

**COMPLETE APPRAISAL/SUMMARY REPORT**  
OF  
THE GOLF CLUB  
A PAR 71, 18 HOLE, CHAMPIONSHIP GOLF COURSE  
LOCATED AT  
4003 PALM TREE BOULEVARD  
CAPE CORAL, LEE COUNTY, FLORIDA  
FOR  
THE SCHOOL DISTRICT OF LEE COUNTY

DATE OF VALUATION: 29 APRIL 2005  
DATE OF REPORT: 5 MAY 2005



W. MICHAEL MAXWELL, MAI, SRA  
GERALD A. HENDRY, MAI



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5 May 2005

The School District of Lee County  
2055 Central Avenue  
Fort Myers, Florida 33901

Attention: Ms. Kathy Babcock  
Long Range Planner

Re: Appraisal of The Golf Club, an existing, 18 hole, Par 71 golf course located at  
4003 Palm Tree Boulevard, Cape Coral, Florida

Dear Ms. Babcock:

As you requested, an inspection and analysis have been made of the above property, which is described in the attached appraisal report. The purpose of this assignment is to estimate the "As Is" market value of the undivided fee simple interest in the land as if free and clear of all liens, mortgages, encumbrances, and/or encroachments except as amended in the body of this report. In this analysis, it has been determined that the highest and best use for the subject property is for redevelopment of the subject property into a residential development.

Market value for this purpose is understood to be 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. The full definition of market value can be found in the body of this report.

This appraisal has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP). As per USPAP, there are three report writing options. These options would include either a self-contained, summary, or restricted use report format. A summary report format has been requested and will be used for this appraisal report. This appraisal is considered to be a complete appraisal as per USPAP.

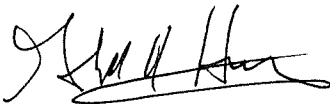
The function or intended use of this appraisal is understood to be for use as a basis of value for a possible acquisition of the subject property. The subject property was inspected on 29 April 2005 by Mr. Gerald A. Hendry, MAI. It should be noted, the inspection of the subject property was via an on-site inspection and via aerial maps.

The subject of this assignment consists of an 18 hole, Par 71, championship golf course known as The Golf Club. The property is located on the east side of Palm Tree Boulevard, west of Country Club Boulevard, and north of Cape Coral Parkway in Cape Coral, Florida. The property consists of a total of 175.174 acres and is currently zoned R-1A (Single Family Residential) with a future land use designation of Multi-Family and Parks and Recreation Facilities. The subject property is improved with an 18 hole, championship golf course with a two story, clubhouse/banquet area; an aqua driving range; as well as other maintenance areas, etc. Unless otherwise stated in this report, the existence of any hazardous materials on or in the subject property was not observed or known to the appraiser. Given the current use of the property, this appraisal is subject to an environmental audit. This appraisal assumes there are no negative environmental concerns located on the subject property, which would negatively impact the value of the subject property. As will be discussed in the highest and best use section of this report, the subject property, although a fully functioning golf course, has a highest and best use for redevelopment to a residential development. Therefore in this analysis, the property will be appraised at its highest and best use, which is for residential development. As such, comparable residential tracts of land were analyzed utilizing the Sales Comparison Approach to Value.

By reason of my investigation and analysis, data contained in this report, the Extraordinary Assumptions and Hypothetical Conditions contained herein, and my experience in the real estate appraisal business, it is my opinion the "As Is" market value of the subject property, as of 29 April 2005, is:

**THIRTY MILLION SIX HUNDRED FIFTY FIVE THOUSAND DOLLARS.....(\$30,655,000.00)**

Respectfully submitted,



Gerald A. Hendry, MAI  
State-Certified General Appraiser  
Certification 0002245



## EXECUTIVE SUMMARY

**OWNER OF RECORD:** Golf Club of SW Florida, LLC.

**LOCATION:** The subject property is located on the east side of Palm Tree Boulevard, west of Country Club Boulevard, and north of Cape Coral Parkway in Cape Coral, Florida. The property is located just north and west of the Downtown Redevelopment Area of Cape Coral. The property has an address of 4003 Palm Tree Boulevard, Cape Coral, Florida 33904. The STRAP or Tax Identification number for this property is 12-45-23-C2-00008.00000.

**LAND AREA:** 175.174 acres per a boundary and partial topographic survey completed by Stouten - Stevenot & Associates, Inc. on 30 March 2001.

**IMPROVEMENTS:** The subject property is improved with an 18 hole, championship golf course. This is a Par 71 course with a total yardage of 6,755 yards. The property also has a two story, clubhouse consisting of a total of 39,000 square feet of gross building area of which 24,490 square feet is under air as per the Lee County Property Appraiser records. In addition, there is also an aqua driving range, an adjacent parking lot, as well as maintenance facilities for the course.

**ZONING/LAND USE:** R-1A/Multi-Family and Parks and Recreation Facilities

**HIGHEST AND BEST USE AS THOUGH VACANT:** Residential Development

**HIGHEST AND BEST USE AS IMPROVED:** Redevelopment into a residential community

**ESTIMATE OF VALUE:** \$30,655,000

**DATE OF VALUATION:** 29 April 2005

**DATE OF REPORT:** 5 May 2005

**INTEREST APPRAISED:** Fee Simple

**APPRAISER:** Gerald A. Hendry, MAI

**EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS:** This appraisal is subject to the receipt of a protected species assessment, a wetlands jurisdictional determination, as well as a Geo Tech soil report. For purposes of this assignment, I am assuming there are no significant wetland areas on the

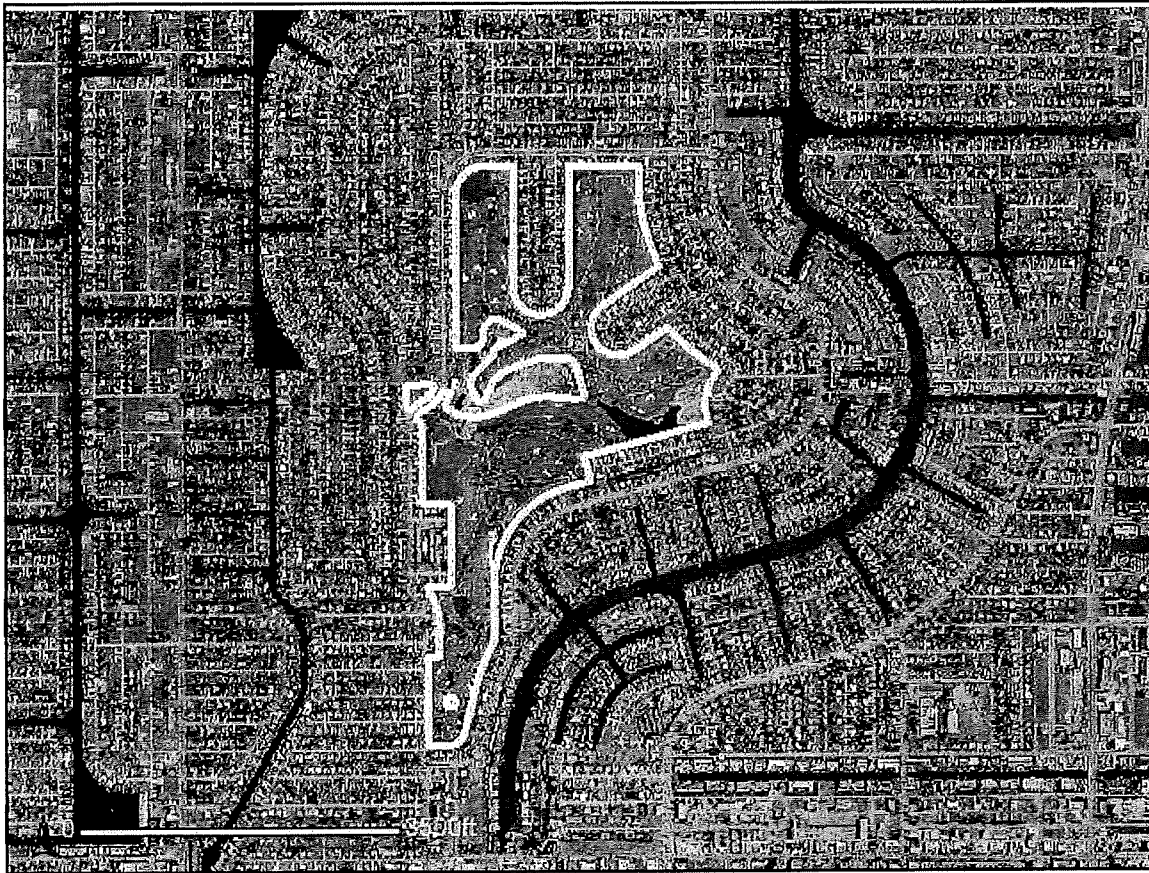
subject property. Should a wetlands jurisdictional determination indicate a different conclusion, this appraisal is subject to change. In addition, this appraisal is subject to a Phase I environmental audit or site assessment. It is an Extraordinary Assumption of this appraisal that there are no environmental contaminants on the subject property.

Furthermore, this appraisal is based on the Extraordinary Assumption that the subject property could be developed into a residential development given its R-1A zoning classification. In addition, this assumes there are no legal ramifications from surrounding property owners which would eliminate the potential for redeveloping this from a golf course community to a residential development. This appraisal is subject to a current survey.

## TABLE OF CONTENTS

<b>AERIAL PHOTOGRAPH</b> .....	1
<b>PHOTOGRAPHS</b> .....	2-7
<b>INTRODUCTION</b> .....	8
INTENDED USER .....	9
INTENDED USE .....	9
PURPOSE OF THE APPRAISAL .....	9
REPORT FORMAT .....	10
COMPETENCY PROVISION .....	10
INTEREST TO BE APPRAISED .....	10
IDENTIFICATION OF THE SUBJECT PROPERTY .....	11
OWNER OF RECORD/PURCHASE HISTORY .....	11
DATE OF VALUATION .....	12
DATE OF REPORT .....	12
SCOPE OF WORK .....	12
MARKETING TIME/EXPOSURE TIME .....	13
PARCEL LOCATION MAP .....	14
<b>REGIONAL AND LOCAL ANALYSIS</b> .....	15
SOUTHWEST FLORIDA/LEE COUNTY DATA .....	16
<b>MARKET AREA ANALYSIS</b> .....	26
MARKET AREA MAP .....	27
MARKET AREA ANALYSIS .....	28
<b>SITE DESCRIPTION AND ANALYSIS</b> .....	32
SITE LOCATION MAP #1 .....	33
SITE LOCATION MAP #2 (Land Use Map) .....	34
SITE LOCATION MAP #3 (Golf Course Schematic) .....	35
SITE DATA .....	36
<b>HIGHEST AND BEST USE</b> .....	38
<b>THE APPRAISAL PROCESS</b> .....	42
<b>THE SALES COMPARISON APPROACH TO VALUE</b> .....	44
THE SALES COMPARISON APPROACH TO VALUE .....	45
SITE VALUATION .....	46
COMPARABLE LAND SALES MAP .....	47
COMPARABLE LAND SALES 1 - 10 .....	48-61
ANALYSIS/DISCUSSION OF COMPARABLE LAND SALES .....	62
<b>RECONCILIATION OF VALUE ESTIMATES</b> .....	68
<b>CERTIFICATE OF APPRAISAL</b> .....	69
<b>ADDENDA</b> .....	71
LEGAL DESCRIPTION .....	72
R-1A ZONING CLASSIFICATION .....	76
INCOME/EXPENSE STATEMENT - THE GOLF CLUB .....	77
ENGAGEMENT LETTER .....	63
ASSUMPTIONS AND LIMITING CONDITIONS .....	78
QUALIFICATIONS OF GERALD A. HENDRY, MAI .....	81

AERIAL PHOTOGRAPH



**PHOTOGRAPHS**



E'LY VIEW OF ENTRANCE TO CLUBHOUSE

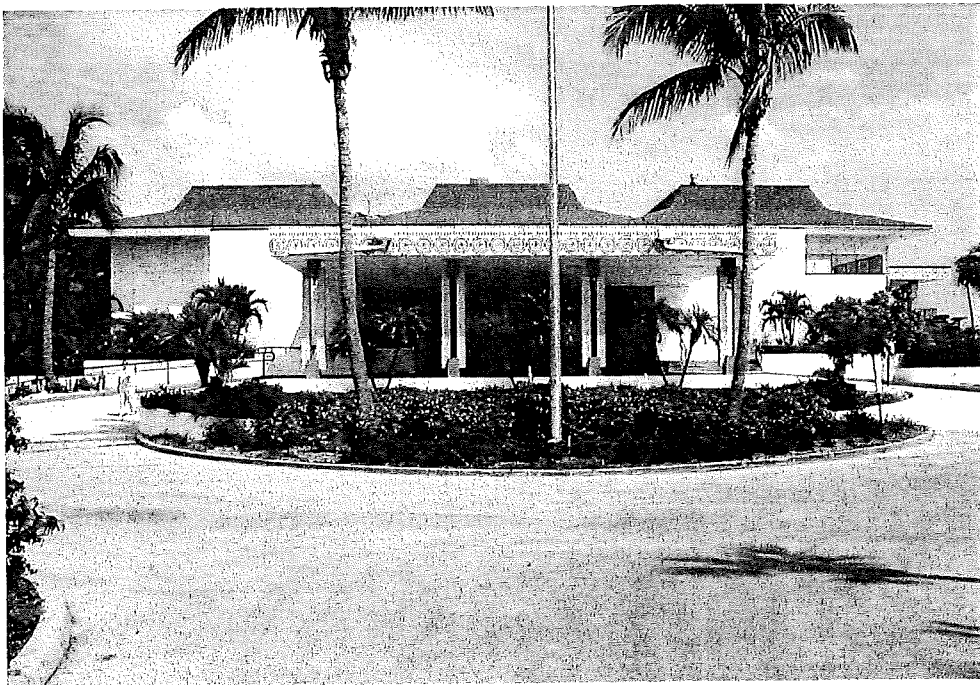


N'LY STREET VIEW ALONG PALM TREE BOULEVARD

**PHOTOGRAPHS - CONTINUED**



S'LY STREET VIEW ALONG PALM TREE BOULEVARD

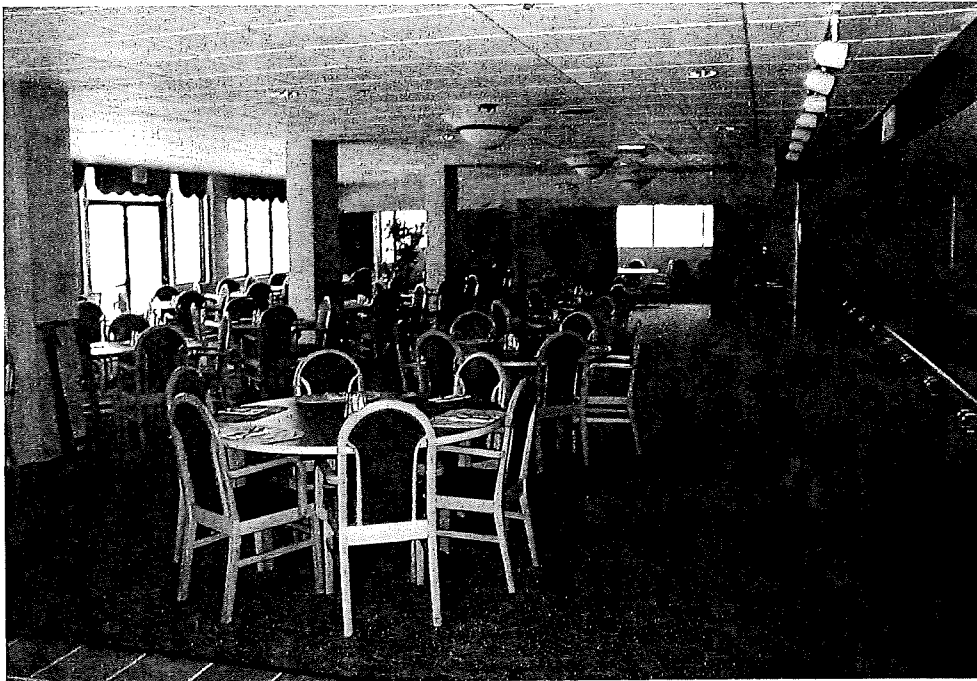


E'LY VIEW OF CLUBHOUSE

PHOTOGRAPHS - CONTINUED



W'LY VIEW OF CLUBHOUSE FROM GOLF COURSE



INTERIOR OF CLUBHOUSE

**PHOTOGRAPHS - CONTINUED**

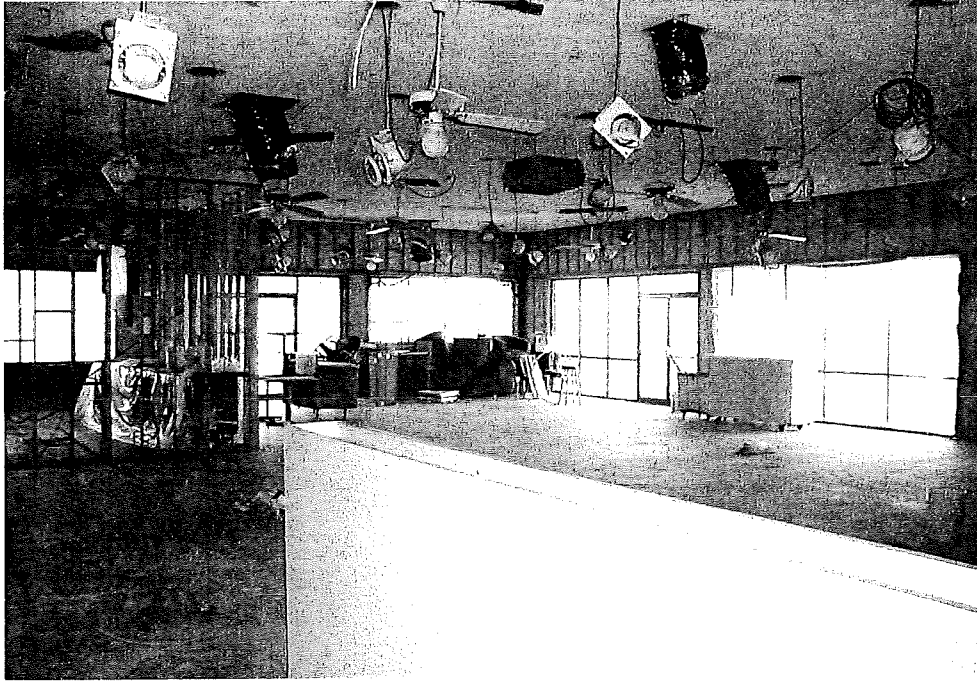


INTERIOR OF CLUBHOUSE

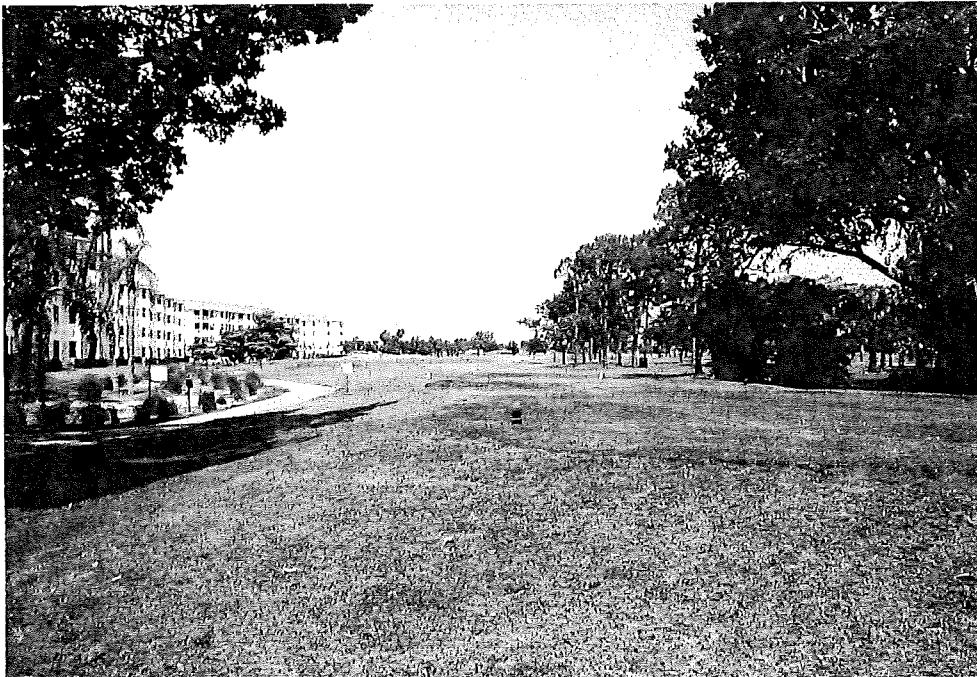


INTERIOR OF CLUBHOUSE

**PHOTOGRAPHS - CONTINUED**



INTERIOR OF CLUBHOUSE (UNFINISHED AREA)



VIEW OF GOLF COURSE

PHOTOGRAPHS - CONTINUED



VIEW OF AQUA DRIVING RANGE



VIEW OF COURSE AND RETENTION POND

**INTRODUCTION**

**INTENDED USER:**

This appraisal is intended to be used by The School District of Lee County, Attention: Ms. Kathy Babcock, and its use by others without their permission is strictly prohibited. This appraisal is made subject to the Assumptions and Limiting Conditions as listed in the Addenda, as well as the Extraordinary Assumptions and Hypothetical Conditions as listed in Executive Summary to this report.

**INTENDED USE:**

The intended use of this report is as a basis of value for a potential acquisition of the subject property. Any other use is considered to be an unintended use.

**PURPOSE OF THE APPRAISAL:**

The purpose of this appraisal is to estimate the "As Is" market value of the subject property. Market value, as defined by the agencies that regulate financial institutions in the United States and published by the Appraisal Institute in The Dictionary of Real Estate Appraisal, Fourth Edition (Page 177), is:

*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 and 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:

- a. Buyer and seller are typically motivated.
- b. Both parties are well informed or well advised, and acting in what they consider their best interests.
- c. A reasonable time is allowed for exposure in the open market.

- d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. 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.

**REPORT FORMAT:**

This appraisal is considered to be a complete appraisal communicated in a summary report format and has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP). All applicable approaches to value were considered in this appraisal, which consisted of only the Sales Comparison Approach to Value.

**COMPETENCY PROVISION:**

This appraisal report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice(USPAP). Within USPAP there is a Competency Provision which states, in part, "Prior to accepting an assignment or entering into an agreement to perform any assignment, the appraisers must properly identify the problem to be addressed and have knowledge and experience to complete the assignment competently...". If the appraiser lacks the knowledge or experience necessary for a particular assignment, this must be disclosed and all steps necessary to complete the assignment competently must be taken. In regard to this appraisal, the appraiser has the necessary knowledge and experience to complete the assignment.

**INTEREST TO BE APPRAISED:**

The interest to be appraised is the undivided fee simple interest in the land as if free and clear of all liens, mortgages, encumbrances, and/or encroachments, except as amended in the body of this

report. Fee simple interest is defined by The Dictionary of Real Estate Appraisal, Fourth Edition (Page 113), as:

*Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*

**IDENTIFICATION OF THE SUBJECT PROPERTY:**

The subject property consists of an 18 hole, championship golf course known as The Golf Club. This golf course is a semi-private, golf course located on the east side of Palm Tree Boulevard, west of Country Club Boulevard, and north of Cape Coral Parkway in Cape Coral, Florida. The property has an address of 4003 Palm Tree Boulevard, Cape Coral, Florida 33904. The subject property, as estimated in this analysis, has a highest and best use for residential development given the strong residential growth in the Cape Coral market and throughout Lee County. Therefore, the highest and best and use of this property is for redevelopment to a residential development. The legal description for the subject property is rather lengthy and can be found in the Addenda to this report.

**OWNER OF RECORD/PURCHASE HISTORY:**

The subject property, as listed on the Lee County Property Appraiser's records, is under the ownership of Golf Club of SW Florida, LLC. The property was purchased under this ownership in May 2001 for \$3,600,000 as per Official Records Book 3408, Page 3036. The subject property is not known to be listed for sale or under contract for sale as of the date of valuation.

**DATE OF VALUATION:**

The subject property is appraised "As Is" as of 29 April 2005, the date of inspection. The property was inspected on that date by Mr. Gerald A. Hendry, MAI.

**DATE OF REPORT:**

The date of this appraisal report is 5 May 2005.

**SCOPE OF WORK:**

The scope of work is the amount and type of information researched and the analysis applied in an assignment. Scope of work includes, but is not limited to:

- ◆ the degree to which the property is inspected or identified;
- ◆ the extent of research into physical or economic factors that could affect the property;
- ◆ the extent of data research; and
- ◆ the type and extent of analysis applied to arrive at opinions or conclusions.

The subject property consists of an 18 hole, championship golf course with supporting amenities such as a two story, clubhouse/banquet facility; aqua driving range; and other maintenance buildings. The property is located in southeast Cape Coral in the older, developed area of the city. Although the property is a functioning golf course, the highest and best use, as determined in the analysis, is for redevelopment into a residential development. Therefore, for this analysis, only the Sales Comparison Approach to Value was considered with support on this analysis via the Income Approach to Value considering a development approach on this property, which is retained in the appraiser's files. Residential sales in and around the subject market area were given major consideration however, sales outside of this area were also considered. Several sources were

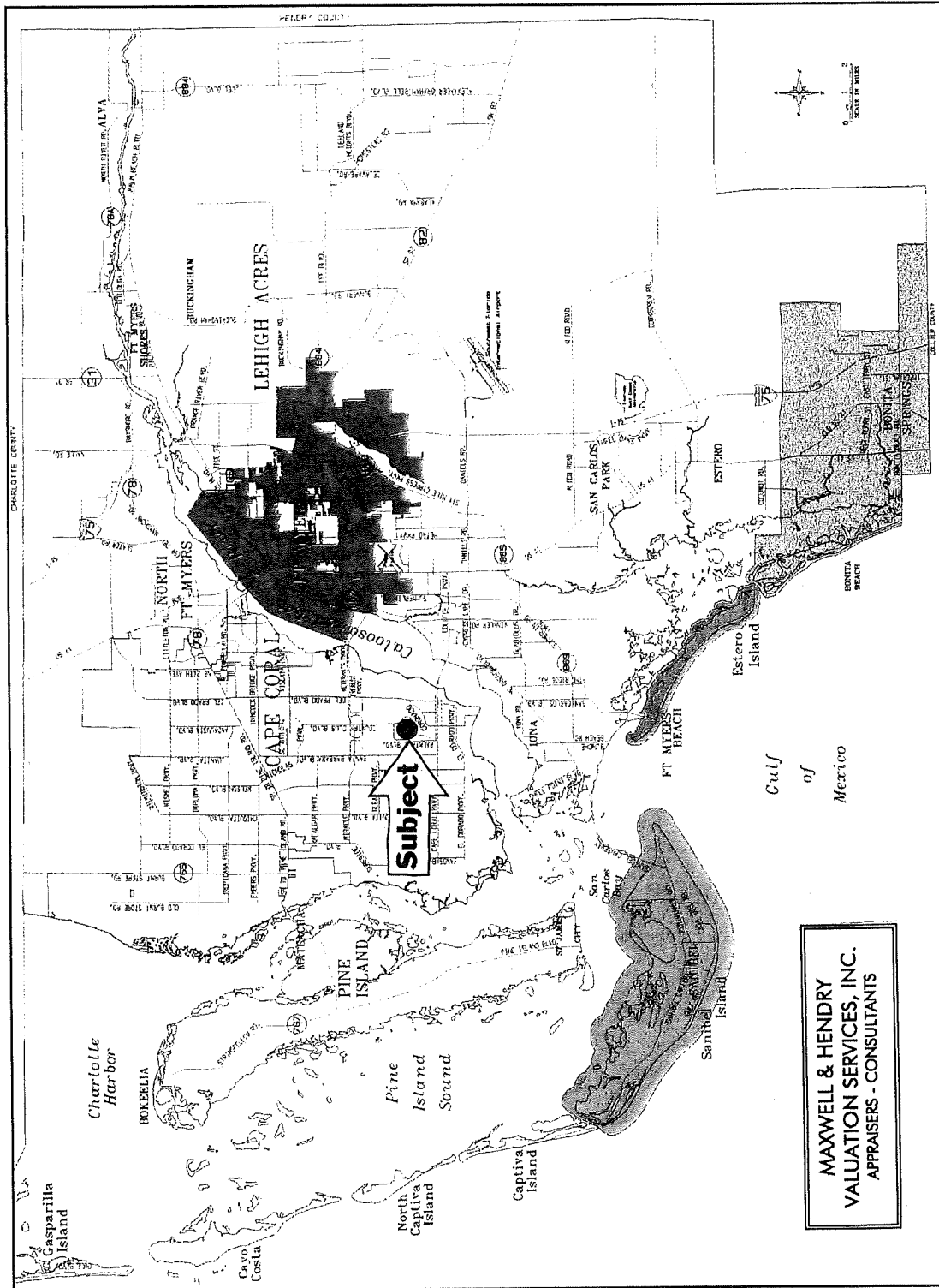
## **Introduction**

used for gathering sales, these sources include the appraiser's work file; Lee County Property Appraiser records; brokers and agents active in this market; and Win2Data, which is a computerized sales reporting service. All of the sales have been verified with either the buyer, seller, or an agent involved in the transaction. For this assignment, Mr. Gerald A. Hendry, MAI, made an inspection of the subject property via an on-site inspection and via aerial maps.

### **MARKETING TIME/EXPOSURE TIME:**

The estimated marketing time for the subject property, "As Is", is estimated to be 6 to 8 months. The Cape Coral market is currently experiencing significant growth primarily in the new emerging areas in northeast and northwest Cape Coral. The areas of southeast Cape Coral and southwest Cape Coral are also experiencing significant growth however, they are significantly built up at the current time. Given the dwindling supply of developable residential tracts in the Lee County market and namely in Cape Coral, marketing times have decreased significantly in the past year. Exposure time, which is the time period prior to the date of valuation, is also considered to be 6 to 8 months.

**PARCEL LOCATION MAP:**



**REGIONAL AND LOCAL ANALYSIS**

**SOUTHWEST FLORIDA/LEE COUNTY DATA**

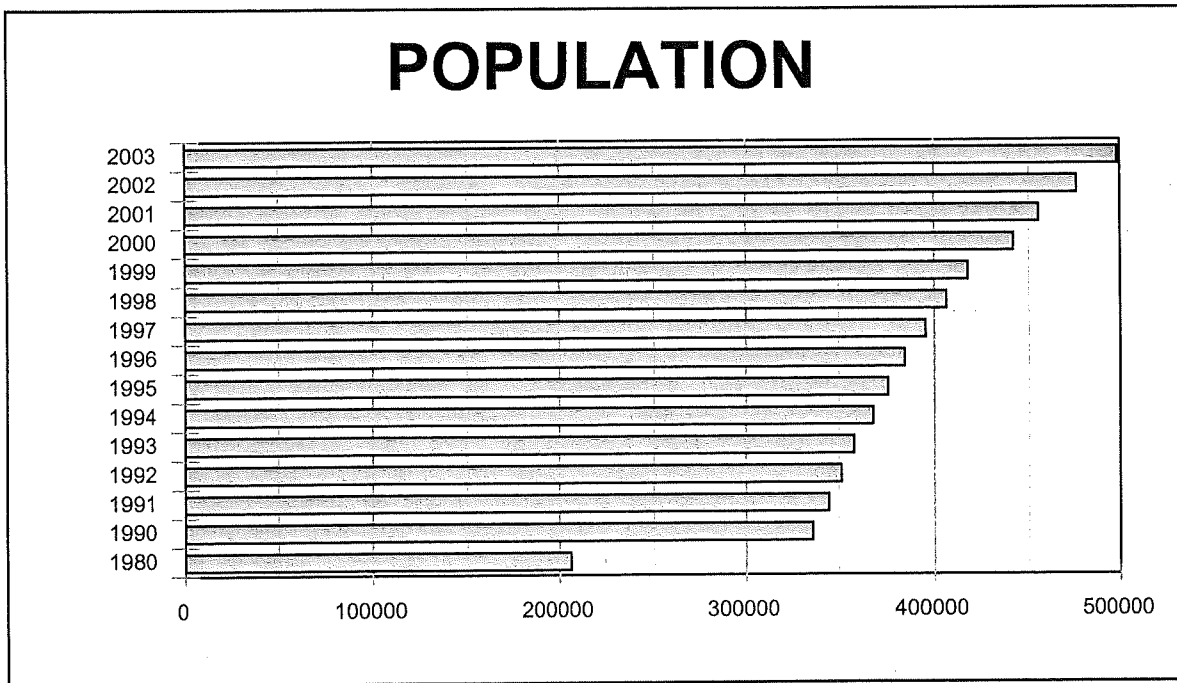
There are four basic factors that influence value according to The Appraisal of Real Estate, twelfth edition. These factors include:

1. Social Forces
2. Economic Forces
3. Governmental Forces
4. Environmental Forces

Each of the forces interact, resulting in either increases, decreases, or stabilization of property values. As a result, these forces also serve to directly affect the demand for real property in a particular area. The four forces that affect values are described as follows:

I. SOCIAL FORCES

Population fluctuation has a significant impact on property values. Lee County is currently the 10<sup>th</sup> fastest growing county in Florida and experienced a 48.3% percent change in total population from 1990 to 2003. The population increases Lee County has experienced since 1980 are shown below:



1980 - 205,266	1990 - 335,113	1991 - 344,032	1992 - 350,809	1993 - 357,550
1994 - 367,410	1995 - 374,398	1996 - 383,706	1997 - 394,244	1998 - 405,637
1999 - 417,114	2000 - 440,888	2001 - 454,918	2002 - 475,073	2003 - 497,022

Source: University of Florida, Bureau of Economic & Business Research, 2003

**Regional and Local Analysis**

The Bureau of Economic Research of the University of Florida estimates that the Lee County population will nearly be 565,703 by the year 2010 and 621,573 by the Year 2015. Lee County is not the only county in Southwest Florida that has experienced population increases over the past two decades. The following summary is presented:

<u>COUNTY</u>	<u>1990</u>	<u>2003</u>	<u>PERCENTAGE CHANGE 1990-2003</u>
Charlotte	110,975	151,994	36.9%
Citrus	93,515	124,929	33.6%
Collier	152,099	289,830	90.6%
De Soto	23,865	34,257	43.5%
Hardee	19,499	27,607	41.6%
Hendry	25,773	37,805	46.7%
Hernando	101,115	137,569	36.1%
Highlands	68,432	90,933	32.9%
Hillsborough	834,054	1,064,719	27.7%
Lee	335,113	497,022	48.3%
Pinellas	851,659	942,211	10.6%
Sarasota	277,776	345,031	24.2%

Source: Florida Research & Economic Database

This pattern of population growth has not been confined to Lee County, as indicated by the data presented. Therefore, a strong continued demand for commercial/industrial support facilities should encompass the entire Southwest Florida area.

Population increases tend to have a favorable effect on land values. This trend is greatly influenced by anticipation. According to the Appraisal of Real Estate, anticipation relates to value created by the expectation of benefits to be derived in the future. The expectation of benefits does not necessarily have to include income but may involve the enjoyment of owning and occupying a property. To see the effect of population on land values in Lee County, the following is presented:

<u>YEAR</u>	<u>TOTAL TAXABLE PROPERTY VALUE (Millions of Dollars)</u>
1993	\$19,381.8
1994	\$19,915.9
1995	\$20,646.7
1996	\$21,323.5
1997	\$22,197.2
1998	\$23,374.2
1999	\$25,257.5
2000	\$27,880.9
2001	\$31,854.5
2002	\$36,899.6
2003	\$43,139.9

Source: Lee County Property Appraiser's Office

**II. ECONOMIC FORCES**

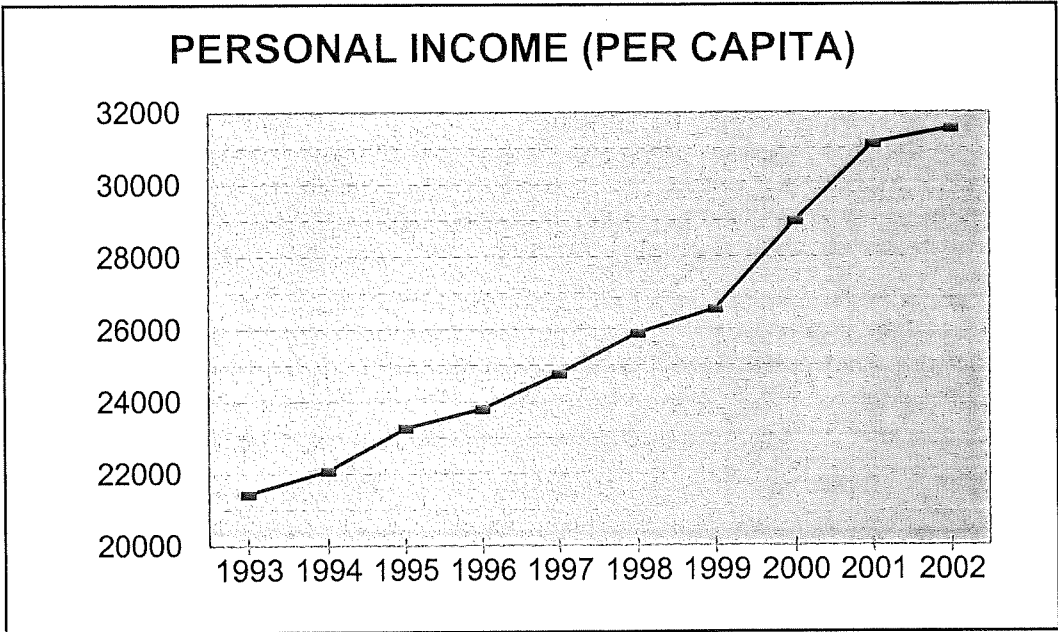
Economic considerations involve the financial capacity of the inhabitants of a region to rent or own property and properly maintain it.

Personal Income:

As land values have increased in Lee County, so have income levels. The following chart details the increase in per capita income since 1994 in Lee County:

<u>YEAR</u>	<u>TOTAL PERSONAL INCOME</u> (In Millions)	<u>PER CAPITA</u> (rounded to dollars)	<u>PERCENTAGE CHANGE</u> <u>PER CAPITA</u>
1994	\$8,406.2	\$22,068	
1995	\$9,113.4	\$23,259	5.3%
1996	\$9,533.0	\$23,790	2.2%
1997	\$10,173.1	\$24,762	4%
1998	\$10,924.0	\$25,893	4.5%
1999	\$11,476.9	\$26,568	2.6%
2000	\$12,874.8	\$29,011	9.2%
2001	\$14,294.6	\$31,138	7.3%
2002	\$15,009.4	\$31,562	1.4%

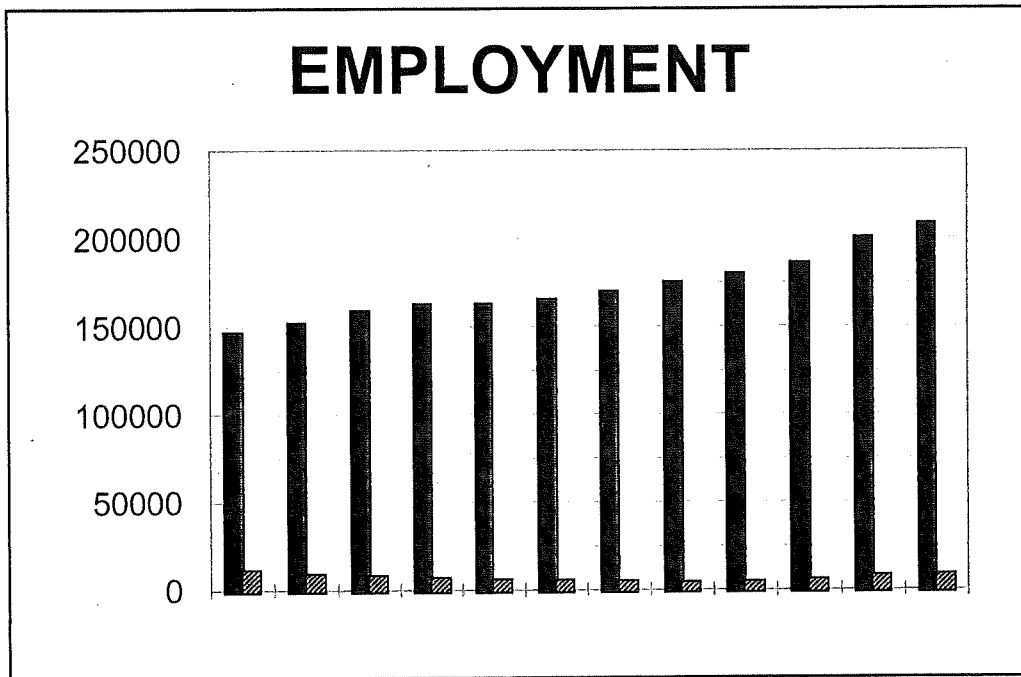
Source: U.S. Department of Commerce, Bureau of Economic Analysis, 2003



Employment:

This increase in personal income is largely attributed to the reductions in unemployment from 1993-2003. The following table summarizes labor force trends over the past 11 years.

<u>YEAR</u>	<u>TOTAL</u>	<u>EMPLOYED</u>	<u>UNEMPLOYED</u>	<u>RATE</u>
1993	161,459	152,202	9,257	5.7
1994	167,289	159,093	8,196	4.9
1995	169,940	162,866	7,074	4.2
1996	169,557	163,182	6,395	3.8
1997	171,334	165,545	5,789	3.4
1998	175,238	170,032	5,206	3.0
1999	179,970	175,375	4,598	2.6
2000	184,924	179,973	4,951	2.7
2001	192,223	186,060	6,163	3.2
2002	209,157	200,798	8,359	4.0
2003	217,125	208,376	8,749	4.0

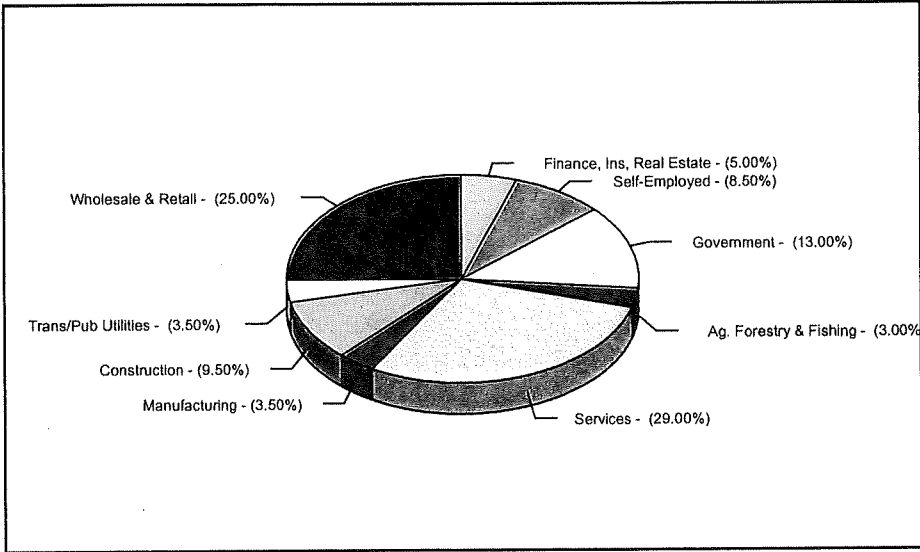


Source: State of Florida, Department of Labor and Employment Security

**Regional and Local Analysis**

**Economic Base:**

One of the primary reasons for Lee County's low unemployment rate is its diversified economy. The following analysis of employment categories in 2003 in Lee County is presented:



Source: State of Florida, Department of Labor & Employment Security

The preceding graph demonstrates the area's strong economic base. At one time, Lee County was primarily agriculturally oriented. The diversification of Lee County's economy over time has had a favorable effect on property values.

**Banking and Finance:**

Financial institutions in Lee County have experienced strong growth over the past few years. There are presently 32 banks with 170 branches in Lee County, which hold \$7,356,361 in deposits.

<u>YEAR</u>	<u>COMMERCIAL &amp; SAVINGS BANKING OFFICES</u>	<u>DEPOSITS (\$1,000)</u>
1996	138	\$4,892,651
1997	141	\$5,042,528
1998	144	\$5,298,861
1999	140	\$5,025,610
2000	156	\$6,124,229
2001	167	\$6,322,000
2002	165	\$6,706,129
2003	170	\$7,356,361

Source: Federal Deposit Insurance Corporation, Division of Supervision, FDIC/OTS Summary of Deposits, 2004

**Construction**

The following figures represent the activity of the Lee County Division of Code and Building Services for the past three calendar years:

	2001 Permits	\$	2002 Permits	\$	2003 Permits	\$
Single Family	6194	\$968,000,000	6683	\$984,000,000	9117	\$1,275,305,792
Multi-family	2818	\$314,000,000	2114	\$339,000,000	1035	\$649,210,394
Hotels	2	\$8,900,000	2	\$25,458,000	1	\$1,350,000
Commercial/Industrial	165	\$125,967,0573	196	\$138,450,768	650	\$411,069,220
Total Value	9233	\$1,498,615,168	9024	\$1,541,733,642	11258	\$2,869,966,988

Source: Lee County Community Development and Public Works Center

The demand for housing, both single family and multi - family, is on the rise for the long term outlook. This trend should serve to enhance the already strong economic base of Lee County.

**III. GOVERNMENTAL FORCES:**

Lee County is governed by a county commission of five commissioners elected to four year terms. Lee County contains five cities, Fort Myers, Cape Coral, Sanibel, Fort Myers Beach and Bonita Springs, each of which has its own form of government and each offering its own services.

Services: The cities of Fort Myers, Cape Coral and Sanibel each have their own police and fire protection. The city of Fort Myers Beach has its own fire protection, but not police protection. Police protection for Fort Myers Beach is provided by the Lee County Sheriff's Department. The balance of the county is patrolled by the Florida State Highway Patrol and the Lee County Sheriff's Department. The police system is adequate. Lee County has experienced a decrease in the crime rate in recent years. Fire protection is also adequate as substations are situated in all portions of the county.

Utilities: Sprint/Florida and KMC Telecom, Inc. serve Southwest Florida. Sprint has a fiber optic backbone that has the ability to connect all of its central offices and maintain high network availability. KMC Telecom, Inc., along with Sprint, has a SONET ring surrounding Fort Myers. This SONET ring safeguards customers from service interruptions by using diverse routing of its fiber optic cables.

The City of Fort Myers and some sections of Lee County receive their electricity from Florida Power and Light Company. The balance of Lee County receives its power from the Lee County Electric Cooperative. Gas is available from any one of the manufactured bottled gas dealers in the county. Natural gas is now available in many parts of Lee County. In early 2000, a new pipeline to the area extended service from northern part of the state.

There is an adequate supply of water for business or private use either from the City of Fort Myers, the City of Cape Coral, the City of Bonita Springs, Florida Governmental Utility Authority, or from Lee County's water system. The county water system went into operation in the spring of 1968 and now

## ***Regional and Local Analysis***

provides purified water to residences and businesses throughout the county. Private wells are used in outlying areas. Areas of Lee County not covered by municipalities are serviced by Lee County Utilities and the Greater Pine Island Water Association. Sewer service is provided either by Lee County Utilities or the city municipality. The City Of Fort Myers has a sewage disposal system and treatment plant. Other sewage plants are located in the more densely populated sections of Lee County. Private septic tanks are used in outlying areas.

Medical Services: Lee County has six general and two specialized hospitals, 16 nursing homes, 44 assisted living facilities, a veteran's clinic and several walk - in emergency facilities. Ambulance service in Lee County is operated as a department of the Lee County Emergency Service.

Communications: The Fort Myers News - Press, the area's largest newspaper, is published daily. The Daily Breeze from Cape Coral is also published daily except Sunday. Several weekly newspapers serve different locations throughout Lee County, along with 41 radio stations and 8 local television stations.

Roads and Transportation: Even with the tremendous growth in the area, Lee County's road system is rated as adequate. There are four major north - south traffic arteries through Lee County and Fort Myers. They include U.S. 41, McGregor Boulevard, I - 75, and Summerlin Road. The major east-west arteries include State Road 78, Colonial Boulevard, College Parkway, Daniels Parkway, Alico Road and Corkscrew Road. Alico Road is in the process of being widened. Part of Corkscrew road has already been widened with the remaining scheduled for widening in the near future. In addition to Alico and Corkscrew Roads being widened, Three Oaks Parkway is being widened and will eventually connect with Livingston road in Collier County. In order to prepare for the continuing growth, Estero Parkway is being extended from Three Oaks Parkway to Ben Hill Griffin Parkway and Metro Parkway is being extended from Six Mile Cypress Parkway to Alico Road. Also, flyovers are being built at the Summerlin Road and Gladiolus Drive interchange, the Summerlin Road and San Carlos Boulevard interchange and the Summerlin Road and College Parkway interchange.

The area is also served by two airports. Page Field, located within the city limits of Fort Myers, provides two runways for private aircraft. The Southwest Florida International Airport is located east of I - 75 at the eastern terminus of Daniels Parkway. Twenty - six airlines provide service to all parts of the country as well as other countries. There were 5,891,668 passengers in 2003. The Southwest Florida International Airport is currently undergoing a \$438 million dollar expansion slated for completion in 2005. The expansion will include a new 28 gate two-story terminal, three concourses, three-story parking garage/rental car facility, and new taxiway. Also included as part of the expansion is a dual roadway system where the upper level is used for departures and the lower level is used for arrivals. Ben Hill Griffin Parkway and Treeline Avenue are being extended to provide entrance to the new terminal between Daniels Parkway and Alico Road. There will also be a new southern access point to I-75.

Land Use Control: The Lee County Local Planning Agency presented a new Comprehensive Land Use Plan in early 1984. This plan designates areas in Lee County for growth, new development, and environmental protection. The comprehensive plan should help to guide Lee County in its future growth.

The Division of Community Development enforces all zoning regulations for the unincorporated areas of Lee County.

Education: Lee County's educational facilities have kept pace with the influx of population. Lee County has built three new high schools (Mariner High, Estero High, Lehigh Senior High) over the past ten years, with Lehigh Senior High being the most recent school constructed. Lee County has 36 elementary school (K - 5), 13 Middle Schools (6 - 8), 7 senior high schools (9 -12), 3 schools (K-8), 1 school (6-12), 8 Special Centers, 3 Alternative Schools, 4 Charter schools and 2 high tech centers.

Two colleges serve Southwest Florida's population. Edison Community College, which is a two year undergraduate school and Florida Gulf Coast University. Florida's 10th state university, located near Alico Road and I - 75 in Lee County, is the first public university established in Florida in 25 years.

Government Efficiency: In general, the Lee County government has been efficient in its governing of the county. The Comprehensive Land Use Plan is an attempt to control Lee County's growth, without unnecessarily hampering development. Government budgeting and expenditures have been good, and bond indebtedness is minimal. Although the Comprehensive Land Use Plan has met with some resistance, it has served to allow for more consistent, calculated growth in Lee County.

#### IV. ENVIRONMENTAL FORCES:

Lee County is bordered by Hendry County to the east, Collier County to the south, and Charlotte County to the north. The county's western boundary is the Gulf of Mexico. The county contains a total of 803 square miles of land area and 200 ± square miles of inland water area. The county is ranked thirteenth in area in the state. There are five incorporated cities within Lee County: Fort Myers (the county seat), Cape Coral, Sanibel Island, Fort Myers Beach and Bonita Springs. Other communities in the county include Lehigh Acres, Alva, Tice, Olga, Estero and North Fort Myers.

The county has a sub-tropical climate. The average temperature is 74.4 degrees with a monthly mean high of 91.6 in the summer months and an average winter mean of 64.1 degrees. Temperature extremes are infrequent with only a rare freeze and few readings above the mid-90s. Rainfall averages just around 52 inches annually with the heaviest rains during the summer months. The warm climate coupled with the area's beautiful sandy beaches makes Lee County a tourist paradise. The area is generally considered to be a very pleasant place to live. This has been reflected by the tremendous influx of residents to this area over the past few decades. Lee County is fast becoming known as a major vacation spot. The miles of sandy beaches, which include famous Sanibel and Captiva Islands, serve as vacation spots for a growing number of tourists. Fishing, shelling, boating, and skiing are very popular activities as the area has an abundance of navigable waterways and fishing areas.

The Lee County and Collier County area is fast becoming recognized as the golf capital of Florida. This two county area has been developed with more new golf courses than any other area in the county over the past five years according to Golf Digest. New courses include Heritage Greens, Westminster, Pelican Sound, Legends, Stoneybrook, and The Brooks, to name a few. Tennis, biking, and other recreational activities are also popular in Southwest Florida.

**Conclusion:**

All of the preceding factors contribute a vital part to the thriving economy of Lee County. The recent increases in population in Lee County indicate that the demand for both housing and support facilities should continue. This in turn should serve to increase property values and demand for same. Lee County has a very diversified economy, which has contributed favorably to both population increases and to escalating property values. The county as a whole should continue to thrive and prosper well into the foreseeable future.

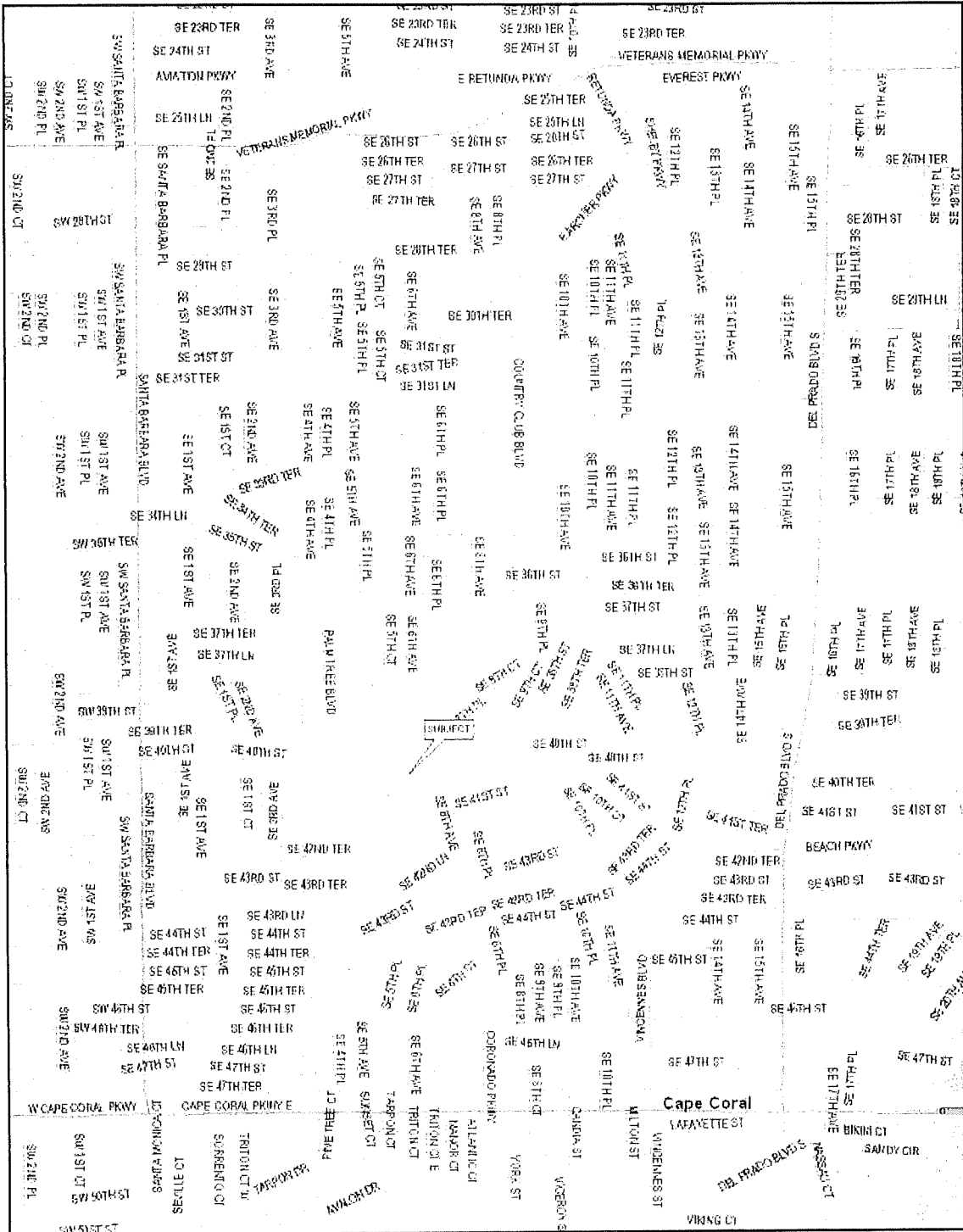
**GROWTH OF FLORIDA'S MSA  
1990 - 2003**

<u>(MSA)</u>	<u>2003 POPULATION</u>	<u>% CHANGE 1990-2003</u>
Sarasota/Bradenton	626,537	28.0%
Daytona Beach	524,221	31.2%
Fort Lauderdale	1,709,155	36.1%
Fort Myers/Cape Coral	497,022	48.3%
Fort Pierce/Port St. Lucie	340,582	35.7%
Fort Walton Beach	178,588	24.2%
Gainesville	229,045	26.1%
Jacksonville	1,163,719	28.3%
Lakeland/Winter Haven	513,303	26.6%
Melbourne/Titusville/Palm Bay	499,825	25.3%
Miami	2,345,887	21.1%
Naples	289,830	90.6%
Ocala	275,461	41.4%
Orlando	1,801,279	47.1%
Panama City	154,110	21.4%
Pensacola	429,045	24.6%
Punta Gorda	150,141	35.3%
Tallahassee	297,747	27.5%
Tampa/St. Petersburg/Clearwater	2,509,597	21.4%
West Palm Beach/Boca Raton	1,201,317	39.1%

Source: Florida Research and Economic Database 2004

**MARKET AREA ANALYSIS**

MARKET AREA MAP:



**MARKET AREA ANALYSIS:**

**Introduction:**

Market area is defined by The Dictionary of Real Estate Appraisal, Fourth Edition (Page 174), as:

*The geographic or locational delineation of the market for a specific category of real estate, i.e., the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users.*

The subject property's market area, as will be defined in this section, consists of complementary land uses such as general commercial, office, as well as single and multi-family residential. A market area normally goes through four stages during its life cycle. These four stages are as follows:

- ◆ Growth - a period during which the neighborhood gains public favor and acceptance.
- ◆ Stability - a period of relative equilibrium without market gains or losses.
- ◆ Decline - a period of diminishing demand.
- ◆ Revitalization - a period of renewal, modernization, and increased demand.

The subject market area, as will be discussed, is considered to be within Stage 1, or the Growth stage of its life cycle.

**MARKET AREA DELINEATION:**

The subject's market area can be described as those properties north of Cape Coral Parkway, west of Del Prado Boulevard, on or east of Santa Barbara Boulevard, and on or south of Veterans Parkway. The City of Cape Coral is comprised of approximately 105 square miles of land in

**Market Area Analysis**

northwestern Lee County. Cape Coral began as a land development in the 1950's and has grown into the second largest land mass city within the State of Florida, and one of the fastest growing communities in the state. The strongest population of Cape Coral is contained in the southwest quadrant, with major commercial corridors being Del Prado Boulevard, Pine Island Road, and Cape Coral Parkway. The vast majority of the market area is residential, with primarily office uses surrounding City Hall and the major corridors. Commercial development is prominent around the major commercial corridors. Access to this market area is considered to be good via Santa Barbara Boulevard, Country Club Boulevard, and Cape Coral Parkway.

**LINKAGES:**

Del Prado Boulevard is the primary north/south commercial artery through Cape Coral. Another thoroughfare that impacts the subject market area is Veterans Memorial Parkway, which originates at the westerly terminus of the Mid-Point Memorial bridge and crosses the Caloosahatchee River. This is a prime access point to the City of Fort Myers from Cape Coral. Veterans Memorial Parkway connects from the Caloosahatchee River all the way up to Pine Island Road. This turns into Burnt Store Road which connects Lee County to Charlotte County. The subject is south of Veterans Memorial Parkway and west of Del Prado Boulevard. The subject's market area is well suited to major support facilities. Distances to some of the more important support facilities in the area are as follows:

<u>Support Facilities</u>	<u>Distance from Neighborhood</u>
Residential Areas	Within subject neighborhood
Schools/Churches	Within subject neighborhood and 5 mile radius
Employment Centers	Within subject neighborhood and 5 mile radius
Interstate 75	Approximately 11 miles to the east of the subject property
U.S. 41	Approximately 6 miles to the east of the subject property
Major Shopping	Approximately 1 - 2 miles to the east of the subject property

## ***Market Area Analysis***

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Major commercial development is expected to continue along Del Prado Boulevard which will increase the traffic counts on this artery. In addition, the Downtown Redevelopment Area is located just east and south of the subject.

### **STAGE OF LIFE CYCLE:**

The subject market area is considered to be within the Growth stage of its life cycle. This is evidenced by rapid residential and commercial growth in the subject neighborhood. The immediate subject market area continues to see increases in activity on all the major arteries and around the Downtown Redevelopment Area, due to the increased demand in the Cape Coral area. As the amount of available land in the subject's market area diminishes due to demand, land values will continue to rise. Normally, supply and demand are never too far out of balance in an active market since market trends move towards balance through the effects of competition.

### **UTILITIES AND GOVERNMENTAL SERVICES:**

Utilities available in this general area include electricity provided by Lee County Electric Cooperative, telephone service provided by Sprint, and water and sewer (in most areas) is provided by the City of Cape Coral. Police and fire protection are considered to be adequate in this area and both are both provided by the City of Cape Coral.

### **ECONOMIC CHARACTERISTICS:**

The economics of this market area are greatly affected by the supply and demand characteristics. In this market, there appears to be a very strong demand for all property types including residential, commercial, and industrial (just north of the subject). This is evidenced by the very rapid growth that has occurred in the subject market area, as described, particularly over the past five years.

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**Market Area Analysis**

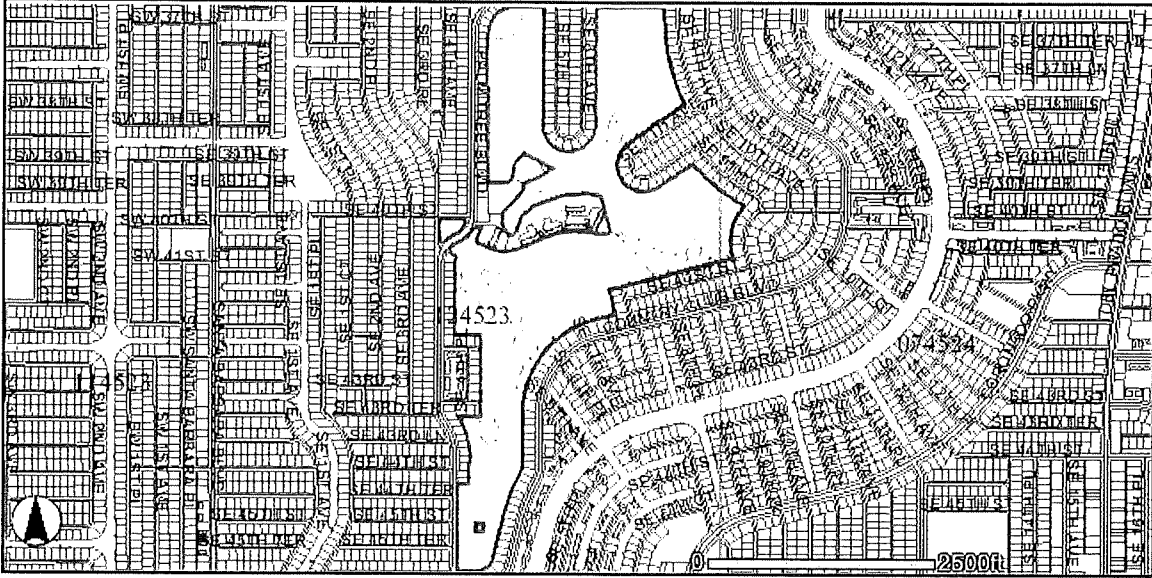
The commercial and industrial development is, of course, a result of the rapid residential growth. Other than national economics that could have an impact, there are no other conditions, in the appraisers' opinion, that would be unfavorable to the continued growth of the subject market area. Accordingly, the economic characteristics of this general area are considered to be strong and will continue well into the foreseeable future.

**CONCLUSION:**

In summary, the subject's market area is considered to be in the Growth stage of its life cycle. The subject's market area is located in a very strong growth area in southeast Cape Coral. With the increasing demand in southwest Florida and northwest Lee County, a very good economic picture for the subject's market area is foreseen for many years to come.

**SITE DESCRIPTION AND ANALYSIS**

SITE LOCATION MAP #1:





**SITE LOCATION MAP #3 (Golf Course Schematic):**



**SITE DATA:**

- Location:** The subject property is located on the east side of Palm Tree Boulevard, west of Country Club Boulevard, and just north of Cape Coral Parkway in the southeast portion of Cape Coral, Florida. The property has an address of 4003 Palm Tree Boulevard, Cape Coral, Lee County, Florida 33904. The property is located in Section 12, Township 45 South, Range 23 East.
- Size:** The subject property consists of 175.174 acres as per a boundary and partial topographic survey completed by Stouten - Stevenot Associates, Inc. on 30 March 2001.
- Zoning/Land Use:** According to the City of Cape Coral Community Development Department, the subject property is currently zoned R-1A, which is a Single Family Residential zoning classification within the City of Cape Coral. The property is also located within the Multi-Family and the Parks and Recreation Facilities land use, also of the City of Cape Coral. A complete explanation of the R-1A zoning classification can be found in the Addenda to this report.
- Access:** The subject property is located along the east side of Palm Tree Boulevard. Palm Tree Boulevard can be accessed from Country Club Boulevard to the east and north or from Cape Coral Parkway at its southern terminus. Overall, access is considered to be average to good for the subject property.
- Utilities:** The City of Cape Coral currently provides water and sewer service to this property. Telephone service is provided by Sprint, and electrical service is provided by Lee County Electric Cooperative.
- Topography/Elevation:** The subject property is primarily cleared of all natural vegetation and is improved with an 18 hole, championship golf course. The subject property is primarily surrounded entirely by single family homes located within other blocks of Cape Coral. In addition, there are also some multi-family developments surrounding the development such as the newly developed Banyan Trace. For this analysis, no environmental audits or site assessments were provided and therefore this appraisal is subject to an environmental audit. This appraisal is based on the Extraordinary Assumption that there are no environmental contaminants or other environmental issues on the subject property. This appraisal is also subject to any environmental reports such as protected species assessments or wetlands jurisdictional determinations. This appraisal is also based on the Extraordinary Assumption that there are no significant wetlands on the subject property.

## ***Site Description and Analysis***

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**Taxes and Assessments:** According to the 2004 Lee County tax roll, the subject property is assessed as a golf course with a total assessed value of \$3,563,820. The total 2004 taxes, if paid in March 2005, were \$75,287.61. The Tax Identification or STRAP number of this property is 12-45-23-C2-00008.0000.

**Flood Zone:** The subject property is located in an area designated as Zone A8:EL8, as found on Community Panel #125095-0035-C. This map is dated 18 September 1985. Typically flood insurance is required in this flood zone under most financing conditions.

**Easements/  
Encroachments:**

The subject property appears to be subject to typical easements and encroachments that are found in this area. However, this appraisal is subject to a current survey and a title search.

**Existing Improvements:** The subject property is currently improved with an 18 hole, championship golf course known as The Golf Club. This course was originally opened in 1964 and was known as Cape Coral Golf and Tennis Resort. The golf course and associated amenities were upgraded in 2001, with a major restoration by golf course architect Chip Powell. The original course was designed by Dick Wilson. The course is a Par 71, 6,755 yard course, with a course rating of 73.0 and a slope rating of 127 from the black/champion tees. The club/course is a semi-private course with annual memberships available. The primary improvement of this development is a 1966, two story, clubhouse/banquet facility. This building consists of a total of 39,000 square feet of gross building area of which 24,490 square feet is under air. The building is divided into several areas including a restaurant/lounge area, a golf pro shop, a sales area, meeting rooms, as well as a partially, finished, second floor area. In addition, there are extensive covered balconies on the property. The interior of the building consists of approximately 9' high, acoustical, drop ceilings; painted, drywall partitions; as well as tile flooring, and average to good carpeting throughout. The interior improvements were renovated in 2001. The building is constructed of concrete block construction and consists of a shingle, modified, mansard roof with a portion of the roof being flat. Overall, the improvements are considered to be in average condition.

In addition to these improvements, there is also an aqua driving range, and a maintenance building on the golf course itself. There are also man made, retention areas on the golf course. In addition to the golf course improvements, there is an additional asphalt, paved parking lot adjacent to the clubhouse and on the west side of Palm Tree Boulevard.

**HIGHEST AND BEST USE:**

Real estate is valued in terms of its highest and best use. Highest and best use is that which is the most profitable likely use of a property. It may also be defined as that available use and program of future utilization which produces the highest present land value. The Dictionary of Real Estate Appraisal, Fourth Edition, defines highest and best use as:

*The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.*

The Highest and Best Use Analysis begins with an analysis of the property as if vacant and is further analyzed as though improved.

**Highest and Best Use As Vacant:**

The highest and best use analysis of the site as though vacant assumes that the site is vacant. This analysis examines the type of improvements that are most appropriate for the site. To estimate the highest and best use (as vacant or as improved), four criteria must be met. These factors include: physically possible uses, legally permissible uses, financially feasible, and maximally productive uses.

**Physically Possible:**

Various physical factors have an affect on the uses to which a property may be developed. These factors include, but are not limited to: size, shape, topography, and soil conditions. The subject property consists of 175.174 acres and is located on the east side of Palm Tree Boulevard, west of Country Club Boulevard, and just north of Cape Coral Parkway within the southeast section of

### **Highest and Best Use**

Cape Coral, Florida. Physically, almost any use could improve the property. Currently, full utilities are available to the subject property. The subject property is irregular in shape and is nearly 100% surrounded by older and newer, single family homes, as well as a portion which is surrounded with multi-family developments. There are no significant wetland issues on the subject property. Physically, almost any improvement could be developed on the site.

#### **Legally Permissible:**

The legally permissible uses of a site must be examined as they relate to the type of improvement that may be placed on the property. The subject property is currently zoned R-1A, which is a Single Family zoning classification within the City of Cape Coral. The City of Cape Coral has also designated, based on the Comprehensive Land Use Plan, the subject property to be for partially Multi-Family and Parks and Recreation Facility. The Parks and Recreation Facility is associated with this property due to its current configuration as a golf course development. A complete explanation of the R-1A zoning classification can be found in the Addenda to this report. Given the surrounding uses and the current zoning, the most likely legal use would be for a residential development or some sort of golf course development given its Parks and Recreation Facilities land use.

#### **Financially Feasible:**

The demand for new residential units in this area of Cape Coral and all of Cape Coral is extremely strong based on the strong demand for residential development tracts, existing residential lots in Cape Coral, as well as the strong absorption in newer developments in the communities such as Coral Lakes, Heatherwood Lakes, and Sandoval. Over the past approximate one to two years, this area has seen an insurgence of activity in terms of the purchasing of any available tracts of land,

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***Highest and Best Use***

as well as the purchase of residential lots in all sections of Cape Coral. The southeast section in which the subject is located, is the most developed area of the entire city and is a highly desired area for residential development. Given the Parks and Recreation Facilities land use on the subject property, the appraiser considered the potential legal uses as being residential development or a golf course development. Given the strong demand and significant pricing that developers are currently paying for residential land, and given the absorption for those new developments, it is my opinion that development into a residential development would be the most financially feasible use of this property. Development into a golf course was also considered however, based on the income generated from the subject property's golf course, which can be found in the Addenda to this report, as well as sales over the past 10+ years of golf courses in this area, residential development would far outweigh the golf course in terms of its financial feasibility. Therefore, it is my opinion that the highest and best use would be for residential development.

**Maximally Productive:**

The highest and best use for a site is determined by the improvements that would generate the highest return to the land. It has been determined that the highest and best use of the subject property, as vacant, is for a residential development.

**Highest and Best Use as Improved:**

The subject property is currently improved with an 18 hole, championship golf course known as The Golf Club. The existing use is a legal, conforming use of this property. However, in my opinion it is not the most financially feasible use of this property based on the current golf course income/expense statements, as well as sales of golf courses, which typically range from approximately \$300,000 per hole to over \$1,000,000 per hole. Comparing these figures with the

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***Highest and Best Use***

sale of large tracts in Cape Coral and throughout Lee County for future residential development indicates that the highest return to the land would be for redevelopment into a residential development. Therefore in this analysis, the appraiser will estimate the value of the subject property, based on its highest and best use, for residential development based on the Sales Comparison Approach to Value utilizing comparable residential land sales.

**THE APPRAISAL PROCESS:**

There are three standard approaches to property valuation:

1. Cost Approach to Value
2. Sales Comparison Approach to Value
3. Income Approach to Value

The Cost Approach to Value requires estimating the replacement cost new of the improvements utilizing current labor and material prices and modern construction techniques. Accrued depreciation is next computed and subtracted from the cost new. Finally, the land value is added to the remainder to derive a value for the property as a whole. The Cost Approach is most reliable when the improvements are new and the land value can be reasonably estimated. Conversely, when the improvements are old and/or adequate land sales are not available, the Cost Approach tends to lose credence.

An estimate under the Sales Comparison Approach to Value is derived by comparing the property under appraisal with other similar properties that have sold in recent months. The Sales-Comparison Approach is most reliable when the comparable sales are very similar to the subject. Conversely, when large or numerous adjustments are necessary, the Sales-Comparison Approach is less reliable.

The Income Approach to Value is normally applied only to commercial or strictly income oriented properties, since it measures the present worth of future rights to income. The Income Approach to Value, when adequate income and expense data are available, is probably the most reliable approach in the valuation of commercial properties as it best represents investors' and lenders' actions in the marketplace.

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***Appraisal Process***

In this appraisal, as the estimated highest and best use is for redevelopment into a residential development, only the Sales Comparison Approach to Value was considered. In addition, as a Test of Reasonableness, consideration was also given to the Income Approach utilizing a Discounted Sellout Analysis or a Development Approach, which is contained in the appraiser's files.

**THE SALES COMPARISON APPROACH TO VALUE**

**THE SALES COMPARISON APPROACH TO VALUE:**

The Sales Comparison Approach to Value is a process of comparing sales of similar properties in the marketplace to the subject parcel.

Market data, when carefully verified and analyzed, is good evidence of value because it represents the actions and reactions of sellers, users, and investors. The market value estimate has been defined as an interpretation of the reactions of typical users and investors in the market. The Sales Comparison Approach is based on the principle of substitution, which states that a prudent person will not pay more to buy a property than it will cost to buy a comparable substitute property. The price a typical purchaser pays is usually the result of an extensive shopping process in which he is constantly comparing available alternatives.

The steps in the Sales Comparison Approach are:

1. Seek out similar properties for which pertinent sales and data are available.
2. Qualify the prices as to terms, motivating forces, and bona fide nature.
3. Compare each of the comparable properties' important attributes with the corresponding ones of the property being appraised under the general division of time, location, and physical characteristics.
4. Consider all dissimilarities in terms of their probable effect upon the sale price.
5. Formulate an opinion of relative value of the property being appraised as compared with the price of each similar property.

The following land sales were considered appropriate in analyzing the subject property.

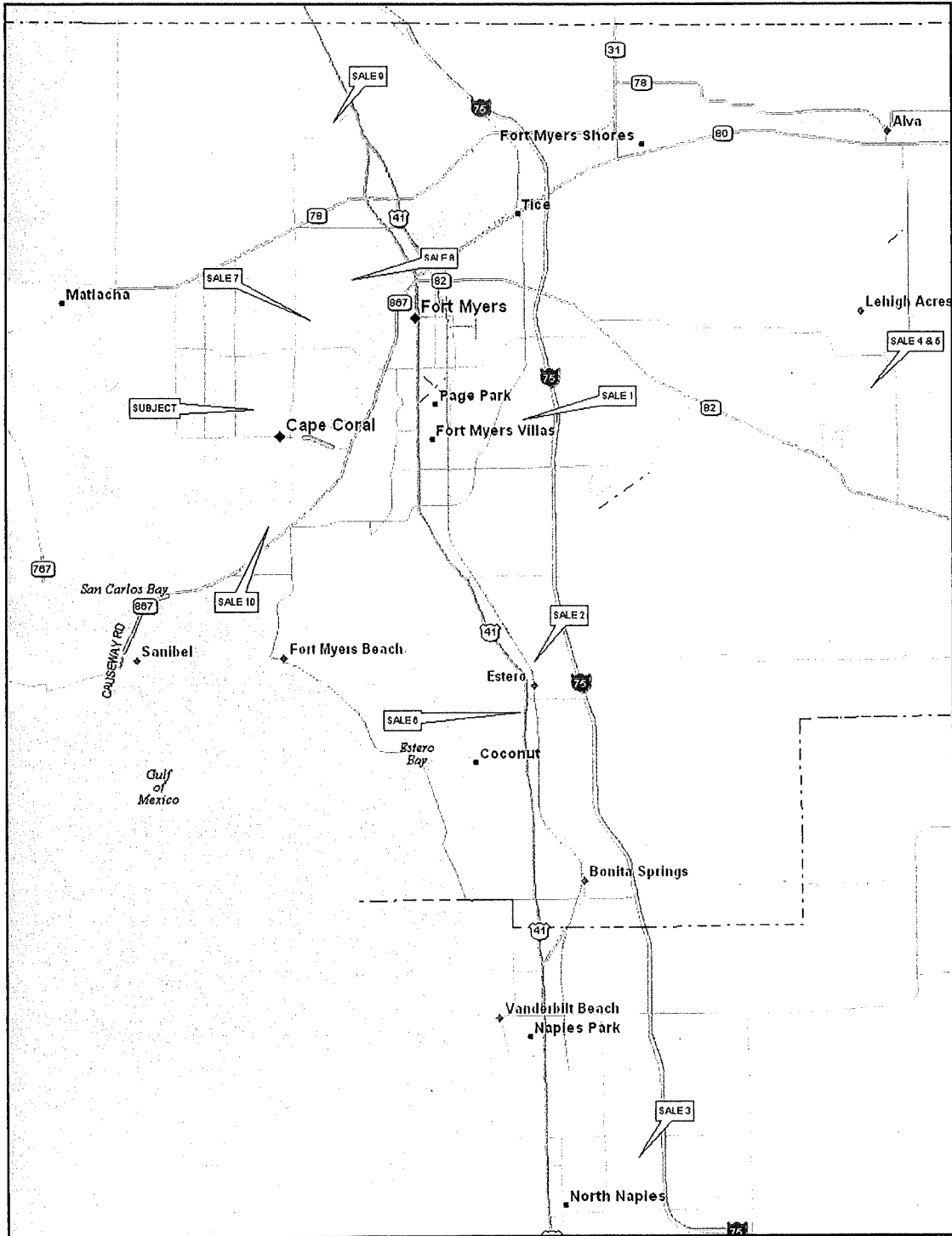
**SITE VALUATION:**

The Sales Comparison Approach was used for the site valuation. A search of the public records of Lee County was made for similar land sales in the subject neighborhood.

Florida Statutes provide for the affixing of documentary stamps on all deeds at the rate of 60 cents per \$100 or a fractional part thereof up until 1 August 1992, wherein the rate changed to 70 cents per \$100. Special agents of the State Comptroller's Office are diligent in policing the deeds for the documentary stamps. These stamps represent the sales price in all of the transactions that have been used. The comparable sales used have also been verified either with a buyer, a seller, or an agent thereof, and qualified as an arm's length transaction.

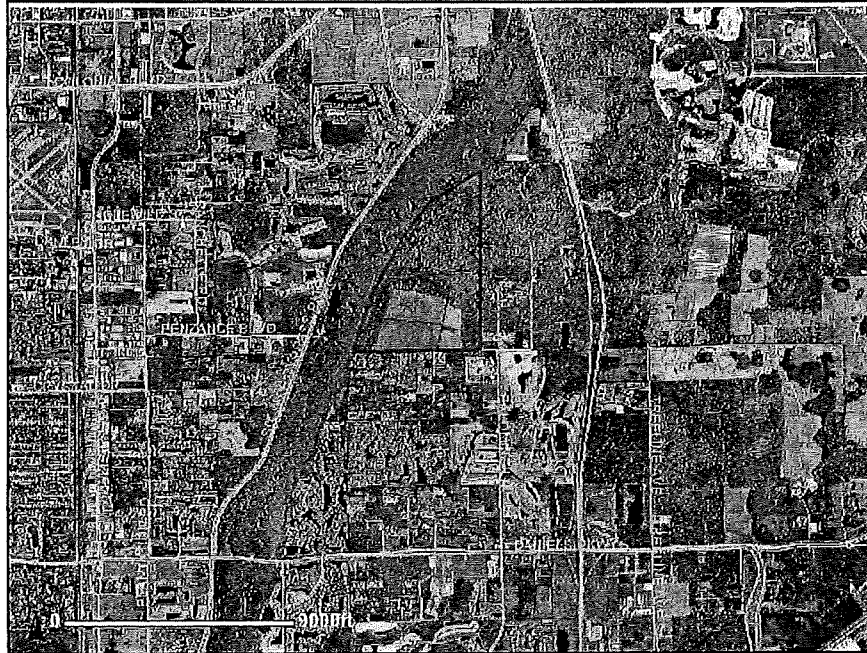
In the process of comparing the sale parcels to the subject, consideration is given to adjustments for a time factor, which covers such causes as competitive bidding, supply and demand, and inflation; for neighborhood difference; for location difference; for difference in on-site facilities such as utilities, streets, or drainage networks; for difference in zoning classifications; and for any other significant dissimilarities between the sale parcels and the subject. The following land sales were chosen as being the most comparable.

COMPARABLE LAND SALES MAP:



**COMPARABLE LAND SALE 1**

L-4500-D-5



**SALE PRICE:** \$33,420,000

**FINANCING:** Cash to seller

**LEGAL DESCRIPTION:** Lengthy legal in Section 09-45-25

**GRANTOR:** Parker Daniels, Inc.

**GRANTEE:** Stock Development

**RECORDING:** OR 4498/4090

**ZONING/LAND USE:** PUD, Planned Unit Development (1,332 approved units)

**DATE OF SALE:** November 2004

**LOCATION:** North side of Penzance Boulevard, just west of Palomino Lane (north of Daniels Parkway), in Fort Myers

**TAX I.D. NO.:** 09-45-25-P1-00001.0000; P2-00001.1010; P2-00001.2000; P3-00002.0000; and 10-45-25-P4-00006.0100

**SALES HISTORY:** Assembled between 3/01 and 7/03 for an estimated \$8,081,800

**UTILITIES:** Full available

**HIGHEST AND BEST USE:** Residential Development

**SITE AREA:** 444 Acres

**UNIT OF VALUE:** \$75,270 Per Acre or \$25,090 Per Unit

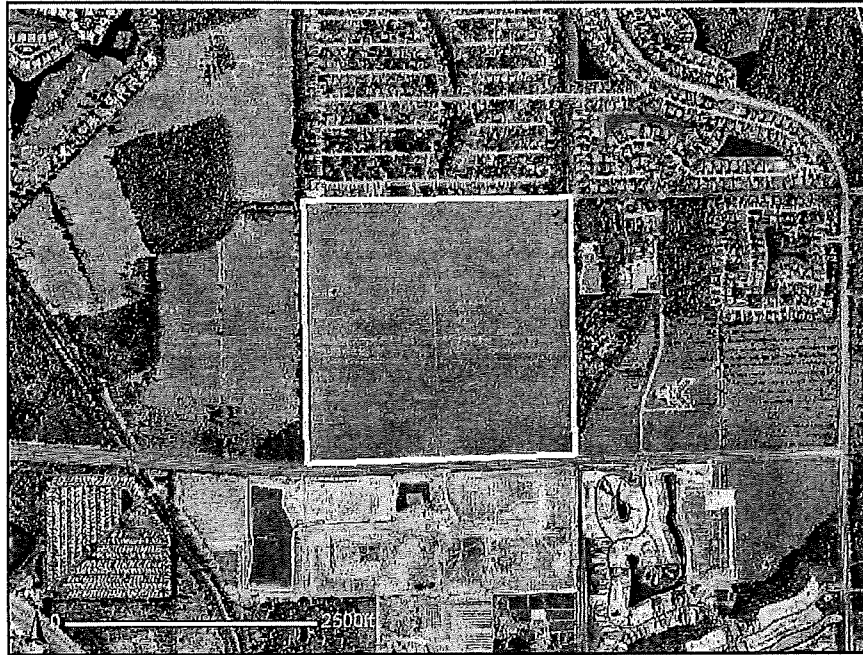
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***Sales Comparison Approach to Value***

**COMMENTS:** This is the sale of a fully entitled property adjacent to the Six Mile Cypress Sough. The property had a PUD approval for 1,332 units. Prior to this transaction, the property was annexed to the City of Fort Myers. Water and sewer will be run to this property, along with adjacent properties, at the cost of the property owners, with any extraordinary costs (oversizing, crossing under Six Mile Cypress Slough) being paid by the City of Fort Myers.

**COMPARABLE LAND SALE 2**

L-4385-D-2



**SALE PRICE:** \$17,800,000

**DATE OF SALE:** June 2004

**FINANCING:** Cash to seller

**LOCATION:** North side of Koreshan Boulevard/  
Estero Parkway

**LEGAL DESCRIPTION:** Lengthy legal in Section  
22-46-25

**TAX I.D. NO:** 22-46-25-00-00002.0000

**GRANTOR:** James A. Bernet

**SALES HISTORY:** N/A

**GRANTEE:** Toll FL II Limited Partnership

**UTILITIES:** Full

**RECORDING:** OR 4341/2361

**HIGHEST AND BEST USE:** Residential Development

**ZONING/LAND USE:** MPD, Mixed Use Planned  
Development/Urban Community

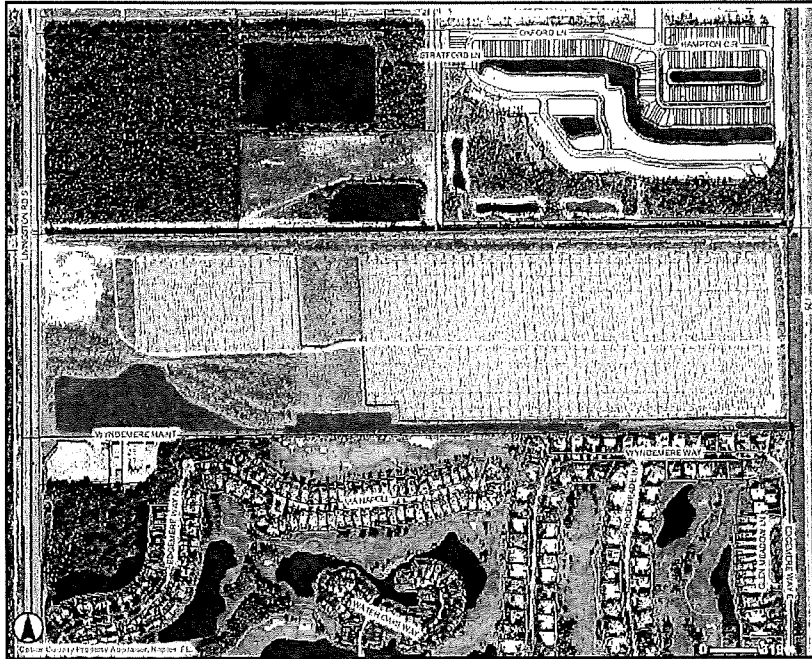
**SITE AREA:** 155.33 Acres or 6,766,175 Sq. Ft.

**UNIT OF VALUE:** \$114,595 Per Acre or \$29,038 per  
unit

**COMMENTS:** The sale was verified with Jim Manors (Toll Brothers). The property is being re-zoned to RPD and they plan to build 500 single family homes for a total density of 3.22 units per acre. It is currently zoned for 613 or 3.95 units per acre.

**COMPARABLE LAND SALE 3**

L-4351-D-4



**SALE PRICE:** \$29,127,200

**DATE OF SALE:** September 2004

**FINANCING:** Cash to seller

**LOCATION:** East side of Livingston Road, west side of I-75, and 1 mile south of Pine Ridge Road in Naples

**LEGAL DESCRIPTION:** Lengthy legal in Section 19, T49S-R26E, Collier County, Florida

**FOLIO #:** 00288200004

**GRANTOR:** Wallace L. Lewis, Jr. and Marion H. Gerace

**SALES HISTORY:** None recent

**GRANTEE:** Zuckerman Livingston, LLC

**UTILITIES:** Full available

**RECORDING:** OR 3649/3627

**HIGHEST AND BEST USE:** Residential Development

**ZONING/LAND USE:** PUD (Planned Unit Development)/ Urban Residential

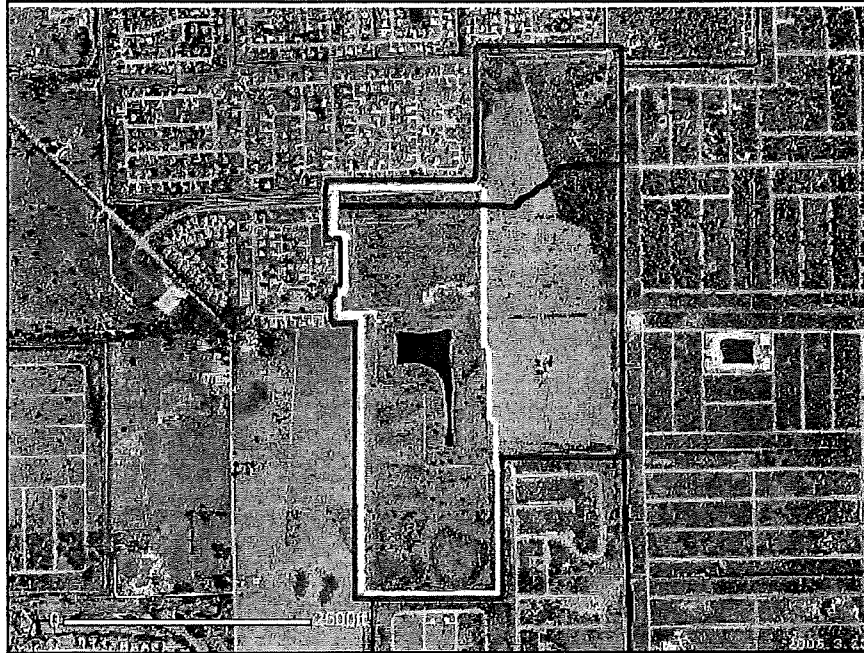
**SITE AREA:** 148.98 Acres

**UNIT OF VALUE:** \$195,511 Per Acre or \$49,368 Per Unit

**COMMENTS:** This is a planned development in Naples known as the Livingston Village PUD. The property is approved for 590 units or 3.96 units per acre.

**COMPARABLE LAND SALE 4**

L-5043



**SALE PRICE:** \$12,096,000

**DATE OF SALE:** 22 February 2005 (contract date);  
on or before 10 May 2005 (scheduled closing date)

**FINANCING:** Cash or equivalent

**LOCATION:** Just east of Homestead Road, at the  
present easterly terminus of Sunrise Boulevard

**LEGAL DESCRIPTION:** Lengthy legal in Sections 04 &  
09-45-27

**TAX I.D. NO.:** 04-45-27-00-00010.0000 & 09-45-  
27-00-00005.0000

**GRANTOR:** Bethany Tract Estates, Inc.

**SALES HISTORY:** \$820,000 in 9/2001, as per OR  
3487/4480

**GRANTEE:** Confidential

**UTILITIES:** Full

**RECORDING:** Contract

**HIGHEST AND BEST USE:** Residential Development

**ZONING/LAND USE:** RPD, Residential Planned  
Development/Central Urban

**SITE AREA:** 120.67 Acres per contract

**UNIT OF VALUE:** \$100,240 Per Acre or \$42,000 Per  
Planned Unit

**COMMENTS:** The grantor is selling the property fully entitled and with a new road transitioning across its northern

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**Sales Comparison Approach to Value**

boundary, Sunrise Boulevard Extension. This sale is based on the property being fully entitled for 288 single family units. The density is therefore 2.39 units per acre. If in the permitting process the number of units is adjusted, the sales price will be amended based on \$42,000 per unit.

**COMPARABLE LAND SALE 5**

L-5044



**SALE PRICE:** \$10,725,000

**DATE OF SALE:** 23 February 2005 (contract date);  
1 September 2005 (scheduled closing date)

**FINANCING:** Cash or equivalent

**LOCATION:** East of Homestead Road, south of the  
future Sunrise Boulevard Extension

**LEGAL DESCRIPTION:** Lengthy legal in Sections 04  
& 09-45-27

**TAX I.D. NO.:** 04-45-27-00-00008.0010 & 09-45-  
27-00-00006.0000

**GRANTOR:** Waterman Sunrise 80, LLC

**SALES HISTORY:** \$1,789,000 in 4/2004 & 5/2004,  
as per OR 4278/885 & 4317/2465

**GRANTEE:** Confidential

**UTILITIES:** Full

**RECORDING:** Contract

**HIGHEST AND BEST USE:** Residential Development

**ZONING/LAND USE:** RPD, Residential Planned  
Development (see comments)/Central Urban

**SITE AREA:** 79.21 Acres (per engineer)

**UNIT OF VALUE:** \$135,400 Per Acre or \$37,500 Per  
Permitted & Planned Unit

**COMMENTS:** The grantor is in the process of obtaining the RPD, Residential Planned Development, zoning

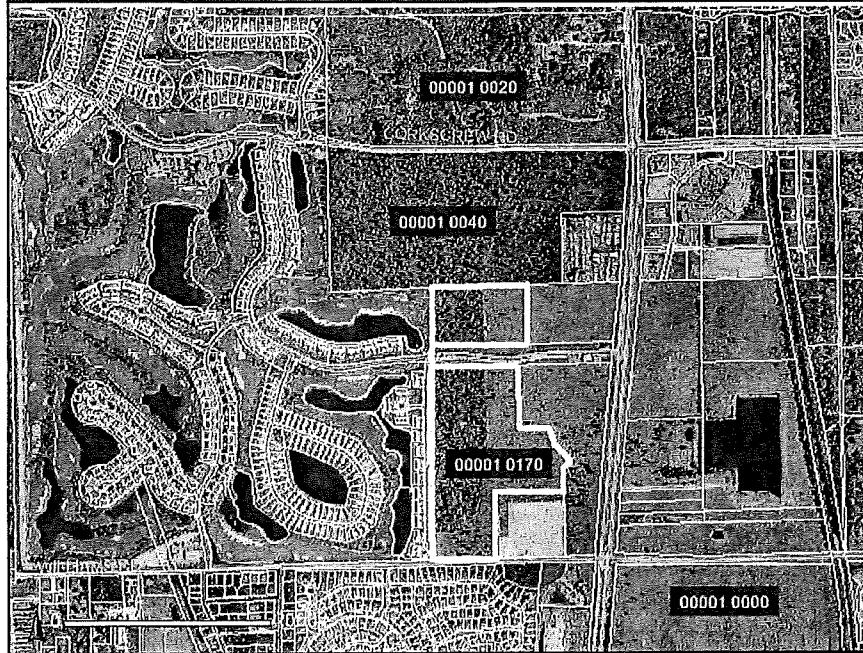
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**Sales Comparison Approach to Value**

classification on the property. It had been zoned AG-2, Agricultural. The grantee is buying the property fully entitled and with a new road transitioning across its northern boundary, Sunrise Boulevard Extension. This sale is based on the property being fully entitled for 286 single family units. The density is therefore 3.61 units per acre. If in the permitting process the number of units is adjusted, the sales price will be amended based on \$37,500 per unit.

**COMPARABLE LAND SALE 6**

L-4569-D-12



**SALE PRICE:** \$8,500,012

**DATE OF SALE:** August 2004

**FINANCING:** Cash to seller

**LOCATION:** Northwest corner of Williams Road and U.S. 41

**LEGAL DESCRIPTION:** Lengthy legal in Section 33-46-25

**TAX I.D. NO.:** 33-46-25-00-00001.0170 & .0180

**GRANTOR:** Kenneth I. Starr, William A. Friedlander, Barbara Z. Walker, Paul C. Selzer, & Joseph J. Dehner

**SALES HISTORY:** N/A

**GRANTEE:** Meadows of Estero - Bonita Springs, LP

**UTILITIES:** Full

**RECORDING:** OR 4401/4791 & 4803

**HIGHEST AND BEST USE:** Residential

**ZONING/LAND USE:** MPD/Suburban

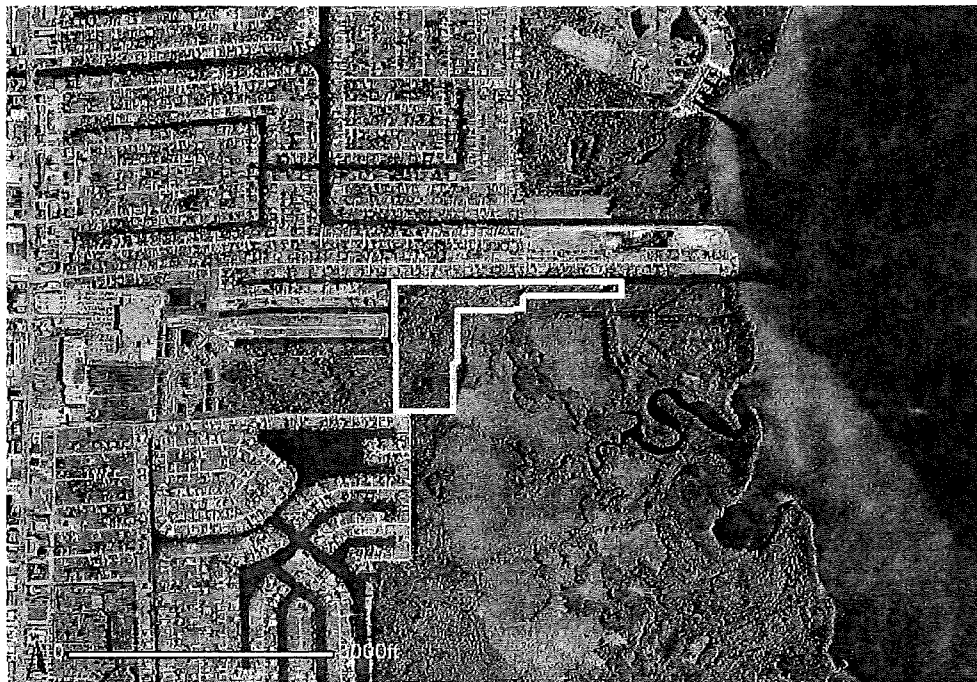
**SITE AREA:** 50 acres or 2,178,000 square feet

**UNIT OF VALUE:** \$170,000 per acre or \$30,357 per planned unit

**COMMENTS:** This is a vacant parcel which has been approved for 300 units. The zoning was in place at the time of the sale at the Grantor's expense. The property will be developed with 280 coach homes for a density of 5.6 units per acre.

**COMPARABLE LAND SALE 7**

L-4712



**SALE PRICE:** \$8,000,000

**DATE OF SALE:** 1 September 2004

**FINANCING:** Cash or equal

**LOCATION:** Four Mile Cove Parkway, Cape Coral

**LEGAL DESCRIPTION:** Lengthy legal in Section 29-44-24

**TAX I.D. NO.:** 29-44-24-C2-00001.0040

**GRANTOR:** Millenium Group of Southwest Florida, LLC

**SALES HISTORY:** \$1,100,000 - August 2003 as per OR 4053/3603

**GRANTEE:** Paradise Preserve, LLC

**UTILITIES:** Full

**RECORDING:** OR 4447/3461

**HIGHEST AND BEST USE:** Residential

**ZONING/LAND USE:** R-1A/Single Family

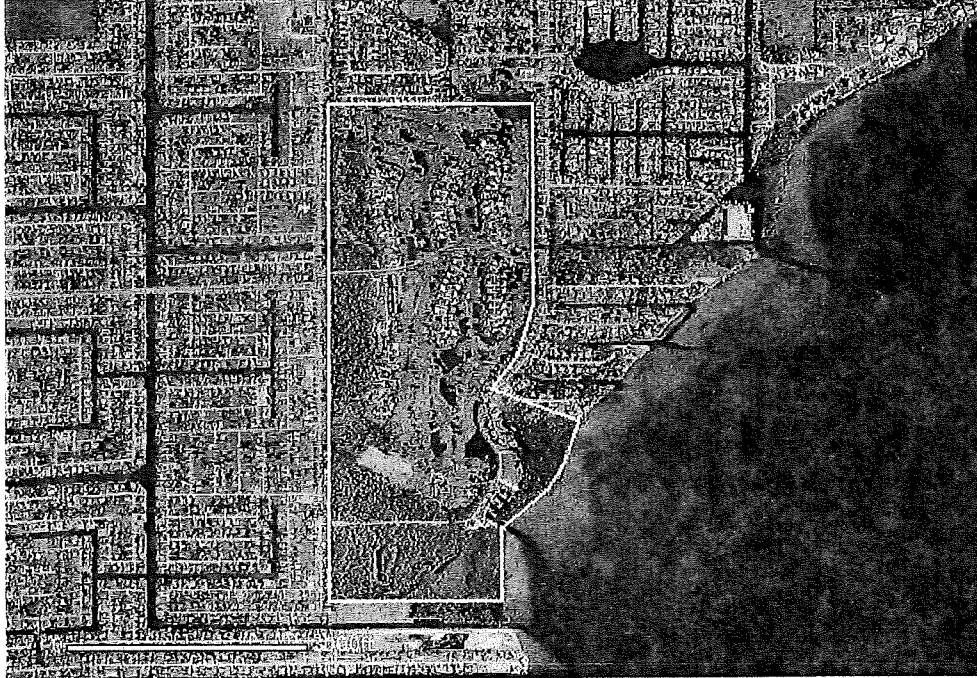
**SITE AREA:** 1,545,509 square feet or 35.48 acres

**UNIT OF VALUE:** \$225,479 per acre

**COMMENTS:** This property is located north of the Midpoint Memorial Bridge/Veterans Parkway and is on the north side of Four Mile Cove Parkway. The property benefits from frontage on a canal.

**COMPARABLE LAND SALE 8**

L-4713



**SALE PRICE:** \$54,320,000

**DATE OF SALE:** Under contract

**FINANCING:** Cash or equal

**LOCATION:** West side of Orange Grove Boulevard,  
North Fort Myers, Florida

**LEGAL DESCRIPTION:**

**TAX I.D. NO.:** See comments

**GRANTOR:** Paradise Yacht Club, Inc.

**SALES HISTORY:** Assembled between December  
1995 and march 2004: SE

**GRANTEE:** Paradise Preserve, LLC

**UTILITIES:** Full

**RECORDING:** Under contract

**HIGHEST AND BEST USE:** Golf Course/Marina

**ZONING/LAND USE:** RPD, Residential Planned  
Development; RM-2, Residential Multi-Family; C-1A,  
Commercial; CM, Commercial

**SITE AREA:** 274.380 acres

**UNIT OF VALUE:** \$197,974 per acre

**COMMENTS:** The subject property is improved with the Lochmoor Golf & Country Club and the Paradise Yacht Club Marina. This property has frontage and access to the Caloosahatchee River. The purchasers of the property will be renovating the golf course and replacing some areas with a residential development and remodeling the

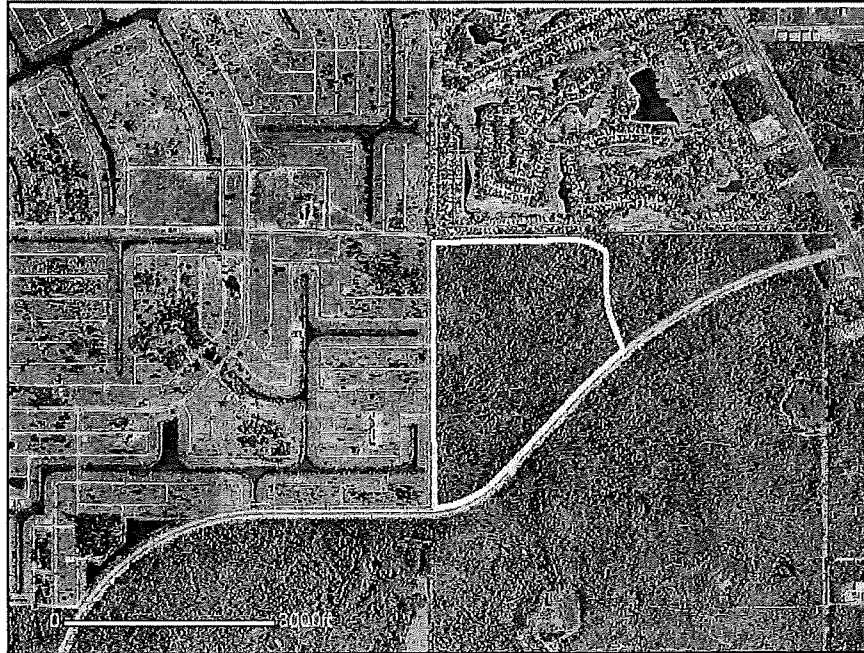
**Sales Comparison Approach to Value**

marina. The following is a list of the STRAP numbers and the sales history on the property:

<b>STRAP NO.</b>	<b>DATE OF PURCHASE</b>	<b>PURCHASE PRICE</b>	<b>OR BOOK/PAGE</b>
16-44-24-15-0000A.0000	03/04	\$7,010,000	4243/4827
16-44-24-15-0000E.0000	03/04	\$ 754,700	4243/4872
21-44-24-15-0000F.0000	03/04	\$2,990,000	4243/4831
21-44-24-15-0100G.0000	01/96	\$ 200,000	2669/1068
21-44-24-15-0100H.0000	01/96	\$ 200,000	2669/1068
21-44-24-15-0100I.0000	12/95	\$1,000,000	2669/1095
21-44-24-15-0100I.1000	01/96	\$ 560,000	2669/1143
21-44-24-16-00000.0660	03/04	\$ 85,000	4243/4887
21-44-24-24-00000.00A0	11/01	\$ 275,100	3558/3270
21-44-24-24-00000.00B0	01/96	\$ 560,000	2669/1143
16-44-24-15-000E1.0000	03/04	\$ 45,400	4243/4877

**COMPARABLE LAND SALE 9**

L-4680-D-3



**SALE PRICE:** \$11,250,000 (recorded)  
\$12,000,000 (adjusted, see comments)

**DATE OF SALE:** July 2004 (closing date)  
April 2004 (contract date)

**FINANCING:** Conventional

**LOCATION:** North side of Del Prado Extension

**LEGAL DESCRIPTION:** Lengthy in Section 21-43-24

**TAX I.D. NO.:** 21-43-24-C1-00001.0000

**GRANTOR:** Tousa Homes, Inc.

**SALES HISTORY:** \$4,964,700 - April 2003 as per  
OR 3899/831

**GRANTEE:** Entrada One, LLC

**UTILITIES:** Full

**RECORDING:** OR 4355/1737

**HIGHEST AND BEST USE:** Residential

**ZONING/LAND USE:** PUD, Planned Unit Development

**SITE AREA:** 165.49 acres

**UNIT OF VALUE:** \$72,512 per acre or \$26,258 per  
unit

**COMMENTS:** This parcel was fully entitled at the time of sale for 457 units (2.76 units per acre). It was reported an assignment fee of \$750,000 was paid by the buyer in addition to the recorded purchase price of \$11,250,000. This creating an adjusted purchase price of \$12,000,000.

**COMPARABLE LAND SALE 10**

L-3895



**SALE PRICE:** \$4,999,000

**DATE OF SALE:** March 2004

**FINANCING:** PMM - \$3,999,000

**LOCATION:** 12351 Iona Road

**LEGAL DESCRIPTION:** Lengthy legal in Section 36-45-23

**TAX I.D. NO.:** 36-45-23-00-00013.0020

**GRANTOR:** Watrous Corporation of Sarasota

**SALES HISTORY:** None in last three years

**GRANTEE:** Gulf to Bay Construction, Inc.

**UTILITIES:** Full

**RECORDING:** OR 4218/0603

**HIGHEST AND BEST USE:** Residential development

**ZONING/LAND USE:** AG-2/Suburban

**SITE AREA:** 32.57 acres

**UNIT OF VALUE:** \$153,484 per acre or \$25,636 per unit

**COMMENTS:** The site was purchased for residential development with an anticipated density of six units per acre. The property had been a nursery. The sale did not include any value of the nursery stock. It was split off of the parent STRAP number 36-45-23-00-00013.0000.

**ANALYSIS/DISCUSSION OF COMPARABLE LAND SALES:**

The preceding vacant residential land sales are believed to be the best and most current sales available for direct comparison purposes. The ten sales are all relatively recent, having occurred between March 2004 up to three current contracts. Consideration was given to these sales as they had somewhat comparable potential densities as would be expected for the subject property with an R-1A zoning. It is assumed that the subject property, if developed into residential development, would have a density in the range of one to four units per acre. Most of these comparable sales, with the exception of two fall into this category, with the remaining being just outside of this range. The sales all have a similar highest and best use for residential development. The only exception being the Lochmoor Golf & Country Club, which is being renovated and expanded to include more residential. All of the sales were analyzed on the Sale Price Per Acre Method, as the subject property does not have a set number of units or entitlements. The following is a summary of the ten land sales:

**Sales Comparison Approach to Value**

	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	SALE 6	SALE 7	SALE 8	SALE 9	SALE 10
PROJECT	The Golf Club	Parker Daniels property	Toll Brothers	Livingston Village PUD	Whispering Lakes	Pride Rock Development	Meadows of Estero	Four Mile Cove	Lochmoor Golf & Country Club	D.R. Horton-Entrada	Watrous Plantation
								(waterfront)	(waterfront)		
LOCATION	Palm Tree Blvd.	N. side of Penzance Blvd.	North Side of Estero Pkwy.	East side of Livingston Road	Sunrise Blvd.	Sunrise Blvd.	Williams/ US 41	Four Mile Cove Pkwy.	Orange Grove Blvd.	North Side of Del Prado Ext.	Iona Road
	Cape Coral	Ft. Myers	Estero	Naples	Lehigh Acres	Lehigh Acres	Estero	Cape Coral	N. Ft. Myers	N. Ft. Myers	Fort Myers
SALE PRICE	---	\$33,420,000	\$17,800,000	\$29,127,200	\$12,096,000	\$10,725,000	\$8,500,012	\$8,000,000	\$54,320,000	\$12,000,000	\$4,999,000
SIZE(acres)	175.17	444.00	155.33	148.98	120.67	79.21	50.00	35.48	274.38	165.49	32.57
NUMBER OF UNITS(Planned)	0	1332	500	590	288	286	280	0	0	457	195
NUMBER OF UNITS(Allowable)	0	1332	613	590	288	286	300	0	0	457	195
Density(Planned)	0.00	3.00	3.22	3.96	2.39	3.61	5.60	0.00	0.00	2.76	5.99
Density(Allowable)	0.00	3.00	3.95	3.96	2.39	3.61	6.00	0.00	0.00	2.76	5.99
PRICE PER UNIT(Allowable)	---	\$25,090	\$29,038	\$49,368	\$42,000	\$37,500	\$28,333	n/a	n/a	\$26,258	\$25,636
PRICE PER ACRE(Allowable)	---	\$75,270	\$114,595	\$195,511	\$100,240	\$135,400	\$170,000	\$225,479	\$197,974	\$72,512	\$153,485
SALE DATE	April 2005	November 2004	June 2004	September 2004	Under Contract	Under Contract	September 2004	September 2004	Under Contract	July 2004	March 2004

Before adjustments, the sales range from a low of \$72,512 per acre up to \$225,479 per acre.

Eliminating the high and low end of this range, the sales range from a low of \$100,240 per acre up to \$197,974 per acre.

**Explanation of Adjustments:**

In analyzing the comparable sales, consideration was first given for non-physical adjustments based on differences in financing, conditions of sale, expenditures after sale, and market conditions (time). None of the sales required adjustments for any type of financing that had an impact on the sale, according to the verifying party in each transaction. All of the sales were considered to be arm's length transactions with no unusual conditions. An upward time or market conditions adjustment of 1.00% per month was applied to the sales. This was considered reasonable, given the dwindling supply of available residential land in the Lee County market, which has driven prices

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***Sales Comparison Approach to Value***

up over the past approximate two years. This adjustment of 1.00% per month or 12.00% per year is considered to be reflective of market conditions which have occurred since these sales.

Physical Characteristics/Locational:

In analyzing the physical characteristics of the comparable properties compared to the subject property, the Relative Comparison Analysis was considered. This analysis considers qualitative adjustments rather than quantitative adjustments. The Relative Comparison Analysis analyzes comparable sales to determine whether they are inferior, superior, or equal to that of the subject property. These adjustments are not expressed as a dollar or percentage adjustment.

In terms of location, Sales 1, 4, 5, and 9 were all considered to be inferior to the subject property. Sale 1 is located on the north side of Penzance Boulevard in Fort Myers, Sales 4 and 5 are located east of Sunrise Boulevard in Lehigh Acres, and Sale 9 is located on the north side of Del Prado Extension in North Fort Myers, north of the subject property. Conversely, Sales 3, 6, 7, and 8 were all considered to be superior to the subject property, while the remaining sales were similar. Sale 3 is located on the east side of Livingston Road in North Naples, Sale 6 is located in the Estero/Bonita Springs market, while Sales 7 and 8 are located with water access in Cape Coral and North Fort Myers, respectively. Sale 8 is actually the sale of the Lochmoor Country Club, which includes a marina portion of this property and some river frontage and is therefore considered far superior in terms of its location. This sale was analyzed to set the extreme upper limit for the subject property. Sale 2 is considered to similar in terms of its location. It is located on the north side of Estero Parkway in Estero. Sale 10 is also considered similar as it is located off Iona Road in the Iona area of Fort Myers.

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## **Sales Comparison Approach to Value**

### **Size/Shape:**

A size/shape adjustment was made to these sales. Typically, the larger the parcel the lower the sale price per square foot and vice versa. Sale 1 is considered to be slightly inferior to the subject property with its slightly larger size at 444 acres compared to the subject's 175.174 acres. The remaining sales were considered similar or superior to the subject property depending on their size. Sales 2, 3, 4, 5, 6, and 9 were all considered similar in terms of their size with sizes from 50 acres up to 165.49 acres. Sales 7 and 10 were considered to be slightly superior to the subject property with sizes of 35.48 acres and 32.57 acres, respectively.

### **Entitlements:**

In this situation, the subject property is unentitled for its highest and best use, which is a similar situation to Sales 7, 8, and 10. Sales 2, 3, 4, 5, 6, and 9 were all considered to be slightly superior to superior as more entitlements were associated with these properties at the time of sale.

### **Utilities:**

With the exception of Sale 1, all of the comparables were considered similar in terms of their availability of utilities. Sale 1 was considered to be slightly inferior as significant additional cost may be incurred by the property owner to extend water and sewer service to this property.

### **Zoning/Density:**

All the comparables were considered similar in terms of their zoning/densities. Any entitlement adjustments were previously made.

The following is a summary of the ten sales and adjustments applied to each:

### Sales Comparison Approach to Value

	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	SALE 6	SALE 7	SALE 8	SALE 9	SALE 10
PROJECT	The Golf Club	Parker Daniels property	Toll Brothers	Livingston Village PUD	Whispering Lakes	Pride Rock Development	Meadows of Estero	Four Mile Cove	Lochmoor Golf & Country Club	D.R. Horton-Entrada	Watrous Plantation
LOCATION	Palm Tree Blvd.	N. side of Penzance Blvd.	North Side of Estero Pkwy.	East side of Livingston Road	Sunrise Blvd.	Sunrise Blvd.	Williams/US 41	Four Mile Cove Pkwy.	Orange Grove Blvd.	North Side of Del Prado Ext.	Iona Road
	Cape Coral	Ft. Myers	Estero	Naples	Lehigh Acres	Lehigh Acres	Estero	Cape Coral	N. Ft. Myers	N. Ft. Myers	Fort Myers
								(waterfront)	(waterfront)		
SALE PRICE	---	\$33,420,000	\$17,800,000	\$29,127,200	\$12,096,000	\$10,725,000	\$8,500,012	\$8,000,000	\$54,320,000	\$12,000,000	\$4,999,000
SIZE(acres)	175.17	444.00	155.33	148.98	120.67	79.21	50.00	35.48	274.38	165.49	32.57
NUMBER OF UNITS(Planned)	0	1332	500	590	288	286	280	0	0	457	195
NUMBER OF UNITS(Allowable)	0	1332	613	590	288	286	300	0	0	457	195
Density(Planned)	0.00	3.00	3.22	3.96	2.39	3.61	5.60	0.00	0.00	2.76	5.99
Density(Allowable)	0.00	3.00	3.95	3.96	2.39	3.61	6.00	0.00	0.00	2.76	5.99
PRICE PER UNIT(Allowable)	---	\$25,090	\$29,038	\$49,368	\$42,000	\$37,500	\$28,333	n/a	n/a	\$26,258	\$25,636
PRICE PER ACRE(Allowable)	---	\$75,270	\$114,595	\$195,511	\$100,240	\$135,400	\$170,000	\$225,479	\$197,974	\$72,512	\$153,485
SALE DATE	April 2005	November 2004	June 2004	September 2004	Under Contract	Under Contract	September 2004	September 2004	Under Contract	July 2004	March 2004
ADJUSTMENTS:											
Real Property Rights Conveyed	---	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ADJUSTED PRICE		\$75,270	\$114,595	\$195,511	\$100,240	\$135,400	\$170,000	\$225,479	\$197,974	\$72,512	\$153,485
Financing	---	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ADJUSTED PRICE		\$75,270	\$114,595	\$195,511	\$100,240	\$135,400	\$170,000	\$225,479	\$197,974	\$72,512	\$153,485
Conditions of Sale	---	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ADJUSTED PRICE		\$75,270	\$114,595	\$195,511	\$100,240	\$135,400	\$170,000	\$225,479	\$197,974	\$72,512	\$153,485
Expenditures after purchase	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED PRICE		\$75,270	\$114,595	\$195,511	\$100,240	\$135,400	\$170,000	\$225,479	\$197,974	\$72,512	\$153,485
Market Conditions or Time	---	6.00%	11.00%	7.00%	0.00%	0.00%	8.00%	8.00%	0.00%	10.00%	13.00%
MKT. COND. ADJ. SALE PRICE PER ACRE		\$79,786	\$127,200	\$209,197	\$100,240	\$135,400	\$183,600	\$243,517	\$197,974	\$79,763	\$173,438
Location/Position		Inferior	Similar	Superior	Inferior	Inferior	Superior	Superior	Superior	Inferior	Similar
Size/Shape		Slightly Inferior	Similar	Similar	Similar	Similar	Similar	Slightly Superior	Slightly Inferior	Similar	Slightly Superior
Entitlements		Superior	Superior	Superior	Superior	Superior	Slightly Superior	Similar	Similar	Superior	Similar
Utilities		Slightly Inferior	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Zoning/Density		Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar	Similar
OVERALL COMPARABILITY		INFERIOR	SIMILAR	SUPERIOR	INFERIOR	INFERIOR	SUPERIOR	SUPERIOR	SUPERIOR	INFERIOR	SLIGHTLY SUPERIOR

As shown above, after adjusting for market conditions (time), the properties range from a low of \$79,763 per acre to a high of \$243,517 per acre. Once again, excluding the high and low ends of this range, the sales range from a low of \$100,240 per acre up to \$197,974 per acre. Those properties that were overall considered to be inferior to the subject property range from \$79,763 per acre up to \$135,400 per acre. Those properties which were considered superior to the subject

**Sales Comparison Approach to Value**

property range from \$183,600 per acre up to \$243,517 per acre. In addition to these ten sales, consideration was also given to other residential sales in the Cape Coral market however, the majority of these sales had much higher densities and were multi-family oriented which, in our opinion, would illustrate much higher prices per acre. Based on these ten sales and considering the supply and demand characteristics for residential land in the Cape Coral market, it is my opinion that the "As Is" market value of the subject property would be \$175,000 per acre, which can be shown as follows:

175.174 Acres @ \$175,000 Per Acre	\$30,655,450
Rounded to, Say	<u>\$30,655,000</u>

**RECONCILIATION OF VALUE ESTIMATES:**

No correlation of value estimates is necessary as only the Sales Comparison Approach to Value was utilized in this analysis. The final "As Is" estimate of market value is estimated at \$30,655,000 as of 29 April 2005. This valuation is based on the highest and best use of the subject property, which is to redevelop the subject into a residential development. Therefore, a full analysis as a golf course was not applicable in this situation.

**CERTIFICATE OF APPRAISAL**

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 unbiased professional analyses, opinions, and conclusion.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias 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 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. This appraisal assignment was not made, nor was the appraisal rendered, on the basis of a requested minimum valuation, specific valuation, or an amount which would result in approval of a loan.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Gerald A. Hendry, MAI, has completed the requirements of the continuing education program of the Appraisal Institute.
- Gerald A. Hendry, MAI, has made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report.

Certificate of Appraisal

The "As Is" market value of the subject property is estimated, as of 29 April 2005, to be:

**THIRTY MILLION SIX HUNDRED FIFTY FIVE THOUSAND DOLLARS.....(\$30,655,000.00)**



Gerald A. Hendry, MAI  
State-Certified General Appraiser  
Certification 0002245

**ADDENDA**

**LEGAL DESCRIPTION:**

THE TOTAL GOLF COURSE PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A TRACT OF LAND SITUATED IN THE SOUTH HALF (S 1/2) OF SECTION 1, TOWNSHIP 45 SOUTH, RANGE 23 EAST AND THE NORTH HALF (N 1/2) OF SECTION 12, TOWNSHIP 45 SOUTH, RANGE 23 EAST, BEING ALSO SITUATED IN TRACTS B-1 AND B-2, WHICH COMPRISE ALL OF TRACT B OF CAPE CORAL UNIT 9 AS RECORDED IN PLAT BOOK 13, PAGES 7 THROUGH 18; TRACTS C-1 AND C-2, WHICH COMPRISE A PORTION OF TRACT C OF SAID CAPE CORAL UNIT 9; THE REMAINING PORTION OF SAID TRACT C OF SAID CAPE CORAL UNIT 9; LOTS 1A AND 1B, BLOCK 251 OF SAID CAPE CORAL UNIT 9; A PORTION OF TRACT A OF CAPE CORAL UNIT 15 AS RECORDED IN PLAT BOOK 13, PAGES 69 THROUGH 75, AND TRACT A OF CAPE CORAL UNIT 14 AS RECORDED IN PLAT BOOK 13, PAGES 61 THROUGH 68, ALL OF THE ABOVE BEING FOUND IN THE PUBLIC RECORDS OF LEE COUNTY, CITY OF CAPE CORAL, LEE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE N 1/4 (NORTH QUARTER) CORNER OF SAID SECTION 12, SAID CORNER BEING LOCATED S89°57'03"W A DISTANCE OF 2621.07 FEET FROM THE CORNER COMMON TO SAID SECTION 12 AND SECTION 1, TOWNSHIP 45 SOUTH, RANGE 23 EAST AND SECTIONS 6 AND 7, TOWNSHIP 45 SOUTH, RANGE 24 EAST; THENCE RUN N90°00'00"E ALONG THE NORTH LINE OF SAID CAPE CORAL UNIT 9 FOR 350.00 FEET TO THE SOUTHWEST CORNER OF SAID TRACT A OF SAID CAPE CORAL UNIT 15, BEING ALSO THE SOUTHEAST CORNER OF LOT 1, BLOCK 481 OF SAID CAPE CORAL UNIT 15; THENCE RUN N00°16'59"W ALONG THE WEST LINE OF SAID TRACT A AND THE EAST LINE OF SAID BLOCK 481 FOR 341.02 FEET TO THE POINT OF BEGINNING; THENCE RUN ALONG THE LINE COMMON TO SAID TRACT A AND SAID BLOCK 481 THE FOLLOWING COURSES: N00°16'59"W FOR 1652.00 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST; THEN RUN ALONG SAID CURVE HAVING A RADIUS OF 322.17 FEET AND A CENTRAL ANGLE OF 90°16'59" (CHORD=N44°51'30"E, 456.74 FEET) FOR 507.66 FEET TO THE POINT OF TANGENCY AND N90°00'00"E FOR 305.13 FEET TO AN INTERSECTION WITH THE WEST LINE OF BLOCK 480 OF SAID CAPE CORAL UNIT 15, BEING ALSO THE EAST LINE OF SAID TRACT A; THENCE RUN S00°00'00"E ALONG THE LINE COMMON TO SAID TRACT A AND SAID BLOCK 480 FOR 680.00 FEET TO THE NORTHWEST CORNER OF LOT 17-A, BLOCK 480 OF CAPE CORAL UNIT 15, A REPLAT OF PORTIONS OF BLOCKS 480 AND 482, TRACT A AND ST. MORITZ CIRCLE, CAPE CORAL UNIT 15, PLAT BOOK 13, PAGES 72 & 73, LYING IN SECTION 1, TWP. 45 S., RGE. 23 E., ACCORDING TO PLAT BOOK 13, PAGES 93 & 94 OF THE PUBLIC RECORDS OF LEE COUNTY, FLORIDA; THENCE RUN ALONG THE LINE COMMON TO SAID TRACT A AND SAID BLOCK 480 OF SAID REPLAT OF SAID CAPE CORAL UNIT 15 THE FOLLOWING COURSES: S00°00'00"E FOR 840.00 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTH, THEN RUN ALONG SAID CURVE HAVING A RADIUS OF 300.00 FEET AND A CENTRAL ANGLE OF 180°00'00" (CHORD=N90°00'00"E, 600.00 FEET) FOR 942.48 FEET TO THE POINT OF TANGENCY AND N00°00'00"E FOR 640.00 FEET TO THE NORTHEAST CORNER OF LOT 32-R OF BLOCK 480 OF SAID REPLAT OF SAID CAPE CORAL UNIT 15, BEING ALSO THE SOUTHEAST CORNER OF LOT 33, BLOCK 480 OF SAID CAPE CORAL UNIT 15 AS RECORDED IN SAID PLAT BOOK 13, PAGES 68 THROUGH 75; THENCE RUN N00°00'00"E ALONG THE WEST LINE OF SAID TRACT A AND THE EAST LINE OF SAID BLOCK 480 FOR 680.00 FEET TO THE NORTHWEST CORNER OF SAID TRACT A OF SAID CAPE CORAL UNIT 15 BEING ALSO THE SOUTH LINE OF BLOCK 479 OF SAID CAPE CORAL UNIT 14; THENCE RUN N90°00'00"E ALONG THE NORTH LINE OF SAID TRACT A AND SAID SOUTH LINE OF SAID BLOCK 479 FOR 200.00 FEET TO THE NORTHEAST CORNER OF SAID TRACT A OF SAID CAPE CORAL UNIT 15, BEING ALSO THE NORTHWEST CORNER OF TRACT A OF SAID CAPE CORAL UNIT 14 AND A POINT ON THE SOUTH LINE OF SAID BLOCK 479 OF SAID CAPE CORAL UNIT 14; THENCE RUN ALONG THE LINE COMMON TO SAID TRACT A AND SAID BLOCK 479 THE FOLLOWING COURSES: N90°00'00"E FOR 560.00 FEET, S00°00'00"E FOR 144.36 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, THEN RUN ALONG SAID CURVE HAVING A RADIUS OF 2110.00 FEET AND A CENTRAL ANGLE OF 26°39'34" (CHORD=S13°19'47"E, 972.94 FEET) FOR 981.77 FEET TO AN INTERSECTION WITH THE SOUTHEASTERLY LINE OF SAID TRACT A, BEING ALSO THE NORTHWESTERLY

LINE OF BLOCK 478 OF SAID CAPE CORAL UNIT 14; THENCE RUN ALONG THE LINE COMMON TO SAID TRACT A AND SAID BLOCK 478 THE FOLLOWING COURSES: S55°10'00"W FOR 746.44 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, THEN RUN ALONG SAID CURVE HAVING A RADIUS OF 300.00 FEET AND A CENTRAL ANGLE OF 180°00'00" (CHORD= S34°50'00"E, 600.00 FEET) FOR 942.48 FEET TO THE POINT OF TANGENCY AND N55°10'00"E FOR 443.75 FEET TO AN INTERSECTION WITH THE SOUTHWESTERLY LINE OF BLOCK 478 OF SAID CAPE CORAL UNIT 14, BEING ALSO THE NORTHEASTERLY LINE OF SAID TRACT A AND A POINT ON A CURVE CONCAVE TO THE NORTHEAST; THENCE RUN ALONG SAID COMMON LINE ON SAID CURVE HAVING A RADIUS OF 2410.00 FEET AND A CENTRAL ANGLE OF 17°26'45" (CHORD= S50°42'25"E, 730.98 FEET) FOR 733.81 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF LOT 3 OF SAID BLOCK 478, BEING ALSO THE SOUTHEASTERLY CORNER OF SAID TRACT A, THE NORTHEASTERLY CORNER OF LOT 10, BLOCK 256 OF SAID CAPE CORAL UNIT 9 AND THE NORTHEASTERLY CORNER OF SAID TRACT C OF SAID CAPE CORAL UNIT 9 AND A POINT ON A CURVE CONCAVE TO THE SOUTHEAST; THENCE RUN ALONG THE LINE COMMON TO SAID BLOCK 256 AND SAID TRACT C THE FOLLOWING COURSES: ON SAID CURVE HAVING A RADIUS OF 550.00 FEET AND A CENTRAL ANGLE OF 58°49'11" (CHORD= S14°24'36"W, 540.16 FEET) FOR 564.63 FEET TO THE POINT OF TANGENCY AND S15°00'00"E FOR 56.66 FEET TO AN INTERSECTION WITH THE NORTHWESTERLY LINE OF BLOCK 255 OF SAID CAPE CORAL UNIT 9, BEING ALSO THE SOUTHEASTERLY LINE OF SAID TRACT C; THENCE RUN ALONG THE LINE COMMON TO SAID BLOCK 255 AND SAID TRACT C THE FOLLOWING COURSES: S75°00'00"W FOR 1235.00 FEET, N15°00'00"W FOR 5.00 FEET, S75°00'00"W FOR 175.00 FEET AND S15°00'00"E FOR 280.00 FEET TO AN INTERSECTION WITH THE NORTHWESTERLY LINE OF BLOCK 254 OF SAID CAPE CORAL UNIT 9, BEING ALSO THE SOUTHEASTERLY LINE OF SAID TRACT C; THENCE RUN ALONG THE REAR LOT LINES OF SAID BLOCK 254 AND BLOCK 253 OF SAID CAPE CORAL UNIT 9, AND THE COMMON LINE OF SAID TRACT C THE FOLLOWING COURSES: S75°00'00"W FOR 244.19 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, THEN ALONG SAID CURVE HAVING A RADIUS OF 1100.00 FEET AND A CENTRAL ANGLE OF 75°00'00" (CHORD= S37°30'00"W, 1339.28 FEET) FOR 1439.90 FEET TO THE POINT OF TANGENCY, THEN S00°00'00"E FOR 594.28 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST, THEN ALONG SAID CURVE HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 29°17'06" (CHORD= S14°38'33"W, 12.64 FEET) FOR 12.78 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTHEAST, THEN RUN ALONG SAID CURVE HAVING A RADIUS OF 2155.00 FEET AND A CENTRAL ANGLE OF 15°17'06" (CHORD= S21°38'33"W, 573.19 FEET) FOR 574.90 FEET TO THE POINT OF TANGENCY, THEN S14°00'00"W FOR 462.41 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST, THEN ALONG SAID CURVE HAVING A RADIUS OF 175.00 FEET AND A CENTRAL ANGLE OF 76°00'00" (CHORD= S52°00'00"W, 215.48 FEET) FOR 232.13 FEET TO THE POINT OF TANGENCY AND N90°00'00"W FOR 222.13 FEET TO THE NORTHWEST CORNER OF LOT 1 OF SAID BLOCK 253, BEING ALSO THE SOUTHWEST CORNER OF SAID TRACT C, BEING ALSO A POINT ON THE EAST RIGHT OF WAY LINE OF PALM TREE BOULEVARD (100' R/W); THENCE RUN N00°09'01"E ALONG THE WEST LINE OF SAID TRACT C AND THE SAID EAST RIGHT OF WAY LINE FOR 952.57 FEET TO THE SOUTHWEST

CORNER OF LOT 19, BLOCK 252 OF SAID CAPE CORAL UNIT 9, BEING ALSO A POINT ON THE WEST LINE OF SAID TRACT C; THENCE RUN ALONG THE LINE COMMON TO SAID BLOCK 252 AND SAID TRACT C THE FOLLOWING COURSES: N90°00'00"E FOR 125.00 FEET, N00°09'01"E FOR 167.99 FEET, N01°15'25"E FOR 135.18 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, THEN ALONG SAID CURVE HAVING A RADIUS OF 775.00 FEET AND A CENTRAL ANGLE OF 35°50'06" (CHORD=N16°39'38"W, 476.85 FEET) FOR 484.71 FEET TO A POINT ON THE SOUTH LINE OF BLOCK 251 OF SAID CAPE CORAL UNIT 9, BEING ALSO A POINT ON THE WESTERLY LINE OF SAID TRACT C; THENCE RUN ALONG THE LINE COMMON TO SAID BLOCK 251 AND SAID TRACT C THE FOLLOWING COURSES: N90°00'00"E FOR 257.03 FEET, N00°00'00"E FOR 900.00 FEET, N90°00'00"W FOR 300.00 FEET, N00°00'00"E FOR 790.43 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTH EAST, THEN ALONG SAID CURVE HAVING A RADIUS OF 125.00 FEET AND A CENTRAL ANGLE OF 36°28'39" (CHORD=N18°14'19"E, 78.24 FEET) FOR 79.58 FEET TO THE SOUTHEASTERLY CORNER OF LOT 1A OF SAID BLOCK 251, BEING ALSO THE NORTHEASTERLY CORNER OF LOT 1 OF SAID BLOCK 251; THENCE RUN N53°31'21"W ALONG THE LINE COMMON TO SAID LOT 1A AND SAID LOT 1 FOR 125.00 FEET TO THE SOUTHWESTERLY CORNER OF SAID LOT 1A, BEING ALSO THE NORTHWESTERLY CORNER OF LOT 1, A POINT ON THE SOUTHEASTERLY RIGHT OF WAY LINE OF SAID PALM TREE BOULEVARD AND A POINT ON A CURVE CONCAVE TO THE SOUTHEAST; THENCE RUN ALONG SAID SOUTHEASTERLY RIGHT OF WAY LINE AND THE NORTHWESTERLY LINES OF SAID LOT 1A, LOT 1B OF SAID BLOCK 251, SAID TRACT B-2 AND SAID TRACT B-1 THE FOLLOWING COURSES: ALONG SAID CURVE HAVING A RADIUS OF 250.00 FEET AND A CENTRAL ANGLE OF 30°41'08" (CHORD=N51°49'13"E, 132.30 FEET) FOR 133.89 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE NORTH WEST, THEN ALONG SAID CURVE HAVING A RADIUS OF 350.00 FEET AND A CENTRAL ANGLE OF 49°05'05" (CHORD=N42°37'14"E, 290.76 FEET) FOR 299.84 FEET; THENCE RUN S71°55'19"E FOR 84.32 FEET, LEAVING SAID RIGHT OF WAY LINE, FOR 84.32 FEET; THEN RUN THE FOLLOWING COURSES: S23°24'04"W FOR 165.56 FEET, S21°35'58"E FOR 28.77 FEET, S66°35'56"E FOR 175.57 FEET, S78°47'27"E FOR 67.28 FEET, S61°55'24"E FOR 44.09 FEET AND N83°53'53"E FOR 40.00 FEET TO AN INTERSECTION WITH THE LINE COMMON TO SAID TRACT C-1 AND SAID TRACT C; THENCE RUN THE FOLLOWING COURSES: CONTINUE N83°53'53"E FOR 116.88 FEET, S23°07'56"E FOR 12.00 FEET, N66°52'04"E FOR 485.80 FEET, N80°38'24"E FOR 230.45 FEET, S84°00'34"E FOR 368.48 FEET, N38°20'54"E FOR 57.58 FEET AND N15°02'20"W FOR 185.85 FEET TO AN INTERSECTION WITH THE LINE COMMON TO SAID SECTION 1 AND SAID SECTION 12; THENCE RUN THE FOLLOWING COURSES: CONTINUE N15°02'20"W FOR 215.80 FEET, N80°14'49" FOR 135.27 FEET, S88°22'16"W FOR 241.98 FEET, S70°40'05"W FOR 404.84 FEET, S49°33'45"W FOR 181.17 FEET, S20°55'22"W FOR 37.19 FEET,

S16°52'04"W FOR 47.88 FEET, S30°00'37"W FOR 53.18 FEET, S13°41'21"W FOR 50.00 FEET, S60°09'31"W FOR 50.00 FEET AND S78°25'37"W FOR 43.85 FEET TO AN INTERSECTION WITH THE LINE COMMON TO SAID TRACT C-1 AND SAID TRACT C; THENCE RUN THE FOLLOWING COURSES: N28°57'18"W FOR 162.23 FEET AND N00°00'00"E FOR 89.70 FEET TO AN INTERSECTION WITH THE NORTH LINE OF SAID TRACT B-1 OF SAID CAPE CORAL UNIT 9, BEING ALSO THE SOUTH LINE OF SAID TRACT A OF SAID CAPE CORAL UNIT 15; THENCE RUN THE FOLLOWING COURSES: CONTINUE N00°00'00"E FOR 22.66 FEET, N45°12'06"E FOR 352.85 FEET AND N00°00'00"E FOR 61.43 FEET TO THE MOST SOUTHERLY POINT ON THE BOUNDARY OF AN EXISTING WATER TREATMENT SITE LESSED OUT OF GOLF COURSE PROPERTY PER CHICAGO TITLE COMPANY COMMITMENT NO. 803-12. SAID POINT DESCRIBED AS THE POINT OF BEGINNING; THENCE RUN ALONG THE PERIMETER OF SAID WATER TREATMENT SITE THE FOLLOWING COURSES: N65°54'37"E FOR 171.98 FEET, N58°39'00"E FOR 187.46 FEET, N61°42'38"W FOR 206.28 FEET, N65°21'01"W FOR 161.24 FEET, S46°27'57"W FOR 99.78 FEET, S34°51'50"W FOR 71.36 FEET AND S05°43'44"W FOR 147.60 FEET TO THE MOST SOUTHWESTERLY CORNER OF SAID WATER TREATMENT SITE; THENCE RUN THE FOLLOWING COURSES: S45°12'06"W, LEAVING SAID WATER TREATMENT SITE, FOR 77.14 FEET AND S89°43'01"W FOR 227.91 FEET TO THE POINT OF BEGINNING.

LESS THE FOLLOWING DESCRIBED PARCEL OF LAND:

COMMENCE AT THE SOUTHWESTERLY CORNER OF THE SAID TRACT C ON THE EASTERLY RIGHT OF WAY LINE OF PALM TREE BOULEVARD; THENCE NORTH 0°09'01" EAST, 98.0 FEET ALONG THE SAID EASTERLY RIGHT OF WAY LINE; THENCE EAST 85.0 FEET TO THE POINT OF BEGINNING; THENCE NORTH 0°09'01" EAST, 100.0 FEET; THENCE EAST 100.0 FEET; THENCE SOUTH 0°09'01" WEST, 100.0 FEET; THENCE WEST 100.0 FEET TO THE POINT OF BEGINNING;

INCLUDING THE FOLLOWING DESCRIBED PARCEL OF LAND:

TRACT "A" OF CAPE CORAL UNIT 9, ACCORDING TO PLAT THEREOF RECORDED IN PLAT BOOK 13, PAGES 7 TO 18, INCL., OF THE PUBLIC RECORDS OF LEE COUNTY, FLORIDA.

SUBJECT TO EASEMENTS AND RESERVATIONS OF RECORD.

TOTAL GOLF COURSE PARCEL CONTAINS 7,630,572 SQUARE FEET (175.174 ACRES), MORE OR LESS.

TOGETHER WITH MORTGAGOR'S RIGHTS UNDER THOSE CERTAIN EASEMENT AGREEMENTS FOR GOLF COURSE GROUNDS AND CART PATH AND CART PATHS OF EVEN DATE HERewith.

**R-1A ZONING CLASSIFICATION**

## Section 2.7 District Regulations

### .1 Single-Family Residential Districts (R-1A and R-1B)

#### A. Purpose and Intent

These districts are established to: (1) encourage and protect single-family development at a variety of densities with varying dimensional requirements; (2) permit other uses generally compatible with such residential uses; and, (3) otherwise implement this Ordinance.

#### B. Permitted Uses (all districts)

1. Entrance Gates (applicable to private subdivisions with private rights of way) (Ord. 3-97, 2/10/97)
2. Essential Service
3. Family Day Care Home
4. Home Occupation
5. Nature and Wildlife Preserves
6. Parks-Group I
7. Single-Family Dwelling

#### C. Special Exception Uses (all districts)

1. Assisted Living Facility (Minimum Area 3 acres and PDP) (Ord. 68-98, 11/30/98)
2. Child Care Facility/Preschool/Kindergarten (Ord. 3-97, 2/10/97)
3. Country Club
4. Essential Service Facilities-Groups I & II
5. Golf Course
6. Government Uses-Group II
7. Model Home Site(s) (See Special Regulations)
8. Parks-Groups II and III
9. Places of Worship (1-acre minimum lot area)
10. Religious Facilities (1-acre minimum lot area)
11. Schools: Non-profit, Private, Public, or Parochial-Group I

#### D. Special Regulations

1. Model Home Sites may be permitted as a Special Exception, subject to the following requirements:
  - a. Minimum site area of 15,000 square feet for the first model home site and a minimum of 10,000 square feet for each additional model home site adjoining.

## CAPE CORAL CODE

- b. The parking lot for each model home site shall be set back a minimum of five (5) feet from the side property line, and fifteen (15) feet from the rear property line. The setback areas shall contain at least a five (5) foot landscaped buffer to the adjoining rear and side properties.
- c. No parking shall be allowed directly to the rear of a model home on one building site.
- d. Parking: Five (5) paved spaces on site for the first model home site, three (3) additional paved spaces on site for each additional adjoining model
- e. Vehicle parking entrance(s) to the model home site shall be from the same street which faces front entrance to the model home site(s) unless this requirement conflicts with Department of Transportation Standards or City of Cape Coral Engineering Design Standards. On corner sites where the garage is on the side of the structure, the entrance to the parking area may be located on the same side as the driveway to the garage.
- f. Time Limit: Five (5) years maximum, unless the model home site conforms to all other provisions of this Ordinance.
- g. Deposit Required:

A deposit of funds or other financial instruments payable to the City of Cape Coral is required as a Construction Conversion Deposit to convert the property back to a residential use when the structure is converted or sold. The amount of the deposit to be set forth as follows:

\$5,000.00 for conversion of the parking lot; and,

\$1,500.00 per model home site if driveway is not installed.

The deposit shall be used by the City to remove any parking area not allowed in a residential zone or to convert the property to a residential or other permitted use. Such deposit shall be used when the model home site is abandoned as a model home site, or at the expiration of the model home site time limit, or if the model home site is sold as a residence or other permitted use and not converted to a residence or other permitted use, or if the structure is abandoned as a model home site for thirty (30) consecutive days. Conversion of the model home site must be completed within sixty (60) days of the expiration of the time limit for the model home site, or within sixty (60) days of the structure being abandoned as a model home site, or prior to sale of the model home site for a residential or other permitted use.

Any funds and interest resulting from these funds shall be returned to the party who made the deposit upon conversion of the model home site to a residential or other permitted use if such conversion is done by parties other than the City. Should the City be required to perform the conversion, all unused monies, including interest accrued, shall be refunded to the party making the deposit.

- h. Model homes sites may be open for business between 9:00 a.m. and 9:00 p.m. daily.
  - i. Outside lighting permitted, except from 10 p.m. to 7 a.m.
  - j. Security Lighting: Two (2) security lights permitted, one at the front and one at the rear of building.
  - k. Model home sites must be used exclusively for the display and sale of the model homes. No construction office or other real estate uses shall be permitted.
2. No structure may be converted from any other use to a residential dwelling unit unless all provisions of this Ordinance regarding residential dwellings are complied with. (Ord. 68-98, 11/30/98)

TABLE R-1  
DIMENSIONAL REGULATIONS  
(R-1A and R-1B Districts)

<i>DISTRICT</i>	<i>R-1A</i>	<i>R-1B</i>
<b>Minimum Lot Area</b>		
Single-family dwelling	20,000 s.f.	10,000 s.f.
Religious facility	1 acre	1 acre
<b>Minimum Yards (c) (f) (h)</b>		
Front	30 ft. (j)	25 ft. (j)
Side (i)	20 ft. (j)	7.5 ft. (j)
Rear	20 ft. (j)	20 ft. (j)
<b>Minimum Lot Width</b>		
at building line (a)	120 ft.	80 ft.(c)
<b>Minimum Lot Depth</b>	120 ft.	100 ft.
<b>Maximum Building Height</b>	35 ft.	30 ft. (g)
<b>Minimum Living Area (b)</b>		
Waterfront	1,800 s.f.	1,800 s.f. (d)
Non-waterfront	1,700 s.f.	1,100 s.f. (e)

(Ord. No. 19-00, § 1, 4-10-00; Ord. No. 103-00, § 1, 10-23-00)

- (a) All lots shall have a minimum width at the street line of fifty (50) feet, except lots on turn arounds of a permanent dead-end street must have a minimum width of twenty-five (25) feet. See City of Cape Coral Engineering and Design Standards for access.
- (b) The ground floor area of a dwelling, exclusive of garages, storage areas, breezeways, enclosed porches or terraces shall have a minimum of nine hundred (900) square feet of living area. Exceptions may be made where the Federal Emergency Management Agency requires higher elevations. (See Article VI, Section 6.5.B.5)

## CAPE CORAL CODE

- (c) The provisions of this district will not prohibit the construction of any new single-family residence at the established thirty-foot setback in an area designated R-1B if the front property line is more than seventy (70) feet, but less than eighty (80) feet, and further provided that the property was platted before April 1, 1974. All side setbacks and rear setbacks must remain in compliance with the remaining portions of this Section.
- (d) A minimum of 1,800 square feet is required when adjacent to a river as defined by the U.S. Army Corps of Engineers. Minimum living area may be reduced to 1,400 square feet only when adjacent to a canal or lake.
- (e) A minimum of 1,400 square feet of living area is required on lots adjacent to a golf course or across from riverfront or saltwater front lots.
- (f) Swimming Pools: Unroofed pools, pools enclosed, or screen enclosures only with open-mesh screening shall be placed at the rear of the principal structure only, not less than ten (10) feet from the rear lot line of any residential lot. Pools, enclosed pools, or screen enclosures may not extend more than ten (10) feet beyond the side of the structure or into the required side setback. Any part of a pool or screen enclosure covered by a roof or enclosed by side walls over six (6) feet in height shall be subject to the limitations regarding location of the structure. The minimum distance requirement from a lot line shall be measured from the exterior of the screen enclosure for a screen enclosure or an enclosed pool and from the waterline of an unenclosed pool. In no instance shall any pool, pool enclosure or screen enclosure, be placed within a utility or drainage easement. (Ord. No. 3-97, 2-10-97)(See also Article III, Section 3.10.)
- (g) Building height may be increased to 35 feet in an R-1B Zone on 15,000 square foot sites. (Ord. No. 68-98, 11-30-98; Ord. No. 103-00, § 1, 10-23-00)
- (h) See Article III, Section 3.7 and 3.8.2 for corner lots. (Ord. No. 103-00, § 1, 10-23-00)
- (i) On corner lots of less than 85 feet of width, the side yard setback may be reduced one foot for each one foot of width less than 85 feet. In no case shall the side setback be less than ten feet. In this instance, the fence may be permitted at the same side setback as the house. (Ord. No. 54-91, 7-22-91; Ord. No. 103-00, § 1, 10-23-00)
- (j) A roof overhang may extend not more than two feet into the side, front, or rear yard, but no part of any roof overhang may extend into any utility or drainage easement. No mechanical equipment, including, but not limited to, air conditioning or pool equipment, shall be located in any utility or drainage easement. (Ord. No. 19-00, § 1, 4-10-00; Ord. No. 103-00, § 1, 10-23-00)
- (k) Minimum yards are for separations between structures in the PDP and adjacent non-PDP properties. Within the project, zero-lot line, clustering, and other lot dimensions may be approved provided that the area of the project is at least three acres and is developed through the PDP process. Structures built to side lot lines

must then observe all underwriting standards including a minimum two hour firewall. (Ord. No. 22-96, 5-6-96; Ord. No. 19-00, § 1, 4-10-00; Ord. No. 103-00, § 1, 10-23-00)

**INCOME/EXPENSE STATEMENT**  
**THE GOLF CLUB**

## The Golf Club Operating Forecast

	Act 2002	Act 2003	Act 2004	Fcst 2005	Fcst 2006	Fcst 2007	Fcst 2008	Fcst 2009
<b>Revenue</b>								
Food and Beverage	\$ 473	\$ 490	\$ 513	\$ 561	\$ 600	\$ 650	\$ 700	\$ 750
Golf Shop	1,042	1,078	1,120	1,331	1,425	1,550	1,650	1,750
Member Dues	256	285	367	425	500	1,100	1,300	1,400
Initiation Fees								
<b>Total Revenue</b>	<b>1,771</b>	<b>1,853</b>	<b>2,000</b>	<b>2,317</b>	<b>2,525</b>	<b>3,300</b>	<b>3,650</b>	<b>3,900</b>
<b>Cost of Sales</b>								
Food & Beverage	179	191	202	210	230	260	280	300
Golf Shop	76	76	86	110	115	135	150	160
<b>Total Cost of Sales</b>	<b>255</b>	<b>267</b>	<b>288</b>	<b>320</b>	<b>345</b>	<b>395</b>	<b>430</b>	<b>460</b>
<b>Wages and Benefits</b>								
Food and Beverage	263	235	238	227	240	260	275	285
Golf Shop	224	176	175	197	195	215	225	230
Administrative	142	115	98	113	115	150	165	175
Golf Maintenance	523	418	394	413	435	470	500	525
Membership	36	54	55	80	65	75	85	90
<b>Total Wages and Benefits</b>	<b>1,188</b>	<b>998</b>	<b>960</b>	<b>1,030</b>	<b>1,050</b>	<b>1,170</b>	<b>1,250</b>	<b>1,305</b>
<b>Expenses</b>								
Food & Beverage	58	48	53	59	65	75	85	100
Golf Shop	102	96	67	78	85	100	110	120
Administrative	213	205	178	189	270	320	350	380
Golf Maintenance	442	343	289	365	375	420	450	480
Membership/Marketing	65	46	50	70	75	90	100	100
<b>Total Expenses</b>	<b>880</b>	<b>738</b>	<b>637</b>	<b>761</b>	<b>870</b>	<b>1,005</b>	<b>1,095</b>	<b>1,180</b>
<b>Gross Operating Profit</b>	<b>(552)</b>	<b>(150)</b>	<b>115</b>	<b>206</b>	<b>260</b>	<b>730</b>	<b>875</b>	<b>955</b>
<b>Other Expenses</b>								
Property Taxes	103	89	97	96	105	108	112	118
Insurance	57	49	48	50	55	65	75	90
Management Fee	100	100	100	100	100	100	100	100
<b>Net for Debt and Capital</b>	<b>(812)</b>	<b>(388)</b>	<b>(130)</b>	<b>(40)</b>	<b>-</b>	<b>457</b>	<b>588</b>	<b>647</b>
Mortgage Interest	319	311	310	296	290	275	260	50
Line of Credit Interest	56	44	40	51	50	50	-	
Subordinated Debt Interest		52	95	95	95	65		
Principle Payments	150	78	50	99	150	150	150	150
Capital Expenses	41	25	85	25	35	100	125	150
<b>Total</b>	<b>566</b>	<b>510</b>	<b>580</b>	<b>566</b>	<b>620</b>	<b>640</b>	<b>535</b>	<b>350</b>
<b>Net Operating Income</b>	<b>(1,378)</b>	<b>(898)</b>	<b>(710)</b>	<b>(606)</b>	<b>(620)</b>	<b>(183)</b>	<b>53</b>	<b>297</b>
<b>Cash Flow Adjustments (1)</b>	<b>132</b>	<b>227</b>	<b>210</b>	<b>285</b>				
<b>Refundable Membership Deposits</b>					<b>625</b>	<b>1,875</b>	<b>3,250</b>	<b>250</b>
<b>Net Cash Flow From Operations</b>	<b>\$ (1,246)</b>	<b>\$ (671)</b>	<b>\$ (500)</b>	<b>\$ (321)</b>	<b>\$ 5</b>	<b>\$ 1,692</b>	<b>\$ 3,303</b>	<b>\$ 547</b>

(1) - Reflects the change in dues collected from prior year, except for '02 which includes misc. timing differences accounts.

Total Golf Rounds	37,563	33,578	34,300	39,000	40,000	42,500	45,000	45,000
Average Rate Per Round	\$27.71	\$32.10	\$32.70	\$34.13	\$35.60	\$36.50	\$36.70	\$38.90
Members at End of Year	152	155	200	250	300	420	420	420

\* \$60,000 Hurricane Expense - Non Deductible

**ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal is to be used in whole and not in part. No part of it shall be used in conjunction with any other appraisal.

Marketable title, but not responsibility as to legal matters, is assumed.

It is assumed that the legal descriptions as given are correct, that the improvements are entirely and correctly located on the property described and that there are no encroachments or overlapping boundaries. Unless stated otherwise, legal access to the property is assumed. An investigation, but no survey has been made.

The property has been appraised as free and clear, unencumbered by mortgages, liens, delinquent taxes, assessments, special or unusual deed conditions or restrictions, but subject to zoning regulations. An investigation, but no record search has been made.

The data used in compiling this report was secured from sources considered reliable and authentic and was so far as possible checked, though no responsibility is assumed for its accuracy or correctness.

It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report and it is further assumed that all applicable zoning, land use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report. This report is also subject to the receipt of all necessary building permits and approvals (where applicable) to allow for the construction of the project being appraised. This report is subject to all growth management ordinances (i.e. concurrency) both local and state. The appraiser has relied upon representations made by the developer, client or authorities considered to be knowledgeable in this regard. A determination was not made by the appraiser as to the development potential for the project unless otherwise stated.

This appraisal report is being prepared at a specified point in time as indicated by the date of appraisal. Therefore, this report cannot be used prior to or subsequent to the appraisal date. Market values and conditions change significantly with the passage of time. This report cannot be viewed subsequent to the appraisal date and then reliance placed on values, opinions, and analysis made by the appraiser or other consultants in the report.

No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.

The appraiser herein, by reason of this report, is not required to give testimony or attendance in court or any governmental hearing with reference to the property appraised, unless arranged previously therefore.

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### ***Assumptions and Limiting Conditions***

The consideration for the preparation of this appraisal report is the payment by the employer of all charges due the appraiser in connection therewith. Any responsibility of the appraiser for any part of the report is conditioned upon full payment.

In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea formaldehyde foam insulation, and/or existence of toxic waste, has not been considered. The appraiser is not qualified to detect such substances. The value estimated is predicated upon the assumption that there is no such material on or in the property that would cause a loss in value. The appraiser urges the client to retain an expert in this field, if desired.

The forecasts or projections included in this report are used to assist in the valuation process and are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are therefore subject to changes in future conditions, which cannot be accurately predicted by the appraiser and could affect the future income and/or value forecasts.

Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

No structural or component problems are known to exist on the property (improvements) although the appraiser does not warrant against same. The appraiser is not qualified to detect covert deficiencies in a property or structure and recommend that a professional property inspector and/or engineer be consulted with regard to these possible defects. The zoning code, unless otherwise stated, has not been verified by the appraiser. The appraiser has relied upon maps as provided by the Zoning Department.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the author, particularly as the valuation conclusion, the identity of the appraiser or firm with which he is connected, or any reference to any professional organization of which the appraiser may be a member.

The appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute, as well as with the Uniform Standards of Professional Appraisal Practice as per Standards Rule 2-3.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the

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### **Assumptions and Limiting Conditions**

appraiser has no direct evidence relating to this issue, possible non-compliance with the requirements of ADA in estimating the value of the property has not been considered.

The appraiser has no present or contemplated future interest in the property appraised and compensation for making this appraisal is in no manner contingent on the value reported.

I hereby certify that to the best of my knowledge and belief, the statements and opinions contained in this appraisal report are correct, subject to the assumptions and limiting conditions above set forth and subject to modifications and changes of conditions as stated in the body of the appraisal report.

No one aside from those signing the report provided professional assistance with this appraisal.

**EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS:** This appraisal is subject to the receipt of a protected species assessment, a wetlands jurisdictional determination, as well as a Geo Tech soil report. For purposes of this assignment, I am assuming there are no significant wetland areas on the subject property. Should a wetlands jurisdictional determination indicate a different conclusion, this appraisal is subject to change. In addition, this appraisal is subject to a Phase I environmental audit or site assessment. It is an Extraordinary Assumption of this appraisal that there are no environmental contaminants on the subject property.

Furthermore, this appraisal is based on the Extraordinary Assumption that the subject property could be developed into a residential development given its R-1A zoning classification. In addition, this assumes there are no legal ramifications from surrounding property owners which would eliminate the potential for redeveloping this from a golf course community to a residential development. This appraisal is subject to a current survey.

**QUALIFICATIONS OF THE APPRAISER**  
**GERALD A. HENDRY, MAI**

**EDUCATIONAL BACKGROUND AND TRAINING:**

Masters of Arts in Business Administration, with a major in Real Estate and Urban Analysis, University of Florida, 1995, Gainesville, Florida.

Bachelor of Science in Business Administration, with a major in Finance, 1991, University of Florida, Gainesville, Florida.

Principles and Practices of Real Estate, Brokers Course, Florida Real Estate Academy, 1995, Fort Myers, Florida.

Case Studies in Valuation and Report Writing, University of Florida, 1994.

Real Estate Market Analysis, University of Florida, 1993.

Preview of Urban Planning and Regional Planning, University of Florida, 1993.

Seminar in Real Estate Valuation, University of Florida, 1994.

Seminar in Real Estate Financial Analysis, University of Florida, 1995.

Land Use Economics, University of Florida, 1995.

Principles and Practices of Real Estate, Salesman Course, Florida Real Estate Academy, 1990, Fort Myers, Florida.

"Standards of Professional Practice; Part A", seminar sponsored by The Appraisal Institute, May 1994, Orlando, Florida.

"Standards of Professional Practice; Part B", seminar sponsored by The Appraisal Institute, South Florida Caribbean Chapter, December 1994.

"Standards of Professional Practice; Part C", seminar sponsored by The Appraisal Institute, West Florida Chapter, April 1999.

Demonstration Report Writing, seminar sponsored by the Appraisal Institute, Dallas, Texas, May 1999.

Comprehensive Appraisal Workshop, Dallas, Texas, August 2000.

Regression Analysis in Appraisal, Sarasota, Florida, June 2001.

"Appraising and Analysis of Proposed Subdivisions and Condominiums", seminar sponsored by

## **Qualifications**

The Appraisal Institute, Boca Raton, Florida, August 2002.

CCIM CI 101 - Financial Analysis for Commercial Investment Real Estate, CCIM Institute, Naples, Florida, October 2002.

The Valuation of Wetlands, seminar sponsored by The Appraisal Institute, Fort Myers, Florida, September 2004.

### **EXPERIENCE:**

Currently an owner/partner with Maxwell & Hendry Valuation Services, Inc., Fort Myers, Florida.

Associate Appraiser with W. Michael Maxwell & Associates, Inc., Fort Myers, Florida, 1995-2003.

Commercial Credit Analyst with Barnett Bank of Lee County/First Florida Bank, Fort Myers, Florida, 1991-1993.

### **PROFESSIONAL AFFILIATIONS:**

Appraisal Institute - MAI

State-Certified General Appraiser, Certificate 0002245

State-Licensed Real Estate Broker, BK #0567939

Real Estate Investment Society - Board of Governors 2002 - 2005

Real Estate Investment Society - Board Secretary 2004

Real Estate Investment Society - Treasurer 2005

Appraisal Institute - West Coast Florida Chapter Board of Directors 2003 - 2005

Appraisal Institute - West Coast Florida Chapter Treasurer 2005

### **OTHER:**

Qualified as an expert witness in the Circuit Court of Lee County

### **RE-CERTIFICATION:**

As of the date of this report, Gerald Hendry has completed the requirements under the continuing education program of the Appraisal Institute.