

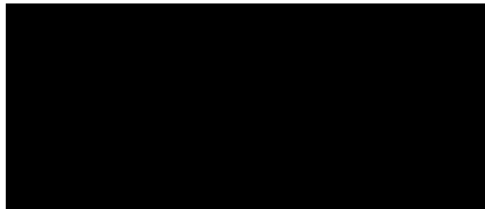
**APPRAISAL OF
THE REAL ESTATE LOCATED AT
6319 - 6345 SPRINGER DRIVE
PORT RICHEY, FL 34668
CLIENT PROJECT NUMBER 121101036**



SUMMARY APPRAISAL REPORT

OF

**THE REAL ESTATE LOCATED AT
6319 - 6345 SPRINGER DRIVE
PORT RICHEY, FL 34668**



**PREPARED BY:
HERR VALUATION ADVISORS
4236 W. LINEBAUGH AVE.
TAMPA, FLORIDA 33624**

**DATE OF AS IS VALUE:
NOVEMBER 16, 2012**



"Where Quality & Service Are Valued"

[REDACTED]

RE: Appraisal of the real estate located at 6319 - 6345 Springer Drive, Port Richey, Pasco, FL 34668.
Client project number 121101036

Dear [REDACTED]

As requested, we have appraised the above referenced property. In accordance with our prior agreement, this is a summary appraisal to provide an opinion of the market value of the subject property. (Please reference the Scope of Work.)

This Summary appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the USPAP for a Summary Appraisal Report. As such, it presents Summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraisers' opinion of value.

The subject property is comprised of one single family residence, one metal storage building, and a pole barn situated on a 3.85± acre site. The residence was constructed in 1967, and the metal storage building and pole barn were constructed in 1971. The improvements are in poor condition and underutilize the site. We have determined from our analysis that the highest and best use is to demolish the building. We have not performed any services, appraisal, appraisal review, appraisal consulting or real property consulting, in regard to this property in the last three years.

The type of value requested by the client was an estimate of the Fee Simple interest in the subject real property, under market conditions prevailing on the date of our viewing, November 16, 2012.

The intended user of this appraisal is [REDACTED]. The report is intended to be used by Bank as an aid in underwriting a loan, loan modification or loan extension; classification or monitoring of a loan; and/or the disposition or monitoring of REO or loan collateral, which may constitute a federally-related real estate transaction for purposes of applicable federal appraisal regulations.

The appraisal analyses, opinions and conclusions were developed and this appraisal report has been prepared in conformance with (and use of this report is subject to) all regulations issued by the appropriate regulatory entities, regarding the enactment of Title XI of the Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA), the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.

This letter of transmittal precedes the summary appraisal report, further describing the property and containing the reasoning and most pertinent data leading to the final value estimate. Your attention is directed to the Certification and General Assumptions and Limiting Conditions, which are considered usual for this type of assignment, as well as the Specific Assumptions and Limiting Conditions which pertain to this particular property, and have been included within the text of this report.

As a result of our investigation into those matters that affect market value and by virtue of our experience and training, we formed the opinion that the **As Is** market value of the **Fee Simple interest** in the subject as of **November 16, 2012** was:

THREE HUNDRED TEN THOUSAND DOLLARS
\$310,000

November 21, 2012
Page 3

It has been a pleasure to assist you on this assignment. If you have any questions concerning the analysis, or if Herr Valuation Advisors, Inc. can be of further service, please do not hesitate to call.

Respectfully submitted,

HERR VALUATION ADVISORS, INC.



Woodman S. Herr, MAI
President
State-Certified General Real Estate Appraiser
RZ785



Brian E. Zamorski, MAI
Senior Appraiser
State-Certified General Real Estate
Appraiser RZ3173

CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusion are limited only by the reported assumptions and limiting conditions, and is our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal practice.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. Brian E. Zamorski, MAI personally viewed the interior and exterior of the subject property. Woodman S. Herr MAI personally viewed the exterior of the subject property.
10. No one provided significant real property appraisal assistance to the persons signing this certification.
11. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
12. The appraisers are competent and qualified to perform the appraisal assignment.
13. As of the date of this report Woodman S. Herr, MAI and Brian E. Zamorski, MAI have completed the continuing education program of the Appraisal Institute.
14. We have not performed any services, appraisal, appraisal review, appraisal consulting or real property consulting, in regard to this property in the last three years.

Respectfully submitted,

HERR VALUATION ADVISORS, INC.



Woodman S. Herr, MAI
President
State-Certified General Real Estate Appraiser
RZ785



Brian E. Zamorski, MAI
Senior Appraiser
State-Certified General Real Estate
Appraiser RZ3173

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PROPERTY IDENTIFICATION

The subject property is identified by the Pasco County Property Appraiser as Parcel IDs 28-25-16-0010-02500-0010 and 28-25-16-0010-02500-0040. The subject has the physical address 6319 - 6345 Springer Drive, Port Richey, FL 34668. The property is located on the northeast corner Springer Drive and Formel Avenue.

LEGAL DESCRIPTION

DESCRIPTION:
DESCRIPTION: PARCEL "A" AND "B"
 A PORTION OF LAND LYING IN SECTION 28, TOWNSHIP 25 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
 COMMENCE AT THE NORTHEAST CORNER OF "PORT RICHEY ACRES - UNIT 2" AS RECORDED IN PLAT BOOK 6, PAGE 2, OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG THE NORTH BOUNDARY LINE OF SAID "PORT RICHEY ACRES - UNIT 2", NORTH 89°37'25" WEST, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING, LEAVING SAID NORTH BOUNDARY LINE OF "PORT RICHEY ACRES - UNIT 2"; THENCE NORTH 00°37'00" EAST, A DISTANCE OF 331.24 FEET TO THE SOUTH BOUNDARY OF "RIDGE CREST GARDENS 2ND ADDITION", AS RECORDED IN PLAT BOOK 15, PAGE 45, OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; THENCE ALONG THE SOUTHERLY BOUNDARY LINE OF SAID "RIDGE CREST GARDENS 2ND ADDITION" SOUTH 89°37'25" EAST, A DISTANCE OF 497.37 FEET, TO THE WESTERLY BOUNDARY LINE OF SAID "RIDGE CREST GARDENS 2ND ADDITION"; THENCE ALONG THE WEST BOUNDARY LINE OF SAID "RIDGE CREST GARDENS 2ND ADDITION" AND "RIDGE CREST GARDENS", AS RECORDED IN PLAT BOOK 12, PAGE 4, OF THE PUBLIC RECORDS OF PASCO COUNTY, FLORIDA, SOUTH 00°22'35" WEST, A DISTANCE OF 331.74 FEET, LEAVING SAID WEST BOUNDARY LINE OF "RIDGE CREST GARDENS"; THENCE NORTH 89°37'51" WEST, A DISTANCE OF 446.61 FEET TO THE POINT OF BEGINNING.
 SUBJECT TO AN EASEMENT FOR INGRESS AND EGRESS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
 COMMENCE AT THE NORTHEAST CORNER OF "PORT RICHEY ACRES - UNIT 2" AS RECORDED IN PLAT BOOK 6, PAGE 2; THENCE ALONG THE NORTH BOUNDARY LINE OF SAID "PORT RICHEY ACRES - UNIT 2", NORTH 89°37'25" WEST, A DISTANCE OF 25.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH 89°37'25" WEST, A DISTANCE OF 25.00 FEET, LEAVING SAID NORTH BOUNDARY LINE OF "PORT RICHEY ACRES - UNIT 2"; THENCE NORTH 00°37'00" EAST, A DISTANCE OF 245.00 FEET; THENCE SOUTH 89°37'25" EAST, A DISTANCE OF 25.00 FEET; THENCE SOUTH 00°37'00" WEST, A DISTANCE OF 245.00 FEET TO THE POINT OF BEGINNING.

PROPERTY RIGHTS APPRAISED

The property rights appraised are all the rights of the Fee Simple estate.

OWNERSHIP & SALE HISTORY

The owners of the subject property are Cortez Community Bank. They acquired the subject from Beuten Family Holdings, LLC in June 2010 by Special Warranty Deed. This transaction was a deed in lieu of foreclosure. This transaction was recorded in O.R. Book 8348, Page 974. A copy of the deed is included in the addendum.

|

TYPE OF VALUE REQUESTED

The type of value requested by the client was the fee simple market value of the subject property "as is", as of the effective date.

INTENDED USER

The intended user of this appraisal is the client, who is Florida Community Bank.

INTENDED USE

The report is intended to be used by Bank as an aid in underwriting a loan, loan modification or loan extension; classification or monitoring of a loan; and/or the disposition or monitoring of REO or loan collateral, which may constitute a federally-related real estate transaction for purposes of applicable federal appraisal regulations.

EFFECTIVE DATE OF APPRAISAL

The subject property was viewed and photographed on November 16, 2012. This shall also be the effective date of this appraisal.

SUBJECT PHOTOGRAPHS



FORMEL AVE - SOUTH



FORMEL AVE - NORTH (SUBJECT ENTRANCE)



SPRINGER DRIVE - WEST



SPRINGER DRIVE - EAST



RESIDENCE - SOUTH ELEVATION



RESIDENCE - WEST ELEVATION



RESIDENCE – NORTH ELEVATION



RESIDENCE – EAST ELEVATION



KITCHEN



LIVING ROOM – BROKEN WINDOWS AND
VANDALIZED WALL



LIVING ROOM –VANDALIZED WALL AND
DOOR



CRACKS IN SOUTH WALL



CRACKS IN SOUTH WALL



CRACKS IN EAST WALL



WEST ELEVATION OF METAL BUILDING



POLE BARN



BIRDS EYE VIEW - NORTH



BIRDS EYE VIEW - SOUTH

SCOPE OF WORK

The scope of work performed for this assignment included identifying the following elements: the intended user, who is the client; the intended use of the appraisal; type and definition of value; the effective date of the appraisers' opinions and conclusions; the subject of the assignment and its relevant characteristics; and the assignment conditions.

The subject site and improvements descriptions are based on a personal viewing of the subject site and any improvements. The on-site viewing is not a substitute for thorough engineering studies.

The subject property is improved with a 936 square foot masonry residence, a 1,086 square foot metal storage building, and an 810 square foot metal pole barn. The underlying land area is 167,618± square feet, or 3.85± acres. Upon our inspection of the residence, we noticed that most of the windows were broken, and that there is a strong mildew smell in the residence. The air conditioning system has not been run in about one year. Additionally, the interior of the residence has been vandalized (drywall smashed up and windows broken). We also noticed evidence of building settlement.

Additionally, there is a 1,086 square foot metal storage building and an 810 square foot metal pole barn that was constructed in 1971. We note that the improvements are in poor condition. These improvements are located in the middle of the property, and are situated where any future re-development would occur.

We have determined from our analysis that the highest and best use is to demolish the building. Therefore, only the sales comparison approach is applicable to valuing the subject property. The cost approach and income approaches to value are not applicable for valuing vacant land.

A cost approach was not applied as the cost approach is not applicable when valuing vacant land.

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.

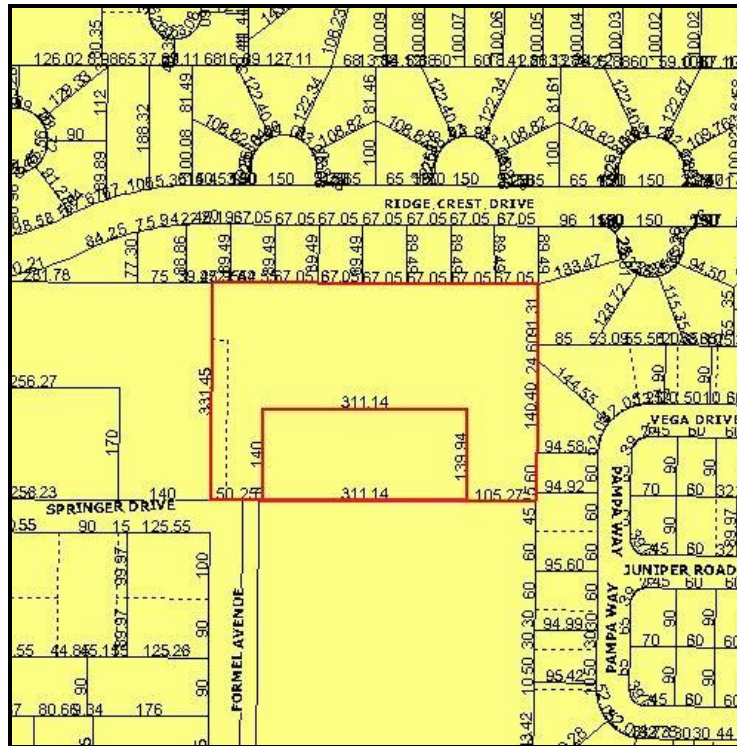
An income approach was not applied as the income approach is not applicable when valuing vacant land.

The following were completed by Herr Valuation Advisors, Inc. for this assignment:

1. Viewed the subject and the market area.
2. Analyzed regional, city, market area, site and improvement data.
3. Reviewed data regarding taxes, zoning, utilities, easements, and city services.
4. Considered comparable land sales.
5. Confirmed data with principals, managers, or real estate agents representing principals, unless otherwise noted.
6. Analyzed the data to arrive at a conclusion via the sales comparison approach to value used in this report.
7. Reconciled the results of this analysis into a probable range of market value, and finally an estimate of value for the subject, as defined herein.
8. We estimate that a reasonable marketing time of approximately 12 months would be sufficient to sell the subject at or near the estimated market value, assuming proper marketing efforts by a qualified agent or broker. Further, we estimate that an exposure time of 12 months would be appropriate for the subject.

All data considered significant that were requested for this assignment were received by Herr Valuation Advisors, Inc.

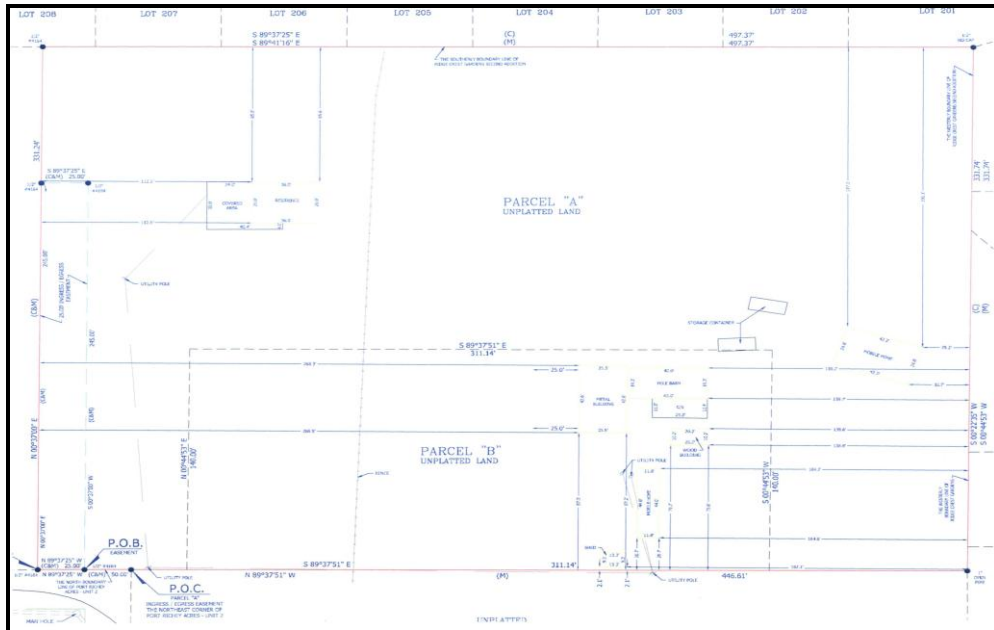
PLAT MAP



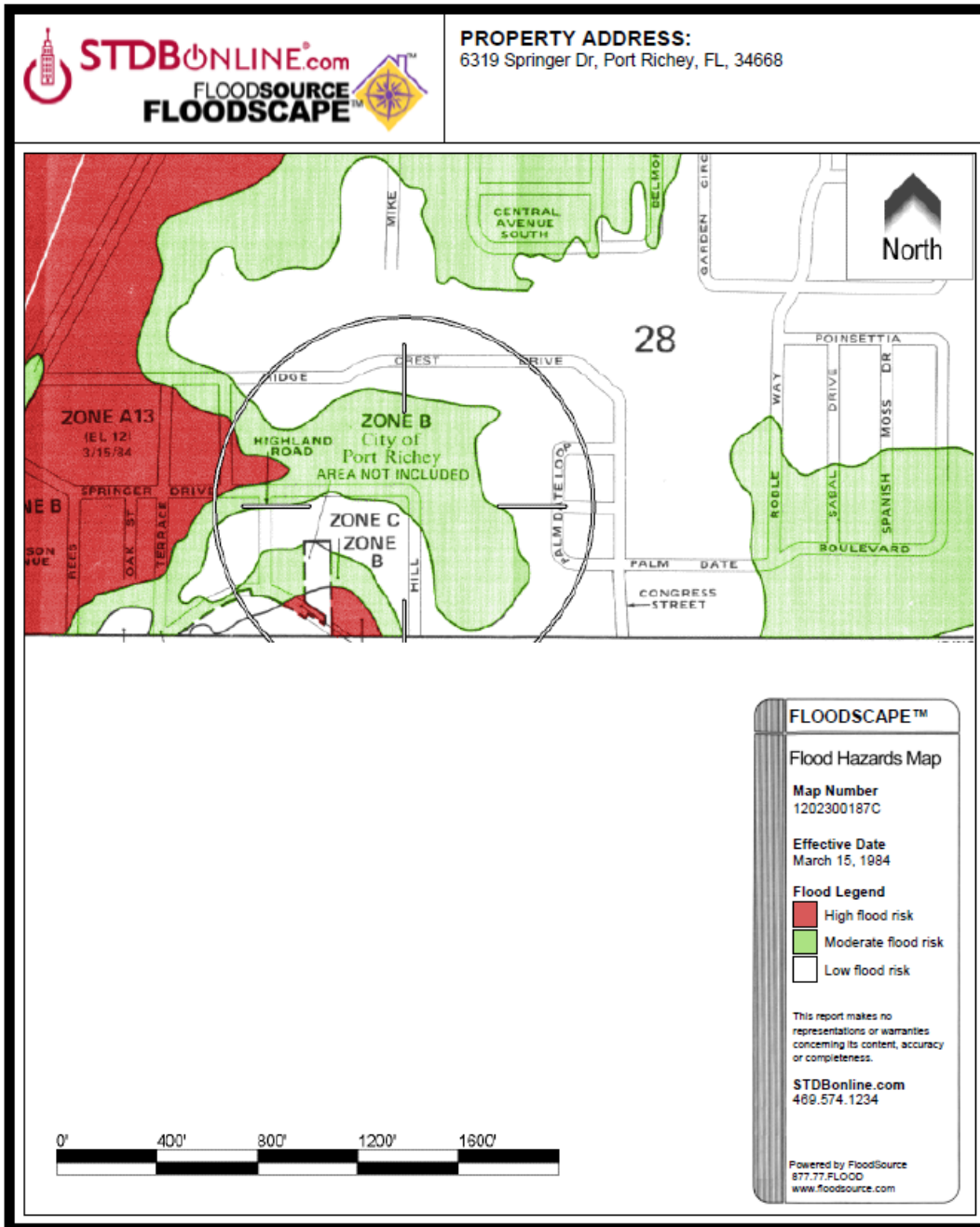
AERIAL MAP



SURVEY



FLOOD MAP



SITE DESCRIPTION

Site Description: The appraisers were provided a survey for the subject property. Hence, we have relied on the survey and the real property record data maintained by Pasco County. The subject has a rectangular shape with and measures 467± feet by 331± feet. The property is accessible by southwest corner of the parcel with minimal frontage (approximately 50 feet) along Springer Drive. The neighborhood is an industrial neighborhood and is accessible by both U.S. Highway 19 and Ridge Road. The subject site is level at road grade. It appears that there was an asphalt driveway leading to the residence on the property and it has severely deteriorated.

It appears that the residence is on a septic tank system. There is a sewer line along the roadway.

Environmental Issues: The appraisers were not provided with any environmental reports pertaining to the subject site and did not observe any suspicious materials on-site; thus, we are unaware of any adverse conditions impacting the subject. However, Herr Valuation Advisors, Inc. and its appraisers are not environmental experts and an environmental assessment is recommended if the client deems it necessary to determine whether any adverse conditions are present at the subject property.

Soil Conditions: This appraisal assumes that the subject's soils are suitable for development as improved. The appraisal assumes that there are no sinkholes or other adverse soil conditions existing on the site.

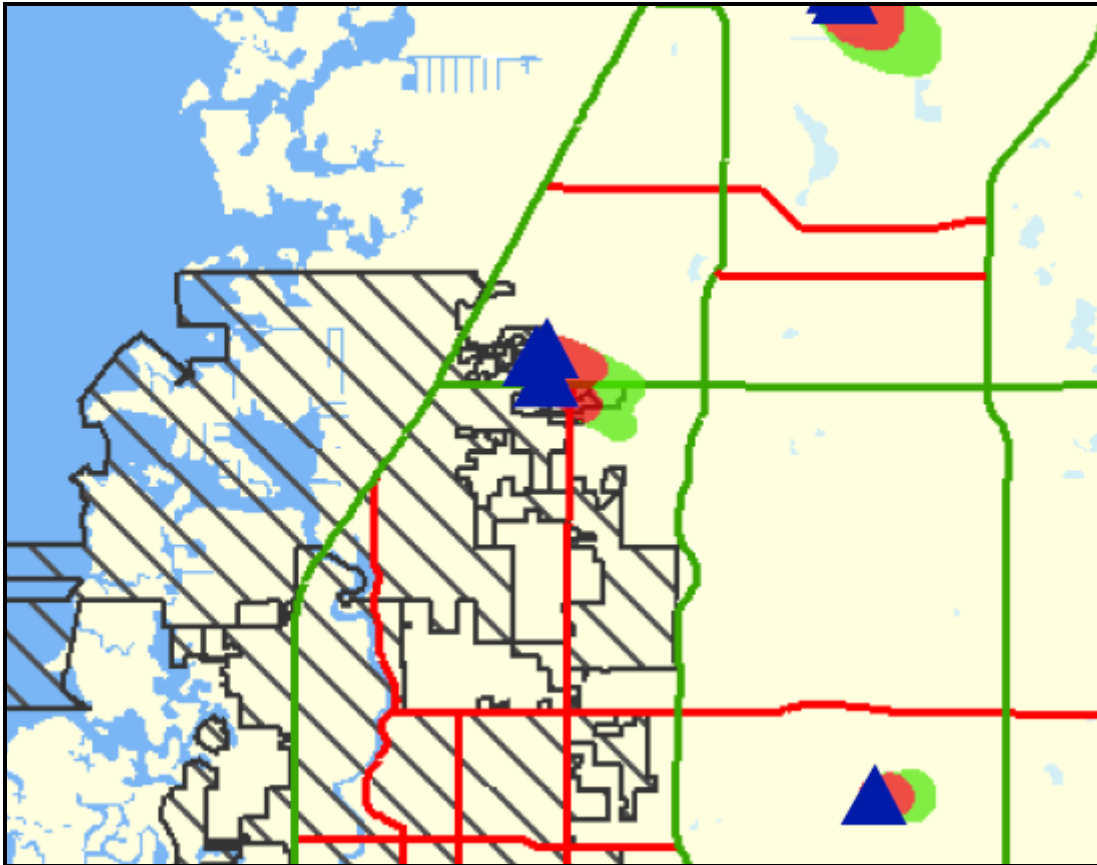
Easements/Encroachments: The value estimates derived in this report assumes that there are no easements of a detrimental nature. There is currently a 25 foot wide ingress / egress easement stretching northward a distance of 245 feet from the southwest corner of the subject site. It would most likely be the primary access to the subject upon redevelopment.

Development Limitations: The subject property is located within 500 feet of a wellhead. The property adjacent to the south is the Pasco County Utilities Water Treatment Facility. There are development limitations for properties that are located within a wellfield-protection area. The following map shows the location of the wellhead and the subject property. The property boundary appears to be approximately 150 feet from the location of the wellhead. We measured this distance via Google Earth, and it is an approximation.

WELLHEAD LOCATION MAP



WELLHEAD LOCATION MAP



We reference the 2025 Comprehensive Plan of Pasco County for the following paragraphs. The property is located within a five-year travel time zone.

POLICY FLU 1.2.16: WELLFIELD-PROTECTION AREAS

Pasco County shall, in coordination with the Southwest Florida Water Management District, maintain and update public water-supply, wellhead protection areas, for all public water-supply wells that have a permitted pumping capacity of over 100,000 gallons per day (hereinafter these wells are referred to as "major supply wells"). The wellhead-protection areas shall be reviewed by the Board of County Commissioners every five years. Wellhead-protection areas may be modified at any time by the Board of County Commissioners upon notice of an advertised public hearing for changes including, but not limited to, changes in technical knowledge, such as transmissivity or porosity; changes in pumping rates; reconfiguration of wellfields; abandonment or relocation of wells; the installation of new wells or wellfields; establishment of minimum flows or levels pursuant to Chapter 373, Florida Statutes; changes in maximum contaminant levels; changes in laws or regulations that may impact the Groundwater Protection Ordinance as identified in Policy 1.2.17 or to accommodate changes in topography, such as newly approved mining areas, in a manner consistent with the methodology and standards established in the Pasco Groundwater Study.

POLICY FLU 1.2.17: GROUNDWATER PROTECTION ORDINANCE

To achieve the implementation of a science-based, wellhead-protection program, the County shall continue to enforce its Groundwater Protection Ordinance that shall include wellhead-protection areas for major supply wells based on the five-year and ten-year travel times, and wellhead protection areas with a 500-foot fixed radius for public supply wells that have a permitted pumping capacity of less than 100,000 gallons per day (hereinafter referred to as "small wells").

POLICY FLU 1.2.18: GROUNDWATER PROTECTION ORDINANCE - PROVISIONS

The County shall continue to enforce its Groundwater Protection Ordinance, which includes the following land use restrictions:

a. The activities listed below shall be prohibited in wellhead protection areas designated for the five-year travel time:

(1) Solid waste disposal.

(2) Discharges from commercial and industrial wastewater treatment plants and industrial septic systems and commercial and industrial wastewater effluent disposal.

(3) Wastewater treatment plants. Expansion of existing domestic wastewater treatment plants will be allowed upon demonstration of compliance with the Florida Department of Environmental Protection regulations. Public access to reuse of reclaimed water and

land application of domestic wastewater effluent may be allowed upon demonstration of compliance with Rule 62-610, Florida Administrative Code.

(4) Any use which is a potential source of pollution requiring the issuance of a permit from the Florida Department of Environmental Protection other than residential collection systems for central wastewater systems.

(5) Any commercial or industrial activity that handles, utilizes, generates, or disposes of regulated substances including, but not limited to, hazardous waste treatment, storage, or disposal facilities as defined in Section 403.703(22), Florida Statutes; or Title 40 Code of Federal Regulations 260.10; or Chapter 62-730, Florida Administrative Code, including transfer facilities, such facilities ancillary to recycling facilities and facilities which burn such hazardous waste for fuel; hazardous waste generators, including conditionally exempt small-quantity generators and small-quantity generators; facilities regulated by the Emergency Planning and Community Right-to-Know Act of 1986, 42 United States Code §§ 11001-11050; vehicle or equipment service and repair facilities; dry-cleaning or laundromat operations; commercial car wash operations; and maintenance yards and pesticide/fertilizer mixing and handling facilities.

(6) New industrial land use zoning. New commercial/light manufacturing C-3 Commercial/Light Manufacturing zoning shall only be allowed upon the condition that no land use that meets the definition of "industrial" shall be permitted within such zoning area.

(7) Concentrated animal-feeding operations.

(8) Land application of wastewater residuals (sludge) or septage.

(9) Discharges of any regulated substance or untreated stormwater into karst-solution features, sinkholes, or drainage wells. Stormwater facilities that treat stormwater to Chapters 62-25 and 40D-4, Florida Administrative Code, standards shall be presumed to be allowable under this section.

(10) Underground storage tanks for regulated substances; however, this does not prohibit the replacement of tanks associated with an existing nonconforming use where such replacement is required to comply with State or Federal regulations.

(11) Mining and borrow pits; however, retention or detention ponds required for allowable uses shall not be prohibited, unless the ponds would be prohibited by Paragraphs 17 or 18 below.

(12) Residential subdivisions with more than one unit per two acres that do not provide for a central sanitary-sewer facility and wastewater treatment plant outside WPA 2.

(13) Junkyards.

(14) Land farming of soil contaminated with regulated substances.

(15) Stormwater retention or detention ponds that will receive stormwater from land-uses prohibited in WPA 1, WPA 2, or surface water protection area.

(16) The siting of underground product lines including, but not limited to, pipelines designed for the transportation of gasoline, oil, or other regulated substances. This

prohibition does not include sewer or reclaimed water lines serving uses allowed within these protection areas.

(17) Excavation of waterways or drainage facilities that intersect the Floridan aquifer.

(18) Excavation that removes or disturbs the confining unit located above the Floridan aquifer.

(19) Land application of animal waste.

(20) Dairy farms or egg production facilities as defined in Chapter 62-670.200, Florida Administrative Code.

b. The following activities shall be prohibited in wellhead-protection areas designated for the ten-year travel time:

(1) Hazardous waste treatment, storage, or disposal facilities as defined in Section 403.703(22), Florida Statutes; or Title 40 Code of Federal Regulations, Section 260.10; or Chapter 62-730, Florida Administrative Code, including transfer facilities, such facilities ancillary to recycling facilities and facilities which burn such hazardous waste for fuel.

(2) Solid waste disposal.

(3) Discharges from commercial and industrial wastewater treatment plants and industrial septic systems and commercial and industrial wastewater effluent disposal.

(4) Discharges of any regulated substance or untreated stormwater into karst-solution features, sinkholes, or drainage wells, stormwater facilities that treat stormwater to Chapters 62-25 and 40D-4, Florida Administrative Code, standards shall be presumed to be allowable under this section.

(5) Land farming of soil contaminated with regulated substances.

(6) The siting of underground product lines including, but not limited to, pipelines designed for the transportation of gasoline, oil, or other regulated substances. This prohibition does not include sewer or reclaimed water lines serving uses allowed within this zone.

(7) Underground storage tanks for regulated substances; however, this does not prohibit the replacement of tanks associated with an existing nonconforming use where such replacement is required to comply with State or Federal regulations.

(8) Residential subdivisions with more than one unit per acre, that do not provide for a central sanitary-sewer facility and wastewater treatment plant outside WPA 2.

(9) Wastewater treatment plants. Expansion of existing domestic wastewater treatment plants will be allowed upon demonstration of compliance with the Florida Department of Environmental Protection requirements. Public-access reuse of reclaimed water and land application of domestic wastewater effluent may be allowed upon demonstration of compliance with Rule 62-610, Florida Administrative Code.

(10) Hazardous waste generators, including conditionally exempt small-quantity generators and small-quantity generators.

(11) Excavation of waterways or drainage facilities that intersect the Floridan aquifer.

(12) Excavation that removes or disturbs the confining unit located above the Floridan aquifer.

Conclusion to Development Limitations: After reviewing the prohibited uses in the Groundwater Protection Ordinance, we conclude that prohibited uses are not permitted uses in the Light Industrial Zoning District (I-1) zoning district (City of Port Richey). We assume that a well-informed buyer would hire an expert for verification and interpretation of permitted uses and ordinances to verify this information. We also note that there might be some negative stigma attached to this property since it is located next to a water treatment facility and it may deter buyers from looking at the subject property.

Property Taxes: Assessments and tax liabilities for the subject property are summarized in the table below. Generally, reassessment occurs annually, particularly when the real estate market is active, or economic conditions change substantially. Taxes are payable annually, in arrears, and are delinquent after March 31. Discounts are given for early payment, equating to 4% in the preceding November, 3% in December, 2% in January and 1% in February. The table below indicates the subject's 2011 assessment and taxes:

Real Estate Assessment and Taxes (2011)							
Tax ID	Assessment Year	Assessed Value	Ad Valorem Tax Rate	Special Assessment	Taxes	Date Paid	Amount Paid
28-25-16-0010-02500-0010	2011	\$131,736	0.0195956	\$0	\$2,581	11/30/2011	\$2,478
28-25-16-0010-02500-0040	2011	\$50,830	0.0195956	\$62	\$1,058	11/30/2011	\$1,016
Totals		\$182,566	0.0195956	\$62	\$3,640		\$3,494

The 2011 taxes on the subject property were \$3,640. They were paid as of the date of this appraisal in the amount of \$3,494, receiving an early payment discount. There is a \$62 special assessment for Solid Waste.

The 2012 assessment is available and has been combined with the 2012 millage rate and non-ad valorem taxes for an estimate of the 2012 taxes. This is shown in the table below:

Real Estate Assessment and Taxes (2012)							
Tax ID	Assessment Year	Assessed Value	Ad Valorem Tax Rate	Special Assessment	Taxes	Date Due	Amount with Early Payment
28-25-16-0010-02500-0010	2012	\$130,129	0.0200793	\$0	\$2,613	March 31, 2013	\$2,508
28-25-16-0010-02500-0040	2012	\$50,528	0.0200793	\$62	\$1,077	March 31, 2013	\$1,034
Totals		\$180,657	0.0200793	\$62	\$3,689		\$3,542

The assessed value has decreased 1.05%, but the millage rate has increased and the taxes have increased 1.35% over the past year. We note that the assessed value of the subject property is significantly lower than our concluded market value.

Zoning/Private Restrictions: The subject property lies within the Light Industrial Zoning District (I-1) zoning district, under the authority of the City of Port Richey. A list of the pertinent zoning regulations under this designation can be found in the following chart.

Zoning Summary	
Zoning Code	Light Industrial Zoning District (I-1)
Current Use	The subject is legal but non-conforming use. See comments.
Legally Conforming	
Zoning Change Intent & Purpose	A zoning change is unlikely. The purpose of the I-1 light industrial zoning district shall be to locate and establish areas within the city which are suited for the development and maintenance of limited industrial activities of light intensity, to designate those uses and services deemed appropriate for location and development within said zoning district, and to establish such development standards as are necessary to ensure proper development and functioning of uses within the district.
Zoning Description	See narrative
Zoning Requirements	
Maximum Allowable Density / Floor Area Ratio	0.50
Minimum Lot Area (SF)	Not Required
Minimum Lot Width (Feet)	Not Required
Front Setback (Feet)	25
Sides and Rear Setback (Feet)	25 total for both side yards, 25 rear
Height Limit (Feet)	35
Source: City of Port Richey Code of Ordinances Compiled by Herr Valuation Advisors, Inc.	

Permitted Uses:

- (b) *Permitted principal uses and structures.*
- (1) Light manufacturing, processing (including food processing, but not slaughterhouse) and/or packaging or fabricating of wood, metal, fiberglass, masonry or chemical products; provided, however, that no use shall be permitted which represents a health or safety hazard to the community through air, water or noise pollution, including the production or emission of dust, smoke, refuse matter, toxic or noxious odors, explosives, gas and fumes, excessive noise or vibration, or similar substances and conditions; and further provided that all industrial activities shall be in conformance with standards established by any city, county, state or federal pollution control authority having jurisdiction within the city.
 - (2) Outdoor storage yard and lot; provided that such outdoor storage yard shall not be located closer than 25 feet to any public street or closer than 75 feet to any portion of a lot located within a residential district. Any such yard shall be completely enclosed, except for necessary ingress and egress, by a solid fence or wall not less than six feet high. This provision shall not permit wrecking yards (including automobile wrecking yards), junkyards or yards used in whole or in part for scrap or salvage operations or for processing, storage, display or sales of any scrap, salvage or secondhand building materials, junk automotive vehicles or secondhand automotive vehicle parts.
 - (3) Printing, lithographing, publishing or similar establishment.
 - (4) Service establishment catering to commerce and industry, including linen supply, freight mover, communication service, business machine service, canteen service, sign company, and similar uses.
 - (5) Storage, warehousing or distribution facility.
 - (6) Vocational, technical, trade or industrial school, and similar uses.
 - (7) Other uses which are similar or compatible to the permitted uses.
- (c) *Special exception uses.* The following uses may be permitted only following the review and specific approval thereof by the board of adjustment:
- (1) Bulk storage yard, including bulk storage of flammable liquids.
 - (2) Machine shop, welding shop.
 - (3) Motorbus or truck or other transportation terminal.

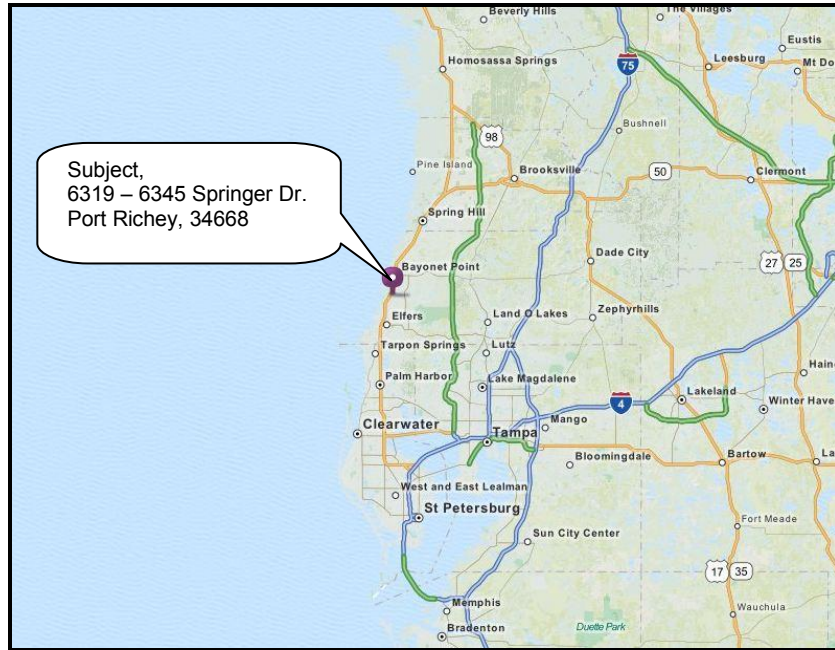
Zoning Analysis and Conclusions: The subject is improved with a single family home, small masonry shed, a metal storage building, and a pole barn. The storage building and pole barn are a permitted use under the existing Light Industrial Zoning District (I-1) zoning category. We note that the residential home is not a permitted use in this district. Therefore, the existing use is a legal, non-conforming use that is “grandfathered” in.

Improvement Analysis: There are currently three improvements situated on the subject property. The primary structure is a 936 square foot, masonry residence which was constructed in 1967. This two bedroom home was previously used as a rental property, but is currently vacant and boarded up for about one year. Upon our inspection, we noticed that most of the windows were broken, and that there is a strong mildew smell in the residence. The air conditioning system has not been run in about one year. Additionally, the interior of the residence has been vandalized (drywall smashed up and windows broken). Brian Zamorski was able to inspect the interior of the residence. However, the inspection was limited because there is no electricity and was only able to inspect with the assistance of a flash light. The property broker stated that there is evidence of building settlement issues. Pasco County is known for sinkholes on properties located east of U.S. Highway 19. During our inspection, we noticed that there are several cracks on the west, south, and east walls. However, we are not experts with regards to building settlement and sinkholes. Therefore, we recommend that the property owner hire an expert in settlement and sinkhole damage.

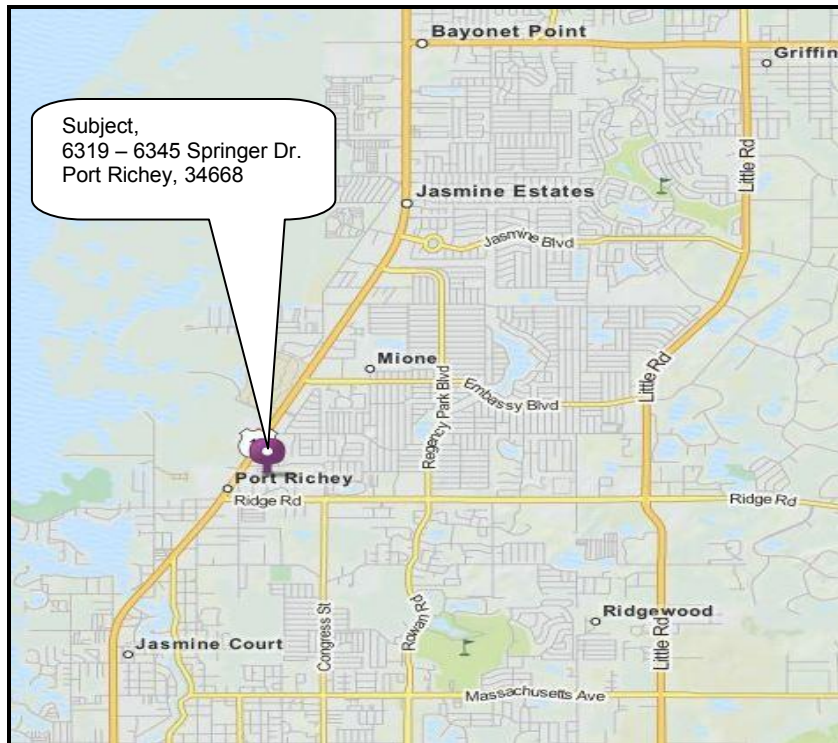
The property broker stated that potential buyers were considering converting the residence into an office. However, the issues mentioned and the costs to repair would likely prevent a buyer from doing so. The residence is located near the northwest corner of the property, and is situated where any future re-development would occur.

Additionally, there is a 1,086 square foot metal storage building and an 810 square foot metal pole barn that was constructed in 1971. We note that the improvements are in poor condition. The improvements are located in the middle of the property, and are situated where any future re-development would occur. Additionally, there is a small masonry storage shed located on the southern (central) boundary of the property. It appears that a single wide mobile home structure has been removed from the property. These improvements are in poor condition and are at the end of their economic life.

NEIGHBORHOOD DESCRIPTION



AREA MAP



NEIGHBORHOOD MAP

Neighborhood Description: Neighborhood boundaries are defined by determining the areas of complementary land uses in which social, economic, governmental, and environmental forces operate on properties, in the same way that they operate on the subject. The subject property is located in western Pasco County. The neighborhood is predominantly in the stable stage of its life cycle with moderate new development in prior years. Geographically, the subject's neighborhood can be defined by the boundaries listed below.

- State Road 52 to the north
- Massachusetts Avenue to the south
- Little Road to the east
- Gulf of Mexico to the west

The intersection of U.S. 19 and State Road 52 effectively forms the northern border of the neighborhood, as these are primary arteries in the area. U.S. 19 provides the primary means of access in Pasco County and beyond in the north-south orientation. Ridge Road, State Road 52, and U.S. Highway 19 provide access to the neighborhood.

Major roads serving the subject neighborhood include the following:

U.S. Highway 19 is a major north/south artery that extends from Manatee County to the south, over the Sunshine Skyway Bridge, through Pasco County, then along the west coast of Florida and into Georgia. There are numerous auto dealerships along U.S. Highway 19 and several large community shopping centers, restaurants, and "big box" retail centers have been constructed during the last 15 to 20 years.

State Road 52 is Pasco County's northernmost east/west main arterial roadway. It extends from U.S. Highway 19 eastward connecting to the Suncoast Parkway, U.S. Highway 41, and eventually Interstate 75. It is primarily developed with commercial properties between U.S. Highway 19 and Little Road and rural and residential development further east.

Little Road is a primary four and six lane roadway extending in a north-south direction. This roadway connects State Road 54 in southern Pasco County to State Road 52 and continues further north to its terminus at U.S. Highway 19 in northern Pasco County. This thoroughfare provides a good alternative route to U.S. Highway 19 to the west. Little Road is developed primarily with a mixture of commercial uses and some residential uses.

Ridge Road is a four lane road way that runs east and west from U.S. Highway 19 to Moon Lake Road. This is a four lane road with median cuts. This thoroughfare is nearly 95% developed from Little Road to U.S. Highway 19 to the West.

U.S. Highway 19 includes numerous anchored and un-anchored retail centers, restaurants, free standing retail and office buildings, car dealerships, gas stations, etc. The subject property is located in an industrial neighborhood with access from both Ridge Road and U.S. Highway 19. Adjacent uses to the subject include single family residential homes to the north and east, Port Richey Utilities (Water Treatment) facility to the south, and vacant industrial land to the west.

The most notable development within the defined neighborhood boundaries is the Gulf View Square Mall, located on U.S. Highway 19 at Embassy Boulevard. This regional mall is anchored by Dillard's, JC Penney, Macy's, and Sears, and includes over 100 specialty stores, a food court, and 2 restaurants. There is an HHGregg electronic store located just north of the mall. Ridge Road also includes a concentration of commercial uses, including the Regency Crossing shopping center and Streetside at Little Ridge. Regency Crossing is a Publix anchored shopping center located at the corner of Ridge Road and Regency Park Boulevard. The southwest corner of Little Road and Ridge road includes a Home Depot and Kohl's department store. The southeast corner includes a multi-tenant retail center. Single family residential developments populate the interior streets. These tend to be lower priced home constructed in the 1960's thru 1980's. Additionally, there are some similar vintage multi-family apartments, condos, and mobile home parks in the vicinity.

Conclusion: In summary, the market area benefits from its close proximity to roads that serve Pasco County including US Highway 19, Little Road, and Ridge Road. In addition support facilities are prevalent. Local residential and commercial real estate markets have been adversely affected by the negative factors of the nationwide credit crisis and by rising unemployment. As a result, commercial property values have declined over the past four to five years. Demand for properties is considerably lower than it was at the beginning and middle of the decade. It appears that the economy is recovering and the commercial real estate market will begin to improve only after the housing market improves. In spite of these economic conditions, the subject neighborhood is fairing no worse than the rest of the county and region real estate market. The long-term future outlook for this area of Pasco County is favorable.

INDUSTRY MARKET OVERVIEW

We note that there is not a survey specific to Pasco County. Therefore, we use the Marcus and Millichap Industrial National Research Market Report.

Industrial Research

MARKET REPORT



2012

Industrial Demand Strengthening as Business and Consumer Expenditures Fuel U.S. Economic Momentum

An eventful 2011 proved to be a pivotal year as the economy weathered setbacks and risks of a double-dip recession. The U.S. continued to capitalize on the strength of international trade flow, business investment, technology and manufacturing, later aided in large measure by the energy sector and the resurgence in consumer demand. The key themes that featured prominently in 2010 continued into 2011 with expanding international trade volumes, logistics operations, and inventory rebuilding supporting demand for big-box warehouse space in distribution hubs located near key seaports, air cargo locations and railroad transit hubs. More than half of total net absorption occurred in five mega-distribution centers, which included the Inland Empire, Dallas/Ft. Worth, Detroit, Chicago and Atlanta. In fact, the top 10 industrial metros accounted for three-quarters of net absorption. Despite the favorable bias toward a limited number of metro areas, net absorption increased and vacancy declined across all markets, a key feature distinguishing 2011 from the prior year. The steady rise in consumer confidence lifted consumption and GDP, expanding the scope of recovery to nearly all industry sectors.

Potential oil supply disruptions caused by Middle East instability, distress in global financial markets, and structural economic challenges represent serious risks, but domestic and global economic indicators remain predominantly expansionary. Major corporations have maintained a high degree of productivity and profitability, as evidenced by record corporate profits and business investment, concurrent with slowly improving hiring trends by small to mid-sized companies. In addition, demographic trends remain highly supportive of near- and longer-term industrial space demand. Population growth through 2016 will surpass a cumulative 15 million people, boosting consumption, the residential sector, trade, and inventory rebuilding — all stimulus for industrial space demand. Five years following the start of the Great Recession, the vastly improved economic landscape has positioned the U.S. for more balanced and sustainable growth in the year ahead.

2012 Annual Industrial Forecast



Economy: The economy is forecast to add 2.2 million jobs by year-end 2012, lifted by 2.0 to 2.5 percent GDP growth. Strong trade volumes will strengthen payrolls in trade and transportation, manufacturing, and ancillary services, generating consistent demand for industrial space. Monetary policy remains accommodative, but interest rates may begin to rise.



Construction: Record-low construction levels continue to stabilize and reduce vacancy across most markets. Approximately 45 million square feet of new supply is forecast for delivery by year end. Lenders still do not favor speculative construction, but build-to-suit opportunities in markets with functional obsolescence or inadequate supply will emerge.



Vacancy: The national vacancy rate will plummet 90 basis points to 11 percent by year end as forecast industrial demand of 133 million square feet overwhelms a nominal amount of new supply.



Rents: Asking rents nationally will increase an average of 1.7 percent, while concession reductions will boost effective rents by 2.0 percent. Rent and revenue gains in supply constrained markets will exceed national averages. Five-year leases signed at peak market rents rolling to current lower market rents will challenge NOIs.

Marcus & Millichap Research Services	Statistical Summary
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MSA Name	Vacancy (Year-End) ¹		Asking Rent per Sq. Ft. ¹		Completions (000s of Sq. Ft.)		Employment Growth ¹	
	11	12*	11	12*	11	12*	11	12*
Atlanta	16.8%	15.9%	\$3.23	\$3.29	2,156	1,000	1.5%	1.9%
Boston	14.8%	13.8%	\$5.59	\$5.66	333	550	0.5%	1.9%
Chicago	12.0%	11.3%	\$4.05	\$4.11	2,472	1,700	0.8%	1.1%
Cleveland	11.9%	11.2%	\$3.26	\$3.30	96	20	-0.7%	0.6%
Dallas/Fort Worth	14.5%	13.6%	\$3.67	\$3.72	1,649	780	1.9%	2.8%
Denver	7.7%	7.3%	\$5.02	\$5.05	114	55	1.3%	1.9%
Detroit	17.0%	16.0%	\$4.10	\$4.08	53	480	2.6%	1.4%
Fort Lauderdale	13.1%	12.6%	\$5.80	\$5.81	10	65	1.2%	1.9%
Harrisburg	10.9%	11.5%	\$3.95	\$4.06	603	3,500	0.1%	0.8%
Houston	8.7%	7.7%	\$5.39	\$5.55	1,427	1,056	3.0%	3.5%
Indianapolis	8.3%	7.4%	\$3.85	\$3.90	425	150	0.9%	1.4%
Los Angeles	8.2%	7.6%	\$6.21	\$6.32	917	840	0.8%	1.0%
Miami	9.8%	9.2%	\$6.68	\$6.81	-	650	2.8%	2.7%
Minneapolis-St. Paul	9.2%	8.7%	\$4.88	\$4.95	315	230	1.2%	1.6%
Northern New Jersey	14.4%	14.1%	\$5.21	\$5.24	556	900	0.6%	1.2%
Oakland	13.4%	12.8%	\$6.71	\$6.78	-	250	0.0%	2.6%
Orange County	8.5%	8.0%	\$8.18	\$8.31	-	30	1.8%	2.2%
Philadelphia	12.1%	11.1%	\$3.78	\$3.88	1,213	1,000	-0.1%	0.9%
Phoenix	13.9%	12.2%	\$4.46	\$4.54	814	720	1.7%	2.0%
Portland	10.3%	9.3%	\$4.89	\$4.93	485	610	1.3%	2.5%
Riverside-San Bernardino	8.9%	7.9%	\$4.04	\$4.13	3,969	3,300	1.2%	2.2%
Sacramento	15.7%	15.5%	\$3.20	\$3.18	-	250	-0.8%	1.4%
Salt Lake City	6.9%	6.4%	\$3.11	\$3.15	748	250	3.1%	3.9%
San Diego	13.0%	12.6%	\$9.75	\$9.84	176	285	1.3%	2.3%
Seattle-Tacoma	10.0%	9.0%	\$5.61	\$5.72	155	200	2.1%	3.1%
Tampa	13.7%	13.0%	\$4.47	\$4.51	68	50	2.1%	2.6%
Washington, D.C.	11.5%	10.7%	\$7.05	\$7.25	539	850	0.9%	1.5%

* Forecast

¹ See National Industrial Index Note on page B.

HIGHEST AND BEST USE

Highest and Best Use, as Vacant: In order to estimate the highest and best use of the subject property as if vacant, we considered those uses that are legally permissible, physically possible, financially feasible, and maximally productive.

Legally Permissible: The subject property has a zoning code of Light Industrial Zoning District (I-1), under the authority of the Pasco County. According to the zoning Code, the Light Industrial Zoning District (I-1) district permits light industrial uses. The subject is improved with a single family home, small masonry shed, a metal storage building, and a pole barn. The storage building and pole barn are a permitted use under the existing Light Industrial Zoning District (I-1) zoning category. We note that the residential home is not a permitted use in this district. Therefore, the existing use is a legal, non-conforming use that is “grandfathered” in.

Physically Possible: The subject is located on the northeast corner of Springer Drive and Formel Avenue. The subject has a total site size of 167,618 square feet, or 3.85 acres. The subject's utilities are typical and adequate for the market area.. The visibility, shape, and access of the parcel are adequate for most medium-scale uses. The subject has level topography at grade and no areas of wetlands. The site lies in flood zone B. This appraisal assumes that the subject's soils are suitable for development as improved. The appraisal assumes that there are no sinkholes or other adverse soil conditions existing on the site. Therefore, from a physical standpoint, the site is considered adequate for many types of medium scale industrial developments.

Financially Feasible & Maximally Productive: Financially feasible uses are analyzed in an effort to determine the uses that are most likely to produce a return greater than the combined income necessary to satisfy operating expenses, financial expenses, and capital amortization. In determining the maximally productive use, we assess whether the potential use of the subject is that which would reasonably result in maximum productivity of the land, as compared with an alternative use. The site has a good location for an industrial use along a side street with close proximity to U.S. Highway 19, which is an arterial roadway. Currently, economic conditions reflect a high unemployment rate, a continued weak real estate market and economy. For industrial use the submarket vacancies are generally holding at stabilized levels. Development in the area is very slow indicating a risk that the cost to develop a commercial property at this time may not be economically feasible at least on a speculative basis; but may be for a build-to-suit basis. The subject is located in an area dominated by commercial and industrial uses, so of possible development options, industrial use is most likely and feasible if on a build-to-suit basis. Considering the market conditions outlined in our analysis, we estimate that the maximally productive, and thus, the highest and best use of the subject property, as if

vacant, would be to build for a specific user or hold for future industrial development when the market rebounds.

Highest and Best Use, as Vacant: The highest and best use of the subject, as vacant, would be to build-to-suit for a specific user or hold the site for development of an industrial use when economic conditions improve.

Highest and Best Use, as Improved:

Legally Permissible: The subject property has a zoning code of Light Industrial Zoning District (I-1), under the authority of the Pasco County. According to the zoning Code, the Light Industrial Zoning District (I-1) district permits light industrial uses. The subject is improved with a single family home, small masonry shed, a metal storage building, and a pole barn. The storage building and pole barn are a permitted use under the existing Light Industrial Zoning District (I-1) zoning category. We note that the residential home is not a permitted use in this district. Therefore, the existing use is a legal, non-conforming use that is “grandfathered” in.

Physically Possible: There are currently three improvements situated on the subject property. The primary structure is a 936 square foot, masonry residence which was constructed in 1967. This two bedroom home was previously used as a rental property, but is currently vacant and boarded up for about one year. Upon our inspection, we noticed that most of the windows were broken, and that there is a strong mildew smell in the residence. The air conditioning system has not been run in about one year. Additionally, the interior of the residence has been vandalized (drywall smashed up and windows broken). The property broker stated that there is evidence of building settlement issues. Pasco County is known for sinkholes on properties located east of U.S. Highway 19. During our inspection, we noticed that there are several cracks on the west, south, and east walls. The residence is located near the northwest corner of the property, and is situated where any future re-development would occur. Additionally, there is a 1,086 square foot metal storage building and an 810 square foot pole barn that was constructed in 1971. We note that the metal building and pole barn are in poor condition. The industrial improvements are located in the middle of the property, and are situated where any future re-development would occur. The existing improvements greatly underutilize the site, as the building to land ratio is 0.17:1. Typical land to building ratios for industrial developments range from 3.0:1 to 5.0:1. If the land were to be developed to a 3.1:0 building to land ratio, the improvements would be 33,524 square feet in size. If the land were to be developed to a 5.0:1 building to land ratio, the improvements would be 55,873 square feet in size. It is physically possible to raze the improvements.

Feasible & Maximally Productive: The improvements are in poor condition and are at the end of their economic life. The existing improvements greatly underutilize the site. Given the condition and how the improvements are situated on the site, it is financially feasible and maximally productive to raze the existing improvements.

The maximally productive use of the site is for re-development with an industrial use. Development in the area is very slow indicating a risk that the cost to develop an industrial property at this time may not be economically feasible at least on a speculative basis; but may be for a build-to-suit basis. Considering the market conditions outlined in our analysis, we estimate that the maximally productive, and thus, the highest and best use of the subject property, is to raze the existing improvements and build for a specific user or hold for future industrial development when the market rebounds.

Highest and Best Use, as Improved: Based on the preceding analysis, the highest and best use is to raze the existing improvements and build for a specific user or hold for future industrial development when the market rebounds.

VALUATION ANALYSIS

Appraisal Procedures: There are three traditional approaches normally used by appraisers in the estimation of market value: the cost approach, the sales comparison approach and the income approach. A value estimate is derived independently within each approach, and the values are then reconciled for a final value estimate.

The **Cost Approach** is the process of estimating the replacement cost new of the subject improvements less depreciation from all causes and then adding the value of the land as if vacant. The approach is based on the principle that a prudent purchaser would not pay more to buy an existing property than it would cost him to buy an appropriate site and construct the improvements new.

The **Sales Comparison Approach** is the process for comparing prices paid for properties having a satisfactory degree of similarity to the subject property adjusted for market-recognized differences. This approach is based upon the principle of substitution, which implies that a prudent purchaser will not pay more to buy a property than it would cost to buy a comparable substitute property in a similar location.

The **Income Approach** is based on the premise that prudent investors would pay no more for the subject property than they would for another investment with similar risk and return characteristics. Since the value of an investment can be considered equal to the present worth of anticipated future benefits in the form of dollar income or amenities, this approach estimates the present value of the net income that the property is capable of producing. This amount is capitalized at a rate that reflects risk to the investor and the amount of income necessary to support debt service for the mortgage requirement.

A **cost analysis** was considered and was not developed because the cost approach is not applicable when valuing vacant land.

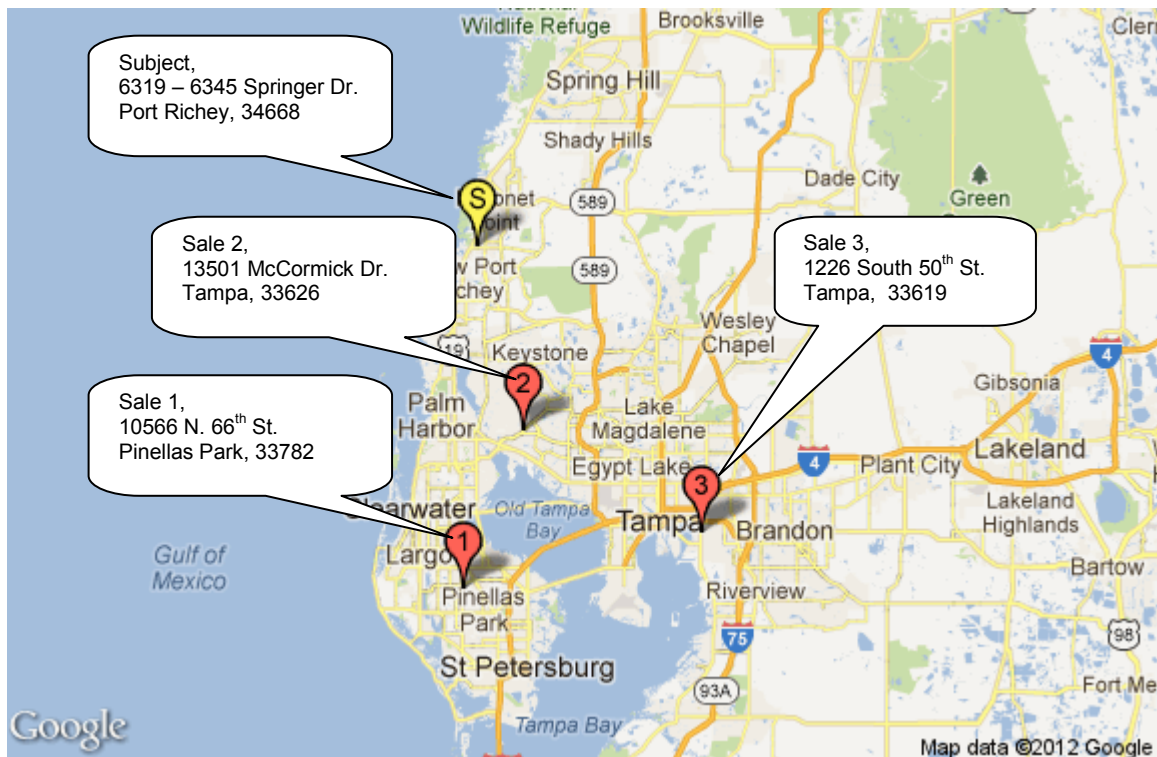
A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and was not developed because the income approach is not applicable when valuing vacant land.

SALES COMPARISON APPROACH

The sales comparison approach, like the cost approach, is based upon the principle of substitution. In other words, the value of a property should be no higher than the cost to acquire another property offering similar physical or geographic attributes. The procedure involves market research to identify similar properties that have recently sold or are offered for sale, investigation of the sales transactions to insure their validity and to determine motivating forces, and comparison of the sold properties to the subject by adjusting prices paid for the various dissimilarities having a discernible effect on value.

Land Sales Analysis: In identifying comparable sales we searched not only the immediate subject market, but throughout Pasco, Pinellas, and Hillsborough County for similar industrial land sales. Our search parameters included properties that sold in the past 24 months. Industrial land has been one of the least sold commercial real estate type properties in the current recession and sales were extremely limited. Given our exhaustive search we estimate the three comparable sales utilized in this analysis to be the best available and are most comparable to the subject property. The sales took place between June 2011 and June 2012. Below is a location map of the comparable sales relative to the subject property. It is followed by the market data sheets and an adjustment grid summarizing the comparable sales utilized in the valuation of the subject land.



Land Comparable 1



Transaction

ID	19056	Date	6/20/12
Address	10566 N. 66th Street	Price	\$250,000
City	Pinellas Park	Price per Useable Land SF	\$2.35
State	FL	Financing	Conventional
Tax ID	18/30/16/69768/400/4901	Property Rights	Fee Simple
Grantor	American Micro Tech Inc	Verification Source	Broker
Grantee	Congaree River, LLC	Verification Source 1	Roger Broderick
Legal Description	Lengthy	Comp Entered By	Lance Ponton, Brian Zamorski
Zip	33782	County	Pinellas

Site

Acres	2.44	Topography	Level
Land SF	106,286	Zoning	Industrial
Useable Acres	2.44	Utilities	City water & sewer
Useable SF	106,286	Encumbrance or Easement	None
		Environmental Issues	None

Notes

This site is located along the west side of 66th Street North in Pinellas Park. The immediate area includes a mix of office, retail and industrial users. The adjacent property owner to the west purchased the property for future expansion and access. On the Pinellas County Property Appraiser's website, the parcel has been combined with the adjacent parcel to the west.

Land Comparable 2



Transaction

ID	7848	Date	12/29/11
Address	13501 McCormick Drive	Price	\$192,700
City	Tampa	Price per Useable Land SF	\$2.76
State	FL	Financing	Cash
Tax ID	003525-5065	Property Rights	Fee simple
Grantor	Donovan Industries Inc	Verification Source	Broker
Grantee	Tammy Coe	Verification Source 1	Bill Eshenbaugh
Legal Description	Lengthy	Comp Entered By	Lance Ponton
Zip	33626	County	Hillsborough

Site

Acres	1.600	Topography	Level
Land SF	69,696	Zoning	M
Useable Acres	1.40	Utilities	All available
Useable SF	69,696	Encumbrance or Easement	None
		Environmental Issues	None

Notes

This site is located on the east side of McCormick Drive, north of Racetrack Road within the Tri County Business Park. Surrounding uses are primarily industrial uses. Linebaugh Avenue and Tampa Downs is located less than one mile to the south.

Land Comparable 3



Transaction

ID	7734	Date	6/29/11
Address	1226 South 50th Street	Price	\$700,000
City	Tampa	Price per Useable Land SF	\$2.78
State	FL	Financing	Cash
Tax ID	046333-0000	Property Rights	Fee simple
Grantor	Tampa Partnership	Verification Source	Assessor
Grantee	Alcat Tampa LLC	Verification Source 1	CoStar, public records
Legal Description	Lengthy	Comp Entered By	Lance Ponton
Zip	33619	County	Hillsborough

Site

Acres	7.74	Topography	Level
Land SF	337,154	Zoning	M
Useable Acres	5.79	Utilities	All available
Useable SF	252,212	Encumbrance or Easement	None
		Environmental Issues	None

Notes

This site is located on the east side of 50th Street (U.S. Highway 41), south of Palm River Road. The site is located within the Tampa Park of Commerce. Surrounding uses are primarily industrial and older residential communities.

Analysis of Sales: In analyzing the comparable sale transactions, we have considered adjustments for the following value characteristics: property rights, financing terms, conditions of sale, market conditions, location, property size, property characteristics, zoning/permitting, property uses and density. To reflect market conditions (differences over time), we applied a negative 10% annual adjustment for date of sale over the past 17 months between the date of sale of Sale 3 up to the current date of valuation.

The subject property is located on a side street in Port Richey. Land Sale 1 is located on a busy road in Pinellas Park, and this sale requires a downward adjustment for superior location. Land Sale 2 is located in an industrial park in Tampa and this sale requires a downward adjustment for superior location. Land Sale 3 is located on a busy road in an industrial area of Tampa and this sale requires a downward adjustment for location.

Size and price per square foot of land area tend to have an inverse relationship, meaning that a buyer would pay more per square foot of land area for a smaller site. Land Sale 2 requires a downward adjustment for superior (smaller) size compared to the subject property.

The subject property is zoned for light industrial uses. All of the comparable sales have an industrial zoning. The subject property is located within a wellhead protection area. After reviewing the prohibited uses in the Groundwater Protection Ordinance, we conclude that prohibited uses are not permitted uses in the Light Industrial Zoning District (I-1) zoning district (City of Port Richey). We assume that a well-informed buyer would hire an expert for verification and interpretation of permitted uses and ordinances to verify this information. We also note that there might be some negative stigma attached to this property since it is located next to a water treatment facility and it may deter buyers from looking at the subject property. A potential buyer for the subject rescinded his offer after discovering that his intended use would not be allowed. Therefore, all of the sales require a downward adjustment for superior zoning.

The subject property is partially treed. Land Sale 1 is heavily treed and requires an upward adjustment for inferior topography. Conversely, Land Sales 2 and 3 are fully cleared and require a downward adjustment for superior topography. No other adjustments were required. The following table summarizes the comparable land sales utilized in the valuation and the adjustments leading to a conclusion of value of the subject property by the sales comparison approach.

Land Analysis Grid		Comp 1	Comp 2	Comp 3
Address	6319 - 6345 Springer Drive	10566 N. 66th Street	13501 McCormick Drive	1226 South 50th Street
City	Port Richey	Pinellas Park	Tampa	Tampa
State	FL	FL	FL	FL
County	Pasco	Pinellas	Hillsborough	Hillsborough
ID		19056	7848	7734
Zoning	Light Industrial (I-1)	Industrial	M	M
Date	11/16/2012	6/20/2012	12/29/2011	6/29/2011
Price	N/A	\$250,000	\$192,700	\$700,000
Price Adjustment	N/A	\$0	\$0	\$0
Adjusted Price	N/A	\$250,000	\$192,700	\$700,000
Useable Acres	3.85	2.44	1.40	5.79
Useable SF	167,618	106,286	69,696	252,212
Useable SF Unit Price	N/A	\$2.35	\$2.76	\$2.78
Transaction Adjustments				
Property Rights	Fee Simple	0.0%	0.0%	0.0%
Financing	Conventional	0.0%	0.0%	0.0%
Conditions of Sale	Cash	0.0%	0.0%	0.0%
Expenditures After Sale		\$0	\$0	\$0
Adjusted Useable SF Unit Price		\$2.35	\$2.76	\$2.78
Market Trends Through	11/16/12 -10.0%	-4.2%	-8.9%	-13.6%
Adjusted Useable SF Unit Price		\$2.25	\$2.52	\$2.40
Location, Visibility & Access		-10%	-5%	-5%
Size & Shape		0%	-5%	0%
Zoning		-10%	-10%	-10%
Utilities & Drainage		0%	0%	0%
Site Work		0%	0%	0%
Topography		5%	-5%	-5%
Net Other Adjustment		-15%	-25%	-20%
Adjusted Useable SF Unit Price		\$1.92	\$1.89	\$1.92

Conclusion: After adjustments, the comparable sales ranged from \$1.89 to \$1.92 per square foot with mean and median adjusted values of \$1.91 and \$1.92. All of the comparables are located in industrial areas. The sales occurred between June 2011 and June 2012. Similar weight was placed on all sales, as all of the sales required adjustments for superior zoning compared to the subject property. We have reconciled the subject's value at \$1.90 per square foot. This results in a market value estimate via the sales comparison approach, of \$318,474.

Demolition Costs: We reference Marshall Valuation Services, Section 66, Page 11 for the demolition costs. Marshall Valuation Services is a national construction cost manual that is used by appraisers and other users in the real estate and construction field. The typical single family residence would cost \$3,225 to demolish. The metal storage building and pole barn would cost \$5,500 (1,896 x \$2.90) to demolish. The total costs would be \$8,725. We apply 10% profit to the costs, to arrive at \$9,598. The demolition costs are subtracted from the value, to arrive at an indicated value of \$308,876, which we have rounded to **\$310,000**.