Jolicoeur Appraisal
Experience & Technology
Telephone 561-732-6067 jeff@jolicoeurappraisal.com
www.jolicoeurappraisal.com

August 19, 2023

Peppertree East Condominium, Inc.
C/o Bella Vita Property Management
P.O. Box 120096
Melbourne, Florida 32912
Attention: Shelley G. Houghtby

Ms. Houghtby:

In accordance with your request and our agreement, I have completed an *Insurance Appraisal* on the following property:

Peppertree East Condominium, Inc.
201 & 203 Sixth Avenue
Melbourne Beach, Florida 32951

Intended Use / Objective:

To provide an estimate of the *"Reconstruction Cost"* of the buildings and other improvements to assist the client in determining adequate property insurance coverage (*"Reconstruction Cost"*) in compliance with The 2022 Florida Statutes (including 2022 Special Session A and 2023 Special Session B) Chapter 718 Condominiums Section 718.111 (11).

Scope of services performed:

1 Physical inspection of the property as of August 15, 2023 *(Valuation / Effective Date).*
2 *"Reconstruction Cost"* cost analysis of the buildings and improvements
3 *"Reconstruction Cost"* cost analysis (Flood Valuation) of the buildings.
4 *Actual Cash Value (Depreciated)* cost analysis of the buildings.
5 Provide square footages of buildings and improvements as requested.
6 Provide representative photographs of buildings and improvements.
7 Provide representative building and improvement drawings.
8 Provide location maps and other exhibits as requested.

I, Jeffery C. Jolicoeur, certify that I have at least three years in the field of commercial property inspections, commercial risk assessment, and commercial property replacement cost evaluation.

Jeffery C Jolicoeur
2023.08.19 10:07:20 -04'00'

Jeffery C. Jolicoeur

Summary Of Values - Existing Reconstruction Cost

Building Count	Building Identification	Year Built	Units	Finished Floor Area	Enclosed Building Floor Area (GFA)	2nd Floor Deck Area	GFA & Additional Areas	Total Above Ground Existing	Total ACV Values
1	201 Sixth Avenue	1979	6	8,251	8,251	510	8,761	$ 1,144,600	$ 700,200
2	203 Sixth Avenue	1979	6	8,251	8,251	744	8,995	1,144,600	700,200
3	201 Detached Parking Garage	1979	0	1,886	1,886	0	1,886	122,800	75,500
4	203 Detached Parking Garage	1979	0	1,886	1,886	0	1,886	122,800	75,500
Totals			**12**					**$ 2,534,800**	**$ 1,551,400**

Item Count	Other Improvements	
1	*Trash Enclosure*	$ 6,000
2	*Perimeter Wood Fencing*	7,000
3	*Identification Sign*	3,000
4	*Area Lighting (Poles & Fixtures)*	5,000
Total Other Improvements		**$ 21,000**

Grand Totals	**$ 2,555,800**

Building Construction Information - Details

Detailed description of the building construction components and materials of the exterior and bearing walls wall supports, floor decking and supports, roof supports, decking and coverings are provided in each of the 360Value® "System Generated Worksheets" for each building or building type on the following pages.

Replacement Cost Estimate

Prepared by: Jeffery C Jolicoeur (jeff@jolicoeurappraisal.com)
Valuation ID: ER8NT8G.1

Owner Information

Name: **PEPPERTREE EAST CONDOMINIUM, INC.**
Street: **201 6TH AVE**
City, State ZIP: **MELBOURNE BEACH, FL 32951**
Country: USA
Policy #: **2306-001**
Seismic Zone: 0

Date Entered: 08/19/2023
Date Calculated: 08/19/2023
Created By: Jeffery C Jolicoeur (jeff@jolicoeurappraisal.com)
User: Jeffery C Jolicoeur (jeff@jolicoeurappraisal.com)

Property Information

Name: **BUILDINGS 201 & 203**
Street: **201 6TH AVE**
City, State ZIP: **MELBOURNE BEACH, FL 32951**
Country: USA

Structure Information

General Information:

Total Square Footage: 8,251
Property Slope: None (0 - 15 degrees)
Site Access: Average - No Unusual Constraints

Cost per Sq. Ft.: $138.72

Primary Building: - Exterior Shell Only

Year Built: **1979**
Number of Stories: **2**
Average Story Height: **9**
Number of Units: **6**
Interior Finish Items Included: Bath Hardware, Interior Doors and Moldings, Interior Partition Walls, Exterior Doors and Windows, Plumbing Rough-In, Plumbing Finish, Electrical Rough-In, Heating / Cooling System

Above Grade Supporting Wall: **31% Conventional Wood, 69% Masonry - Concrete Block (CMU)**
Foundation Shape: **L Shape**
Foundation Type: **100% Concrete Slab with Footings**
Construction Class: **2 - Joisted Masonry**

Primary Use: **Florida Condo**
Square Footage: **8251**

Subtotal: $887,828.49
Quality: Standard

Unit Details

Unit Size: 6 Two Bedroom
Bathrooms: **6 Half Bath, 12 Full Bath**

Kitchens: 6 Medium - (11'x10')

Structural Options

Primary Building: **Florida Condo**

Foundation Material: 100% Concrete
Window Density: **10 - 20%**
Roof Structure: **100% Wood Frame**
Floor System: **100% Wood Framing**

Exterior Wall Finish: **100% Stucco - Traditional Hard Coat**
Roof Type: **Gable**
Roof Material: **100% Composition - Architectural**
Interior Partition Walls: **100% Drywall over Steel Studs**

Features

Primary Building: **Florida Condo**

Heating and Air Conditioning: **100% Individual Residential Type Furnaces w/AC Units**

Exterior Balconies

The Number of Similar Balconies: **6**
Balcony Size: **Extra Large**

Balcony Material: **Treated Pine**
Balcony Railing: **Treated Pine**

Balcony Features (for all balconies)

Percent Covered: 0%

Percent Enclosed: 0%

Estimated Cost Breakdown

Foundation: $85,916.10
Heating/AC: $49,084.71
Plumbing: $87,092.80
Structure: $194,694.27
Architect Fees and Permits: $122,612.58
Overhead and Profit: $104,032.26
General Conditions: $48,204.48
Interior Finish: $198,433.61
Roofing: $26,430.56
Windows: $40,229.79
Other Fees and Taxes: $30,168.32

Estimated Cost Breakdown for Additional Features

Exterior Balconies: $16,903.55

Estimated Replacement Cost

Calculated Value: **$1,144,600.00**

Actual Cash Value

Structure ACV: **$700,200.00**

Florida Condo: Age: 44, Condition: Average

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This Report is not intended to: (i) serve as the sole source of information, but rather one of several sources, for estimating replacement costs and not guaranteed to represent actual replacement costs; (ii) serve as a statement as to the existence or condition of the structure or property; and (iii) serve as market value appraisals or an assessment of market conditions. This Report has not been adapted to or conformed to any mortgage-lending or real estate-industry regulations, standards or purposes and, without limitation, may not be used or distributed for any real estate-related purpose, including distribution to a mortgage lending institution or use for purposes of a real estate closing. Residential property prefill powered by SmartSource®. The Verisk Logo, 360Value® and SmartSource are registered trademarks of Insurance Services Office, Inc.

The following were excluded from this calculated value: Interior Footings, Site Preparation, Plumbing Underground, Pilings

23.7.15 PL:FLMEXV_AUG23

Replacement Cost Estimate

Prepared by: Jeffery C Jolicoeur (jeff@jolicoeurappraisal.com)
Valuation ID: ER8NT8G.1

Owner Information

Name: **PEPPERTREE EAST CONDOMINIUM, INC.**
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City, State ZIP: **MELBOURNE BEACH, FL 32951**
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Policy #: **2306-001**
Seismic Zone: 0

Date Entered: 08/19/2023
Date Calculated: 08/19/2023
Created By: Jeffery C Jolicoeur (jeff@jolicoeurappraisal.com)
User: Jeffery C Jolicoeur (jeff@jolicoeurappraisal.com)

Property Information

Name: **PARKING GARAGES 201 & 203**
Street: **201 6TH AVE**
City, State ZIP: **MELBOURNE BEACH, FL 32951**
Country: USA

Structure Information

General Information:

Total Square Footage: 1,886
Property Slope: None (0 - 15 degrees)
Site Access: Average - No Unusual Constraints

Cost per Sq. Ft.: $65.11

Primary Building:

Year Built: **1979**
Number of Stories: **1**
Average Story Height: **8**
Construction Class: **2 - Joisted Masonry**

Above Grade Supporting Wall: **100% Masonry - Concrete Block (CMU)**
Foundation Shape: **Simple Rectangle**
Foundation Type: **100% Concrete Slab with Footings**

Primary Use: **Parking - Residential Type Garage**
Square Footage: **1886**

Subtotal: $114,216.48
Quality: Standard

Structural Options

Primary Building: **Parking - Residential Type Garage**

Exterior Wall Finish: **100% Stucco - Traditional Hard Coat**
Roof Structure: **100% Wood Frame**
Interior Partition Walls: **100% Fire Taped Drywall over Wood Framing**

Roof Type: **Gable**
Roof Material: **100% Composition - Architectural**

Features

Primary Building: **Parking - Residential Type Garage**

Heating and Air Conditioning: **100% None - This Area Is Not Heated or Cooled**
Entry Doors: **4 Sectional Overhead Door - Large**

Windows (total number): **4 Windows - Aluminum**

Estimated Cost Breakdown

Electrical: $3,657.85
Foundation: $19,537.87
Lighting: $1,992.41
Structure: $38,897.35
Other Fees and Taxes: $3,810.58

Exterior Finish: $19,282.23
Interior Finish: $7,163.26
Roofing: $13,977.59
Architect Fees and Permits: $4,797.09
Overhead and Profit: $0.00

Estimated Cost Breakdown for Additional Features

Overhead Doors: $8,588.49

Windows: $1,119.45

Estimated Replacement Cost

Calculated Value: **$122,800.00**

8/19/2023

Actual Cash Value

Structure ACV: **$75,500.00**

Parking - Residential Type Garage: Age: 44, Condition: Average

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The following were excluded from this calculated value: Interior Footings, Site Preparation, Plumbing Underground, Pilings

23.7.15 PL:FLMEXV_AUG23

Summary Of Values - Flood Hazard Reconstruction Cost

Building Count	Building Identification	Year Built	Units	Finished Floor Area	Enclosed Building Floor Area (GFA)	2nd Floor Deck Area	GFA & Additional Areas	Total Flood Values	Total ACV Flood Values
1	201 Sixth Avenue	1979	6	8,251	8,251	510	8,761	$ 1,325,800	$ 811,400
2	203 Sixth Avenue	1979	6	8,251	8,251	744	8,995	1,325,800	811,400
3	201 Detached Parking Garage	1979	0	1,886	1,886	0	1,886	127,900	78,600
4	203 Detached Parking Garage	1979	0	1,886	1,886	0	1,886	127,900	78,600
Totals			**12**					**$ 2,907,400**	**$ 1,780,000**

Item Count	Other Improvements	
1	*Trash Enclosure*	$ 6,000
2	*Perimeter Wood Fencing*	7,000
3	*Identification Sign*	3,000
4	*Area Lighting (Poles & Fixtures)*	5,000
Total Other Improvements		**$ 21,000**

Grand Totals	**$ 2,928,400**

Building Construction Information - Details

Detailed description of the building construction components and materials of the exterior and bearing walls wall supports, floor decking and supports, roof supports, decking and coverings are provided in each of the 360Value® "System Generated Worksheets" for each building or building type on the following pages.

Replacement Cost Estimate

Prepared by: Jeffery C Jolicoeur (jeff@jolicoeurappraisal.com)
Valuation ID: ER8NT8G.1

Owner Information

Name: **PEPPERTREE EAST CONDOMINIUM, INC.**
Street: **201 6TH AVE**
City, State ZIP: **MELBOURNE BEACH, FL 32951**
Country: USA
Policy #: **2306-001**
Seismic Zone: 0

Date Entered: 08/19/2023
Date Calculated: 08/19/2023
Created By: Jeffery C Jolicoeur (jeff@jolicoeurappraisal.com)
User: Jeffery C Jolicoeur (jeff@jolicoeurappraisal.com)

Property Information

Name: **BUILDINGS 201 & 203**
Street: **201 6TH AVE**
City, State ZIP: **MELBOURNE BEACH, FL 32951**
Country: USA

Structure Information

General Information:
Total Square Footage: 8,251
Property Slope: None (0 - 15 degrees)
Site Access: Average - No Unusual Constraints

Cost per Sq. Ft.: $160.68

Primary Building:
Year Built: **1979**
Number of Stories: **2**
Average Story Height: **9**
Number of Units: **6**

Above Grade Supporting Wall: **31% Conventional Wood, 69% Masonry - Concrete Block (CMU)**
Foundation Shape: **L Shape**
Foundation Type: **100% Concrete Slab with Footings**
Construction Class: **2 - Joisted Masonry**

Primary Use: **Florida Condo**
Square Footage: **8251**

Subtotal: $1,067,452.11
Quality: Standard

Unit Details
Unit Size: 6 Two Bedroom
Bathrooms: **6 Half Bath, 12 Full Bath**

Kitchens: 6 Medium - (11'x10')

Structural Options

Primary Building: **Florida Condo**
Foundation Material: 100% Concrete
Window Density: **10 - 20%**
Roof Structure: **100% Wood Frame**
Floor System: **100% Wood Framing**

Exterior Wall Finish: **100% Stucco - Traditional Hard Coat**
Roof Type: **Gable**
Roof Material: **100% Composition - Architectural**
Interior Partition Walls: **100% Drywall over Steel Studs**

Features

Primary Building: **Florida Condo**
Heating and Air Conditioning: **100% Individual Residential Type Furnaces w/AC Units**

Exterior Balconies
The Number of Similar Balconies: **6**
Balcony Size: **Extra Large**
Balcony Features (for all balconies)
Percent Covered: 0%

Balcony Material: **Treated Pine**
Balcony Railing: **Treated Pine**

Percent Enclosed: 0%

Estimated Cost Breakdown

Appliances: $17,203.31
Exterior Finish: $88,621.88
Foundation: $85,916.10

Electrical: $60,201.95
Floor Covering: $36,534.62
General Conditions: $48,204.48

Interior Footings: $7,729.36
Plumbing: $87,787.04
Roofing: $26,430.56
Structure: $194,694.27
Architect Fees and Permits: $138,578.44
Overhead and Profit: $80,897.58
Lighting: $8,384.97
Plumbing - Underground: $7,780.61
Site Preparation: $8,998.77
Windows: $40,229.79
Other Fees and Taxes: $38,825.39

Estimated Cost Breakdown for Additional Features

Exterior Balconies: $16,903.55

Estimated Replacement Cost

Calculated Value: **$1,325,800.00**

Actual Cash Value

Structure ACV: **$811,400.00**

Florida Condo: Age: 44, Condition: Average

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23.7.15 PL:FLMEXV_AUG23

Replacement Cost Estimate

Prepared by: Jeffery C Jolicoeur (jeff@jolicoeurappraisal.com)
Valuation ID: ER8NT8G.1

Owner Information

Name: **PEPPERTREE EAST CONDOMINIUM, INC.**
Street: **201 6TH AVE**
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Country: USA
Policy #: **2306-001**
Seismic Zone: 0

Date Entered: 08/19/2023
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Created By: Jeffery C Jolicoeur (jeff@jolicoeurappraisal.com)
User: Jeffery C Jolicoeur (jeff@jolicoeurappraisal.com)

Property Information

Name: **PARKING GARAGES 201 & 203**
Street: **201 6TH AVE**
City, State ZIP: **MELBOURNE BEACH, FL 32951**
Country: USA

Structure Information

General Information:
Total Square Footage: 1,886
Property Slope: None (0 - 15 degrees)
Site Access: Average - No Unusual Constraints

Cost per Sq. Ft.: $67.82

Primary Building:
Year Built: **1979**
Number of Stories: **1**
Average Story Height: **8**
Construction Class: **2 - Joisted Masonry**

Above Grade Supporting Wall: **100% Masonry - Concrete Block (CMU)**
Foundation Shape: **Simple Rectangle**
Foundation Type: **100% Concrete Slab with Footings**

Primary Use: **Parking - Residential Type Garage**
Square Footage: **1886**

Subtotal: $118,967.39
Quality: Standard

Structural Options

Primary Building: **Parking - Residential Type Garage**
Exterior Wall Finish: **100% Stucco - Traditional Hard Coat**
Roof Structure: **100% Wood Frame**
Interior Partition Walls: **100% Fire Taped Drywall over Wood Framing**

Roof Type: **Gable**
Roof Material: **100% Composition - Architectural**

Features

Primary Building: **Parking - Residential Type Garage**
Heating and Air Conditioning: **100% None - This Area Is Not Heated or Cooled**
Entry Doors: **4 Sectional Overhead Door - Large**

Windows (total number): **4 Windows - Aluminum**

Estimated Cost Breakdown

Electrical: $3,657.85
Foundation: $19,537.87
Lighting: $1,992.41
Site Preparation: $4,750.90
Architect Fees and Permits: $4,996.63
Overhead and Profit: $0.00

Exterior Finish: $19,282.23
Interior Finish: $7,163.26
Roofing: $13,977.59
Structure: $38,897.35
Other Fees and Taxes: $3,941.21

Estimated Cost Breakdown for Additional Features

Overhead Doors: $8,588.49

Windows: $1,119.45

Estimated Replacement Cost

Calculated Value: **$127,900.00**

Actual Cash Value

Structure ACV: **$78,600.00**

Parking - Residential Type Garage: Age: 44, Condition: Average

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23.7.15 PL:FLMEXV_AUG23

8/19/2023

Summary of Construction Features
Buildings Apartments

Floor Structure (Base)	Reinforced concrete slab on ground, vapor barrier over granular base layer.
Structure	Reinforced concrete (CBS) with concrete tie beams.
Floor Structure (Upper Floors)	Wood joist, wood deck.
Exterior Enclosure	(69%) Reinforced concrete units (CBS) all 1st floor and 2nd floor end walls. (31%) Conventional wood frame 2nd floor front and rear walls only. (CBS) firewalls between units.
Roof Structure	Wood truss, wood deck.
Fire / Sprinkler System	No sprinkler system.
Additional Systems	Mounted fire extinguishers.
Wind and Storm Protection	None.

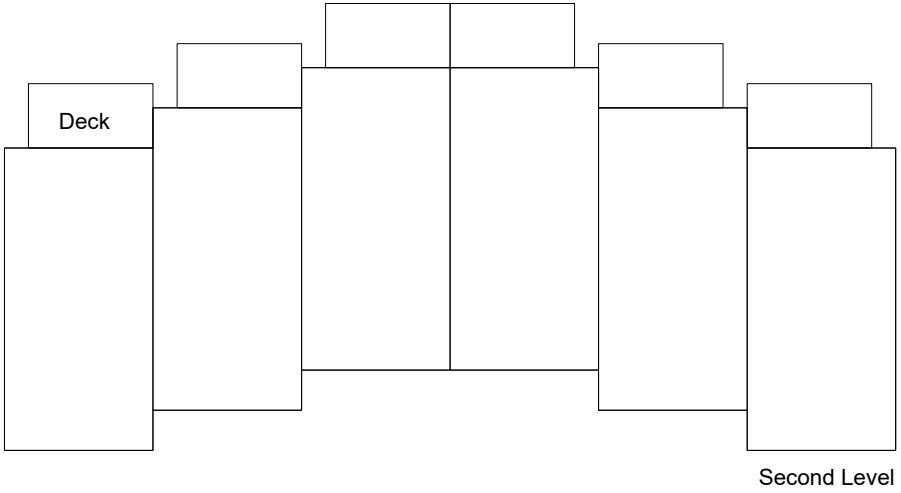
Summary of Construction Features
Buildings Parking Garage

Floor Structure (Base)	Reinforced concrete slab on ground, vapor barrier over granular base layer.
Structure	Reinforced concrete (CBS) with concrete tie beams.
Floor Structure (Upper Floors)	None.
Exterior Enclosure	Reinforced concrete units (CBS).
Roof Structure	Wood truss, wood deck.
Fire / Sprinkler System	No sprinkler system.
Additional Systems	Mounted fire extinguishers.
Wind and Storm Protection	None.

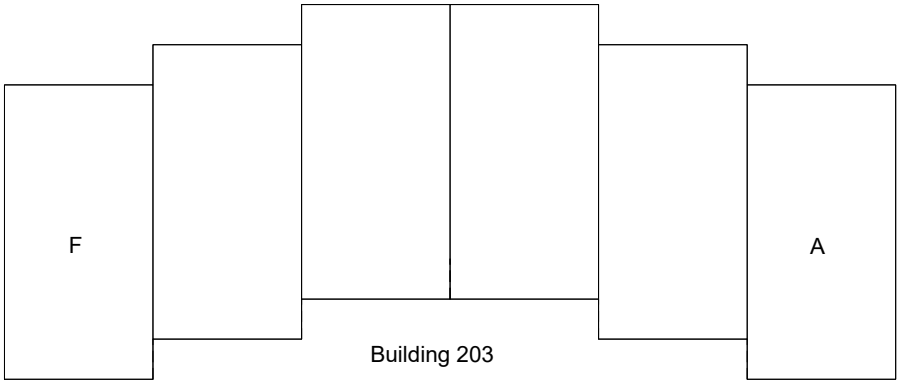
Summary of Construction Features
Other Improvements

Trash Enclosure	Reinforced concrete slab on ground, wood enclosure walls, wood gate.
Fencing	Wood fencing along Southern perimeter.
Area Lighting and Identification Sign	Coach type lighting on poles, composite identification sign.

Building Drawings

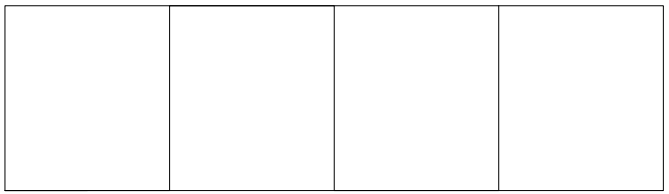


Second Level

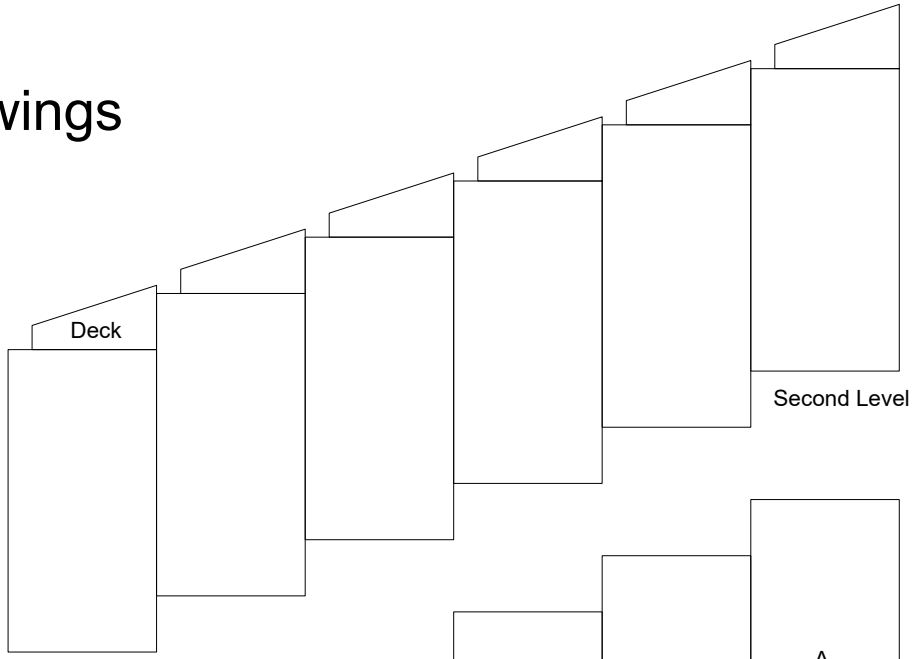


Building 203

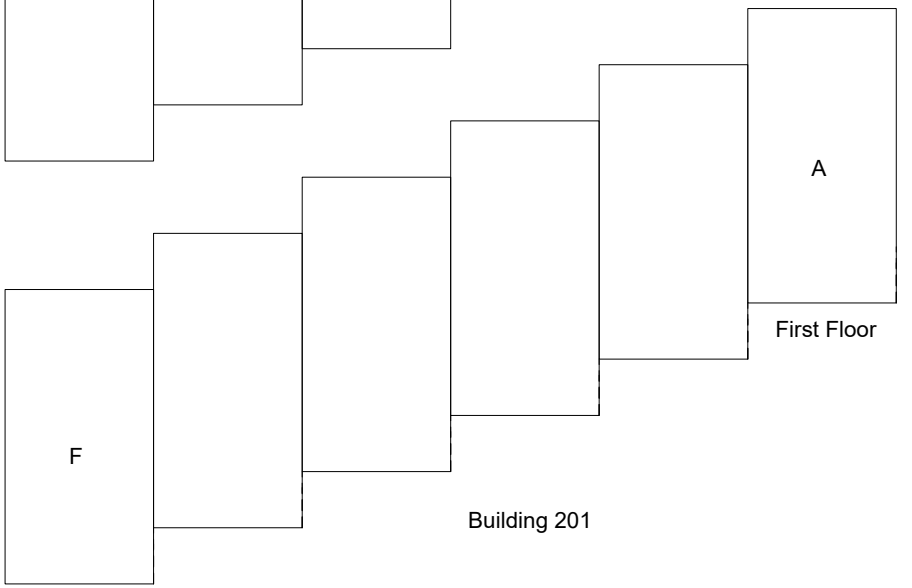
First Floor



Parking Garage

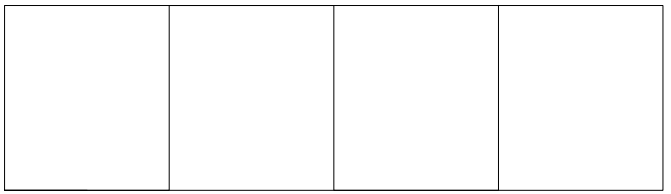


Second Level



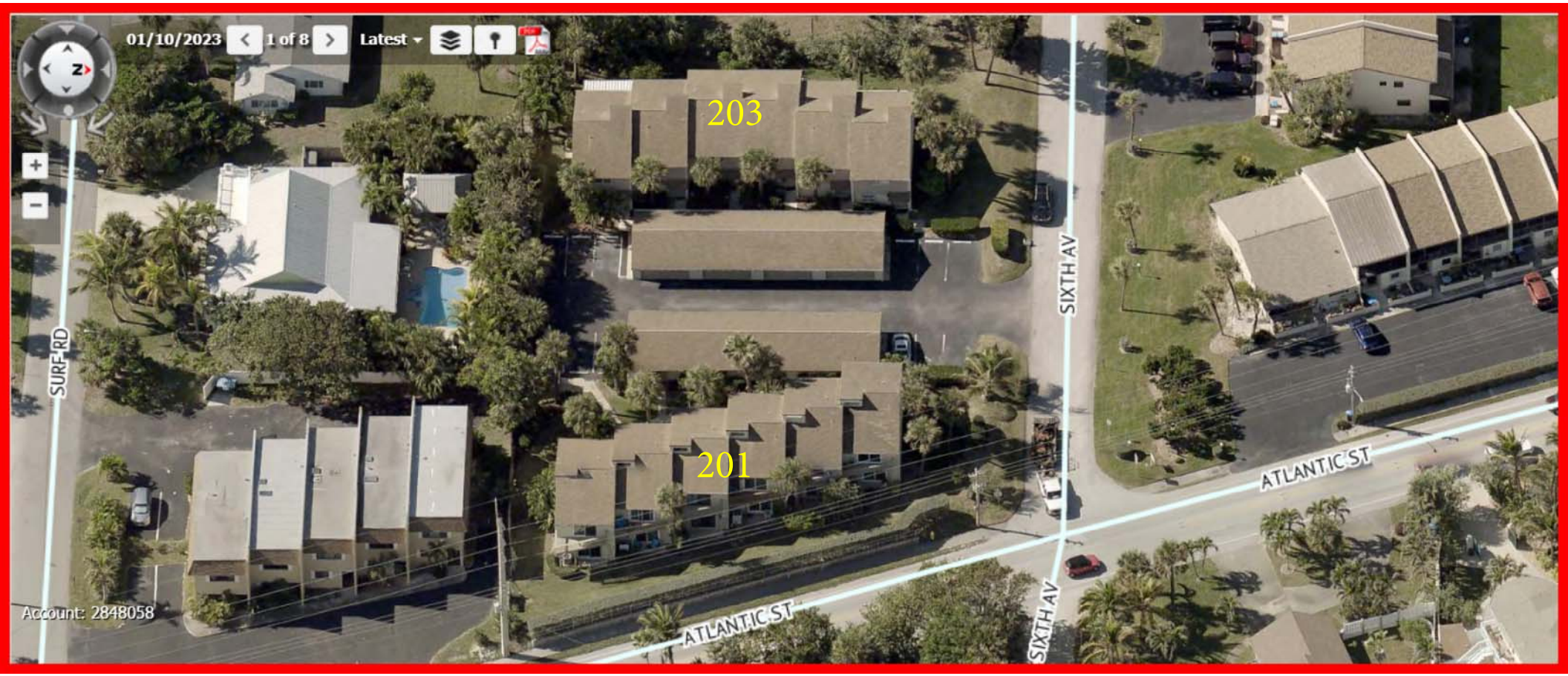
First Floor

Building 201



Parking Garage

Aerial Site View



Photographs

Representative Building Front View

Building Rear View

Photographs

Representative Parking Garage Building Front View

Building Rear View

360Value® System Generated Worksheets

A detailed description of the building construction components and materials of the exterior and bearing walls, wall supports, floor decking and supports roof supports, decking and coverings are provided in each of the 360Value "System Generated Worksheets" for each building or building type on the preceding pages.

Occupancy Codes

The following occupancy codes have been used to generate the valuation in the 360Value software and are considered the most accurate selection available based on the definitions in the software.

Florida Condo

The Florida Condo use type includes: all exterior construction of the structure and bath hardware, interior doors and moldings, interior partition walls, exterior doors and windows, plumbing rough-in, plumbing finish, electrical rough-in, and heating / cooling systems.

Excludes: Appliances / kitchen equipment, cabinets / countertops, floor coverings, electrical finishes, and fireplaces.

Exterior Balconies

A platform that projects from the exterior and is enclosed by railing or wall.

Parking - Residential Type Garage

The Parking - Residential Type Garage use type includes: Common garage areas that are typically connected in a single row. Appropriate amounts of lighting, ceiling, and wall finish.

Excludes: Any portable equipment, furniture, etc.

Structure: Construction Class
Construction Class is used to help determine how much damage the structure could sustain if exposed to a fire. Properly identifying the construction class can help rate the risk more accurately. Selecting a Construction Class allows 360Value to load common defaults associated with each construction class. When the Construction Class is entered, 360Value updates the corresponding default answers used in the valuation.

360Value includes six Construction Class options for commercial structures:

Frame
Buildings with exterior walls, floors, and roofs of combustible construction, or buildings with exterior walls of noncombustible or slow-burning construction with combustible floors and roofs. Frame buildings generally have roof, floor, and supports of combustible material, usually wood, and combustible interior walls. If more than 1/3 of the total wall area is of combustible materials, the applicable Construction Type is Frame.

Joisted Masonry
Buildings with exterior walls of masonry or fire-resistive construction rated for not less than one hour and with combustible floors and roofs. There are several types of masonry used in the exterior bearing walls of joisted masonry buildings:

Brick
Concrete
Hollow concrete masonry units
Tile
Stone

Noncombustible
Buildings with exterior walls, floors, and roofs of noncombustible or slow-burning materials
Building supports of noncombustible or slow-burning materials. Noncombustible or slow-burning roof decks on noncombustible or slow-burning supports - regardless of the type of insulation on the roof surface.

Masonry Noncombustible
Buildings with exterior walls of masonry - not less than four inches thick, or
Buildings with exterior walls of fire-resistive construction - with a rating of not less than one hour, and
Noncombustible or slow-burning floors and roofs - regardless of the type of insulation on the roof surface.

Modified Fire Resistive
Brick. Buildings with exterior walls, floors, and roofs of masonry materials described in the definition of fire resistive - less thick than required for fire-resistive structures but not less than four inches thick, or
Fire-resistive materials with a fire-resistance rating less than two hours but not less than one hour.
The exterior bearing walls and load-bearing portions of exterior walls must be of noncombustible materials or of masonry, but exterior nonbearing walls and wall panels may be slow-burning, combustible, or with no fire-resistance rating.

Fire Resistive
Brick. Solid masonry, including reinforced concrete not less than four inches thick
Hollow masonry not less than 12 inches thick
Hollow masonry less than 12 inches thick, but not less than eight inches thick with a fire-resistance rating of not less than a two-hour fire-resistance rating. The exterior bearing walls and load-bearing portions of exterior walls must be of noncombustible materials or of masonry, but exterior nonbearing walls and wall panels may be slow burning, combustible, or with no fire-resistance rating.

360Value® System

360Value® produces a detailed estimate of the cost to completely rebuild a structure using information related to the location, site/lot conditions, structure size, construction type, and features. 360Value is a true component-based estimating system. Rather than using the square foot pricing model used by other software providers, 360Value uses the data input by the user to create a stick-by-stick and brick-by-brick estimate to rebuild the home or structure. Costs compiled to create the 360Value estimate are provided by building cost databases published by Xactware. Xactware has been providing building cost data to the property claims industry since 1986. Insurance carrier clients using that data today are responsible for one of every two property claims in the USA and two property claims in the USA and Canada. It is also used by more than 80% of insurance repair contractors/service providers who use a computerized estimating system. Simply put, in the USA and Canada, Xactware's pricing data is used more often than all of its competitors' data combined.

Reconstruction Pricing

One of the most common mistakes made when analyzing a properties reconstruction cost, is to compare the reconstruction price to new construction prices for similar properties in the same area. 360Value uses "reconstruction pricing" as opposed to "new construction" pricing for its cost basis.

Reconstruction, or re-building a property after it has been destroyed, has some distinct differences from that of new construction. The largest differences relate to labor productivity—how long it takes a skilled tradesperson to perform a task. This varies particularly for those trades involved in the early stages of a construction project (such as foundation, framing, etc.) or for any trade that requires heavy equipment. This is true even when the property destroyed was relatively new. In general, there are three areas that cover most differences between new construction and reconstruction.

Accessibility

If you look at a newly built properties verses a property built 2-3 years ago, you may note some distinct differences. You may see differences in landscaping, driveways, walkways, fences, or other neighboring structures that were not present at the time the property was originally built. When reconstructing a property after it has been destroyed, additional care must be taken to prevent (or minimize) damage to the surrounding properties. This may include the temporary removal of fencing, trees, shrubs, or the use of additional equipment such as cranes and pump trucks, which may not have been needed during the initial construction. Additionally, labor productivity decreases as workers must walk around fences and other obstacles; adjust work schedules to minimize homeowner or neighborhood disruption; go outdoors to prep or cut materials; and protect undamaged areas, surfaces, and amenities. This results in added costs related to additional tasks, and a generally slower work environment for many trades (as more care is taken not to cause additional damage). These added costs account for some differences between new construction pricing and reconstruction pricing.

Customer Service

Reconstruction, by nature, involves working with homeowners who have just incurred a tremendous (and sometimes tragic) loss. Contractors who specialize in reconstruction understand this and realize the need to provide an additional level of service not normally found in the new construction environment.

This includes hiring individuals who have not only the construction skills needed, but also the “people skills”. Additional training is often provided and required. It is also not uncommon for contractors who specialize in reconstruction to have a larger full time staff to work the job from start to finish (e.g., Project Manager or Supervisor). The result is a higher labor cost due to higher wages being paid and loss of productivity. These higher labor costs also contribute to the difference between new construction pricing and reconstruction pricing. Economies of Scale Large production contractors specializing in new construction tend to have multiple jobs running at one time. Contractors who run multiple jobs concurrently realize significant discounts from material suppliers and from sub-contractors that they keep busy for long periods of time. (In other words, a plumber will provide a better price per home when they know they will be plumbing 30 homes for you this year.) Economies of scale and the cost savings associated with them are often seen in new construction, but not necessarily in a reconstruction environment.

Summary

The net result is that each of the differences listed above can have a significant impact on the cost to “rebuild” verses the cost to “build new”. The actual impact varies based on the specific property, existing improvements to the site, and any additional labor costs (from loss of productivity, additional staffing, or increased wages) needed to rebuild the structure. Xactware’s research shows that on average, an additional +5 to +10% in accessibility and customer service labor costs are incurred in a reconstruction environment. These costs, along with additional costs for differences in economies of scale for new construction, are addressed in the reconstruction pricing published by Xactware and used in 360Value. As such, prices estimated by 360Value are slightly higher than prices quoted for a similar property in a new construction environment.

Building Codes

360Value uses IBC (International Building Code) and UBC (Uniform Building Code) levels for replacement costs. There are many local municipalities that vary, or rather adopt, the UBC or IBC at different levels. Adoptions of, or variances from the codes are very small and are typically related to things such as stair riser height, stair width, the need for self-closing hinges on doors entering the garage, etc. These variances would not make a significant difference when calculating replacement cost for the structure.

The cost of specific items addresses issues such as wind related building codes in Florida and some other Southeastern states as well as seismic issues along the West Coast. These types of codes involve nailing patterns, number of nails, strapping, the use of sealing cement on shingles, etc.

General

Construction after a loss may call for added costs before replacement or repairs can be made. This may include complete or partial demolition, gutting and/or debris removal to make the site clear and safe for reconstruction. This may vary by location, type of catastrophe, type of construction and the extent of the loss. A building burnt to the ground by fire may require only simple debris removal, while a partial storm damage loss could require a more complex gutting, cleanup and removal.

After a loss or demolition, while the excavation and foundations may still exist, the necessity for repair and modification usually discourage re-use. Also, after a few years, the neighborhood value or character has changed sufficiently or building styles or codes may have changed, so that reuse is seldom attempted; when foundations or floor slabs are used again, expenditures must be made for rehabilitation and modification.

Mechanical piping below ground is in much the same category, with little salvage value in connection with reuse.

Plans, specifications and engineering are seldom repeated on the same site, since buildings are not usually rebuilt in the same way after loss. Also, ownership of the plans often remains with the architect, so that another use, together with necessary modifications, would call for a further fee. In the case of older buildings, plans and specifications may have been misplaced or lost. Architects' fees for supervision pay for necessary functions which may be performed by a builders' control organization or by a resident engineer or supervisor employed by the owner, but they are a necessary cost of building and must be considered in replacing a structure. Contractors' profit and overhead are included in all costs in this manual and can never be excluded. They are as definitely a part of the construction cost as the cost of any other labor.

Condominium Association Appraisal Inclusions and Exclusions:

The estimated values set forth in this report are based on The 2022 Florida Statutes (including 2022 Special Session A and 2023 Special Session B) Chapter 718 Condominiums Section 718.111 (11).

(11) INSURANCE.—In order to protect the safety, health, and welfare of the people of the State of Florida and to ensure consistency in the provision of insurance coverage to condominiums and their unit owners, this subsection applies to every residential condominium in the state, regardless of the date of its declaration of condominium. It is the intent of the Legislature to encourage lower or stable insurance premiums for associations described in this subsection.

(a) Adequate property insurance, regardless of any requirement in the declaration of condominium for coverage by the association for full insurable value, replacement cost, or similar coverage, must be based on the replacement cost of the property to be insured as determined by an independent insurance appraisal or update of a prior appraisal. The replacement cost must be determined at least once every 36 months.

(f) Every property insurance policy issued or renewed on or after January 1, 2009, for the purpose of protecting the condominium must provide primary coverage for:

1. All portions of the condominium property as originally installed or replacement of like kind and quality, in accordance with the original plans and specifications. (**)
2. All alterations or additions made to the condominium property or association property pursuant to s. 718.113(2).
3. The coverage must exclude all personal property within the unit or limited common elements, and floor, wall, and ceiling coverings, electrical fixtures, appliances, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of the unit and serve only such unit. Such property and any insurance thereupon is the responsibility of the unit owner.

(**) The quality of items will be such as was initially installed or replacements thereof of like kind and quality and in accordance with the original plan and specifications, condominium documents or, if the original plans and specifications are not available, as they existed at the time the unit was initially conveyed.

Definitions:

The term *"Insurance Appraisal"* as used in this report, is a terminology and is not to be confused with a market value appraisal, nor should it be used in determining market value or in providing property valuation for loans or any other purpose.

Limiting Conditions:

Reconstruction Pricing

This appraisal is based on 360Value software which uses *reconstruction* pricing as opposed to *new construction* pricing for its cost basis.

Costs are based on replacing the building in its entirety as of the date of the estimate. All costs include contractor's overhead and profit.

Construction materials, systems, sizes and/or dimensions are based on blueprints and or drawings from condominium documents, provided, together with a physical inspection of the improvements. An extraordinary assumption is made, that provided blueprints and or drawings from condominium documents, are true and correct and if found to be false could alter the appraiser's opinions or conclusions.

Information, estimates, data and opinions expressed in this report are derived from sources that are considered reliable and are believed to be accurate, true and correct. The inspector, estimator and writer of this report accept no responsibility for the accuracy of such items that were developed by other parties.

Certification - 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 analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analysis, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to 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.

I have made a personal inspection of the property that is the subject of this report.

No one provided significant appraisal assistance to the person signing this appraisal.

Citizens Property Insurance Corporation

Minimum Requirements for Non-licensed Commercial Residential Inspections / Valuations Certification

Name of the firm or key personnel completing the inspection/valuation:
Jeffery C. Jolicoeur
Jolicoeur Appraisal, Inc.

I, , Jeffery C. Jolicoeur certify that I, or the entity listed above, have/has at least three years' experience in the field of commercial property inspections, commercial risk assessment, and commercial property replacement cost evaluation.

Position: President

Qualifications of Appraiser & Appraisal Firm

Jeffery C. Jolicoeur

Real Estate Appraiser Since 1987

Specializing in Commercial Insurance Valuations Since 1996

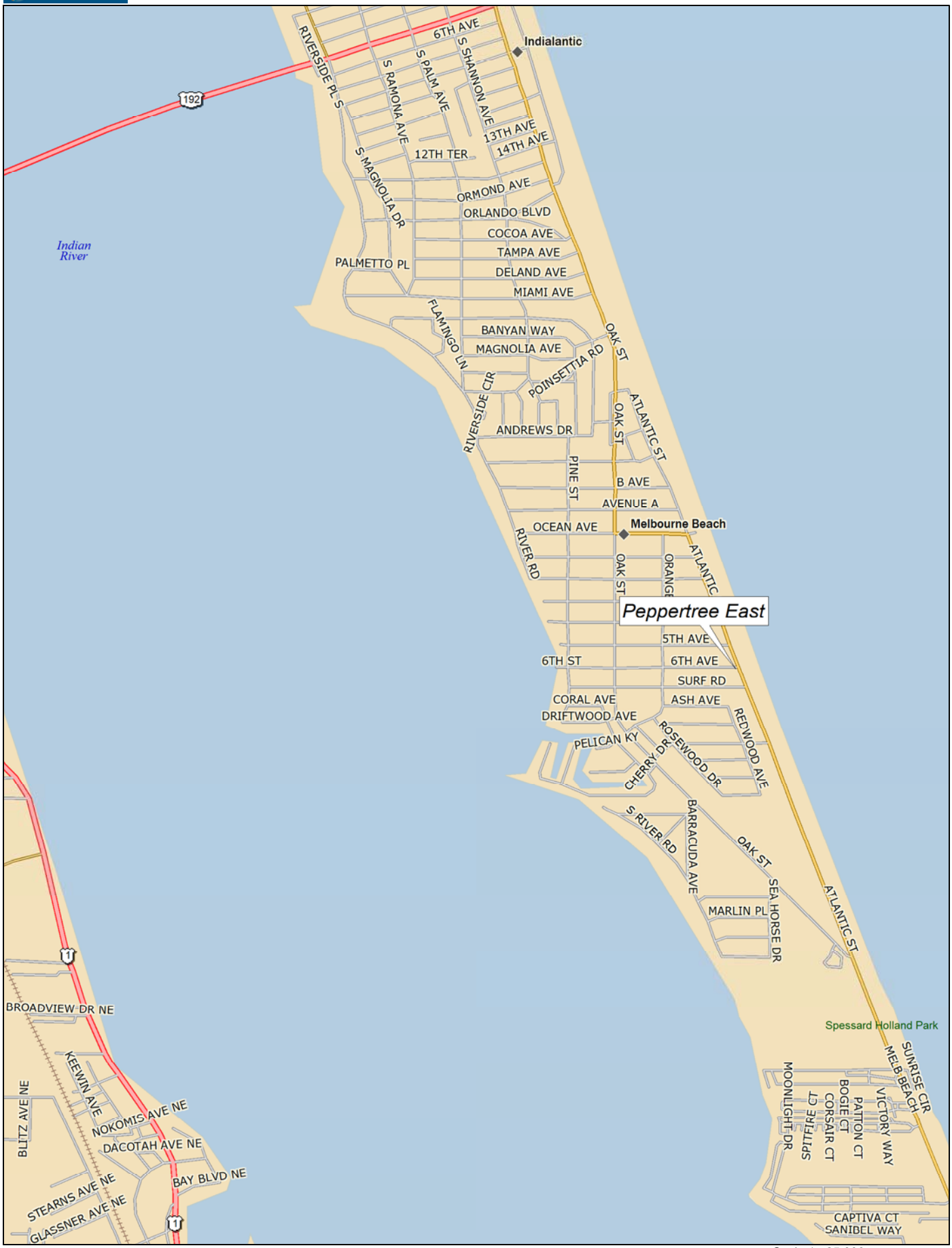
Licensed Certified Florida Appraiser (*Required only for Financial Institutions*) From 1991 to 2012 (*Retired*)

Certified Marshall & Swift Appraiser Since 2005

Jolicoeur Appraisal, Inc.

Jeffery C. Jolicoeur – *Owner, Appraiser & Consultant*

Founded in 2005



TN
MN (7.0°W)

Scale 1 : 25,000
1" = 2,083.3 ft
Data Zoom 13-0