



**LOCATED AT:**

1001 Eaton Street/ 323 Grinnell Street  
Kw Pt Lot 2, Sqr 19 of William Whitehead's Map  
Key West, FL 33040-6951

**FOR:**

Mr. Thomas Hicks  
PO Box 2428  
Pensacola, FL 32513

**AS OF:**

September 25, 2005

**BY:**

Mark J. MacLaughlin  
State-Certified Residential Appraiser RD 4916

All Keys Appraisal Company  
1010 Kennedy Drive, Suite 306  
Key West, FL 33040

October 03, 2005

Hicks, Thomas  
PO Box 2428  
Pensacola, FL 32513

Re: Property: 1001 Eaton Street/ 323 Grinnell Street  
Key West, FL 33040-6951  
Borrower: N/A  
File No.: 02827B

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,



Mark J. MacLaughlin,  
St.Cert.Res.REA RD 4916

Borrower N/A		File No. 02827B	
Property Address 1001 Eaton Street / 323 Grinnell Street			
City Key West	County Monroe	State FL	Zip Code 33040-6951
Lender N/A			

**APPRAISAL AND REPORT IDENTIFICATION**

This appraisal conforms to one of the following definitions:

- Complete Appraisal** (The act or process of estimating value, or an opinion of value, performed without invoking the Departure Rule.)
- Limited Appraisal** (The act or process of estimating value, or an opinion of value, performed under and resulting from invoking the Departure Rule.)

This report is one of the following types:

- Self Contained** (A written report prepared under Standards Rule 2-2(a) of a Complete or Limited Appraisal performed under STANDARD 1.)
- Summary** (A written report prepared under Standards Rule 2-2(b) of a Complete or Limited Appraisal performed under STANDARD 1.)
- Restricted** (A written report prepared under Standards Rule 2-2(c) of a Complete or Limited Appraisal performed under STANDARD 1, restricted to the stated intended use by the specified client or intended user.)

**Comments on Standards Rule 2-3**

I certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions and conclusions.  
 I have no (or the specified) present or prospective interest in the property that is the subject of this report, and no (or the specified) personal interest with respect to the parties involved.  
 I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.  
 My engagement in this assignment was not contingent upon developing or reporting predetermined results.  
 My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.  
 My analyses, opinions and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.  
 I have made a personal inspection of the property that is the subject of this report.  
 No one provided significant real property appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant real property appraisal assistance must be stated.)

**Comments on Appraisal and Report Identification**

**Note any departures from Standards Rules 1-3 and 1-4, plus any USPAP-related issues requiring disclosure:**


Since Key West is such an old city, the properties vary widely as to age, design, sizes, quality and condition. At this time, the sales used are the most similar that could be found, searching the entire island. Due to the fact that the properties do vary so much, it is often necessary to deviate from desired guidelines.

In the case of the current assignment, it was necessary to include a functional adjustment to correct the subject's main house floor plan and to treat the second dwelling on site as guest cottages.

\*The county records indicate the age of the improvements at 1933. Original construction date per information provided by the owner is circa 1892 for the Eaton dwelling. Design, utility, and construction would support this claim.

The improvements on the property are configured as multiple units and is listed in the property record cards as a multi unit but, the highest and best use is the Eaton Street dwelling as a single family unit with separate cottages (The Grinnell dwelling) as a detached structure with multiple dwelling units. A functional adjustment will be given to make it flow back to a single family dwelling with interior stairs.

**APPRAISER:**

Signature:   
 Name: Mark J. MacLaughlin, St.Cert.Res.RD 4916  
 Date Signed: October 03, 2005  
 State Certification #: RD 4916  
 or State License #: \_\_\_\_\_  
 State: FL  
 Expiration Date of Certification or License: 11/30/2006

**SUPERVISORY APPRAISER (only if required):**

Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Date Signed: \_\_\_\_\_  
 State Certification #: \_\_\_\_\_  
 or State License #: \_\_\_\_\_  
 State: \_\_\_\_\_  
 Expiration Date of Certification or License: \_\_\_\_\_

Did  Did Not Inspect Property

**FIRREA / USPAP ADDENDUM**

Borrower N/A

Property Address 1001 Eaton Street / 323 Grinnell Street

City Key West

County Monroe

State FL

Zip Code 33040-6951

Lender/Client Hicks, Thomas

**Purpose**

The purpose of this report is to determine market value of the subject property.

**Scope**

The term "scope of the appraisal" means the extent of the process of collecting, confirming and reporting data. The subject property was physically inspected from the exterior and interior. The comparable sales were inspected from the exterior only, unless stated otherwise in this report. In determining an opinion of market value for the subject property, three approaches to value were considered, if applicable. The market data used in the approach was obtained from Win2Data, Multiple Listing Service, Office files, other appraisals, lenders, realtors, buyers and sellers. Please see additional addendum regarding the cost approach and other information impacting the scope of this report. Finally after gathering, confirming and analyzing the available data a final opinion of value was made.

My analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.

**Intended Use / Intended User**

The intended user of this report is Thomas H. Hicks for personal use only and it is not intended for use for any other purpose or by any other party.

**History of Property**

Current listing information: There is no other listing of the subject through the Local Board of Realtors' MLS within one year of appraisal date.

Prior sale: The property was purchased by the current owners March of 1994 for a reported \$366,500 (B&P 1295-2408). There is no other transfer of the subject within three years of appraisal date.

**Exposure Time / Marketing Time**

Exposure time precedes the effective date of the appraisal. Exposure time is defined as "the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." Based on information compiled, a reasonable exposure time would have been similar to the marketing Time estimate as presented herein is three to six months.

**Personal (non-realty) Transfers**

Items of personal property have not been included in the indicated market value, other than built in appliances and fixtures which are attached and are typically included in the valuation of real property per the appraisal industry standards. These items are included in the FNMA report under the description of improvements section and also in the Cost Approach.

**Additional Comments****SITE:**

Site dimensions in the report are based upon Plat map and tax records as no survey was provided for the appraiser to inspect.

**HAZARDOUS MATERIALS:**

Hazardous materials, asbestos and radon gas considerations are presumed not to affect the appraised property unless specifically mentioned as a possibility that should be verified by a professional in that field. In general, the EPA regional office states that Monroe County, Florida does not have a geological formation containing uranium ores that produce radon gas. Moreover, most buildings in the Keys are well ventilated, have no basements and are on pier and beam or stilt-piling foundations.

**LAND VALUE:**

Land value is based on land sales and abstraction from the office files.

**PREDOMINANT VALUE:**


Predominant value has no significant relevance to the marketability of homes in the Florida Keys. Predominant value is a statistical concept like the mode of a number of tract houses where a high degree of conformity and uniformity exists, neither of which is found in the Keys. Mainland guidelines normally do not apply in the Keys. The fact that the subject is above or below the predominant value for the neighborhood does not adversely affect its marketability.

**COST APPROACH IN RESIDENTIAL CONSTRUCTION:**

The cost per square foot new is derived by information obtained from Marshall & Swift Cost Manual and experience of local contractors. Cost checks with local builders is an on-going activity and are documented in our files. Construction costs vary from 20% to 40% higher than mainland prices, typically about 30% higher. Marshall & Swift Residential Cost Manual does not produce a realistic cost basis from comparison with local experience.

**Certification Supplement**

1. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or an approval of a loan.
2. My compensation is not contingent upon the 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.

Appraiser(s):  Mark J. MacLaughlin. St.Cert.Res.REA RD 4916

Supervisory Appraiser(s): \_\_\_\_\_

Effective date / Report date: September 25, 2005 / October 03, 2005

Effective date / Report date: \_\_\_\_\_

UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. 02827B

Property Description: 1001 Eaton Street/ 323 Grinnell Street, City Key West, State FL, Zip Code 33040-6951. Legal Description: Kw Pt Lot 2, Sqr 19 of William Whitehead's Map, County Monroe. Assessor's Parcel No. 00002550-000000, Tax Year 2004, R.E. Taxes \$ 12,316.83, Special Assessments \$ 0.00. Borrower Hicks, Thomas, Current Owner Same, Occupant: [ ] Owner [X] Tenant [ ] Vacant. Property rights appraised: [X] Fee Simple [ ] Leasehold, Project Type: [ ] PUD [ ] Condominium (HUD/VA only), HOA \$ 0.00 /Mo. Neighborhood or Project Name: Key West, Map Reference 01-01-01, Census Tract 9721.00. Sale Price \$ N/A, Date of Sale N/A, Description and \$ amount of loan charges/concessions to be paid by seller. Lender/Client: Thomas Hicks, Address PO Box 2428, Pensacola, FL 32513. Appraiser: Mark J MacLaughlin, St.Cert.Res.REA RD, Address 1010 Kennedy Drive, Suite 306, Key West, FL 33040.

Location: [X] Urban [ ] Suburban [ ] Rural. Built up: [X] Over 75% [ ] 25-75% [ ] Under 25%. Growth rate: [ ] Rapid [X] Stable [ ] Slow. Property values: [X] Increasing [ ] Stable [ ] Declining. Demand/supply: [X] Shortage [ ] In balance [ ] Over supply. Marketing time: [ ] Under 3 mos. [X] 3-6 mos. [ ] Over 6 mos. Predominant occupancy: [X] Owner [ ] Tenant [X] Vacant (0-5%) [ ] Vac.(over 5%). Single family housing PRICE \$(000): 269 Low, AGE (yrs): 01. 4,925 High, 100+ Predominant. Present land use %: One family 75, 2-4 family 10, Multi-family 5, Commercial 05, Vac 5. Land use change: [X] Not likely [ ] Likely [ ] In process. To: \_\_\_\_\_

Note: Race and the racial composition of the neighborhood are not appraisal factors. Neighborhood boundaries and characteristics: The neighborhood is bound by Caroline Street to the North, Simonton Street to the West, Eaton Street to the South, and Palm Avenue to the East. The neighborhood is comprised of mainly older conch style homes that have been adequately Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.): Employment centers, recreational activities, schools, and shopping are nearby. Properties are maintained in average condition. External obsolescence was not observed. The commercial use in the neighborhood is located mostly along the major streets, and does not adversely affect the marketability of the residential properties.

Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.): The rental market has been very active over the past two years. Vacancies are very low. The market for income producing properties has improved over the past year. The vacancy rate is very low all over Key West, causing the desirability of rental property to rise. Average exposure time for similar properties listed at or near market value is 80 to 100 days based on an analysis of multi-family sales in Key West sold recently.

Project Information for PUDs (if applicable) - - Is the developer/builder in control of the Home Owners' Association (HOA)? [ ] Yes [ ] No. Approximate total number of units in the subject project \_\_\_\_\_ Approximate total number of units for sale in the subject project \_\_\_\_\_. Describe common elements and recreational facilities: \_\_\_\_\_

Dimensions: Approximately 51.5' x 107.0'. Site area: 5,511 SF. Corner Lot: [X] Yes [ ] No. Specific zoning classification and description: HNC-2 Neighborhood Commercial-2. Zoning compliance: [ ] Legal [X] Legal nonconforming (Grandfathered use) [ ] Illegal [ ] No zoning. Highest & best use as improved: [X] Present use [ ] Other use (explain) \_\_\_\_\_. Utilities: Public [X] Electricity, Gas, Water, Sanitary sewer, Storm sewer. Other: [ ] Propane Typical. Off-site Improvements: Type Public Private. Street: Asphalt [X], Curb/gutter: Concrete [X], Sidewalk: Concrete [ ], Street lights: Yes, Electric Pole [X], Alley: Yes [ ]. Topography: Level. Size: Typical. Shape: Rectangular. Drainage: Normal. View: Street/Typical. Landscaping: Tropical. Driveway Surface: None. Apparent easements: Normal Utilities. FEMA Special Flood Hazard Area: [ ] Yes [X] No. FEMA Zone: AE, Map Date: 2/18/2005. FEMA Map No.: 12087C1516K.

Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.): There were no apparent adverse easements, encroachment, special assessments, slide areas noted. Information was obtained from owner provided legal survey.

Table with 5 columns: GENERAL DESCRIPTION, EXTERIOR DESCRIPTION, FOUNDATION, BASEMENT, INSULATION. Rows include: No. of Units (5), No. of Stories (Two), Type (Det./Att.) (Detached), Design (Style) (Conch), Existing/Proposed (Existing), Age (Yrs.) (1892 (113)), Effective Age (Yrs.) (5-8), Foundation (Piers), Exterior Walls (Frame/Siding), Roof Surface (Metal), Gutters & Dwnspnts. (Gutters; Overhaul), Window Type (Single Hung), Storm/Screens (Yes/Yes), Manufactured House, Slab (Piers), Crawl Space (Yes), Basement (None), Sump Pump (None), Dampness (None noted), Settlement (None Noted), Infestation (None Noted), Area Sq. Ft., % Finished, Ceiling, Walls, Floor, Outside Entry, Roof, Ceiling, Walls, Floor, None, Unknown, Typical.

Table with 13 columns: ROOMS, Foyer, Living, Dining, Kitchen, Den, Family Rm., Rec. Rm., Bedrooms, # Baths, Laundry, Other, Area Sq. Ft. Rows include: Basement, Level 1, Level 2, Cottages. Finished area above grade contains: 10 Rooms; 7 Bedroom(s); 7 Bath(s); 3,145 Square Feet of Gross Living Area.

Table with 8 columns: INTERIOR, HEATING, KITCHEN EQUIP., ATTIC, AMENITIES, CAR STORAGE: OSP. Rows include: Floors (Wood/Good), Walls (Wood/Good), Trim/Finish (Wood/Good), Bath Floor (Wood/Ave), Bath Wainscot (Tile/Good), Doors (Wood; Glass / Ave), Average to Good Condition, HEATING (Yes, Type Wall, Fuel Electric, Condition Ave, COOLING (Yes, Central Yes, Other Wall/C-F), Condition Ave, KITCHEN EQUIP. (Refrigerator, Range/Oven, Disposal, Dishwasher, Fan/Hood, Microwave, Washer/Dryer), ATTIC (None, Stairs, Drop Stair, Scuttle, Floor, Heated, Finished), AMENITIES (Fireplace(s) # None, Patio Brick, Deck Wood, Porch Covered, Fence Wood, Pool Custom), CAR STORAGE: OSP (None, Garage # of cars, Attached, Detached, Built-In, Carport, Driveway).

Additional features (special energy efficient items, etc.): The Eaton property has a new roof lowering economic years. Both buildings have had some upgrading done in the last few years. Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction, remodeling/additions, etc.: The subject property consists of a Historic Conch style frame home with an accessory building housing several guest cottages. A functional adjustment is required to correct the interior functional issues and improve the flow. The subject is in overall average to good condition, no signs of deferred maintenance and with significant updating. The subject includes a wood covered porches and a common pool. Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property.: No adverse conditions were noted in the improvements, on the site or in the immediate vicinity of the subject property.

**UNIFORM RESIDENTIAL APPRAISAL REPORT**

File No. 02827B

Valuation Section

COST APPROACH	ESTIMATED SITE VALUE	= \$	1,500,000	Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): Cost estimates were derived through national cost estimate manuals with strong emphasis on information provided from local contractors. Site value is derived through land sales and abstraction from improved sales. Est Remaining Economic Life is 52-55 Years.  High land to value ratios are typical in the subject's market area due to the Rate Of Growth Ordinance in Key West and Monroe County thus limiting the availability of buildable land.	
	ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS:				
	Dwelling	2,610 Sq. Ft. @\$ 275.00	= \$		717,750
		1,748 Sq. Ft. @\$ 250.00	=		437,000
	Short Lived Items; Porches		=		250,000
	Garage/Carport	Sq. Ft. @\$	=		
	Total Estimated Cost New		= \$		1,404,750
	Less	Physical	Functional		External
	Depreciation	117,016	= \$		117,016
	Depreciated Value of Improvements		= \$		1,287,734
"As-is" Value of Site Improvements		= \$	150,000		
<b>INDICATED VALUE BY COST APPROACH</b>				= \$	2,937,734

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
		Address	Key West	Address	Key West	Address	Key West
1001 Eaton Street / 323 Grinn	618 Caroline Street	328 Caroline Street	708 White Street				
Proximity to Subject	0.34 miles	0.60 miles	0.34 miles				
Sales Price	\$ N/A	\$ 3,000,000	\$ 3,250,000	\$ 3,150,000			
Price/Gross Living Area	\$ N/A	\$ 1267.96	\$ 980.10	\$ 772.06			
Data and/or Verification Source	Inspection Public Records	MLS; Agent; Prior Appraisal Public Records	MLS/Agent Public Records	MLS; Agent; Public Record			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.
Sales or Financing Concessions		Cash None noted		Conventional None noted		Conventional None Noted	
Date of Sale/Time		05/12/2005		04/29/2005		03/29/2005	
Location	Old Town	Old Town		Old Town		Old Town	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	5,511 SF	6,861 SF	-30,000	7,200 SF	-40,000	7,200 SF	-40,000
View	Street/Typical	Similar		Similar		Street/Typical	
Design and Appeal	Conch	Custom/Good		Custom/Good		Two Story	
Quality of Construction	Frame	Frame/Similar		Frame/Similar		Frame/Similar	
Age	1892 / 1933	1933		1989		2004	
Condition	Ave to Good	Inferior	+100,000	Similar		Similar	
Above Grade Room Count	Total Bdrms: 10 Baths: 7	Total Bdrms: 6 Baths: 4	+21,000	Total Bdrms: 10 Baths: 6	+18,000	Total Bdrms: 8 Baths: 4	+12,000
Gross Living Area	4,358 Sq. Ft.	2,366 Sq. Ft.	+99,600	3,316 Sq. Ft.	+52,100	4,080 Sq. Ft.	+13,900
Basement & Finished Rooms Below Grade	Guest Cottages Included in GLA	Cottage/Inferior Similar	+75,000	None	+150,000	None	+150,000
Functional Utility	Main House/Adj.	Good Utility	-25,000	Good Utility	-25,000	Good Utility	-25,000
Heating/Cooling	Central A/C/WW	Central A/C	-10,000	Central A/C	-10,000	Central A/C	-10,000
Energy Efficient Items	Typical	Typical		Typical		Typical	
Garage/Carport	OSP	OSP		Covered		Covered	
Porch, Patio, Deck, Fireplace(s), etc.	Covered Porch None	Similar None		Similar None		Similar None	
Fence, Pool, etc.	Common Pool	Fence; Pool		Fence; Pool		Fence; Pool	
Net Adj. (total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	230,600	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	145,100	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	100,900
Adjusted Sales Price of Comparable		Net 7.7 % Gross 12.0 %	\$ 3,230,600	Net 4.5 % Gross 9.1 %	\$ 3,395,100	Net 3.2 % Gross 8.0 %	\$ 3,250,900

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): All sales are legal two and three unit sales from the Old Town market of Key West. The comparable sales are all old conch style homes. Comparable Sales One is a recent good quality renovation similar to the subject property and though smaller in gross living area is the best indicator of value for the subject property. Comparable sale two was an older sale warranting adjustments. All adjustments are based on information obtained from agents and/or prior inspection. All sales will be used to determine opinion of market value.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data Source, for prior sales within year of appraisal	None Within 3 Yrs Of Appraisal Date Public Record	November, 2003 \$1,695,000 Public Record	None Within Three Years Of Appraisal Date Public Records	September, 2003 \$680,000 Public Record

Analysis of any current agreement of sale, option, or listing of subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: The Comparable sales are all closed transactions and arms length in nature as of the appraisal date.

**INDICATED VALUE BY SALES COMPARISON APPROACH** \$ 3,362,000  
**INDICATED VALUE BY INCOME APPROACH** (if Applicable) Estimated Market Rent \$ 7,625 /Mo. x Gross Rent Multiplier 315.00 = \$ 2,401,875

This appraisal is made  "as is"  subject to the repairs, alterations, inspections or conditions listed below  subject to completion per plans & specifications.  
 Conditions of Appraisal: The subject is appraised "as is" and is subject to the attached statement of limiting conditions.

Final Reconciliation: The sales comparison approach is given the greatest weight, the income approach was considered, but not given much emphasis due to the nature of the rental units on site. The cost approach is supportive but given least emphasis due to the difficulty in estimating depreciation.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/FNMA form 1004B (Revised 6/93).

**I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF** September 25, 2005  
**(WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE** \$ 3,362,000

**APPRAISER:** Mark J. MacLaughlin, St.Cert.Res.RD 4916  
 Signature: *[Signature]*  
 Name: Mark J MacLaughlin, St.Cert.Res.REA-RD4916  
 Date Report Signed: October 03, 2005  
 State Certification #: RD 4916 State FL  
 Or State License #: State

**SUPERVISORY APPRAISER (ONLY IF REQUIRED):**  
 Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Date Report Signed: \_\_\_\_\_  
 State Certification #: \_\_\_\_\_ State  
 Or State License #: \_\_\_\_\_ State

Did  Did Not Inspect Property

## UNIFORM RESIDENTIAL APPRAISAL REPORT MARKET DATA ANALYSIS

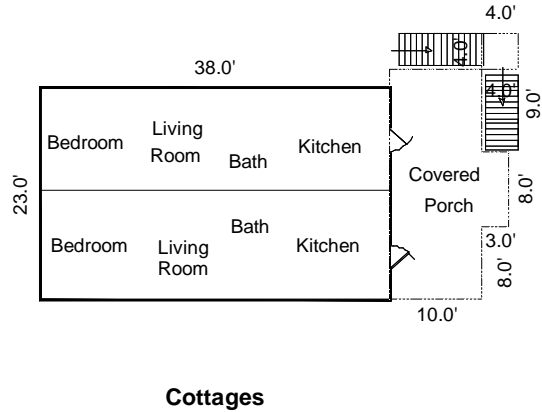
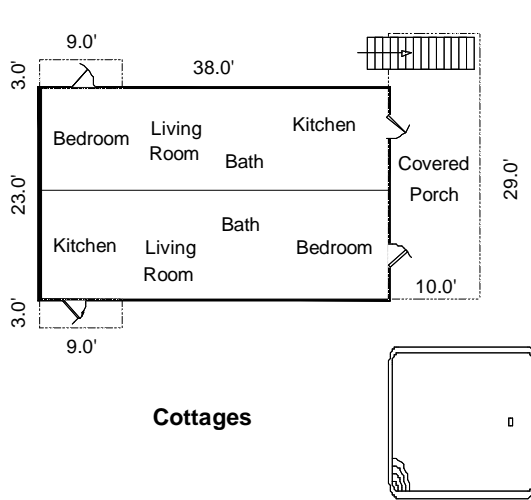
These recent sales of properties are most similar and proximate to subject and have been considered in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of the subject. If a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address	1001 Eaton Street / 323 Grinn Key West	620 Elizabeth Street Key West		703 Fleming Street Key West			
Proximity to Subject		0.33 miles		0.27 miles			
Sales Price	\$ N/A	\$ 3,450,000		\$ 3,200,000		\$	
Price/Gross Living Area	\$ <input type="checkbox"/>	\$ 1150.00 <input type="checkbox"/>		\$ 1034.26 <input type="checkbox"/>		\$ <input type="checkbox"/>	
Data and/or Verification Sources	Inspection Public Records	MLS; Agent Public Record		<b>Active Listing</b> Public Record			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.
Sales or Financing Concessions		Conventional None noted		Contract Negot 3%	-96,000		
Date of Sale/Time		01/30/2005		<b>Active Listing</b>			
Location	Old Town	Old Town		Old Town			
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple			
Site	5,511 SF	12,722 SF	-75,000	5,858 SF	-10,000		
View	Street/Typical	Similar		Similar			
Design and Appeal	Conch	Custom/Good		Custom/Good			
Quality of Construction	Frame	Frame/Good		Frame/Good			
Age	1892 / 1933	1940		1933			
Condition	Ave to Good	Similar		Good/Renovated			
Above Grade Room Count	Total Bdrms: Baths 10 7 7	Total Bdrms: Baths 9 6 5.5	+9,000	Total Bdrms: Baths 6 4 3.5	+21,000	Total Bdrms: Baths	
Gross Living Area	4,358 Sq. Ft.	3,000 Sq. Ft.	+67,900	3,094 Sq. Ft.	+63,200	Sq. Ft.	0
Basement & Finished Rooms Below Grade	Guest Cottages Included in GLA	None	+150,000	None	+150,000		
Functional Utility	Main House/Adj.	Good Utility	-25,000	Good Utility	-25,000		
Heating/Cooling	Central A/C/WW	Central A/C	-10,000	Central A/C	-10,000		
Energy Efficient Items	Typical	Typical		Typical			
Garage/Carport	OSP	Garage	-10,000	OSP			
Porch, Patio, Deck, Fireplace(s), etc.	Covered Porch None	Similar		Similar			
Fence, Pool, etc.	Common Pool	Inferior	+15,000	Similar	+7,500		
Net Adj. (total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 121,900		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 100,700		<input type="checkbox"/> + <input type="checkbox"/> - \$	
Adjusted Sales Price of Comparable		Net 3.5 % Gross 10.5 % \$ 3,571,900		Net 3.1 % Gross 12.0 % \$ 3,300,700		Net % Gross % \$	
Date, Price and Data Source for prior sales within year of appraisal	None Within 3 Yrs Of Appraisal Date Public Record	None Noted Within Three Years Of Appraisal Date Public Record		None Within Three Years Of Appraisal Date Public Records			

**Comments:** **Active Listing:** The Listing is adjusted under concessions at 3% of the list price. This is in order to reflect market concessions and contract negotiations after analysis of sales activity in the subject's market area over the last six months.

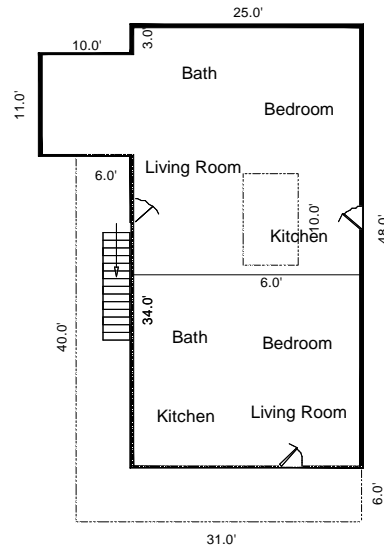
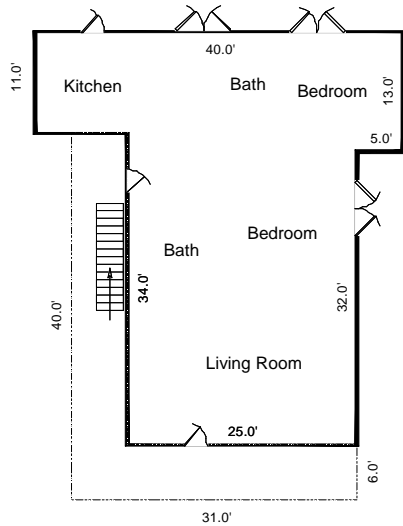
### Building Sketch (Page - 1)

Borrower/Client Hicks, Thomas			
Property Address 1001 Eaton Street/ 323 Grinnell Street			
City Key West	County Monroe	State FL	Zip Code 33040-6951
Lender Thomas Hicks			



**Cottages**

**Cottages**



Sketch by Apex IV™

Comments:

**First Floor**

**Second Floor**

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1300.0	1300.0
GLA2	Second Floor	1310.0	1310.0
P/P	Porch	390.0	
	Porch	390.0	
	Porch	60.0	
	Porch	290.0	
	Porch	27.0	
	Porch	27.0	
	Porch	274.0	
	Porch	16.0	1474.0
OTH	Guest House	874.0	
	Guest House	874.0	1748.0
Net LIVABLE Area		( Rounded )	2610

LIVING AREA BREAKDOWN			
		Breakdown	Subtotals
<b>First Floor</b>			
	11.0	x 40.0	440.0
	2.0	x 30.0	60.0
	25.0	x 32.0	800.0
<b>Second Floor</b>			
	10.0	x 11.0	110.0
	25.0	x 48.0	1200.0
5 Items		( Rounded )	2610



**Supplemental Addendum**

File No. 02827B

Borrower/Client Hicks, Thomas			
Property Address 1001 Eaton Street/ 323 Grinnell Street			
City Key West	County Monroe	State FL	Zip Code 33040-6951
Lender Thomas Hicks			

**Legal Non-Conformity in Historic Districts of Old Town Key West:**

The subject represents a legal, non-conforming use in the HNC-2 (Historic Neighborhood Commercial) district of Old Town Key West due to the minimum lot size as regulated to be 5,000 Square Feet. This is typical to Old Town Key West and does not adversely affect marketability due to the historic nature of the dwellings in the subject's market area and the protection of such non-conformity by City Code (see below).

f) *Historic district.* Notwithstanding any other subsection contained in this section, if a noncomplying building or structure is a contributing building or structure according to the historic architectural review commission (HARC) and it is involuntarily destroyed, such building or structure may be reconstructed or replaced without a variance so long as it is to be rebuilt in the three-dimensional footprint of the original building and built in the historic vernacular as approved by the historic architectural review commission.

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (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.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

## STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

**CONTINGENT AND LIMITING CONDITIONS:** The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.


**APPRAISER'S CERTIFICATION:** The appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

**SUPERVISORY APPRAISER'S CERTIFICATION:** If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

**ADDRESS OF PROPERTY APPRAISED:** 1001 Eaton Street/ 323 Grinnell Street, Key West, FL 33040-6951

**APPRAISER:**

Signature:   
 Name: Mark J. MacLaughlin, St. Cert. Res. REA RD 4916  
 Date Signed: October 03, 2005  
 State Certification #: RD 4916  
 or State License #: \_\_\_\_\_  
 State: FL  
 Expiration Date of Certification or License: 11/30/2006

**SUPERVISORY APPRAISER (only if required):**

Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Date Signed: \_\_\_\_\_  
 State Certification #: \_\_\_\_\_  
 or State License #: \_\_\_\_\_  
 State: \_\_\_\_\_  
 Expiration Date of Certification or License: \_\_\_\_\_

Did  Did Not Inspect Property

## Subject Photo Page

Borrower/Client Hicks, Thomas			
Property Address 1001 Eaton Street/ 323 Grinnell Street			
City Key West	County Monroe	State FL	Zip Code 33040-6951
Lender N/A			



### Subject Front

1001 Eaton Street / 323 Grinnell Street  
 Sales Price: N/A  
 GBA:  
 Age: 1892 / 1933



### Subject Rear



### Subject Street

## Subject Interior Photo Page

Borrower/Client Hicks, Thomas			
Property Address 1001 Eaton Street/ 323 Grinnell Street			
City Key West	County Monroe	State FL	Zip Code 33040-6951
Lender N/A			

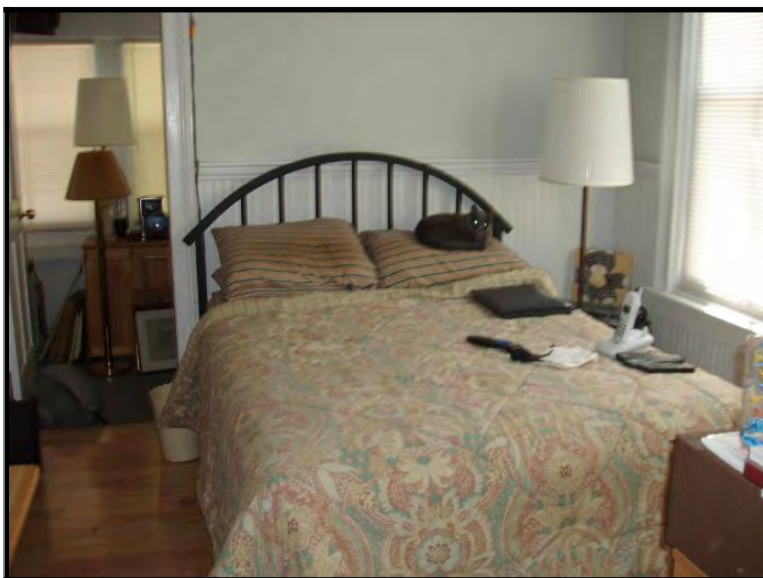


### Subject Interior

1001 Eaton Street / 323 Grinnell Street  
 Sales Price N/A  
 Gross Living Area 4,358  
 Total Rooms 10  
 Total Bedrooms 7  
 Total Bathrooms 7  
 Location Old Town  
 View Street/Typical  
 Site 5,511 SF  
 Quality Frame  
 Age 1892 / 1933



### Subject Interior Up-stair Unit



### Subject Interior

## Comparable Photo Page

Borrower/Client Hicks, Thomas			
Property Address 1001 Eaton Street/ 323 Grinnell Street			
City Key West	County Monroe	State FL	Zip Code 33040-6951
Lender N/A			



### Comparable 1

618 Caroline Street  
 Sales Price: 3,000,000  
 GBA:  
 Age: 1933



### Comparable 2

328 Caroline Street  
 Sales Price: 3,250,000  
 GBA:  
 Age: 1989



### Comparable 3

708 White Street  
 Sales Price: 3,150,000  
 GBA:  
 Age: 2004

**Comparable Photo Page**

Borrower/Client Hicks, Thomas			
Property Address 1001 Eaton Street/ 323 Grinnell Street			
City Key West	County Monroe	State FL	Zip Code 33040-6951
Lender Thomas Hicks			

**Comparable 4**

620 Elizabeth Street  
Sales Price 3,450,000  
G.B.A.  
Age/Yr. Blt. 1940

**Comparable 5**

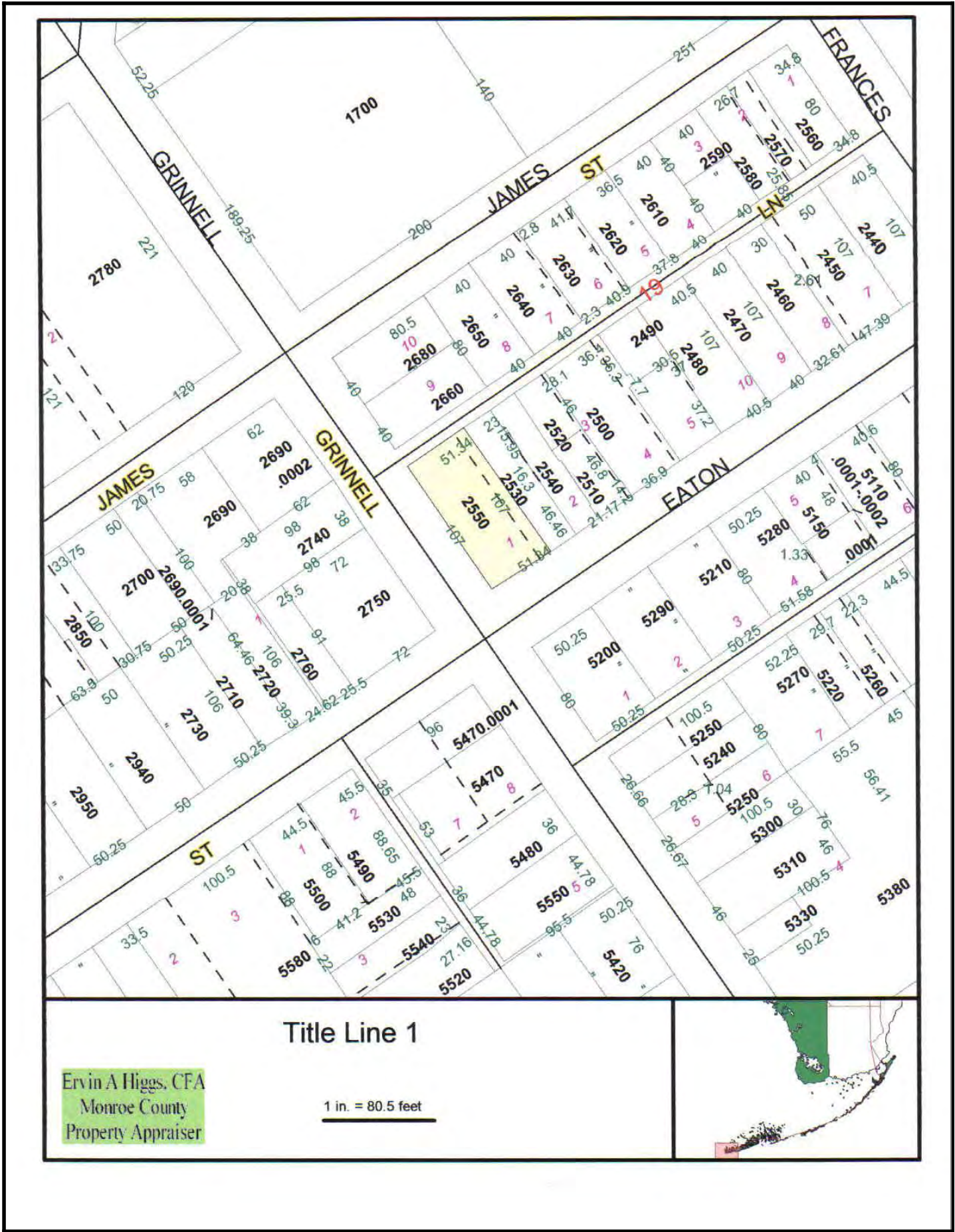
703 Fleming Street  
Sales Price 3,200,000  
G.B.A.  
Age/Yr. Blt. 1933

**Comparable 6**

Sales Price  
G.B.A.  
Age/Yr. Blt.

# Plat Map

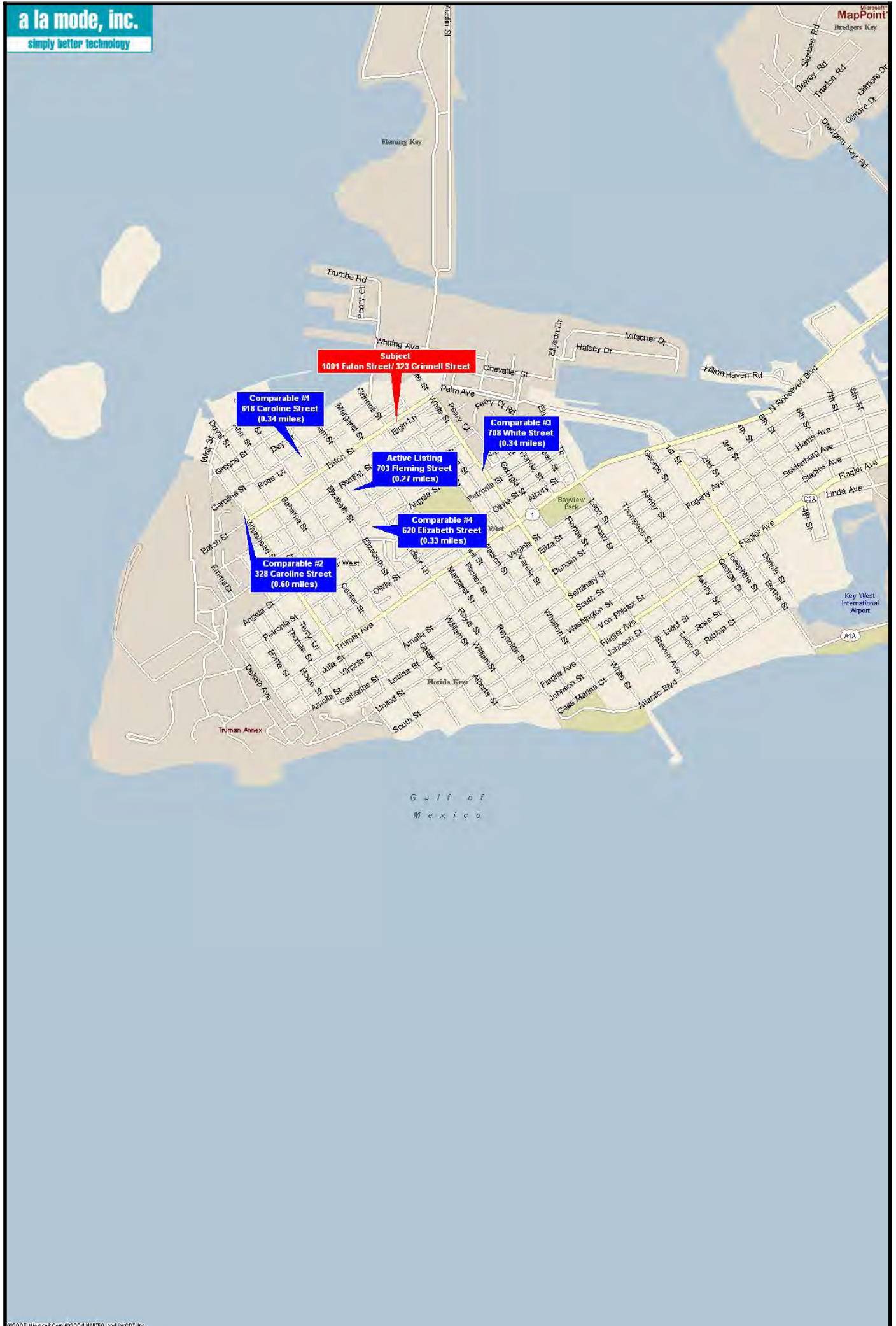
Borrower/Client Hicks, Thomas			
Property Address 1001 Eaton Street/ 323 Grinnell Street			
City Key West	County Monroe	State FL	Zip Code 33040-6951
Lender N/A			





## Location Map

Borrower/Client Hicks, Thomas			
Property Address 1001 Eaton Street/ 323 Grinnell Street			
City Key West	County Monroe	State FL	Zip Code 33040-6951
Lender N/A			

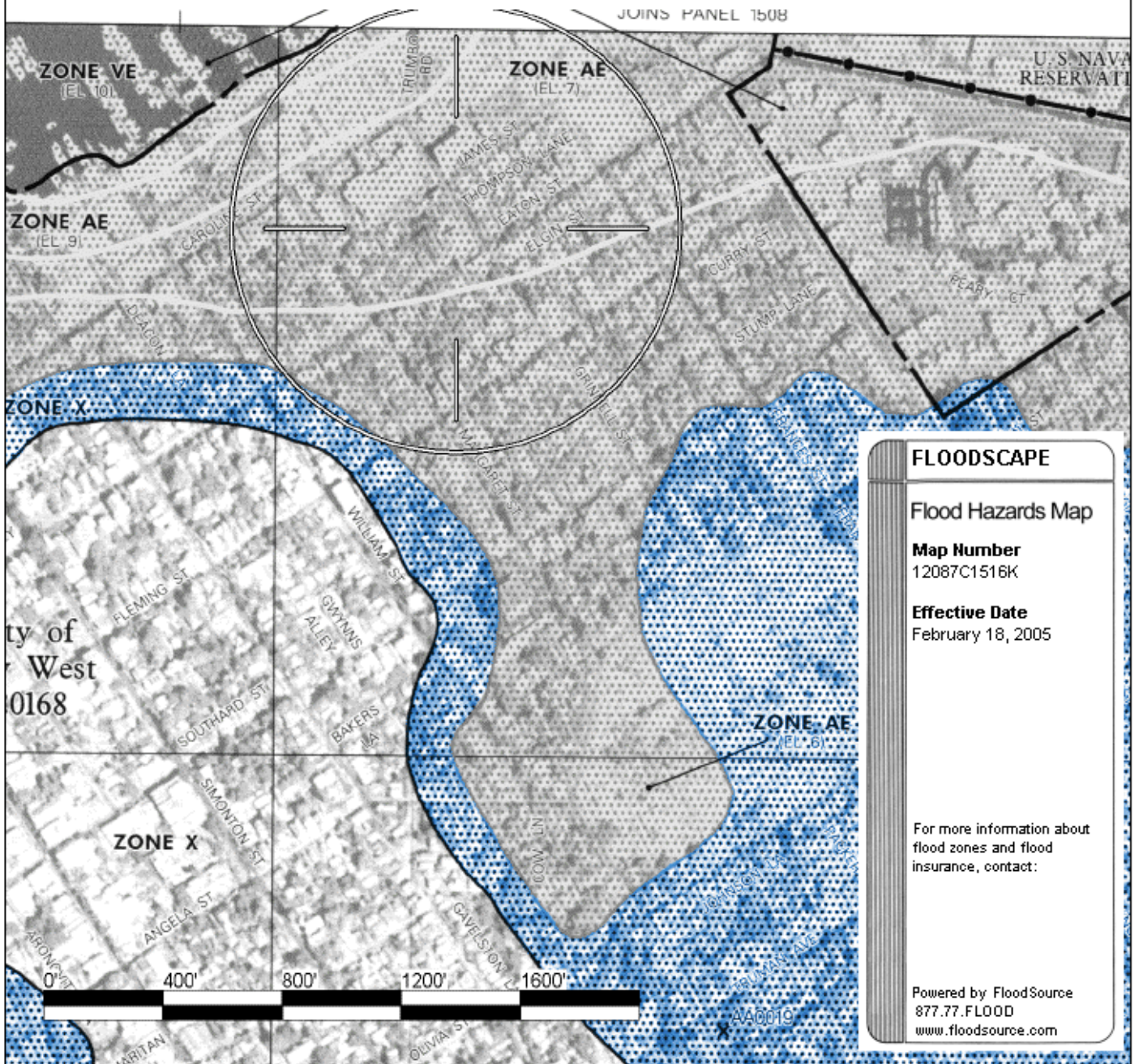


# Flood Map

Borrower/Client Hicks, Thomas			
Property Address 1001 Eaton Street/ 323 Grinnell Street			
City Key West	County Monroe	State FL	Zip Code 33040-6951
Lender N/A			



**Prepared for:**  
 All Keys Appraisal Company  
 1001 Eaton Street  
 Key West, FL 33040



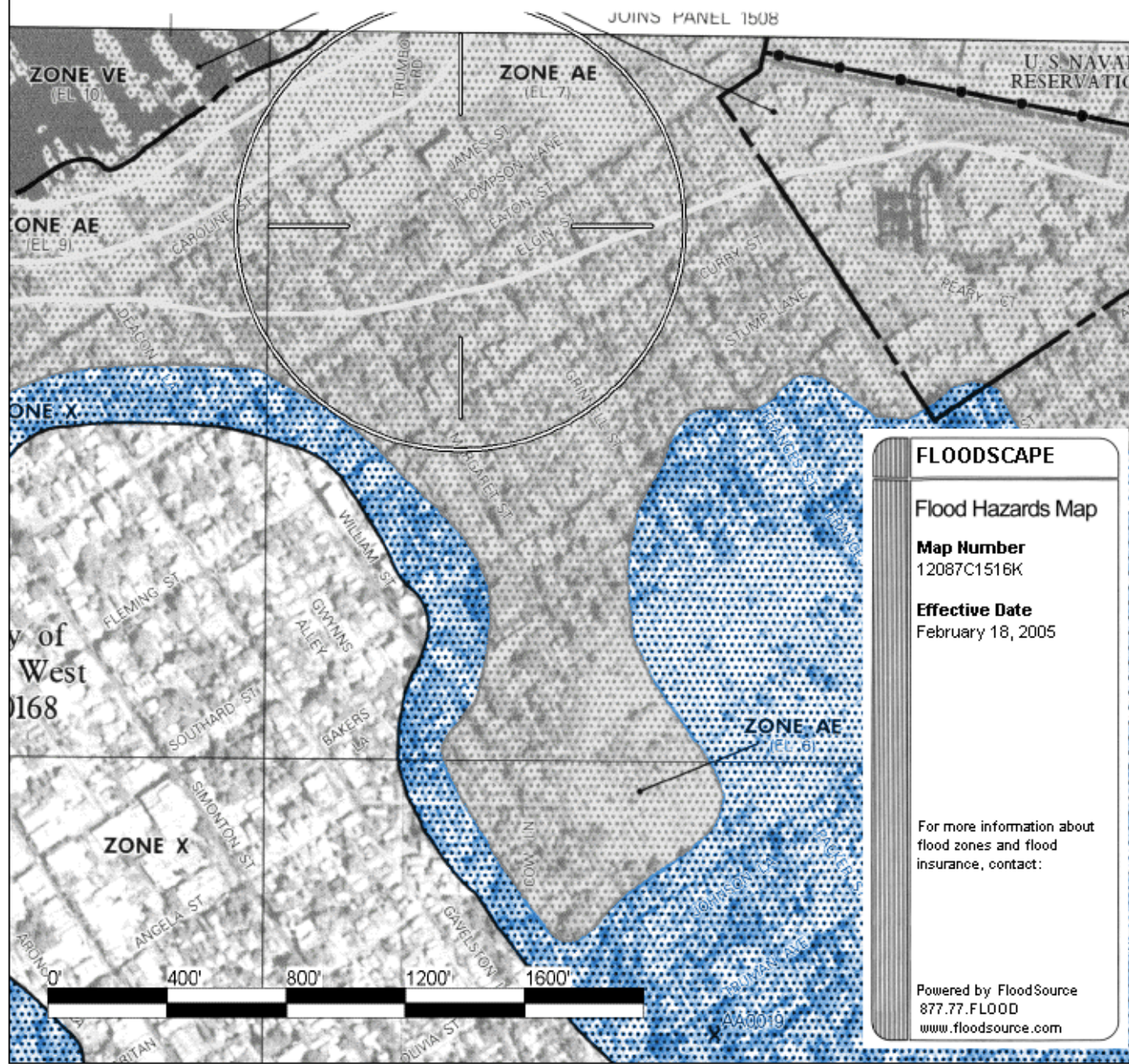
© 1999-2005 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For Info: info@floodsource.com.

### Flood Map

Borrower/Client Hicks, Thomas			
Property Address 1001 Eaton Street/ 323 Grinnell Street			
City Key West	County Monroe	State FL	Zip Code 33040-6951
Lender Thomas Hicks			



**Prepared for:**  
 All Keys Appraisal Company  
 323 Grinnell Street  
 Key West, FL 33040-6924



**FLOODSCAPE**  
 Flood Hazards Map  
**Map Number**  
 12087C1516K  
**Effective Date**  
 February 18, 2005

For more information about flood zones and flood insurance, contact:

Powered by FloodSource  
 877.77.FLOOD  
 www.floodsource.com

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