

TOWNSEND APPRAISALS, INC.

365 Fifth Avenue South, Suite 201

Naples, Florida 34102

Tel: (239) 435-1008 Fax: (239) 435-1790

email: appraisals@townsendappraisalsinc.com

July 29, 2024

Via email: sherri@nextgcm.com

Board of Directors
Marsh Landing Townhouse II
Condominium Association
c/o Ms. Sherri Gray, CAM
NextGen Community Management
P.O. Box 265
Estero, FL 33929

Dear Board of Directors,

Please find attached our Insurance Appraisal Agreement for:

**Marsh Landing Townhouse II
Estero, FL**

Our appraisal will include an on-site inspection of the property, the measurement of all improvements not included on the building plans, photographs of all improvements for reference by the appraiser, client and insurance underwriter and the collection of all pertinent data needed to prepare an Insurance Appraisal in conformance with Florida Law and underwriting procedures.

The source of the replacement cost data for our appraisals will be either Marshall & Swift/CoreLogic Valuation Service or the CoreLogic Commercial Express Automated Valuation Program, depending upon the requirements of the insurance underwriter. All costs are adjusted monthly to reflect changes in national and local markets.

As State-Certified Real Estate Appraisers, we are subject to the regulations and standards of the Florida Real Estate Appraisal Board and the Uniform Standards of Professional Appraisal Practice and our appraisal will be presented in a form that conforms to all state and federal guidelines.

If the Agreement meets your requirements, please return a signed copy by email, mail, or fax.

Sincerely,



Rick Logan
President
Townsend Appraisals, Inc.

**TOWNSEND APPRAISALS
INSURANCE APPRAISAL AGREEMENT**

Property: Marsh Landing Townhouse II
Estero, FL

Service: Provide an Appraisal for use in establishing **Hazard and Flood** insurance coverage. Our appraisals are based on original "as-built" configurations determined from historical data from previous appraisal reports, building plans and/or field observations and do not include owner-added upgrades and additions.

Delivery: The current estimate for delivery is **ten to twelve weeks** from the time we receive your signed and dated Agreement back in our office. Appraisals are done in the order they are received.

Included: **Buildings included: three multifamily residential buildings (one type).** No other buildings or improvements are included. With standard delivery, the report is sent electronically in pdf format at no charge.

Updates: We recommended the Update Program to provide an annual review of the insurance values. The suggested cycle for the program is a six (6) year period. The initial inspection and valuation of the property is considered year one, then for the following five years we provide you with an appraisal which updates all the replacement costs to current costs. **See #7 of the Conditions of Agreement for the fees associated with cancelling the update program before the final update.**

Agreement: This Agreement is valid 60 days.

Fee: (✓ one) \$1,165.00 Standard Fee
 \$ 200.00 Prior Client Discount

Option #1 ☐ \$ 965.00 **For 2024 Insurance Appraisal Only**

or

Option #2 ☐ \$ 280.00 Additional Discount for Update program
 \$ 685.00 **For 2024 Insurance Appraisal & Five-Year Update Program @ \$320.00 per year**

or

Option #3 ☒ \$ 380.00 **Total of the Appraisal fee and fees for each of 5 updates of Option #2, divided into equal payments of \$380.00 per year, over six years, 2024-2029**

Additional Services:

☐ For a hard copy of the report add \$15.



Rick Logan
State Certified General
Real Estate Appraiser RZ 3121

July 29, 2024

Date

I have read and understand the Insurance Appraisal Agreement and agree to the Conditions of Agreement as outlined on the following page.

Danielle Schumacher, CAM
Representative Signature

Danielle Schumacher, CAM
Print Name & Title

August 6, 2024
Date

Fees: We believe our fees are very competitive, but you may receive bids that are lower than ours. Before you grant the contract on a "lowest bidder" basis, send us a copy of the lower bid and we will try to meet or beat it, especially if is a reasonable quote from another licensed appraiser.

**TOWNSEND APPRAISALS
INSURANCE APPRAISAL AGREEMENT**

CONDITIONS OF AGREEMENT

1. The Appraiser will use only the Cost Approach to Value for the Property Insurance Appraisal. The resulting Insurance Replacement Cost Value will be based on construction cost formulas derived from the analysis of actual construction costs, local labor rates, material prices, manufactured equipment, and contractor's overhead and profit. The appraised value will be based on the replacement of buildings as complete units as of the date of the appraisal. The appraisal will not use the Market or Income Approach to Value and will not include the value of the land.
2. The appraisal will be based on original "as-built" building configurations as determined from architectural plans and/or field observations and will not include owner-added upgrades and additions. It will not consider contents, personal property, trade fixtures, land value, non-insurable improvements, or other site improvements except those noted as included in the report.
3. **When estimating the Replacement Cost Value, Insurable Replacement Cost Value and/or Insurable Value Depreciated (Actual Cash Value) in this report, the Appraiser will not consider conformance with building codes, ordinances, and other legal restrictions since the subject was originally built. Additionally, the Appraiser will not consider the cost of demolition and removal of destroyed or affected property before reconstruction in the estimated values. Insurance coverage for changes in Law and Ordinance since the date of original construction is an insurance underwriting decision rather than a subject of appraisal.**
4. In the event complete construction/architectural plans (blueprints) are not available to the Appraiser, the Appraiser will make assumptions regarding unseen construction components based on historical data from similar buildings where architectural plans and/or visual access were available. In the event these assumptions were to be in error, the Appraiser reserves the right to modify the appraisal, including value conclusions.
5. The appraisal report will only cover the subject property. Neither the figures, unit values, nor any analysis will be considered as applicable to any other property, however similar such may be to the subject property.
6. After delivery of the appraisal report, inquiries regarding inclusion or exclusion of items covered in the report must be transmitted in writing to Townsend Appraisals, Inc. within 120 days of receipt of the appraisal. If no such inquiries are submitted within that time period, the complete appraisal and valuation set forth herein shall be deemed to have been acceptable (regarding inclusion or exclusion of items) to the client.
7. **A request for cancellation of the Update Program by the client must be submitted to Townsend Appraisals, Inc. in writing before a scheduled update is delivered by Townsend Appraisals, Inc. If the program is cancelled at any time before the final update, the client will be charged a fee for the difference between the Insurance Appraisal Only fee and the additional discount offered for accepting the Update Program. The cancellation fee will be based on how many updates the client received before their cancellation request was transmitted to Townsend Appraisals.**
8. The employment of the Appraiser to complete the appraisal report for the purpose stated therein, shall be terminated upon delivery of the report to the Client or his designated representative unless the Client and the Appraiser have agreed in writing that the Appraiser's services as a consultant or expert witness have been retained beyond the delivery dated of the report.
9. The Appraiser agrees to give testimony, appear in court, or attend any administrative proceeding related to the appraisal, provided a separate Agreement is made to include appropriate fees for this service.
10. The liability of Townsend Appraisals Inc., the Appraiser, or any employee of Townsend Appraisals, Inc. is limited to the fee collected from the Client for this appraisal report.
11. The value conclusions that will be presented in this report will be estimates based on the data available and the express opinions of the Appraiser.
12. The Insurance Replacement Cost Value and Flood Insurance Value will be calculated using either Marshall & Swift/Boeckh Valuation Service or the Marshall & Swift/Boeckh BVS Express Automated Valuation Program, depending upon the requirements of the insurance underwriter. If the underwriter is Citizens Property Insurance Corporation of Florida (Citizens) or Weston Insurance Company, the appraiser is required to use the automated valuation program and will have certain restrictions on the way the buildings are described which may affect the final value conclusions. Additionally, the basis of value will be Reconstruction Cost.
13. **The delivery of the appraisal report to the client by the appraiser does not obligate the Appraiser to explain any differences between their value conclusions and those of any other appraisal company, appraiser, insurance underwriter or evaluator obtained by the client before or after the effective date of our appraisal. At the Appraiser's discretion, he/she can attempt to determine if there are obvious differences in square footage that result in a difference in value. Comparing valuation results is difficult considering many valuations are calculated in automated valuation programs that use hidden formulas, algorithms and artificial intelligence to determine value.**

PRIMARY INFORMATION
FOR APPRAISAL REPORT

To complete your appraisal, we will need the following information as soon as possible, exactly as it is shown on your insurance policy.

- 1) **Name of insurance underwriter (Citizens, Westin, American Coastal):** Coastal Insurance Underwriters
- 2) **Name of Association/Insured on Policy:** Marsh Landing Townhouse II Condominium Association
- 3) **Management Company (if applicable):** NextGen Community Management
- 4) **Management Company Address:** P.O. Box 265, Estero, FL 33929
- 5) **Property Manager/Board Member Name:** Ms. Sherri Gray
- 6) **Board Member Title:** CAM
- 7) **Manager/Board Member Phone Number:** 239-372-2996
- 8) **Manager/Board Member Fax Number:**
- 9) **Manager/Board Member Email Address:** sherri@nextgcm.com
- 10) **Property Address:** 22942 Lone Oak Drive, Estero, FL 33928

PERMISSION TO TRANSMIT APPRAISAL

It is a requirement of Florida Statutes that we obtain written permission to release any information related to your appraisal to any third party. To enable us to speak to your insurance representative about your appraisal or send the copies of your appraisal, please sign below for release:

We hereby grant permission to Townsend Appraisals to release a copy of our appraisal report when requested by our insurance company.

Danielle Schumacher, CAM
Representative, Title

8/6/2024
Date

Insurance Company Name: Gulfshore Insurance

Agent/Representative: Norma Etienne

Telephone Number: 239-261-3646

Email: n.etienne@acrisure.com

Fax Number: _____

HAZARD AND FLOOD PROCEDURES

HAZARD (PROPERTY) INSURANCE

Hazard insurance value is shown in this report as Replacement Cost Value (RCV) and Insurable Replacement Cost Value (RCV minus applicable exclusions). Depreciation does not apply.

Florida Condominium Statutes Chapter 718.111 (11) determines Condominium Association Insurance procedures (see Addendum). Based on the Florida Condominium Statutes, components of the unit interiors are not included as hazard insurable items for Condominium Associations.

Typically, the appraiser applies the same exclusions to Homeowners Associations and Cooperatives unless the client instructs the appraiser differently, in writing, before the report is completed.

In accordance with Florida condominium law, the following items are not included in Replacement Cost Value:

- Floor Coverings
- Wall Coverings
- Ceiling Coverings
- Electrical Fixtures
- Appliances
- Water Heaters
- Water Filters
- Built-in Cabinets and Counter Tops
- Window Treatments including Hardware

Additionally, to comply with standard insurance underwriting procedures, the following components are not included in Insurance Replacement Cost Value:

- Piping Underground
- Foundation

FLOOD INSURANCE

The National Flood Insurance Program guidelines as described in the code for the Federal Emergency Management Agency (FEMA) determine what is included in the estimated values for Flood Insurance.

Flood Insurance Values for Condominium Association residential buildings are based on Replacement Cost Value (RCV). Values for non-residential buildings are based on Actual Cash Value (ACV), which is RCV minus depreciation.

As a result of the different procedures for calculating Hazard and Flood values, Flood Insurance Values for residential buildings will normally exceed the Hazard Value.

Estimated Flood Insurance Value includes the following:

- Floor Coverings
- Wall Coverings
- Ceiling Coverings
- Electrical Fixtures
- Appliances
- Concrete Slab
- Piping Underground
- Site Work
- Water Heaters
- Water Filters
- Built-in Cabinets and Counter Tops
- Window Treatments including Hardware
- Air-conditioning
- Foundation
- Excavation