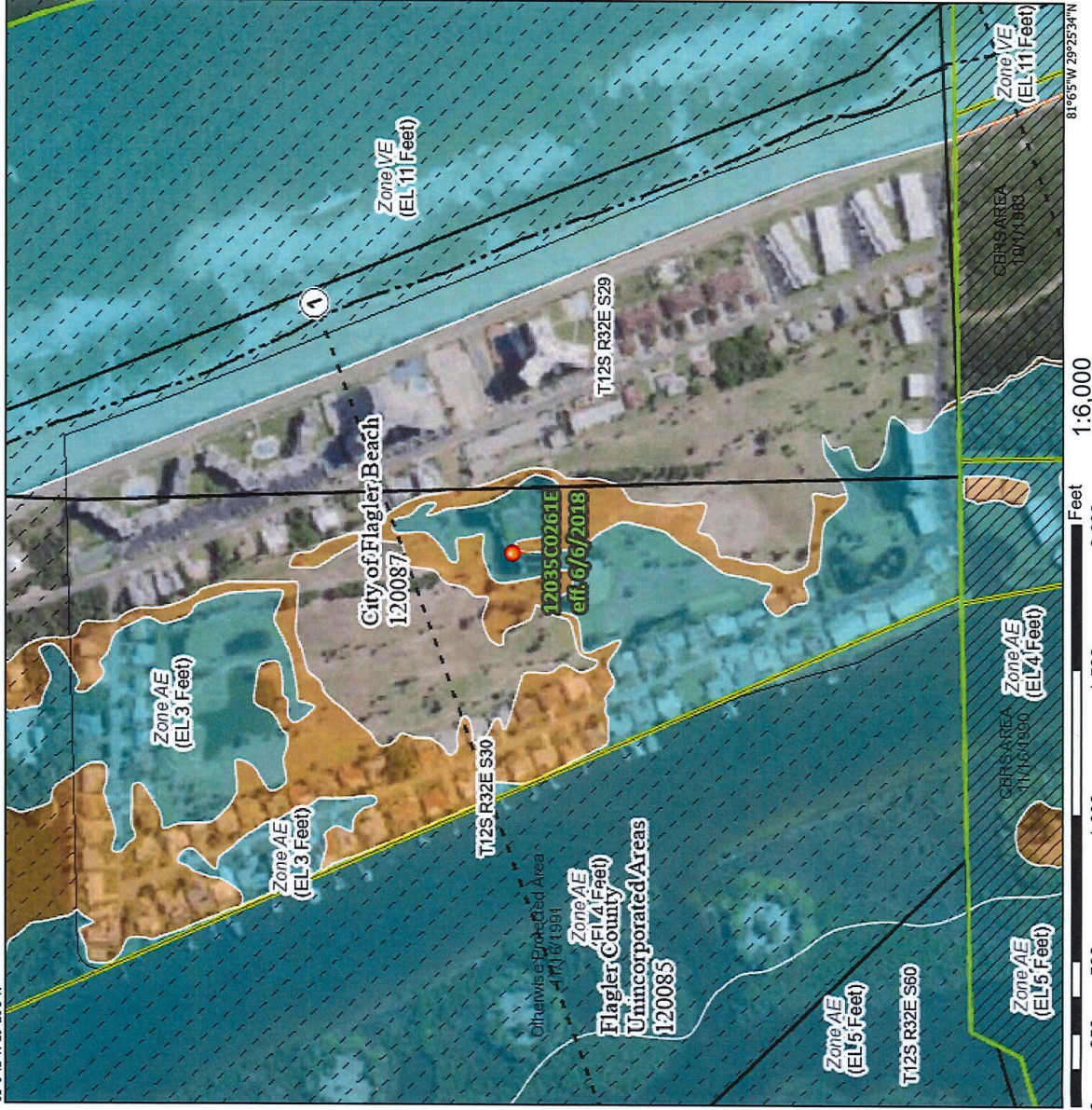
- Commercial
- Golf Course
- High Density
- Low Density
- Medium Density
- Mixed Use Overlay
- Mobile Home Park
- Other Public Facilities
- Park
- Public Buildings & Grounds
- Salt Water Marsh
- Spoil Area
- Undefined

FLOOD ZONE MAP

National Flood Hazard Layer FIRMette



81°56'42"W 29°26'55"N



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

<p>SPECIAL FLOOD HAZARD AREAS</p> <ul style="list-style-type: none"> Without Base Flood Elevation (BFE) Zone A, V, A99 With BFE or Depth Zone AE, AO, AH, VE, AR Regulatory Floodway 	<p>OTHER AREAS OF FLOOD HAZARD</p> <ul style="list-style-type: none"> 0.2% Annual Chance Flood Hazard, Area of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile (Zone J) Future Conditions 1% Annual Chance Flood Hazard (Zone X) Area with Reduced Flood Risk due to Levee. See Notes, Zone X Area with Flood Risk due to Levee (Zone D) 	<p>OTHER AREAS</p> <ul style="list-style-type: none"> NO SCREEN Area of Minimal Flood Hazard (Zone X) Effective LOMRs Area of Undetermined Flood Hazard (Zone X) 	<p>GENERAL STRUCTURES</p> <ul style="list-style-type: none"> Channel, Culvert, or Storm Sewer Levee, Dike, or Floodwall 	<p>OTHER FEATURES</p> <ul style="list-style-type: none"> Cross Sections with 1% Annual Chance Water Surface Elevation Coastal Transect Base Flood Elevation Line (BFE) Limit of Study Jurisdiction Boundary Coastal Transect Baseline Profile Baseline Hydrographic Feature 	<p>MAP PANELS</p> <ul style="list-style-type: none"> Digital Data Available No Digital Data Available Unmapped
--	--	---	--	--	--

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 3/6/2025 at 6:24 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

SOILS MAP

Hydric Rating by Map Unit—Flagler County, Florida



Map Scale: 1:4,050 if printed on A portrait (8.5" x 11") sheet.



Map projection: Web Mercator Corner coordinates: WGS84 Edge tics: UTM Zone 17N WGS84



Natural Resources
Conservation Service

Web Soil Survey
National Cooperative Soil Survey

3/6/2025
Page 1 of 5

MAP LEGEND

Area of Interest (AOI)	Transportation
Area of Interest (AOI)	Rails
Soils	Interstate Highways
Soil Rating Polygons	US Routes
Hydric (100%)	Major Roads
Hydric (66 to 99%)	Local Roads
Hydric (33 to 65%)	Background
Hydric (1 to 32%)	Aerial Photography
Not Hydric (0%)	
Not rated or not available	
Soil Rating Lines	
Hydric (100%)	
Hydric (66 to 99%)	
Hydric (33 to 65%)	
Hydric (1 to 32%)	
Not Hydric (0%)	
Not rated or not available	
Soil Rating Points	
Hydric (100%)	
Hydric (66 to 99%)	
Hydric (33 to 65%)	
Hydric (1 to 32%)	
Not Hydric (0%)	
Not rated or not available	
Water Features	Streams and Canals

MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:15,800.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
 Web Soil Survey URL:
 Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Flagler County, Florida
 Survey Area Data: Version 23, Aug 21, 2024

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Jan 6, 2022—Feb 10, 2022

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Hydric Rating by Map Unit

Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
31	Palm Beach gravelly sand, 0 to 8 percent slopes	0	1.4	3.9%
39	Udarents, smoothed	0	34.7	96.1%
Totals for Area of Interest			36.2	100.0%

Description

This rating indicates the percentage of map units that meets the criteria for hydric soils. Map units are composed of one or more map unit components or soil types, each of which is rated as hydric soil or not hydric. Map units that are made up dominantly of hydric soils may have small areas of minor nonhydric components in the higher positions on the landform, and map units that are made up dominantly of nonhydric soils may have small areas of minor hydric components in the lower positions on the landform. Each map unit is rated based on its respective components and the percentage of each component within the map unit.

The thematic map is color coded based on the composition of hydric components. The five color classes are separated as 100 percent hydric components, 66 to 99 percent hydric components, 33 to 65 percent hydric components, 1 to 32 percent hydric components, and less than one percent hydric components.

In Web Soil Survey, the Summary by Map Unit table that is displayed below the map pane contains a column named 'Rating'. In this column the percentage of each map unit that is classified as hydric is displayed.

Hydric soils are defined by the National Technical Committee for Hydric Soils (NTCHS) as soils that formed under conditions of saturation, flooding, or ponding long enough during the growing season to develop anaerobic conditions in the upper part (Federal Register, 1994). Under natural conditions, these soils are either saturated or inundated long enough during the growing season to support the growth and reproduction of hydrophytic vegetation.

The NTCHS definition identifies general soil properties that are associated with wetness. In order to determine whether a specific soil is a hydric soil or nonhydric soil, however, more specific information, such as information about the depth and duration of the water table, is needed. Thus, criteria that identify those estimated soil properties unique to hydric soils have been established (Federal Register, 2002). These criteria are used to identify map unit components that normally are associated with wetlands. The criteria used are selected estimated soil properties that are described in "Soil Taxonomy" (Soil Survey Staff, 1999) and "Keys to Soil Taxonomy" (Soil Survey Staff, 2006) and in the "Soil Survey Manual" (Soil Survey Division Staff, 1993).

If soils are wet enough for a long enough period of time to be considered hydric, they should exhibit certain properties that can be easily observed in the field. These visible properties are indicators of hydric soils. The indicators used to make onsite determinations of hydric soils are specified in "Field Indicators of Hydric Soils in the United States" (Hurt and Vasilas, 2006).

References:

Federal Register. July 13, 1994. Changes in hydric soils of the United States.

Federal Register. September 18, 2002. Hydric soils of the United States.

Hurt, G.W., and L.M. Vasilas, editors. Version 6.0, 2006. Field indicators of hydric soils in the United States.

Soil Survey Division Staff. 1993. Soil survey manual. Soil Conservation Service. U.S. Department of Agriculture Handbook 18.

Soil Survey Staff. 1999. Soil taxonomy: A basic system of soil classification for making and interpreting soil surveys. 2nd edition. Natural Resources Conservation Service. U.S. Department of Agriculture Handbook 436.

Soil Survey Staff. 2006. Keys to soil taxonomy. 10th edition. U.S. Department of Agriculture, Natural Resources Conservation Service.

Rating Options

Aggregation Method: Percent Present

Component Percent Cutoff: None Specified

Tie-break Rule: Lower



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 RZ2368
Florida Real Estate Broker, License BK 0589200
Member DeLand-West Volusia Board of Realtors
Member Daytona Beach Board of Realtors
Member New Smyrna Beach Board of Realtors
U.S. Department of Professional Affairs Appraisal Panel

EDUCATION

B.S. Degree Real Estate, University of Florida, 1992
Master of the Arts Degree in Real Estate, University of Florida, 1994

RECENT CONTINUING EDUCATION

Fair Housing, Bias and Discrimination (McKissock) 2022
Divorce and Estate Appraisals: Elements of Non-Lender Work (McKissock) 2022
Appraising for the VA (McKissock) 2022
Market Disturbances-Appraisals in Atypical Markets and Cycles (McKissock) 2022
2022-2023 7-hour National USPAP Update Course (McKissock) 2022
Florida Appraisal Laws and Regulations (McKissock) 2022
Supervisor-Trainee Course for Florida (McKissock) 2021
Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) Course (McKissock) 2019
Numerous continuing education courses and seminars in prior years

APPRAISAL EXPERIENCE

Clayton, Roper, and Marshall, May 1993 through August 1993
Heffington & Associates, September 1, 1993 to September 30, 2021
Heffington & Associates, LLC, October 1, 2021 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, Office Buildings, Condemnation Appraisals

COURT QUALIFICATIONS

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

PARTIAL LIST OF CLIENTS

Surety Bank
Fairwinds Credit Union
Intracoastal bank
Ameris Bank
City of Daytona Beach
City of New Smyrna Beach
City of South Daytona
County Volusia
School Board of Volusia County
Daytona Beach International Airport

South State Bank N.A.
Farm Credit of Florida
Mainstreet Community Bank
Seacoast Bank
Wells Fargo
City of DeLand
City of Ormond Beach
City of Port Orange
Florida Department of Transportation
Halifax Health