

PROFESSIONAL APPRAISAL COMPANY

Sample Property

Anytown, USA

Jason Thomas, Senior Appraiser



10



PROFESSIONAL

APPRAISAL

COMPANY

December 07, 2010

Property Administrators
306 Your Street
Hilton Head Island, SC 29928

Re: Your Property

Dear Mr. Jones,

At your request, an appraisal update was made on **"Your Property"** located on Hilton Head Island, South Carolina. The enclosed appraisal on Your Property consists of 32 buildings and pool facility at this location. This update was completed in our office with inspection using approved appraisal procedures.

The purpose of this appraisal is to provide an estimate of value for Replacement Costs, Insurable Replacement Cost, and Depreciated Replacement costs of the buildings. This will assist you in determining the proper amount of insurance coverage only. The term "insurance appraisal" used throughout this report is an insurance industry terminology and is not to be confused with market value appraisal nor should it be used in determining market value or in providing property valuations for loans, or any other purposes. Therefore, the term appraiser, as used throughout this report, is understood to be considered construction valuation consultants only, and provide the estimated insurable value of the improvements of a property and not market value of the property.

We have completed this update without inspection of the buildings and have given consideration to:

- Presumption that the buildings would be reproduced as a complete unit at one time.
- Current labor and material cost for the respective area.
- Observed physical condition of the buildings.
- New construction and equipment pricing information since the previous appraisal

Items not included in the value appraisal are contents, landscaping, exterior lighting, streets and signs.

The values would apply as of December 2010 for the buildings being appraised:

Reproduction Cost	\$16,840,077
Insurable Reproduction Cost	\$16,144,695
Depreciated Repo. Cost	\$13,506,624

Our appraisal report consists of:

1. This letter, which summarizes the results of our investigation.
2. A statement of Assumptions and Limiting Conditions.
3. Building costs estimates

This appraisal is based upon construction cost formulas derived from the analysis of actual construction costs and using local labor rates, material prices, and contractors' overhead and profit.

No consideration has been given to labor bonuses, material premiums, additional costs to conform property replaced to buildings codes, ordinances, or other legal restrictions, or the cost of demolition in connection with reconstruction or the removal of destroyed property. The value of the land and site improvements has not been included. No values to comply with new laws and ordinances on Hilton Head Island, SC are included in this appraisal report.

No responsibility is assumed for legal matters, questions of survey, opinions of title, soil or sub-soil conditions, engineering or other technical matters.

The authors of this report shall not be required to give testimony or appear in court or at any administrative proceeding relating to this appraisal, unless this appraisal is, by agreement, made in anticipation of litigation.

Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication, in whole or in part, nor may it be used for any purpose other than the recipient, without the written consent and approval of this firm.

Respectfully submitted,

Jason Thomas
President
Professional Appraisal Company

JT/tlt

2010
 YOUR PROPERTY
 HILTON HEAD ISLAND, SC
 Recapitulation of Values

BUILDING	REPRODUCTION COST		TOTAL REPRODUCTION COST		EXCLUSIONS	INSURABLE REPRODUCTION COST		DEPRECIATION	DEPRECIATED RC
	REPRODUCTION COST	ADDITIONS	REPRODUCTION COST	EXCLUSIONS		REPRODUCTION COST	RC		
BUILDING 1	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 2	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 3	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 4	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 5	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 6	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 11	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 8	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 9	640,931	63,097	704,028	27,120	676,908	141,005	563,023		
BUILDING 10	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 11	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 12	640,931	63,097	704,028	27,120	676,908	141,005	563,023		
BUILDING 13	640,931	63,097	704,028	27,120	676,908	141,005	563,023		
BUILDING 14	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 15	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 16	640,931	63,097	704,028	27,120	676,908	141,005	563,023		
BUILDING 17	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 18	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 19	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 20	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 21	640,931	63,097	704,028	27,120	676,908	141,005	563,023		
BUILDING 22	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 23	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 24	640,931	63,097	704,028	27,120	676,908	141,005	563,023		
BUILDING 25	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 26	640,931	63,097	704,028	27,120	676,908	141,005	563,023		
BUILDING 27	640,931	63,097	704,028	27,120	676,908	141,005	563,023		
BUILDING 28	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 29	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 30	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 31	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
BUILDING 32	408,421	46,519	454,940	19,442	435,498	89,853	365,087		
POOL AND CLUBHOUSE	222,507	66,786	289,293	11,814	277,479	48,952	240,341		
TOTALS	15,152,059	1,688,018	16,840,077	695,382	16,144,695	3,333,453	13,506,624		

Commercial Building Valuation Report

Inspector Express
Jason Thomas, Certified Marshall & Swift Appraiser

Policy: 1410-SAMPLE

12/07/2010

INSURED	SAMPLE PROPERTY	Effective Date: 12/02/2010
	PROPERTY ADMINISTRATORS	Expiration Date:
	306 YOUR STREET	Cost as of: 09/2010
	HILTON HEAD ISLAND, SC 29928	

BUILDING 1	SAMPLE A & B UNITS
	20 SAMPLE STREET
	HILTON HEAD ISLAND, SC 29928

SECTION 1

Superstructure

Occupancy:	100% Condominium	Story Height:	9 ft.
Construction Type:	100% Frame	Number of Stories:	3
Gross Floor Area:	3,475 sq.ft.	Gross Perimeter:	232 ft.
Construction Quality:	2		

Adjustments

Depreciation:	22%
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SUMMARY OF COSTS

	Reconstruction	Exclusion
SUPERSTRUCTURE		
Site Preparation		218
Foundations	5,575	5,277
Foundation Walls, Interior Foundations, Slab On Ground		
Exterior	100,855	
Framing, Exterior Wall, Structural Floor, Roof		
Interior	94,671	
Floor Finish, Ceiling Finish, Partitions		
Mechanicals	178,263	13,947
Heating, Cooling, Fire Protection, Plumbing, Electrical, Elevators		
Built-ins	29,055	

SUBSTRUCTURE

SUBTOTAL RC	\$408,421	\$19,442
Depreciated Cost (78%)	\$318,568	\$15,165
ADDITIONS		
Building Items	41,566	
Site Improvements	4,953	
Total Additions	\$46,519	
TOTAL RC SECTION 1	\$454,940	\$19,442
TOTAL ACV	\$365,087	\$15,165

TOTAL RC BUILDING 1	SAMPLE PROPERTY	\$454,940	\$19,442
TOTAL ACV		\$365,087	\$15,165

BUILDING 2 **SAMPLE PROPERTY C-UNITS**
2 SAMPLE STREET
HILTON HEAD ISLAND, SC 29928

SECTION 1

Superstructure

Occupancy:	100% Condominium	Story Height:	9 ft.
Construction Type:	100% Frame	Number of Stories:	2
Gross Floor Area:	5,784 sq.ft.	Gross Perimeter:	338 ft.
Construction Quality:	2		

Adjustments

Depreciation: 22%

SUMMARY OF COSTS

	Reconstruction	Exclusion
SUPERSTRUCTURE		
Site Preparation		545
Foundations	13,918	11,699
Foundation Walls, Interior Foundations, Slab On Ground		
Exterior	182,395	
Framing, Exterior Wall, Structural Floor, Roof		
Interior	160,684	
Floor Finish, Ceiling Finish, Partitions		
Mechanicals	235,573	14,876
Heating, Cooling, Fire Protection, Plumbing, Electrical, Elevators		

Built-ins

48,361

SUBSTRUCTURE

SUBTOTAL RC	\$640,931	\$27,120
Depreciated Cost (78%)	\$499,926	\$21,153
ADDITIONS		
Building Items	55,180	
Site Improvements	7,917	
Total Additions	\$63,097	
TOTAL RC SECTION 1	\$704,028	\$27,120
TOTAL ACV	\$563,023	\$21,153

TOTAL RC BUILDING 2	SAMPLE PROPERTY C-UNITS	\$704,028	\$27,120
TOTAL ACV		\$563,023	\$21,153

	Reconstruction	\$/sq.ft.	Depreciated	\$/sq.ft.
VALUATION GRAND TOTAL	\$1,158,967	9,259	\$125.00	\$928,110

Prepared for Professional Appraisal Company
MS/B costs include labor and material, normal profit and overhead as of date of report. Costs represent general estimates which are not to be considered a detailed quantity survey. These costs include generalities and assumptions that are common to the types of structures represented in the software.

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Commercial Additions Valuation Report

Inspector Express

Policy: 1410-STANDREWS

12/07/2010

INSURED	SAMPLE PROPERTY	Effective Date: 12/02/2010
	PROPERTY ADMINISTRATOR	Expiration Date:
	306 YOUR STREET	Cost as of: 09/2010
	HILTON HEAD ISLAND, SC 29928	

AGENT / AGENCY Professional Appraisal Company

EQUIPMENT, BUILDING ITEM, AND SITE IMPROVEMENTS

Building 1, Section 1

Building Items

Balconies

Balconies	9,494
EXTERIOR STAIRS	6,336
FRENCH DOORS	25,736

Site Improvements

Paving

Concrete	4,953
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Building 2, Section 1

Building Items

Balconies

Balconies	18,988
EXTERIOR STAIRS	6,336
FRENCH DOORS	29,856

Site Improvements

Paving

Concrete	7,917
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TOTAL:	\$109,615
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MS/B costs include labor and material, normal profit and overhead as of date of report. Costs represent general estimates which are not to be considered a detailed quantity survey. These costs include generalities and assumptions that are common to the types of structures represented in the software.

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