

**SELF-CONTAINED REPORT
REAL ESTATE APPRAISAL**

Of
Flagler Crossroads Property



901 East Moody Boulevard,
Bunnell, FL 32110
Flagler County

As of
June 20, 2013

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

Prepared by
COOKSEY & ASSOCIATES, INC.

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

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

File Number: 7415





P. O. Box 731559, Ormond Beach, FL 32173 • Tel: 386.252.1293 • Fax: 386.254.6992 • www.cookseyassociates.com

July 2, 2013

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

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

File Number: 7415

Dear Mr. Telfer:

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

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

Please reference page 11 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

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

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 10). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Hypothetical Conditions:

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

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

Extraordinary Assumptions:

- There are no Extraordinary Assumptions for this appraisal.

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

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

Respectfully submitted,

Cooksey & Associates, Inc.

A stylized, handwritten signature in black ink, appearing to be 'HJ Cooksey'.

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

A handwritten signature in black ink, appearing to be 'T. James Cooksey'.

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

TABLE OF CONTENTS

Summary of Important Facts and Conclusions.....	5
Overview	7
Scope of Work	7
Definitions.....	9
Limiting Conditions and Assumptions	10
Disclosures.....	11
Professional Standards.....	11
Competency	11
Market Area Analysis	12
Market Area and Property Characteristics	12
Location Map	19
Subject Property.....	20
Identification of the Property	20
Site Description.....	20
Flood Map.....	22
Survey	23
Improvements Description	24
Environmental Risks	28
Subject Photographs	29
Assessment and Taxes	33
Zoning.....	33
Analysis & Conclusions.....	35
Highest and Best Use.....	35
Valuation Methodology	37
Analyses Applied	37
Cost Approach.....	38
Comparables Map	47
Cost Analysis.....	50
Sales Comparison Approach	55
Comparables Map	66
Final Reconciliation.....	70
Value Indications	70
Value Conclusion.....	70
Exposure Time	71
Certification Statement	72
Addenda.....	73
Legal Description	73
Marshall & Swift - SwiftEstimator	75
Qualifications of Appraiser	77

Summary of Important Facts and Conclusions

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

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

Owner: Flagler Crossroads Inc.

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

Date of Report: July 2, 2013

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

Intended User(s): The client.

Assessment:

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

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

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

Land:

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

Improvements:

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

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

See area definitions, page 24.

Zoning:	B-2 and O-1
Highest and Best Use of the Site:	Holding for future development when demand is present.
Highest and Best Use as Improved:	Holding for future redevelopment when demand is present.
Type of Value:	Market Value

Land Value:	\$380,000
Cost Approach:	\$1,510,000
Sales Comparison Approach:	\$1,420,000
Income Approach:	N/A

Reconciled Value(s):	Per Hypothetical Condition
Value Conclusion(s)	\$1,500,000
Effective Date(s)	June 20, 2013
Property Rights	Fee Simple

Overview

Scope of Work

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

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

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

Report Type:	This is a Self-Contained report as defined by the Uniform Standard of Professional Appraisal Practice under Standards Rule 2-2(A). This format provides a detailed and complete description of the appraisal process, subject data and valuation.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Inspection:	A complete interior and exterior inspection of the subject property has been made, and photographs taken.
Market Area and Analysis of Market Conditions:	This analysis is based on and limited to an inferred market analysis, not a fundamental market study . Our scope of work agreement with our client does not include a detailed fundamental analysis. A separate feasibility analysis was not developed.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value
<u>Valuation Analyses</u>	
Cost Approach:	A cost approach was applied as there is adequate data to develop a land value and the depreciation accrued to the improvements can be reasonably measured.
Sales Comparison Approach:	A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Income Approach:	An income approach was not applied as the subject could not be rented in its shell condition, and would require significant renovations and modifications prior to occupancy. The client is considering purchasing this property for owner-occupancy, and rental income is not a consideration for this client.
Hypothetical Conditions:	This appraisal is made under the Hypothetical Condition that the building improvements on the subject property are in a "shell" condition. Shell condition is defined as inclusive of the structural interior and exterior walls, concrete floor slab, roof structure with covering in its present condition and the current fire walls. The appraisal is made as though all mechanical, electrical and plumbing items have been removed and that all interior, non-load bearing walls have been removed. We assume that no further interior or exterior demolition work is required. We understand that this is the basis for the current purchase negotiations.
Extraordinary Assumptions:	There are no Extraordinary Assumptions for this appraisal.
Information Not Available:	N/A

Definitions

Market Value

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

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

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

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

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

Limiting Conditions and Assumptions

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

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

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

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

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

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

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

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

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

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

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

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

Disclosures

Professional Standards

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

Competency

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

Market Area Analysis

Market Area and Property Characteristics

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

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

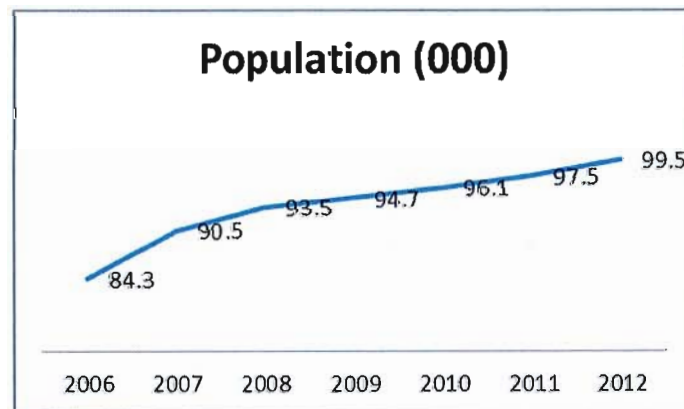
Notable development near the subject in Bunnell in the last few years include construction of new County Courthouse and Administration buildings to the east along S.R. 100, as well as a Wendy's restaurant near that location. A Family Dollar store was constructed near the subject in the "downtown" area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

A discussion of the Flagler County market characteristics follows.

Flagler County

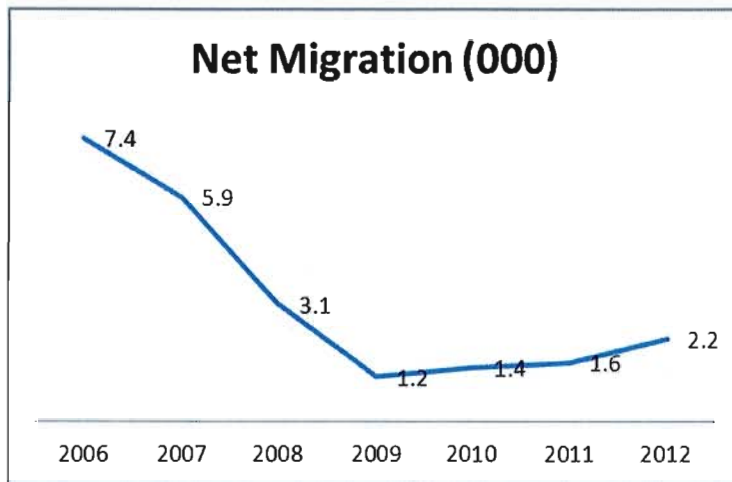
Population

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



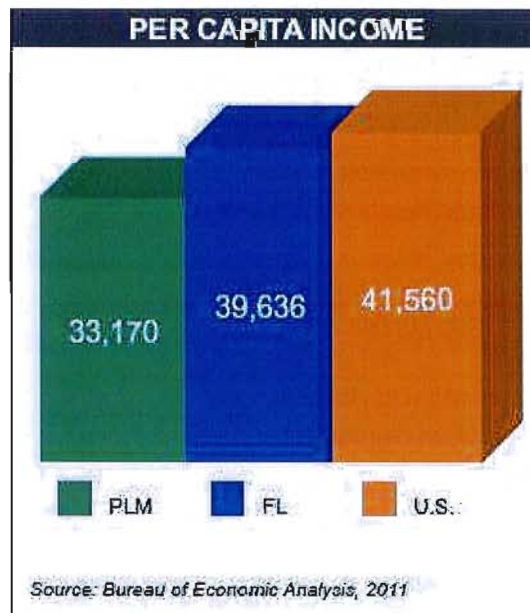
Migration

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



Income

Per capita income is below the state and national averages.



Employment

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

COMPARATIVE EMPLOYMENT AND INCOME

Sector	% of Total Employment			Average Annual Earnings		
	PLM	FL	U.S.	PLM	FL	U.S.
Mining	0.1%	0.1%	0.6%	nd	\$17,910	\$80,442
Construction	4.5%	4.6%	4.2%	\$26,791	\$45,882	\$57,059
Manufacturing	4.1%	4.3%	8.9%	\$50,004	\$66,463	\$76,451
Durable	87.6%	66.0%	62.6%	nd	\$69,307	\$78,378
Nondurable	12.4%	34.0%	37.4%	nd	\$61,073	\$73,303
Transportation/Utilities	1.1%	3.2%	3.7%	nd	\$53,286	\$63,289
Wholesale Trade	1.1%	4.3%	4.2%	\$40,761	\$73,826	\$78,458
Retail Trade	15.6%	13.2%	11.1%	\$23,502	\$32,597	\$32,088
Information	4.6%	1.8%	2.0%	\$41,216	\$76,139	\$96,383
Financial Activities	3.7%	6.7%	5.8%	\$28,826	\$39,081	\$50,553
Prof. and Bus. Services	11.2%	14.4%	13.4%	\$38,410	\$47,793	\$61,371
Educ. and Health Services	12.8%	15.0%	15.2%	\$52,021	\$50,165	\$50,771
Leisure and Hosp. Services	15.6%	13.5%	10.3%	\$21,531	\$27,282	\$24,149
Other Services	7.4%	4.2%	4.1%	\$29,323	\$28,355	\$34,601
Government	17.8%	14.6%	16.4%	\$54,291	\$67,847	\$68,458

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

Largest Employers

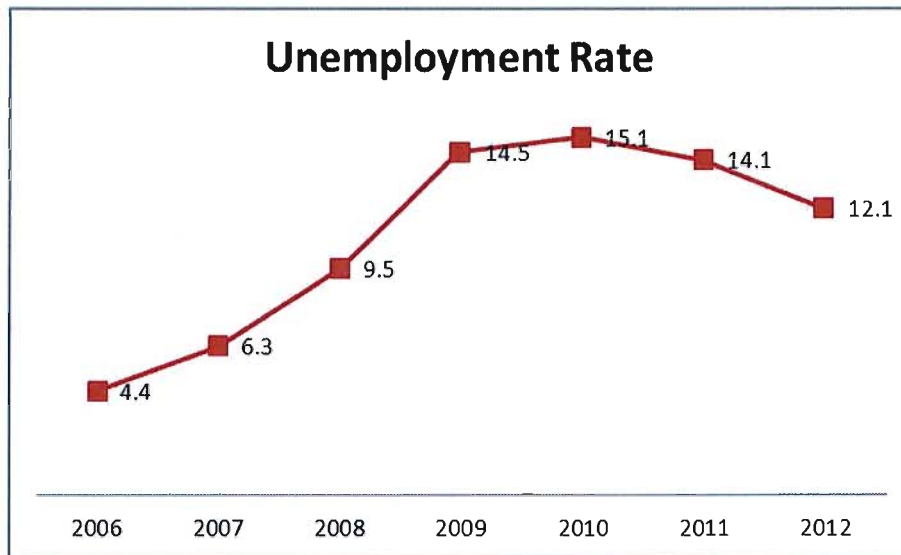
Flagler County's top private employers are listed below.

TOP EMPLOYERS

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

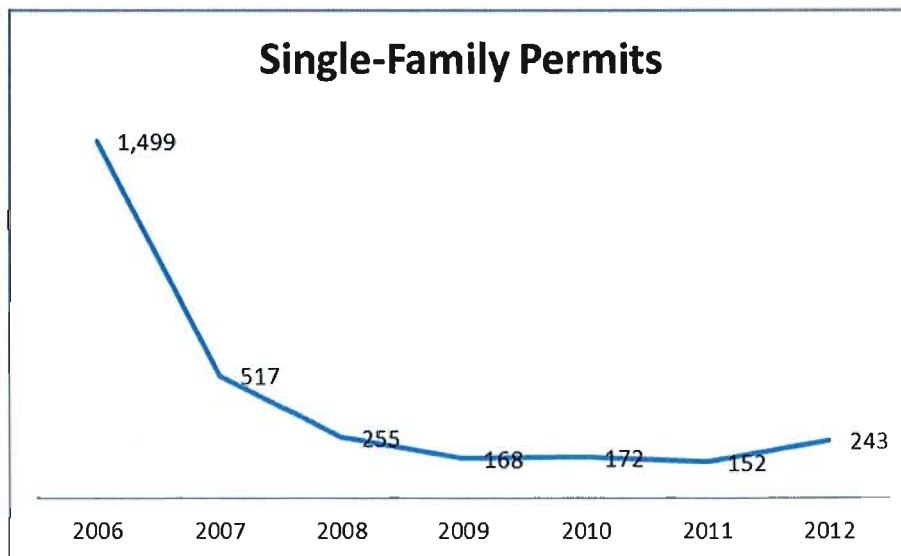
Sources: Enterprise Flagler, 2007; Flagler County Chamber of Commerce, 2012

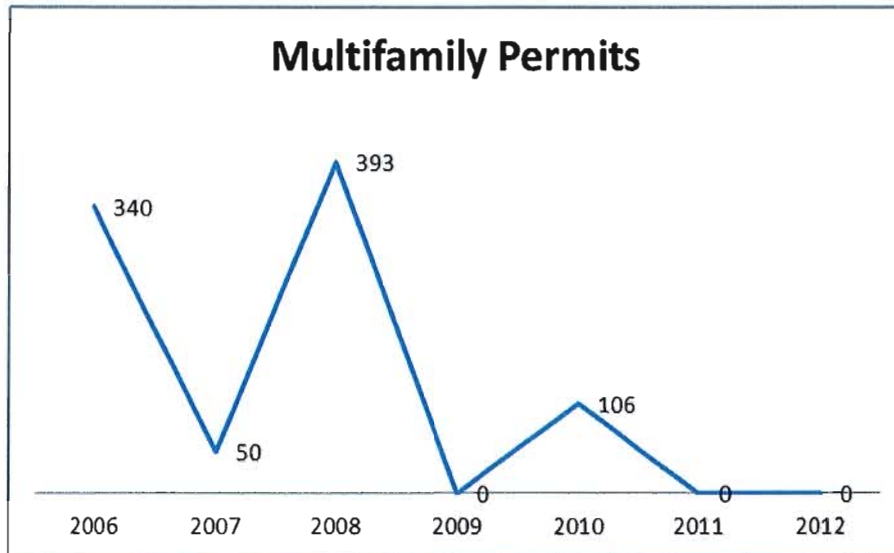
The unemployment rate has been declining in recent months, although it is still above the state average.



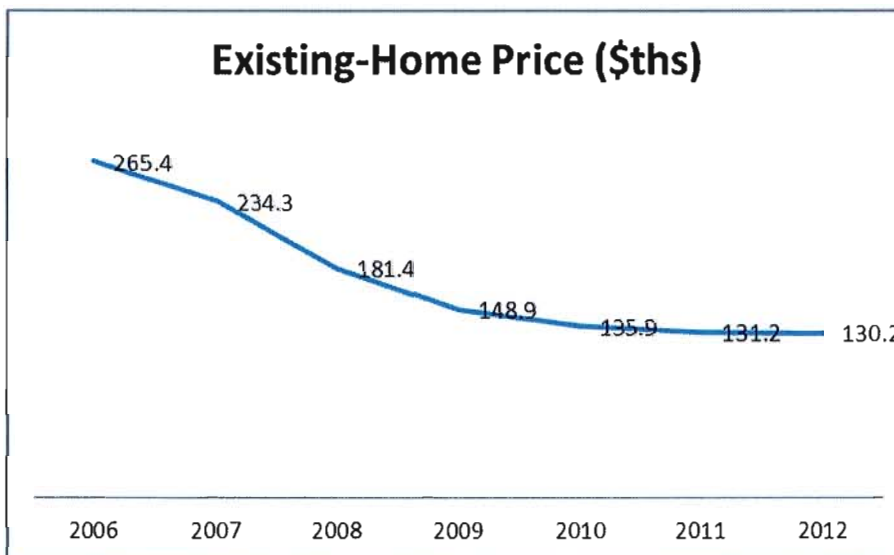
Real Estate & Construction

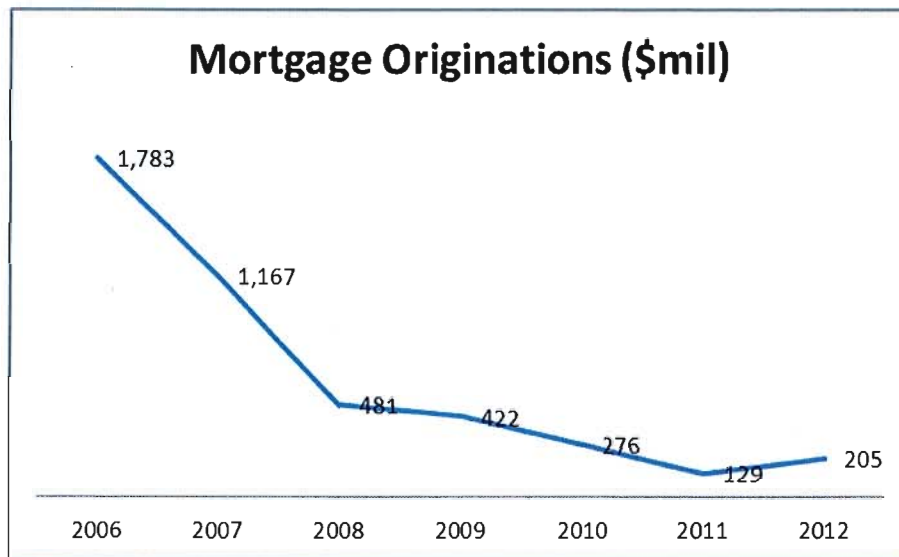
Construction had slowed significantly since 2006; however, permit activity for single family construction is showing modest increases.





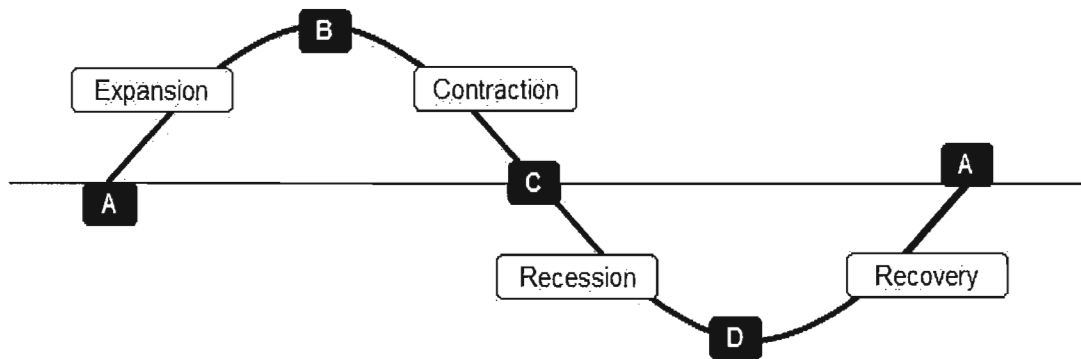
Existing home prices declined since 2006, fueled by declining market conditions and a large number of bank-owned foreclosures competing in the market. Overall, prices appear to have bottomed out recently, and sales activity has increased.





Real Estate Cycle

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



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

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

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

Location Map



Subject Property

Identification of the Property

Capsule Description here

Site Description

Location:	The subject is located on the south side of E. Moody Boulevard at Hospital Drive and along the South side of Canakaris Avenue between S. Chapel Street to the west and S. Lemon Street to the east.
Current Use of the Property:	Vacant former hospital building.
Site Size:	Total: 6.34 acres; 276,044 square feet Usable: 6.34 acres; 276,044 square feet
Shape:	The subject site consists of two rectangular portions that extend south from Moody Boulevard to Canakaris Street and that are split by Hospital Drive. The primary portion of the subject site is a rectangular area along Canakaris Street between Chapel Street to the west and Lemon Street to the east.
Frontage/Access:	The subject property has access via Hospital Drive from Moody Boulevard access with frontage as follows: <ul style="list-style-type: none">• Moody Boulevard: 200' feet• Canakaris Street: 730' feet
Visibility:	The portions of the subject with direct frontage on Moody Boulevard represent a relatively small portion of the property, and contain no building improvements. The improved portion of the property has somewhat limited visibility from Moody Boulevard; the other streets that border the property are interior streets.
Topography:	Fairly level near road grade.
Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Utilities:	Electricity: The site is served by FPL. Sewer: City sewer Water: City water Underground Utilities: No Adequacy: Assumed adequate.
Site Improvements:	<ul style="list-style-type: none">• pole mounted street lights• Concrete sidewalks• Curbs along E. Moody Boulevard
Flood Zone:	The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The majority of the subject is located in FEMA flood zone X, which is not classified as a flood hazard area. A small portion near the southeast corner appears to lie in Zone A, which is a

special flood hazard area.

FEMA Map Number: 12035C0207D

FEMA Map Date: July 17, 2006

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

Wetlands/Watershed: None

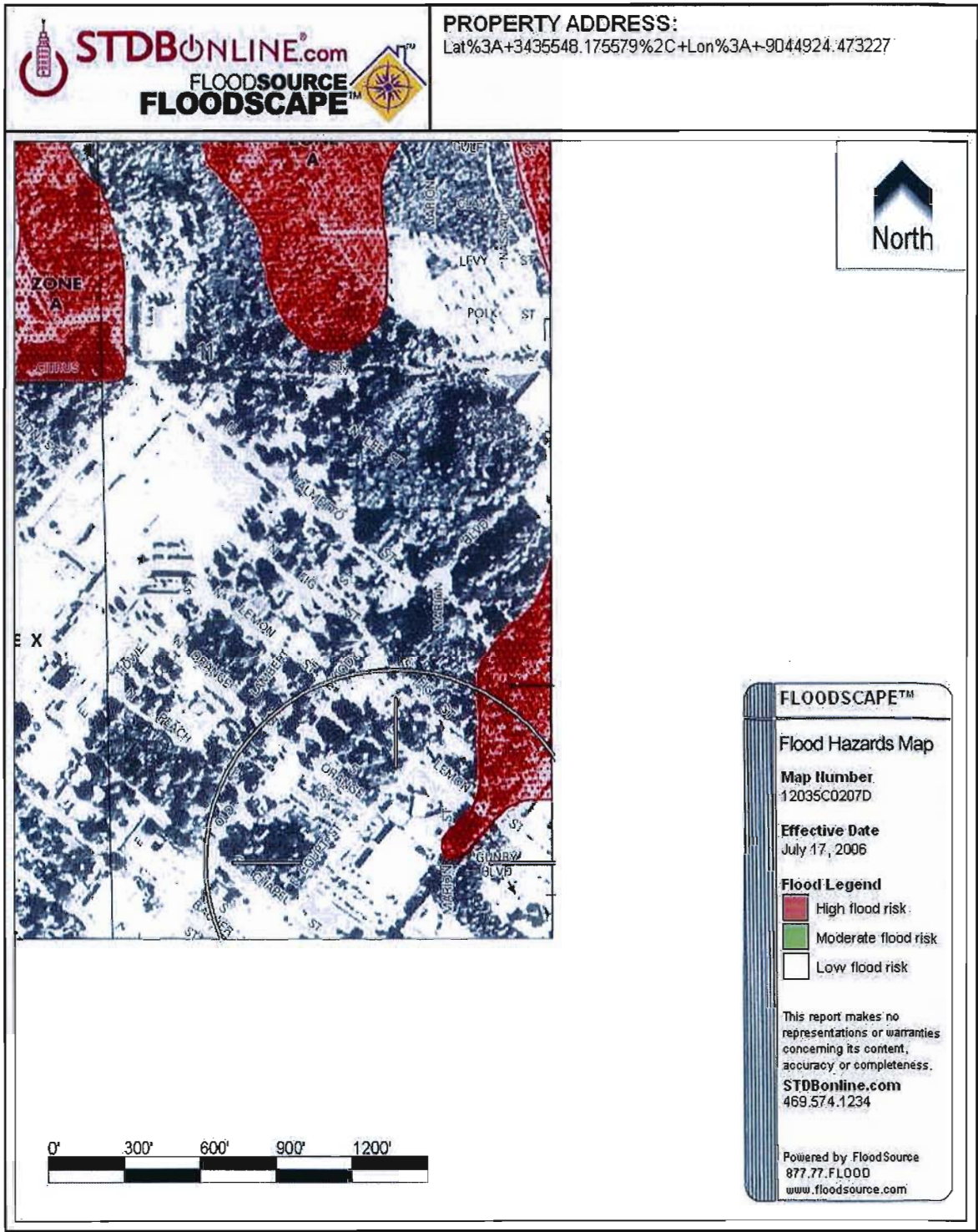
Environmental Issues: No adverse environmental issues known.

Encumbrance / Easements: There no known adverse encumbrances or easements. Drainage and utility easements were noted along the east and west boundaries of the parking lot parcels. A utility easement was noted on the Hospital site at the east portion in an area that was formerly an alley that was vacated. A possible easement was also noted at the southeast corner of the hospital site.

Site Comments: The subject's primary (Moody Boulevard) frontage is bifurcated by Hospital Drive, with paved parking areas on either side. The developed portion has primary frontage on Canakaris Street.

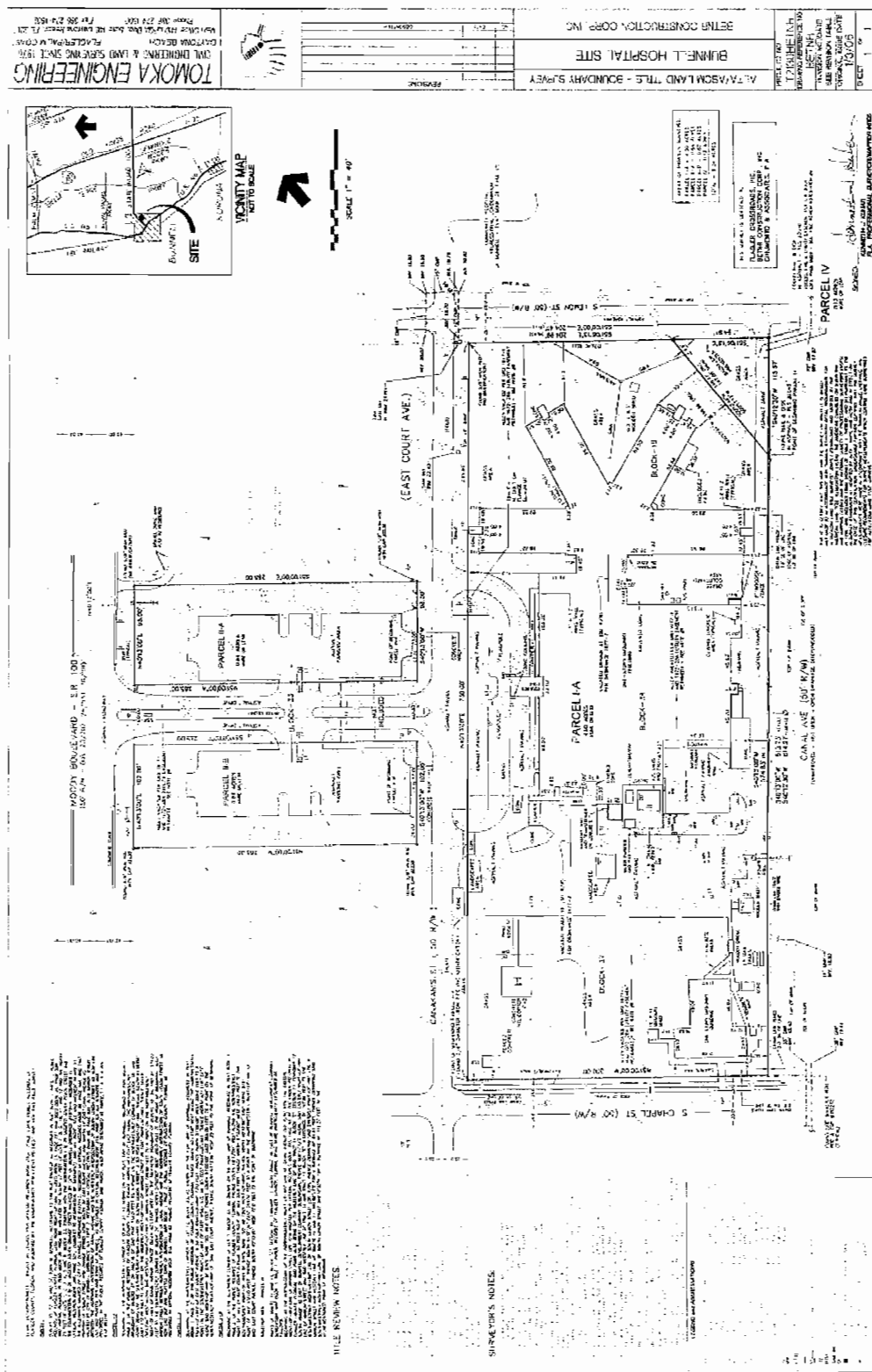
The current owners had previously planned to convert Building 1 to office condominiums, while removing the southeast wing and Building 2 to make room for additional parking and required stormwater retention areas. This plan included no improvements to the Moody Boulevard portions of the site.

Flood Map



© 1999-2012 SourceProse Corporation. All rights reserved. Protected by U.S. Patent Numbers 6631326, 6678615, 6842698, and 7038681.

Survey



Improvements Description

Development/Property Name: Flagler Crossroads Property

Property Type: Shell Building

Overview:

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

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

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

Building Identification: Building 1

Building Description: Shell (former hospital)

Building Class: C

Construction: C

Construction Quality: Average

Year Built: 1979

Renovations: N/A

Effective Age: 35 years

Remaining Useful Life: 15

Condition: Fair

Appeal/Appearance: Fair to Average

Areas, Ratios & Numbers: Number of Stories: 1.00
Gross Building Area: 57,800
Gross Leasable Area: 57,800
Rentable Area: 57,800
Building Efficiency Ratio: 100.0%

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

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

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

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

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

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

Restrooms: Average

Other:

Heating: Wall unit(s)

Cooling: Wall unit(s)

Electrical: Assumed to code.

Plumbing Condition: Assumed adequate.

Sprinkler: None

Comments, Building 2: This building may have been formerly used to house the maintenance department/equipment for the former hospital. Interior finishes are very basic and of fair quality.

Parking Type and Number of Spaces: Type: Paved open surface parking
Spaces: 136
Condition: Fair

Parking Ratio: 2.2 spaces per 1,000 square feet.

Design & Functional Utility: Average

Deferred Maintenance: Exterior paint, parking lots and landscaping are in below average condition.

Capital Improvements: Flagler County is considering purchasing the former hospital property to house the Sheriff's Department, which will require major renovations. This appraisal does not consider any future renovations or improvements.

Comments: The improvements were considered as a building shell, and assumes that demolition of interior finishes is complete.

Environmental Risks

Disclosure

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

<i>Asbestos</i>	<i>Urea-formaldehyde insulation</i>
<i>Underground storage tanks</i>	<i>Soil contamination or deficiencies</i>
<i>Lead-based paint</i>	<i>Toxic mold</i>
<i>Radon</i>	<i>PCB</i>
<i>Chemical spills</i>	<i>Fire resistant treated plywood (FRTTP)</i>

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

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

Recommendation

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

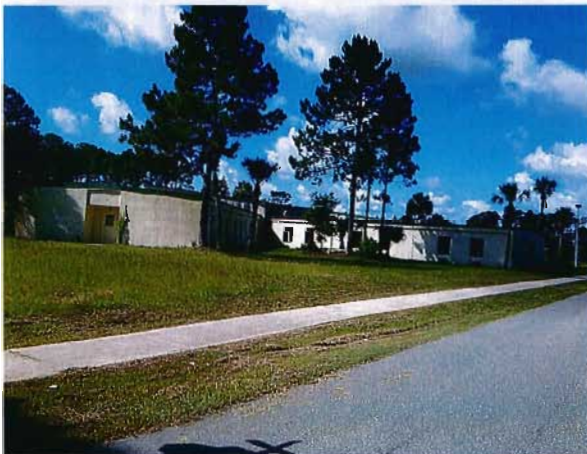
Subject Photographs



View of Building 1 Facing South from SR 1 Parcel



Building 1, North Entrance



View of Building 1 Facing West From Canakaris St.



South Side of Building 1



North Side of Building 1



West Side of Building 1



Typical Interior View



View of Roof Structure from Interior



Building 2, Front View



Building 2, Interior



Canakaris St. Facing East, Building 1 Parcel to Right



Canakaris St. Facing East



Moody Blvd. Facing East



Moody Blvd. Facing West

Assessment and Taxes

Taxing Authority Flagler County Property Appraiser

Assessment Year 2012

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

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

Notes:

Comments

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

Zoning

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

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

Analysis & Conclusions

Highest and Best Use

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

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

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

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

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

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

Highest and Best Use of the Site As Vacant

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

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

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

Highest and Best Use as Improved

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

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

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

Valuation Methodology

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

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

Cost Approach

The Cost Approach is summarized as follows:

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

Sales Comparison Approach

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

Income Approach

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

Final Reconciliation

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

Analyses Applied

A **cost analysis** was considered and was developed because there is adequate data to develop a land value and the depreciation accrued to the improvements can be reasonably measured.

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

An **income analysis** was considered and was not developed because the subject could not be rented in its shell condition, and would require significant renovations and modifications prior to occupancy. The client is considering purchasing this property for owner-occupancy, and rental income is not a consideration for this client.

Cost Approach

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

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

Land Valuation

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

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

Land Comparables

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

Land Listing No. 1



Property Identification

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

Sale Data

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

Land Data

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

Land Size Information

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

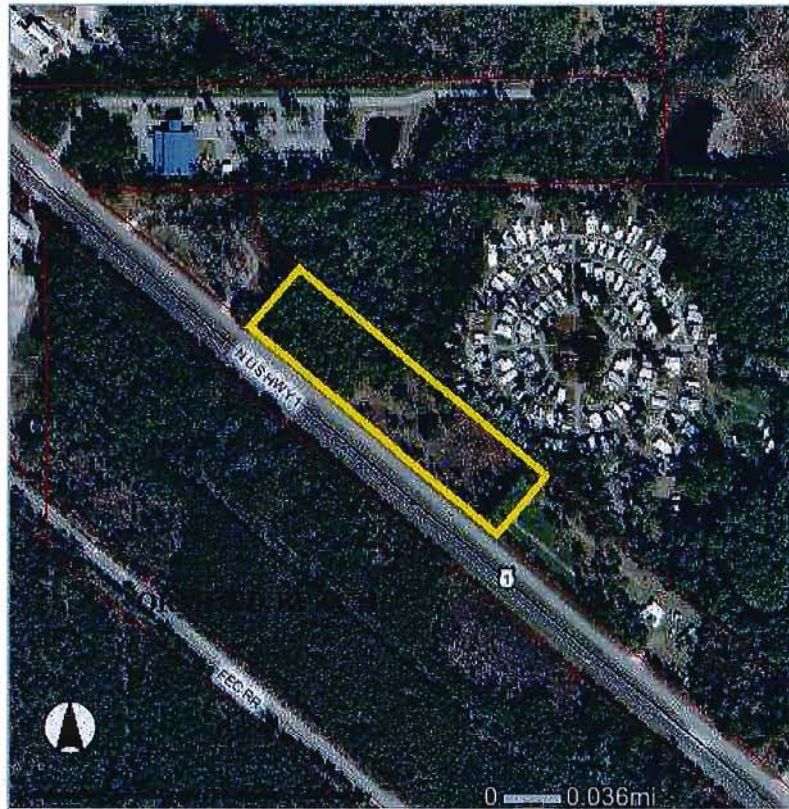
Indicators

Sale Price/Gross Acre	\$71,090
Sale Price/Gross SF	\$1.63
Sale Price/Useable Acre	\$112,500
Sale Price/Useable SF	\$2.58

Remarks

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

Land Sale No. 2



Property Identification

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

Sale Data

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

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

Land Data

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

Land Size Information

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

Indicators

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

Remarks

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

Land Listing No. 3



Property Identification

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

Sale Data

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

Land Data

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

Land Size Information

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

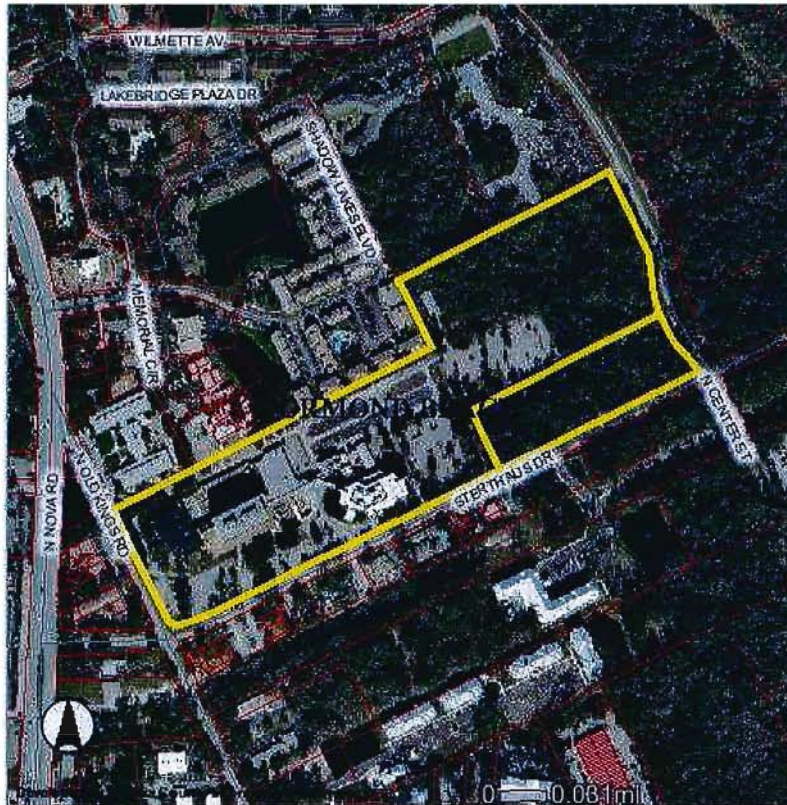
Indicators

Sale Price/Gross Acre	\$63,808
Sale Price/Gross SF	\$1.46
Sale Price/Uplands Acre	\$63,808
Sale Price/Uplands SF	\$1.46

Remarks

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

Land Sale No. 4



Property Identification

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

Sale Data

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

Cash Equivalent \$2,000,000

Land Data

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

Land Size Information

Gross Land Size 27.875 Acres or 1,214,218 SF

Indicators

Sale Price/Gross Acre \$71,750

Sale Price/Gross SF \$1.65

Remarks

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

Comparables Map



Analysis Grid

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

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

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

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

Comparable Land Sale Adjustments

Property Rights

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

Financing

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

Conditions of Sale

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

Economic Trends

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

Location

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

Physical Attributes

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

Size

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

Shape/Utility

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

Zoning

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

Other Characteristics

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

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

Sales Comparison Approach Conclusion – Land Valuation

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

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

Cost Analysis

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

Indirect Costs

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

Property Tax

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

Impact Fees

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

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

Entrepreneurial Profit

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

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

Depreciation Analysis

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

Physical Deterioration

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

Functional Obsolescence

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

External Obsolescence

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

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

Economic Age-Life Method

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

The formula is:

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

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

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

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

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

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

Cost Approach Conclusion

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

\$1,540,000

One Million Five Hundred Forty Thousand Dollars

Cost Analysis

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

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

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

Cost Allocation					
Total Building Costs		\$3,767,271			
Total Site Costs		\$0			

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

Land Value					
Land Value		\$410,000			
Other		\$0			
Cost Approach Value Indication				\$1,540,181	
Rounded				\$1,540,000	

@Value Software ~ www.atvalue.com

Sales Comparison Approach

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

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

Comparables

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

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

Improved Sale No. 1



Property Identification

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

Sale Data

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

Land Data

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

Dimensions	290' x 760'
Shape	Rectangular
Depth	760
General Physical Data	
Building Type	Single Tenant
SF	49,097
Construction Type	Concrete Block
Roof Type	Monolithic
Foundation	Poured Concrete
Electrical	3-Phase
HVAC	80%
Sprinklers	Full
Stories	One
Floor Height	10'/17'
Year Built	1983
Condition	Average
Indicators	
Sale Price/ SF	\$40.74
Floor Area Ratio	0.22
Land to Building Ratio	4.05:1

Remarks

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

Improved Listing No. 2



Property Identification

Record ID	2899
Property Type	Office, Office Building/Low-Rise
Property Name	2 Story Office Building
Address	228 N. Ridgewood Ave., Daytona Beach, Volusia County, Florida 32114
Location	E. side of Ridgewood, N of U.S. 92
Tax ID	5339-02-53-0071

Sale Data

Grantor	Harbor Community Bank
Survey Date	July 10, 2013
Property Rights	Fee simple
Marketing Time	40 mos.
Conditions of Sale	Listing
Sale History	Certificate of Title in 10/2009
Verification	Bob Rand, Listing Agent; 386-295-9827, July 10, 2013; Other sources: Loopnet, 2011 Appraisal, Confirmed by Howard Cooksey
Listing Price	\$596,000 previously \$639,000

Land Data

Land Size	1.065 Acres or 46,375 SF
Zoning	RDD-3 & M-1, Redevelopment District
Topography	Slopes downward east to west
Utilities	All available
Dimensions	100' x 456'
Shape	Rectangle
Landscaping	Minimal
Flood Info	Shaded zone X

General Physical Data

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

Indicators

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

Remarks

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

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

Improved Sale No. 3



Property Identification

Record ID	2900
Property Type	Retail/Commercial, Showroom/Warehouse
Property Name	Former Kitty Scott's Furniture
Address	685 S. Yonge Street, Ormond Beach, Volusia County, Florida 32174
Location	SEC U.S. 1 & Arroyo Pkwy.
Tax ID	4242-20-31-0050, -0140

Sale Data

Grantor	Kitty Scott's Furniture
Grantee	HDH Investments 2, LLC
Sale Date	March 29, 2013
Deed Book/Page	6839/2879
Property Rights	Fee simple
Marketing Time	6 yrs.
Conditions of Sale	Normal; motivated seller
Financing	Cash
Verification	Paul Scott, seller; April 01, 2013; Other sources: Public Records, Confirmed by Jim Cooksey
Sale Price	\$575,000
Cash Equivalent	\$575,000

Land Data

Land Size	1.964 Acres or 85,550 SF
Front Footage	570 ft. Total Frontage: 570 ft.
Zoning	B-8, Commercial
Topography	Fairly level
Utilities	All available
Shape	Nearly rectangular
Landscaping	Minimal

General Physical Data

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

Indicators

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

Remarks

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

Improved Sale No. 4



Property Identification

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

Sale Data

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

Land Data

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

Shape	Rectangle
Landscaping	Average; had been neglected

General Physical Data

Building Name	Roma Court
Building Type	Single Tenant
Gross SF	55,042 79% unfinished shell
Construction Type	Masonry
Roof Type	Flat; concrete & rubber
Foundation	Concrete
HVAC	Finished area only 21%
Sprinklers	100%
Stories	2
Floor Height	13'
Year Built	2008
Condition	Average

Indicators

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

Remarks

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

Improved Sale No. 5



Property Identification

Record ID	2902
Property Type	Assembly/Meeting Place, Other
Property Name	Shell Building
Address	4015 S. Williamson Blvd., Port Orange, Volusia County, Florida 32129
Location	NEC Williamson Blvd. & Madeline Ave.
Tax ID	6201-00-00-0050

Sale Data

Grantor	Goldstar Trust Company
Grantee	Rainbow Development Group, LLC
Sale Date	July 26, 2012
Deed Book/Page	6743/4980
Property Rights	Fee simple
Marketing Time	6+ years
Conditions of Sale	Normal
Financing	Cash
Sale History	Certificate of title 4/2009
Verification	Loopnet Listing, Matt Messier; July 10, 2013; Indirect, Russ Hamilton, appraiser, July 10, 2013; Other sources: Public records, Confirmed by Howard Cooksey
Sale Price	\$427,800
Cash Equivalent	\$427,800

Land Data

Land Size	8.030 Acres or 349,787 SF
Zoning	PCD, Planned Comm. Development
Topography	Level, with large retention pond
Utilities	All available
Dimensions	675' x 514'

Shape	Rectangle
Landscaping	None

General Physical Data

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

Indicators

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

Remarks

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

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

Comparables Map



Analysis Grid

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

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

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

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

Analysis Discussion

Comparable 1

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

Comparable 2

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

Comparable 3

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

Comparable 4

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

Comparable 5

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

Sales Comparison Approach Conclusion

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

Indicated Value per Square Foot: \$23.00

Subject Size: 61,900

Indicated Value: \$1,423,700

Rounded: \$1,420,000

One Million Four Hundred Twenty Thousand Dollars

Final Reconciliation

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

Value Indications

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

Cost Approach

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

Sales Comparison Approach

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

Income Approach

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

Value Conclusion

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

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

Exposure Time

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

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

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

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

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

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

Certification Statement

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

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



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



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

Addenda

Legal Description

PARCEL I

OFF REC 0894 PAGE 175

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

PARCEL I-A

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

PARCEL II-A

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

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

PARCEL II-B

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

PARCEL IV

PARTS OF TRACTS 11 AND 14, BLOCK "C", SECTION 11, TOWNSHIP 12 SOUTH, RANGE 30 EAST OF BUNNELL DEVELOPMENT COMPANY SUBDIVISION, MAP BOOK 1, PAGE 1, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY RIGHT-OF-WAY LINE OF CANAL AVENUE (50' R/W) WITH THE EASTERLY RIGHT-OF-WAY LINE OF MARION STREET (25' R/W VACATED PER OFFICIAL RECORDS BOOK 315, PAGE 63 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA), SAID POINT ALSO BEING ON THE WESTERLY LINE OF SAID TRACT 14, BLOCK "C", SECTION 11, TOWNSHIP 12 SOUTH, RANGE 30 EAST OF BUNNELL DEVELOPMENT COMPANY SUBDIVISION; THENCE N00°17'12"E ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF MARION STREET AND SAID WESTERLY LINE OF TRACT 14 AND TRACT 11, BLOCK "C", A DISTANCE OF 147.88 FEET TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SOUTH LEMON STREET (50' R/W); THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY LINE OF MARION STREET AND WESTERLY LINE OF TRACTS 14 AND 11, S51°06'13"E FOR A DISTANCE OF 94.91 FEET; THENCE DEPARTING SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF SOUTH LEMON STREET S40°12'30"W FOR A DISTANCE OF 115.57 FEET TO THE AFOREMENTIONED POINT OF BEGINNING.

Marshall & Swift - SwiftEstimator

Commercial Estimator - Detailed Report

General Information

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

Building 1

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

Occupancy Detail

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

System : Exterior Walls

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

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

Building 2

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

Effective Age

Occupancy Detail

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

System : Exterior Walls

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

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

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



Qualifications of Appraiser

Howard J. Cooksey, MAI

FLORIDA State-Certified General Real Estate Appraiser RZ 0002265

Education

Bachelor of Arts Degree, Economics

University of South Florida, August 1994

Tampa, Florida

Real Estate/Appraisal Courses & Seminars

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

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

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

Professional Affiliations

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

Experience

General Appraiser

Cooksey & Associates, Inc. f/k/a Massie, Cooksey & Associates, Inc.

Daytona Beach, Florida

(1993 – Present)

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

THIS DOCUMENT HAS A COLORED BACKGROUND • MICROPARTING • LINEAR • PATENTED PAPER

AC#674798 **STATE OF FLORIDA**
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD. **SEQ# L12111700313**

DATE	BATCH NUMBER	LICENSE NBR
11/17/2012	128148497	RZ22265

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

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

RICK SCOTT
GOVERNOR

DISPLAY AS REQUIRED BY LAW

KEN LAWSON
SECRETARY

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

Education

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

Partial List of Specialized Appraisal & Real Estate Education:

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

Employment History

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

retirement of founder E.R. Massie, Jr. MAI, JD in 1987
Teaching Adjunct professor Daytona Beach Community College, Real Estate Appraisal State
Certification (AB1) 1989 - 2003

Appraisal Experience

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

Partial List of Clients:

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

Professional Memberships

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

Continuing Education Requirement

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

THIS DOCUMENT HAS A COLORED BACKGROUND • MICROPRINTED • LINEMARK™ PATENTED PAPER

AC# 674428

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BOARD

SEQ# L12111601635

DATE	BATCH NUMBER	LICENSE NBR
11/16/2012	128148671	RZ343

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

COOKSEY, T JAMES
1230 N US HIGHWAY 1 UNIT 28
ORMOND BEACH FL 32174

RICK SCOTT
GOVERNOR

DISPLAY AS REQUIRED BY LAW

KEN LAWSON
SECRETARY

