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real estate appraisers & consultants

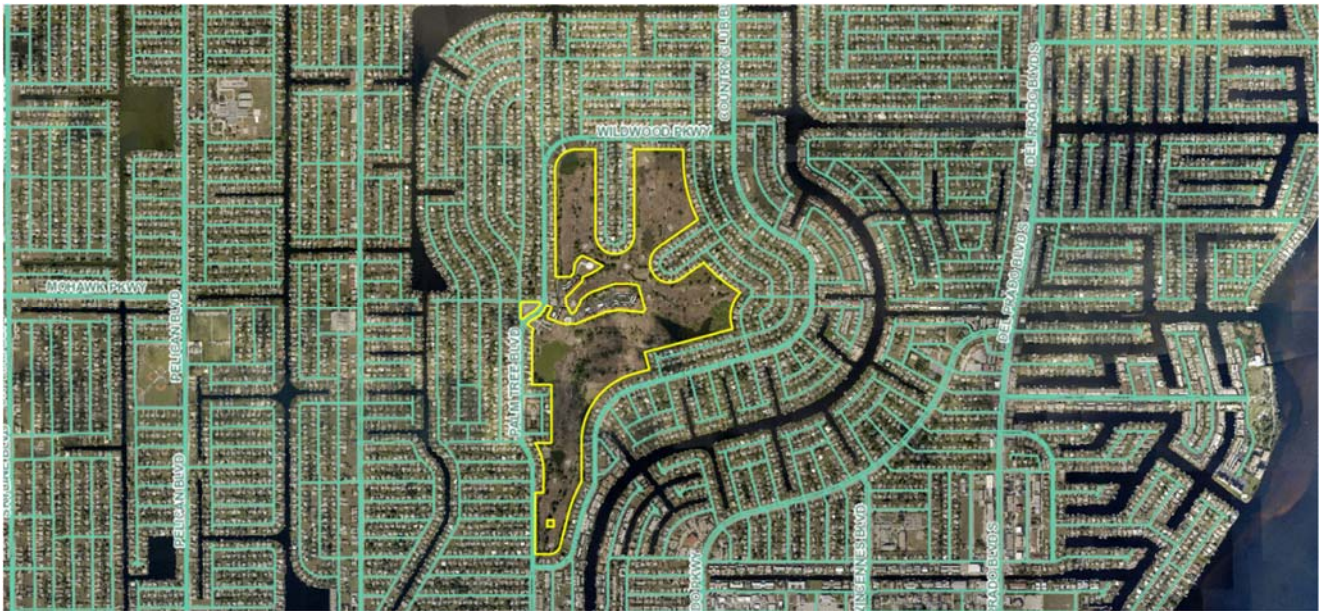
Appraisal Report

Vacant Land
(Former Golf Club Property)
4003 Palm Tree Boulevard
Cape Coral, Lee County, Florida 33904

Date of Valuation: 21 February 2018

Date of Report: 16 March 2018

File Name: 18026502 – Cape Coral, City of – Golf Club



Prepared For
City of Cape Coral
PO Box 150027
Cape Coral, Florida 33915



MAXWELL HENDRY SIMMONS
real estate appraisers & consultants

16 March 2018

City of Cape Coral
PO Box 150027
Cape Coral, Florida 33915

Attention: Mr. Douglas B. Sayers, Property Acquisition Agent

Re: Appraisal of a vacant property consisting of 175.19 acres located at 4003 Palm Tree Boulevard, Cape Coral, Florida 33904

Dear Mr. Sayers:

As you requested, we have performed an appraisal of the above-referenced property, which is legally described within the attached report. This letter is an integral part of, and inseparable from, this report.

The purpose of the appraisal is to estimate the market value of the subject property in its "as is" condition (Scenario #1) as well as under the Hypothetical Condition that the property has zoning/land use approval for single-family residential use (Scenario #2) and as a mixed-use development (Scenario #3) as delineated within the attached report. In its "as-is" condition, the subject property is currently zoned R-1B (Single Family Residential) and has a Future Land Use designation of PK or Park and Recreation Facilities. The subject property is currently designated under the Future Land Use Plan of Cape Coral as PK as the property was historically utilized as The Golf Club; however, this use was abandoned in 2006. The interest being appraised is the undivided fee simple interest in the land as if otherwise free and clear of all liens, mortgages, encumbrances, and/or encroachments. The intended use of this appraisal is understood to be for use as a basis of value for potential acquisition purposes. The intended user and client of this appraisal is the City of Cape Coral.

The subject property was inspected on 21 February 2018 by Bruce A. Stephan, MAI and Gerald A. Hendry, MAI, CCIM made a subsequent inspection. This Appraisal Report is intended to conform to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. This appraisal is made subject to the Assumptions and Conditions contained within the body of this report.

Based upon our analysis of the data contained within the attached appraisal report, it is our opinion that the market values of the subject property, as of 21 February 2018, are

Scenario #1 - "As Is":

TEN MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS - \$10,150,000

Scenario #2 - As Approved for Single-Family Residential Use:

THIRTEEN MILLION ONE HUNDRED FORTY THOUSAND DOLLARS - \$13,140,000

Scenario #3 - As Approved for a Mixed Use Development:

SEVENTEEN MILLION SEVEN HUNDRED FORTY THOUSAND DOLLARS - \$17,740,000

Respectfully submitted,

Bruce A. Stephan, MAI
State-Certified General Real Estate Appraiser
RZ327

Gerald A. Hendry, MAI, CCIM
State-Certified General Real Estate Appraiser
RZ 2245

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SEC. I: INTRODUCTION

OWNER OF RECORD:	Florida Gulf Venture, LLC
ADDRESS:	4003 Palm Tree Boulevard, Cape Coral, Florida 33904
TAX ID:	12-45-23-C2-0000A.0000
LEGAL DESCRIPTION:	Lengthy. Please see Property Characteristics section.
SITE AREA:	7,631,251 square feet / 175.19 acres according to Cape Coral records
IMPROVEMENTS:	None
ZONING / FUTURE LAND USE:	R-1B (Residential Single Family)/PK (Park and Recreation Facilities)
HIGHEST & BEST USE AS VACANT:	Future Single-Family residential development with future land use amendment
EFFECTIVE DATE OF THE APPRAISAL:	21 February 2018
DATE OF THE REPORT:	16 March 2018
INTENDED USER:	This appraisal is made for the exclusive use of our client, the City of Cape Coral and/or assigns, and its use by others is strictly prohibited.
INTENDED USE:	The intended use of this appraisal is for potential acquisition purposes.
VALUE INDICATIONS:	
SCENARIO #1 ("As Is"):	\$10,150,000
SCENARIO #2 (As S/F RESIDENTIAL USE):	\$13,140,000
SCENARIO #3 (As MIXED USE DEVELOPMENT):	\$17,740,000



SEC. II: SCOPE OF WORK

According to the Uniform Standards of Professional Appraisal Practice (USPAP), 2018/19 Edition, the Scope of Work includes, but is not limited to:

- the extent to which the property is identified;
- the extent to which tangible property is inspected;
- the type and extent of data research; and
- the type and extent of analysis applied to arrive at opinions or conclusions.

EXTENT OF PROPERTY IDENTIFICATION

For this analysis, the subject property was identified by a legal description and research of public records via the internet. For this appraisal, reliance was placed primarily upon information provided by the local public records, as well as information provided by our client.

EXTENT OF INSPECTION

For the purposes of this appraisal, Bruce A. Stephan, MAI conducted an inspection of the subject property on 21 February 2018, and Gerald A. Hendry subsequently conducted an inspection of the property.

TYPE AND EXTENT OF DATA RESEARCH

Data research is regularly conducted using the following sources:

- Public Records
- Local REALTOR® Association Multiple Listing Services (MLS)/Loopnet/CCIM
- Marshall Valuation Service/Marshall & Swift Cost Tables/Books
- CoStar comparables service
- Information from contractors, brokers and agents in the area

The primary emphasis of the data research concentrated on the subject market area. Census data, as well as municipal and governmental websites, were utilized in gathering the information analyzed. The time period researched for any sale data encompasses the past few years up until the date of the most current data available. All comparable data is verified with the buyer, seller or a property representative unless otherwise indicated. In the analysis, the selling price, financing, motivation to purchase/sell and, if applicable, any lease or income/expense information was verified as of the time of sale.

TYPE AND EXTENT OF ANALYSIS

Purpose of the Appraisal

The primary purpose of this appraisal is to formulate an opinion of the “as-is,” fee simple market value (Scenario #1) of the subject property as if free and clear of all liens, mortgages, encumbrances, and/or encroachments. In addition, it is to appraise the property under two additional scenarios as follows:

- Scenario #2 - Estimate the market value of the subject property assuming the property has zoning/land use entitlements for single-family residential development as of the date of valuation. This is based upon a Hypothetical Condition.



- Scenario #3 - Estimate the market value of the subject property assuming the property has zoning/land use entitlements for a mixed use development to include 400 single family units, 400 multi-family units, 325,000 square feet of retail space, and 100,000 square feet of office space. This is also based upon a Hypothetical Condition.

Condition Appraised

In Scenario #1 of this analysis, we are estimating the “as is” market value, defined by the Appraisal Institute in *The Dictionary of Real Estate Appraisal, Sixth Edition* as follows:

The estimate of market value of real property in its current physical condition, use, and zoning as of the appraisal date.

In Scenarios #2 and #3, we are estimating market value under Hypothetical Conditions as discussed subsequently.

Real Property Interest Appraised

There are primarily two forms of interest to consider when developing an opinion of value for real property. These are defined by The Appraisal Institute in *The Dictionary of Real Estate Appraisal, Sixth Edition* as follows:

Fee simple interest (estate) is:

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.

Leased fee interest is:

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

As the subject property exists as vacant land which is not subject to any lease agreement, the interest being appraised in this situation is the undivided fee simple interest in the land as if free and clear of all liens, mortgages, encumbrances, and/or encroachments except as may be amended in the body of this report.

Value Appraised

The opinion of value developed and reported herein is the market value of the subject property. Market value, as defined by the agencies that regulate financial institutions in the United States and published by 12 CFR Ch. V Part 564.2 (g) *Office of Thrift Supervision, Department of the Treasury*, is:

The most probable price that 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 own 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.

Approaches Developed

Due to the fact that the subject property exists as non-income producing vacant land, the Cost and Income Approaches to Value do not provide credible analyses. Therefore, we have utilized the Sales Comparison Approach exclusively in estimating market value.

Report Type

This is an Appraisal Report which is intended to comply with the reporting standards set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP – 2018/19).

ASSUMPTIONS

An assumption is defined by The Appraisal Institute in *The Dictionary of Real Estate Appraisal, Sixth Edition* as follows:

“that which is taken to be true”.

Please see the Addenda for further details regarding the assumptions utilized in this appraisal.

EXTRAORDINARY ASSUMPTIONS

Extraordinary Assumption is defined by the Uniform Standards of Appraisal Practice (USPAP), 2018/19 Edition, as:

“an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”

Per USPAP standards, please note that the use of extraordinary assumptions might have affected the assignment results. It is strongly recommended that the reader thoroughly read the entirety of these assumptions, as they outline the limitations under which this appraisal is developed.

- This appraisal is subject to receipt of a Protected Species Assessment, a wetlands jurisdictional determination, as well as a geotechnical soil report. For purposes of this assignment, we are assuming that 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 1 Environmental Site Assessment. It is an Extraordinary Assumption of this appraisal that there are no environmental contaminants on the subject property. It should be noted that we are aware of two Southern Bald Eagle nests described as LE079 and LE091. According to the City of Cape Coral, these are described as:
LE079: “alternative nesting site. All building permits can be released.”
LE091: “eaglets have fledged. All building permits can be released.”
It is assumed, based upon our prior conversations with the property owner as well as the engineer and City officials, that nest LE091 has been vacant for at least one year with no signs of activity. It is believed that the birds relocated to LE079 adjacent to significant activity including City of Cape Coral utility operations. It is our assumption and understanding that development surrounding LE091 may be possible after further studies and, under the worst case scenario, that building around nest LE079 may have some limitations; however, this would not be significant given the size of the property.



According to information previously obtained from Paul Owen, an Ecologist with W. Dexter Bender & Associates, LE091 has been abandoned for multiple seasons and it is believed the eagles moved to LE079 which is on an electronic tower adjacent to significant activity including a City of Coral utility plant. According to Mr. Owen, as there is significant activity around both nests, the worst case scenario would be no approval for development within the distance to the significant activity which is significantly less than the typical state and federal mandated development zones. Based upon information derived from multiple sources, it is assumed that there is a high probability of achieving a site plan with little development hindrance from LE091. Moreover, we are assuming that development around LE079 would be possible up to the distance of significant activity which is a close distance.

- Furthermore, this appraisal is based upon the Extraordinary Assumption that the subject property could have a legal use for a residential development despite its existing PK (Park and Recreation Facilities) Future Land Use. Obviously, the City would have to amend the Future Land Use designation; however, based upon information provided, we assume residential development would be probable with a land use change. It is recognized that the Cape Coral City Council has denied previous requests. However, it is assumed that some single-family residential development with adequate buffers from existing improved properties is probable.

HYPOTHETICAL CONDITIONS

Hypothetical Condition is defined by the Uniform Standards of Appraisal Practice (USPAP), 2018/19 Edition, as:

“a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”

Per USPAP standards, please note that the use of hypothetical conditions might have affected the assignment results. It is strongly recommended that the reader thoroughly read the entirety of these assumptions, as they outline the limitations under which this appraisal is developed.

- Scenario #2 – Based upon the Hypothetical Condition that the subject property is zoned with land use entitlements for single family residential use.
- Scenario #3 – Based upon the Hypothetical Condition that the subject property is zoned with land use entitlements for a mixed use development to include 400 single family units, 400 multi-family units, 325,000 square feet of retail space, and 100,000 square feet of office space.



SEC. III: MARKET AREA ANALYSIS

SOUTHWEST FLORIDA / LEE COUNTY DATA

Lee County, named for Robert E. Lee, was created from Monroe County in 1887, and included the present-day Collier, Hendry, and Lee Counties. Lee County was split into the three (3) current counties in 1923. The present-day Lee County encompasses 1,212 square miles, with a variety of natural inland, coastal, and barrier island habitats and a year-round population of 618,754 as of the 2010 census. 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. The westerly flowing Caloosahatchee River bisects the county and is part of the cross-state Intracoastal Waterway. There are several incorporated municipalities in Lee County as follows:

City of Fort Myers: Incorporated in 1886. 48.31 Square Miles. 2010 Population: 62,298.

The oldest permanent settlement in Lee County, this was the site of Fort Myers, one of many military outposts utilized during the 2nd and 3rd Seminole Wars and the Civil War. As the county seat, the City is home to the majority of professional businesses in Lee County. The City has expanded their municipal boundaries considerably over the last decade through the use of annexation in an effort to diversify their tax base.

City of Cape Coral: Incorporated in 1970. 114.0 Square Miles. 2010 Population: 154,305.

Originally developed in 1957 by Leonard and Jack Rosen, owners of the Gulf American Land Corporation, Cape Coral is now the largest municipality, by population, in Lee County and is the second largest in land area in the State of Florida. As a pre-platted, traditionally designed subdivision, Cape Coral has an extreme degree of uniformity. The City is home to a large percentage of Lee County's workforce population.

City of Sanibel: Incorporated in 1974. 17.5 Square Miles. 2010 Population: 6,496.

Encompassing the geographical boundaries of Sanibel Island, the City was incorporated in response to State recommendations to develop high-density residential uses along the beaches and a high-traffic coastline causeway, among other issues. Nearly ½ of the island is set aside as natural preserve.

Town of Fort Myers Beach: Incorporated in 1995. 6.2 Square Miles. 2010 Population: 6,277.

Encompassing the geographical boundaries of Estero Island, the Town was incorporated in response to citizen desire for greater control over land development codes, among other issues.

City of Bonita Springs: Incorporated 1999. 33.0 Square Miles. 2010 Population: 43,914.

The City was incorporated in response to citizen desire for greater control over land development codes, among other issues. The City includes a portion of mainland Lee County and the adjacent islands. The City is home to the Naples/Fort Myers Greyhound Track, Shangri-La Hotel, Everglades Wonder Gardens, and the redeveloping Downtown Bonita Springs.

Village of Estero: Incorporated 2015.

Located immediately adjacent to the northern boundary of Bonita Springs, the Village was incorporated in response to citizen desire for greater control over local planning and facility decisions. The Village is home to Koreshan State Park, as well as Germain Arena, Miromar Outlet, Coconut Point Mall, and Hertz World Headquarters.

There are many other unincorporated, yet distinct, communities in Lee County, both rural and suburban in nature. These include Alva, Bayshore, Boca Grande, Captiva, Corkscrew, Buckingham, Iona, Lehigh Acres, North Fort Myers, Pine Island, and San Carlos Park.



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

- I. Social Forces
- II. Economic Forces
- III. Governmental Forces
- IV. Environmental Forces

Each of the forces interacts, resulting in 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. The chart below demonstrates the change in population between the two most recent decennial Censuses.

	2016	2010	2000	CHANGE
COUNTY POPULATION	722,336 (Est. as of 1 July)	618,754	440,888	+52.83%

II. Economic Forces

Economic considerations involve the financial capacity of the inhabitants of a region to rent or own property and properly maintain it. These economic forces may include income levels, unemployment rates, the economic base of a region and the strength of development and construction.

	2017	2016	2015	2014
UNEMPLOYMENT RATE ¹	3.4% (December)	4.6% (Annual)	5.0% (Annual)	6.0% (Annual)
AVERAGE WEEKLY WAGE ¹	\$830 (2Q)	\$844 (4Q)	\$842 (4Q)	\$803 (4Q)
SINGLE-FAMILY MEDIAN PRICE ²	\$238,350 (December)	\$227,400 (Annual)	\$210,000 (Annual)	\$189,000 (Annual)
RETAIL VACANCY RATE ³	4.9% (4Q)	5.6% (4Q)	6.2% (4Q)	6.9% (4Q)
OFFICE VACANCY RATE ³	6.5% (4Q)	8.6% (4Q)	10.7% (4Q)	12.3% (4Q)
INDUSTRIAL VACANCY RATE ³	2.5% (4Q)	3.4% (4Q)	5.8% (4Q)	6.2% (4Q)

1. <http://www.bls.gov/>
2. <http://www.floridarealtors.org/ResearchAndStatistics/Florida-Market-Reports/Index.cfm>
3. CoStar



III. Governmental Forces

The county government consists of a five-member board of county commissioners, elected to four-year terms within at-large districts. A non-elected county manager heads the government staff. Other elected officials in the county are sheriff, tax collector, supervisor of elections, clerk of the circuit court, and property appraiser. In addition, there are numerous special districts with independently elected boards, with the services provided ranging from fire protection to water & sewer service. Also, the City of Cape Coral has an eight-member city council as well as a City-manager form of government.

Services

The cities of Fort Myers, Cape Coral, and Sanibel each have their own police and fire protection. The Town of Fort Myers Beach has its own fire protection, but no 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 and is provided by independent special districts outside of the incorporated cities.

Utilities

CenturyLink is the primary telephone service provider for Southwest Florida. CenturyLink has a fiber optic backbone that has the ability to connect all of its central offices and maintain high network availability. Embarq and Telcove/Level 3 Communications are the local exchange carriers. These carriers have multiple survivable shared SONET rings. The rings are 100% fiber optic, backed up by fully redundant electronics and power sources, with mini rings inside and outside the major SONET ring.

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 a number of manufactured bottled gas dealers in the county. Natural gas is now available in many parts of Lee County provided by TECO. In early 2000, a new pipeline to the area extended service from the Tampa Bay region.

There is an adequate supply of potable 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 utility system. 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, Florida Governmental Utility Authority, or the city municipality.

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 or is contracted with the independent fire districts.

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.



Educational System

The county has a fully developed K4 through 12, public school system. There are also several private and parochial schools in the county. Florida Southwestern State College has a campus in Fort Myers, while Florida Gulf Coast University is located in south Lee County. In addition, there are also several private universities which service the area.

Transportation

There are four major north/south traffic arteries through Lee County and Fort Myers, which include U.S. 41, McGregor Boulevard, Interstate 75, and Summerlin Road. The major east/west arteries include State Road 78, Colonial Boulevard, College Parkway, Daniels Parkway, Alico Road, Estero Parkway, and Corkscrew Road.

The area is also served by two airports. Page Field, located within the city limits of Fort Myers, provides two runways for private aircraft and the terminal was recently upgraded. The Southwest Florida International Airport is located east of Interstate 75 along Treeline Avenue. The Southwest Florida International Airport underwent an expansion in September 2005, which included a 28-gate, two story terminal, as well as three concourses, a three story parking garage/rental car facility, and a new taxiway.

Land Use Control

The Lee County Local Planning Agency adopted a Comprehensive Land Use Plan in early 1984. This plan designates areas in Lee County for growth, new development, and environmental protection. This Comprehensive Plan helps to guide Lee County in its future growth and has been updated semi-annually to the present time. The Division of Community Development enforces all zoning regulations for the unincorporated areas of Lee County.

IV. Environmental Forces

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-90's. Rainfall averages approximately 52 inches annually with the heaviest rains during the summer months.

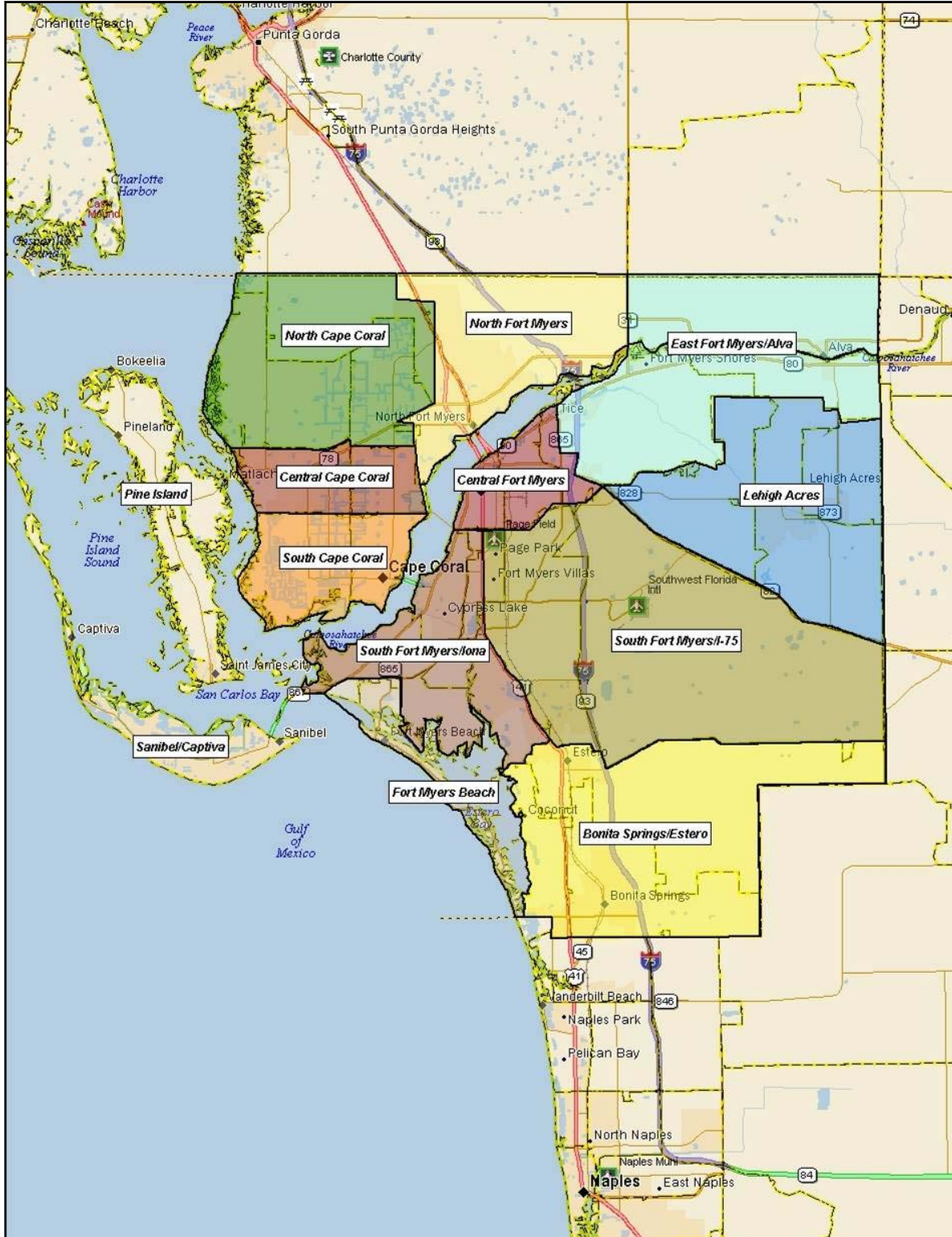
CONCLUSION / LIFE CYCLE STAGE

The subject market area is in the Growth stage of its life cycle. This market area experienced tremendous development from 2003-2005 and then an equally significant decline in property values from 2006-2011. All of the preceding factors contribute to the economy of Lee County. Although the rate of population increases has slowed since 2008 due to the overall slowdown in the national economy, historical trends demonstrate that the Lee County area is a desirable destination for in-migration. This is supported by a return to a net increase in in-migration exhibited during 2010 - 2013. The University of Florida's Bureau of Economic and Business Research, projects that as many as 150,000 new residents could potentially come to Lee County over the next ten years. Furthermore, according to this University of Florida study, the population of Lee County could be nearing one million by 2035, an increase of more than 400,000 over the next two decades. Even with the well documented housing, foreclosure and unemployment problems which plagued the region during the downturn, Lee County continued to rank among the top five counties in Florida for population growth. In addition, the overall attractiveness of the Southwest Florida weather and lifestyle indicate that demand characteristics for both housing and support facilities should be positive for the long term.



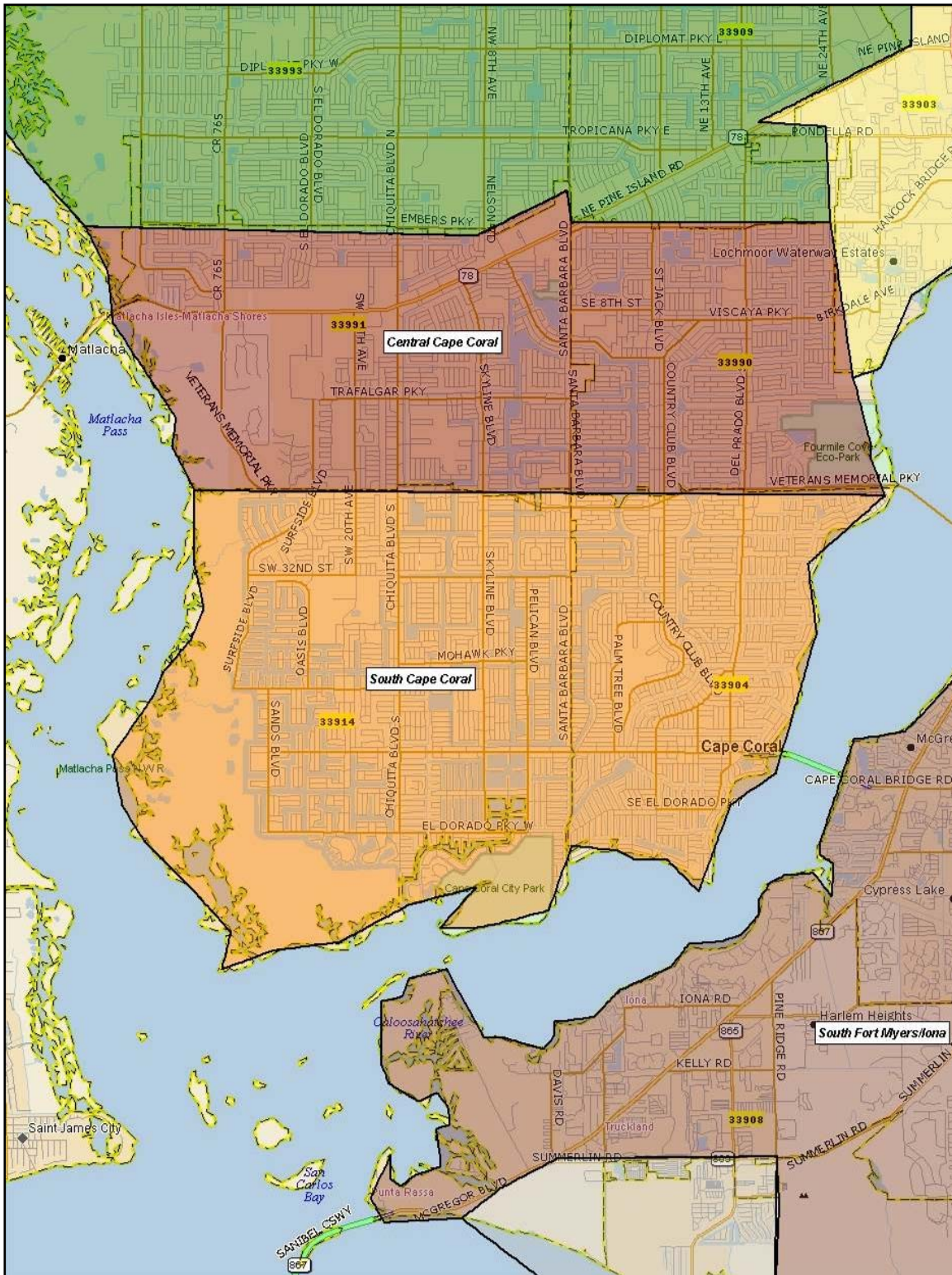
SOUTH CAPE CORAL DATA

Regional Map





Market Area Map





Boundaries

The subject property is located within the South Cape Coral market area. Cape Coral is located on the southwestern coast of Florida at the mouth of the Caloosahatchee River, extending northerly approximately 11 miles and bordering the mainland of Lee County to the west and northwest. On Cape Coral's western boundary is Matlacha Pass, which is an open body of water connecting Charlotte Harbor with San Carlos Bay; farther to the west is Pine Island. At its northern extremity, Cape Coral extends along Burnt Store Road approximately one mile south of Charlotte County. Cape Coral consists of approximately 120.6 square miles (including 14.95 square miles of water) which, upon its incorporation and annexation of other areas, makes it the second largest city (in land area) within the State of Florida. The overall market area consists of approximately 35.5 square miles of land area, bordered by Veteran's Memorial Parkway to the north, the Caloosahatchee River to the east and south, and Matlacha Pass to the west. The South Cape Coral market features approximately 19.5 miles of coastline along these estuarine environments. The Matlacha Pass coastline, which is the westerly boundary of this market area, was designated as the Matlacha Pass Aquatic Preserve in 1972, and is mostly comprised of mangrove islands, oyster bars and seagrass flats.

The South Cape Coral market includes the downtown core of the City of Cape Coral. Historically, the majority of commercial development in Cape Coral has been located within this area; however, during the explosive period ending in 2006, this growth had also occurred north along Del Prado Boulevard and along Pine Island Road. Many older properties were redeveloped within the market area during this period, and the designation of this area as the Community Redevelopment Area has furthered the redevelopment and homogenization of the primary market. Currently, the Cape Coral Parkway corridor is comprised of mixed commercial development, with newer development co-existing with older, aging improvements. The development along this corridor consists of many types of development ranging from retail, fast food restaurants, convenience stores and fuel stations, to banking and office uses.

Linkages, Utilities, and Governmental Services

This market area is served by several major north/south arterial routes and two major east/west arterial routes. The downtown core area is accessed by Cape Coral Parkway and the Cape Coral Bridge, which is the only east/west corridor and connector to Fort Myers south of Veteran's Parkway. Veteran's Parkway is the other primary east/west arterial connector which lies 3.5 miles to the north of Cape Coral Parkway, along the northerly boundary of the geographic market area. Veteran's Parkway provides additional connectivity to Fort Myers via the Mid-Point Bridge. Del Prado Boulevard is the main north/south arterial route, providing connectivity from Cape Coral Parkway at its southerly terminus to US 41 at its northerly terminus. Additional north/south connectors are identified as Santa Barbara Boulevard, Skyline Boulevard and Chiquita Boulevard. Cape Coral Parkway has traffic counts ranging from approximately 27,500 vehicles per day near the westerly edge of the market area to approximately 56,000 vehicles per day at the Cape Coral Bridge. Traffic counts for Veteran's Parkway are similar, ranging from 26,000 vehicles per day east of Chiquita Boulevard to approximately 49,000 vehicles per day east of Santa Barbara Boulevard. The traffic counts along Del Prado Boulevard range from approximately 39,500 to nearly 43,000 vehicles per day. Within this market area, most services are provided by the City of Cape Coral, including water/sewer and police & fire protection. Electricity is provided by the Lee County Electric Co-operative, and telephone service is provided by CenturyLink.

Stages of the Market Area Life Cycle

A market area normally goes through four stages during its life cycle. These four stages are as follows:

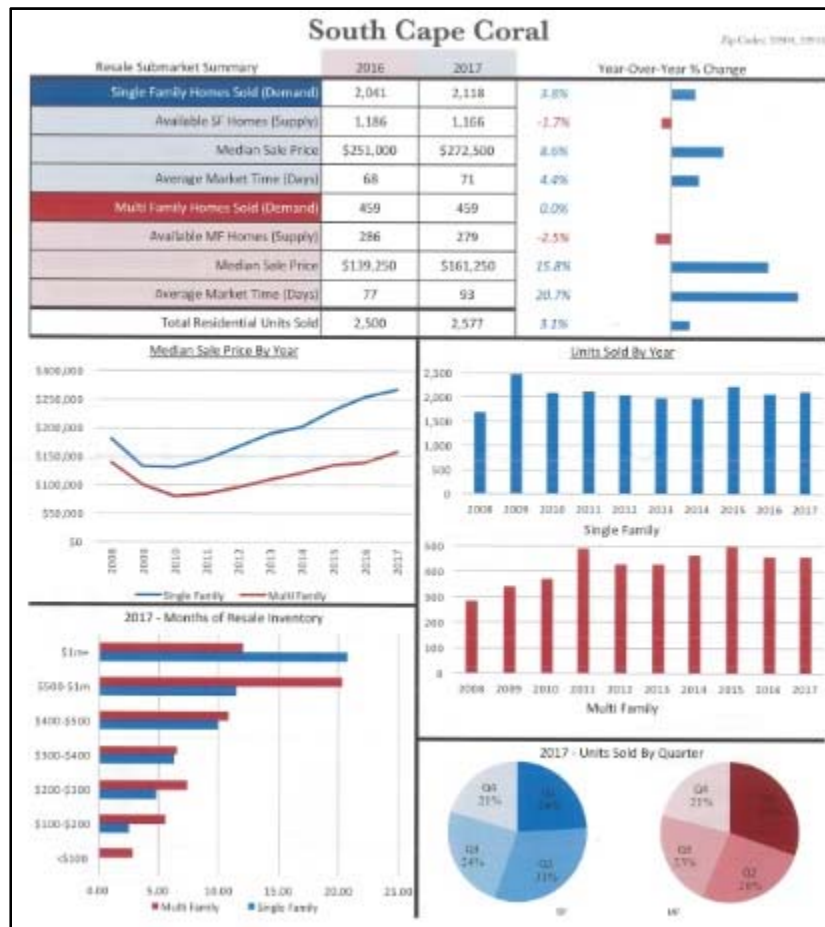
- Growth - a period during which the market area gains public favor and acceptance.
- Stability - a period of relative equilibrium without market gains or losses.
- Decline - a period of diminishing demand.
- Revitalization - a period of renewal, modernization, and increased demand.

The subject market area is in a period of growth, particularly within the residential sector. The primary market area suffered from the acute downturn as seen in all segments of the real estate market between 2006 and 2010. This prolonged decline was characterized by slowing population growth, rising unemployment, declining



values in all real estate segments, declining rents, and rising vacancy rates. Prior to this downturn, this market area was one of the fastest growing segments within Lee County and experienced rapid redevelopment and high levels of demand. During this time period, the market area was viewed favorably for both residential and commercial market participants and, as a result, experienced rapidly inflating values due to the laws of supply and demand. The explosive growth within the South Cape Coral market and along the Cape Coral Parkway corridor shifted much of the interest in Lee County to the City and away from the traditional “center of gravity” of the region, which was typically viewed as the south and central Fort Myers regions.

Typically in a market area life cycle, periods of growth are followed by a period of stability. In this case, the onset of the national recession, coupled with the crisis in the lending markets and a dramatic oversupply in all product segments of this market area, led to a precipitous decline almost immediately following this period of growth, and this was exacerbated by the huge number of foreclosures in this market area. This decline lasted until approximately 2010, at which time the market area generally entered a period of stabilization near the bottom of the cycle. However, over the past six to seven years, most parts of the region have returned to a pattern of growth. This has been evidenced by a significant amount of residential development. The following chart prepared by Brad Davidson of The Extreme Perspective gives an overview of the residential market within the South Cape Coral submarket:



Also, commercial occupancies have reached historical highs due to the lack of new construction during the aforementioned recessionary period, and rental rates as well as overall property values have increased. The following two charts presented by CoStar illustrate the overall health of the retail and office markets in Cape Coral, respectively:



Market	# Bids	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bonita Springs	208	1,521,942	25,226	25,506	1.7%	(2,452)	0	0	\$20.37
Cape Coral	556	3,808,625	133,575	133,575	3.5%	37	31,725	0	\$17.86
Charlotte County	684	4,645,718	65,623	65,623	1.4%	33,028	21,002	3,500	\$9.12
City of Ft Myers	668	3,831,120	85,608	85,608	2.2%	96,343	69,430	0	\$17.94
East Naples	292	2,019,950	23,387	23,387	1.2%	29,674	22,600	30,000	\$25.72
Estero	74	865,182	14,023	14,023	1.6%	8,801	17,674	0	\$45.00
Golden Gate	72	397,355	14,677	14,677	3.7%	9,000	11,000	0	\$15.47
Lehigh	109	754,374	12,446	12,446	1.6%	32,620	25,876	0	\$11.00
Lely	60	434,597	14,738	14,738	3.4%	22,900	7,320	0	\$36.89
Marco Island	89	635,612	1,111	1,111	0.2%	16,751	7,498	0	\$14.35
Naples	177	1,402,328	29,350	29,600	2.1%	20,959	10,600	86,000	\$46.56
North Ft Myers	135	579,417	8,041	8,041	1.4%	14,186	12,000	0	\$13.51
North Naples	280	3,248,512	16,300	16,300	0.5%	69,105	64,318	25,000	\$30.21
Outlying Collier Co	183	1,599,581	40,454	40,454	2.5%	51,827	56,704	0	\$12.86
S Ft Myers/San Ca	656	6,346,541	130,294	134,694	2.1%	110,501	128,094	57,600	\$17.62
The Islands	144	763,535	2,752	2,752	0.4%	948	0	0	\$28.36
Totals	4,387	32,854,389	617,605	622,535	1.9%	514,228	485,841	202,100	\$20.32

Source: CoStar Property®

Market	# Bids	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bonita Springs	194	2,352,562	226,550	227,650	9.7%	57,690	0	0	\$12.32
Cape Coral	391	2,641,944	124,435	124,435	4.7%	58,399	10,000	0	\$12.88
Charlotte County	565	3,949,357	217,315	217,315	5.5%	77,809	5,000	12,000	\$13.48
City of Ft Myers	417	4,951,562	370,583	370,833	7.5%	184,556	50,000	0	\$13.29
East Naples	150	1,819,101	110,795	110,795	6.1%	22,167	0	0	\$18.14
Estero	35	832,248	27,067	27,067	3.3%	4,574	0	10,000	\$18.32
Golden Gate	31	140,415	3,000	3,000	2.1%	12,000	10,000	0	\$15.43
Lehigh	74	440,544	36,027	36,027	8.2%	(9,869)	0	0	\$11.28
Lely	16	127,559	34,700	38,420	30.1%	(5,806)	0	0	\$0.00
Marco Island	33	364,426	13,880	13,880	3.8%	3,931	0	0	\$19.00
Naples	98	1,295,007	35,729	35,729	2.8%	17,538	0	4,000	\$24.39
North Ft Myers	37	282,423	5,440	5,440	1.9%	(3,960)	0	0	\$8.10
North Naples	367	5,311,037	333,862	342,686	6.5%	129,470	95,791	0	\$22.47
Outlying Collier County	38	362,880	27,636	27,636	7.6%	(13,336)	0	4,314	\$11.25
S Ft Myers/San Carlos	755	8,264,444	499,534	511,988	6.2%	161,783	47,476	14,190	\$13.68
The Islands	55	196,985	1,000	1,000	0.5%	(300)	0	0	\$0.00
Totals	3,256	33,332,494	2,067,553	2,093,901	6.3%	696,646	218,267	44,504	\$15.40

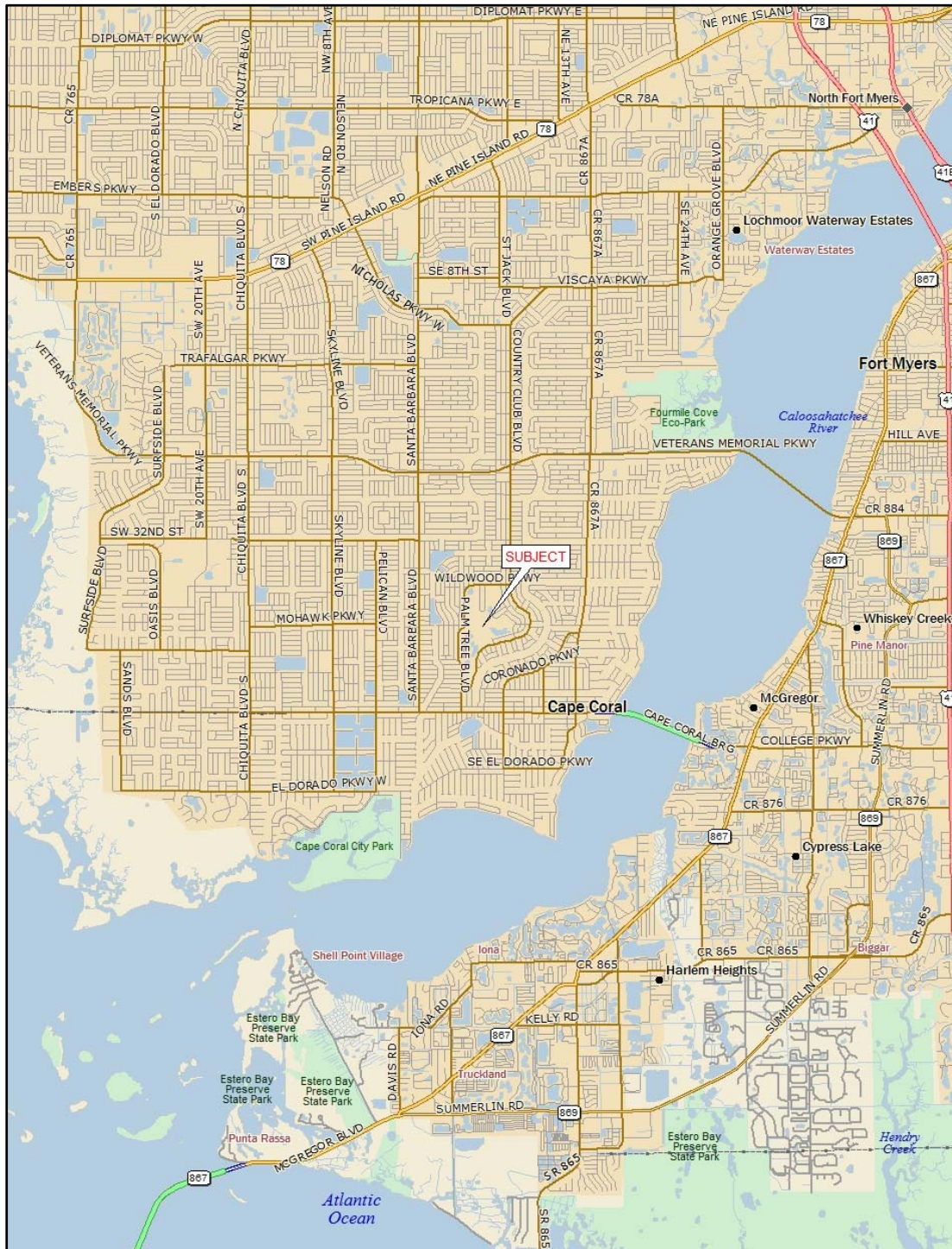
Source: CoStar Property®

Ultimately, it should be recognized that the positive forces in this market area are leading to a continuation of the long-term growth pattern. This particular geographic area of Cape Coral is one of the strongest areas in the City because of its proximity to the urban core areas and the high density of residential, commercial and water-oriented lands within the market.



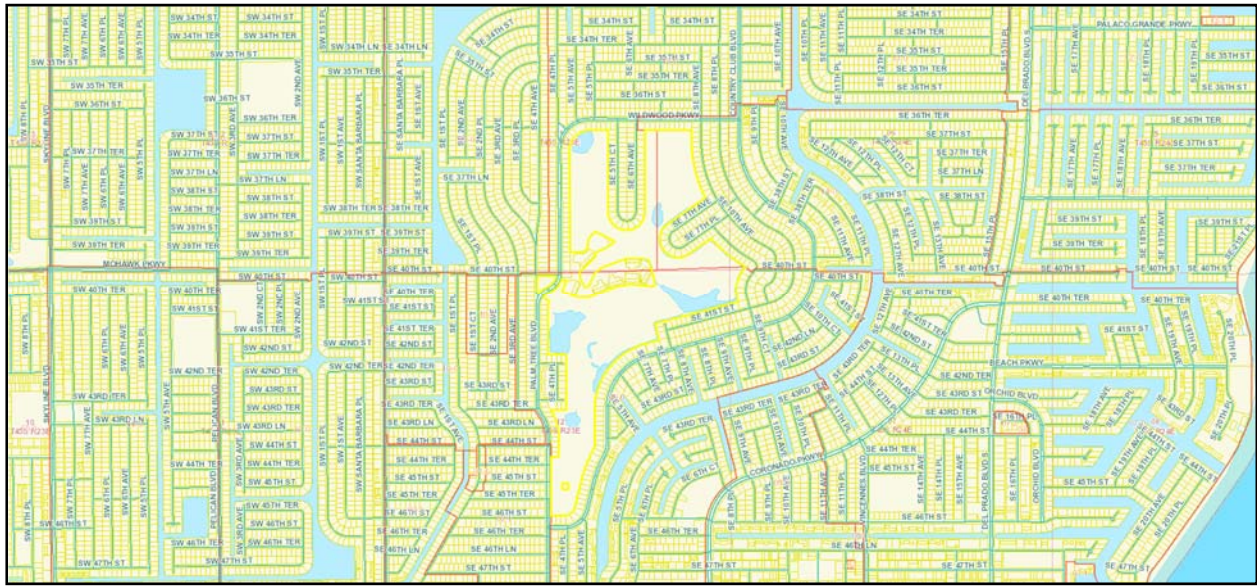
SEC. IV: PROPERTY DESCRIPTION

LOCATION MAP



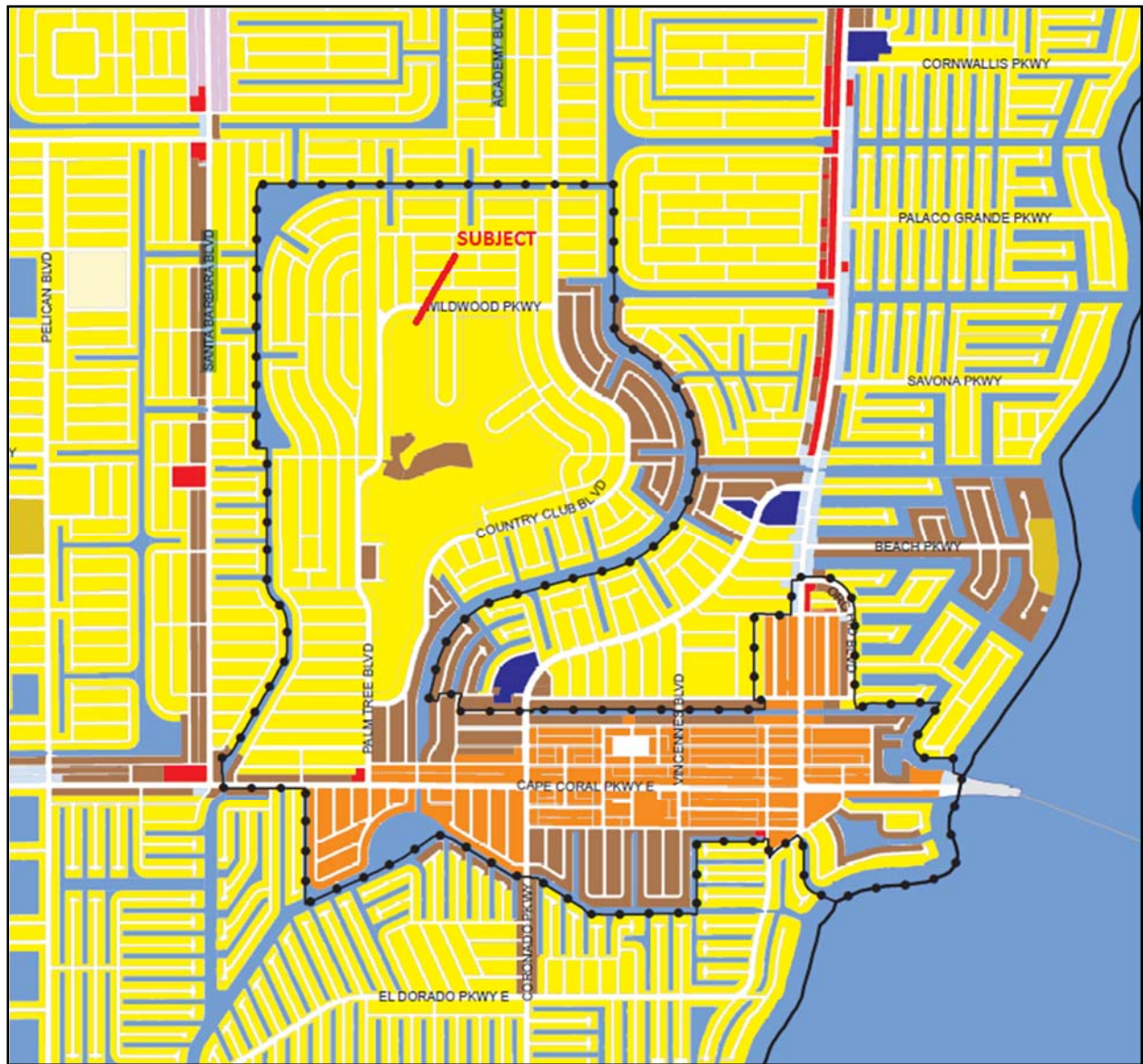


GIS MAP



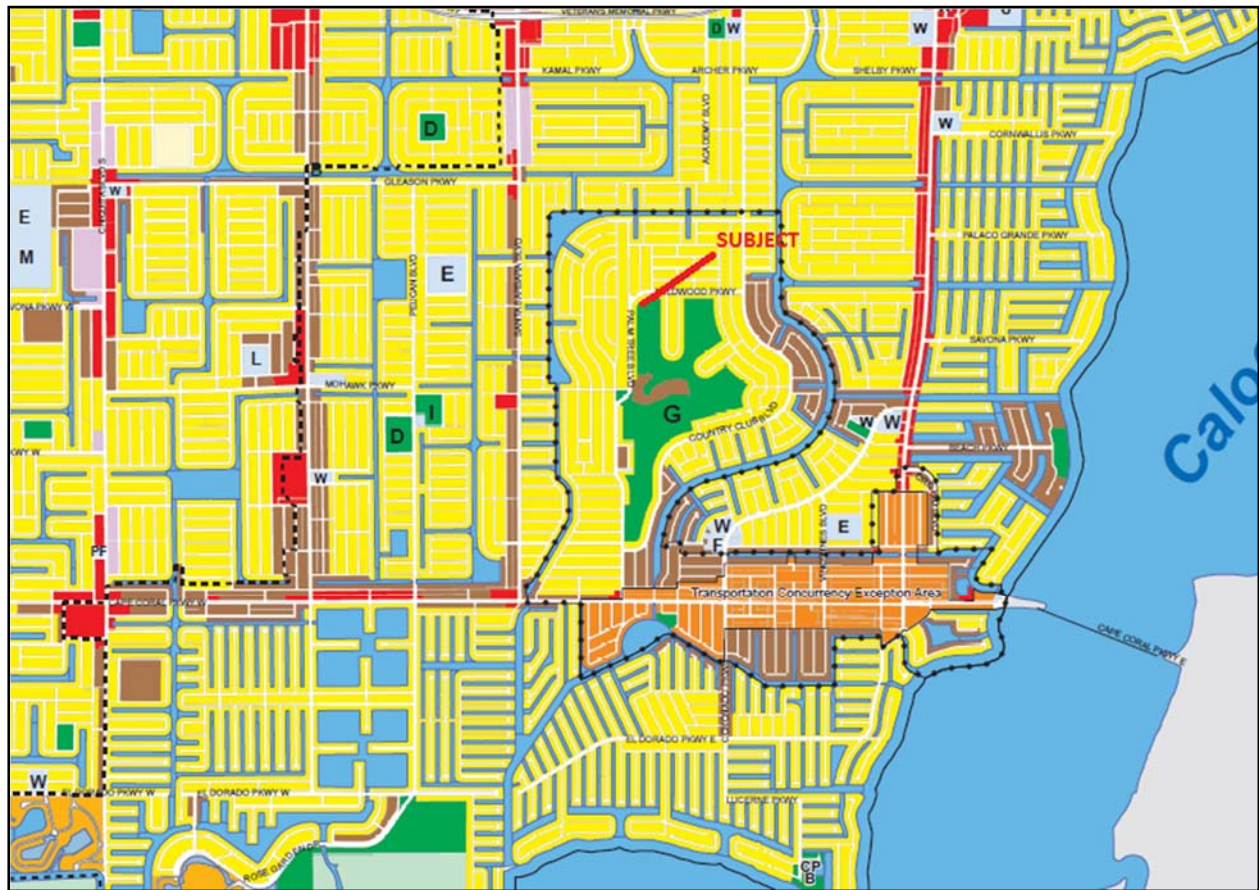


ZONING MAP



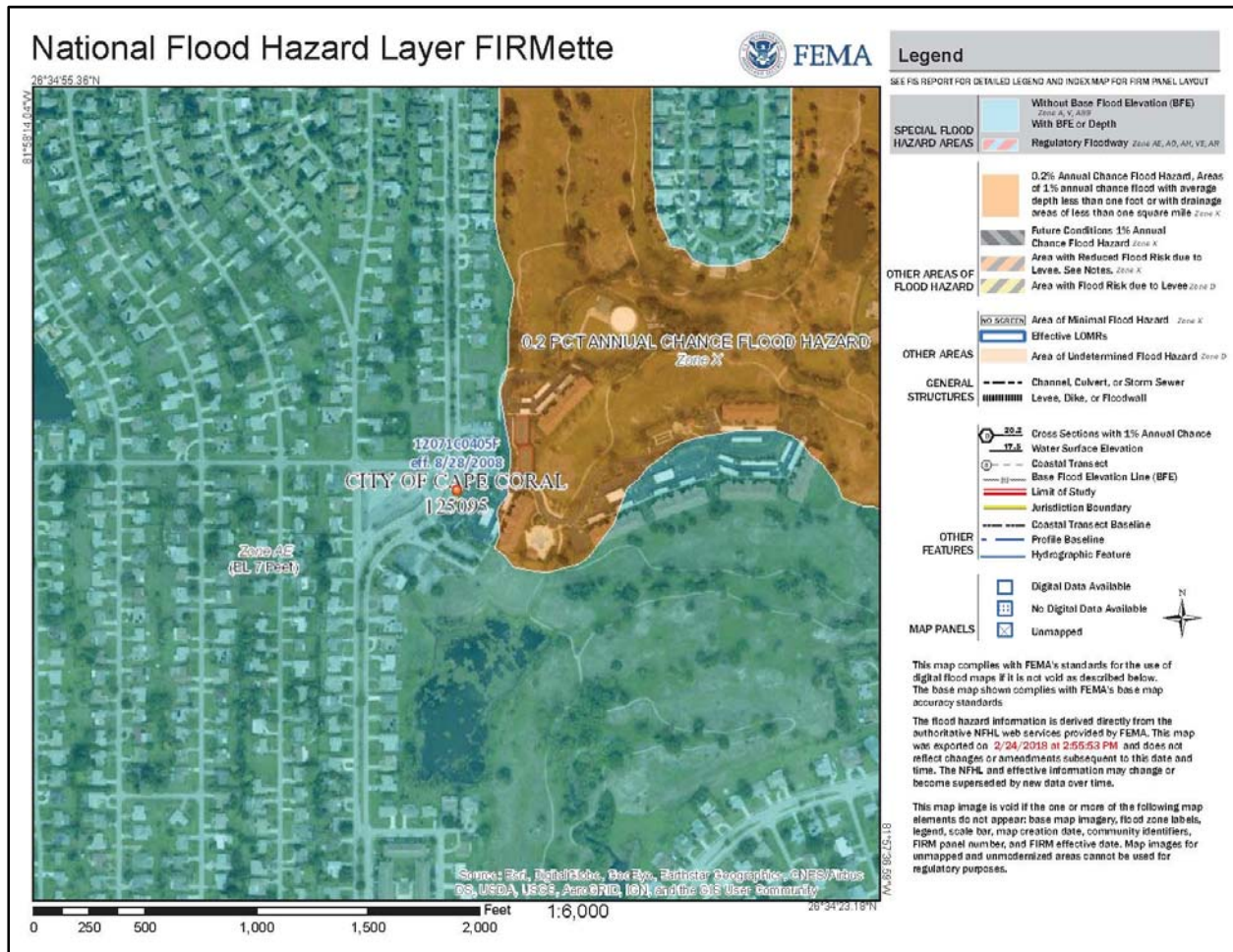


LAND USE MAP





FLOOD MAP





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 1852.00 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, 458.74 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 840.00 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 69 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 28°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 476 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 476, 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=N16°14'19"E, 78.24 FEET) FOR 78.58 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 NORTHWEST, 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 185.65 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, S50°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 99.70 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 171.99 FEET, N58°39'00"E FOR 197.48 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:

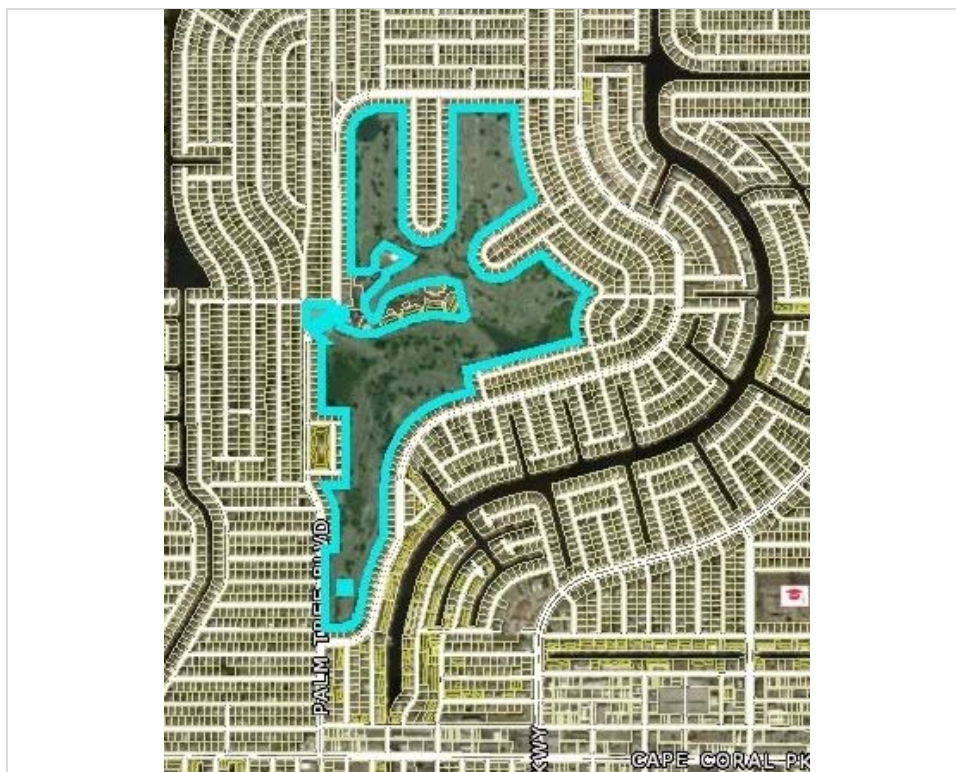
COMMENCE AT THE SOUTHWESTERLY CORNER OF THE SAID TRACT C ON THE EASTERLY RIGHT OF WAY LINE OF PALM TREE BOULEVARD; THENCE NORTH 0°09'01" EAST, 98.0 FEET ALONG THE SAID EASTERLY RIGHT OF WAY LINE; THENCE EAST 85.0 FEET TO THE POINT OF BEGINNING; THENCE NORTH 0°09'01" EAST, 100.0 FEET; THENCE EAST 100.0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



PROPERTY PHOTOGRAPHS



AERIAL VIEW OF SUBJECT PROPERTY



VIEW OF ENTRANCE INTO SUBJECT PROPERTY



TYPICAL VIEW OF SUBJECT PROPERTY



TYPICAL VIEW OF SUBJECT PROPERTY



TYPICAL VIEW OF SUBJECT PROPERTY



TYPICAL VIEW OF SUBJECT PROPERTY



TYPICAL VIEW OF SUBJECT PROPERTY



TYPICAL VIEW OF SUBJECT PROPERTY



TYPICAL VIEW OF SUBJECT PROPERTY



PALM TREE BOULEVARD LOOKING SW'LY



PALM TREE BOULEVARD LOOKING NE'LY



SITE CHARACTERISTICS

ADDRESS:	4003 Palm Tree Boulevard, Cape Coral, Florida 33904
TAX ID:	12-45-23-C2-0000A.0000
LOCATION/ACCESS/ EXPOSURE:	The subject property is located along 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. Vehicular access to the property is via Palm Tree Boulevard which provides access from Country Club Boulevard to the east and north and from Cape Coral Parkway at its southern terminus. Overall, access is considered to be average for the subject property.
SIZE (SITE AREA)/SHAPE:	The subject property consists of 175.19 acres according to information provided by the City of Cape Coral. This appraisal is subject to current survey. The property is irregular in shape due to its original design as a golf course facility. The property is surrounded by single family residential development as well as the adjacent Banyan Trace Condominiums. With the exception of a non-contiguous 1.2 acre parcel (triangular shape), the majority of the property is located east of Palm Tree Boulevard. This appraisal assumes that the site area is accurate and that, if found to be inaccurate, the right to amend this appraisal is reserved.
PHYSICAL FEATURES (TOPOGRAPHY, ELEVATION, ETC.):	The subject property is generally level with the exception of various topographical features formerly associated with the golf course itself. The property is at, or slightly above, road grade in most situations. The property has heavy vegetation at the present time with several manmade lake/drainage areas.
UTILITIES:	The subject property is serviced with full utilities including electricity provided by the Lee County Electric Cooperative, telephone service provided by CenturyLink, and central water/sewer provided by the City of Cape Coral. Police and fire protection are also provided by the City of Cape Coral. However, based upon our conversation with Mr. Jody Sorrells with the Cape Coral Utilities Department, any proposed major development on the subject site would require the construction of a sewer transmission force main, as the existing capacity would be insufficient for such a development.
FLOOD ZONE:	The subject property is partially located within a special flood hazard area as indicated by the Federal Emergency Management Agency (FEMA) maps. The subject property is partially located in Zone X and AE-EL7 as found on Flood Map Panel ID 12071C0405F as of 28 August 2008. Properties located within Zone X are not typically required to purchase flood insurance under most financing situations. However, properties located within Zone AE-EL7 would typically be required to purchase flood insurance under most financing situations. The property is not located in a FEMA FIRM Floodway.



There are no known adverse easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances, or other items of a similar nature. This is subject to a current survey. No adverse conditions were observed or are known; however, the appraisers are not experts in this field. These issues are subject to a current survey and analyses by individuals certified in those fields.

It should be noted that there are two named Southern Bald Eagle nests known as LE079 (adjacent to the subject property) and LE091 (on the subject property). According to the information from the City of Cape Coral, these nests are described as follows:

LE079: "alternative nesting site. All building permits can be released."

LE091: "eaglets have fledged. All building permits can be released."

**EASEMENTS,
ENCROACHMENTS, ETC.:**

It is our understanding that Nest LE091 has been inactive for at least one year. According to the property owner and engineers, the nest is not fully intact and limited to no signs of activity are present. Nest LE079 is located on a manmade structure adjacent to a City of Cape Coral utility plant with human activity surrounding this location. It is believed, based upon information obtained previously from the property owner and an engineering firm representing the property owner and the City of Cape Coral, that nest LE091 is no longer active and will not present a problem. However, environmental studies will be necessary to determine this conclusion. Moreover, Nest LE079, given the activity surrounding the nest's location and based upon information from the previously listed individuals and companies, it is our opinion that the City of Cape Coral would be willing to allow development and, in the worst case scenario, this portion of the site would need to be managed.

According to information previously obtained from Paul Owen, an Ecologist with W. Dexter Bender & Associates, LE091 has been abandoned for multiple seasons and it is believed that the eagles moved to LE079 which is on an electronic tower adjacent to significant activity including a City of Coral utility plant. According to Mr. Owen, as there is significant activity around both nests, the worst case scenario would be no approval for development within the distance to the significant activity which is significantly less than the typical state and federal mandated development zones. Based upon information derived from multiple sources, it is assumed that there is a high probability of achieving a site plan with little development hindrance from LE091. Moreover, we are assuming that development around LE079 would be possible up to the distance of significant activity which is a close distance.



ASSESSED VALUE, TAXES, AND ASSESSMENTS:	Tax Year	Market Assessed Value	Taxable Value	Taxes & Assess.
	2017	\$627,580	\$627,580	\$18,385.61
	2016	\$627,490	\$627,490	\$17,283.08
	2015	\$627,490	\$627,490	\$13,199.06

The property does not benefit from any homestead exemption or agricultural classification. The ad valorem taxes and annual assessments due for each period are exclusive of any early payment discounts or late payment penalties. There are no known atypical outstanding assessments.

As of the date of this appraisal, the 2017 taxes were paid.



The subject property is currently zoned R-1B (Single Family Residential District) by the City of Cape Coral Land Development Code. Per the code, the district is established to encourage and protect single family development at a variety of densities with varying dimensional requirements; permit other uses generally compatible with such residential uses; and otherwise implement this ordinance. Permitted uses within this district are:

1. Entrance Gates
2. Essential Services
3. Family Daycare Home
4. Home Occupation
5. Nature and Wildlife Preserves
6. Parks - Group 1
7. Private Park
8. Single Family Dwelling

ZONING:

Additionally, this zoning requires a minimum lot size of 10,000 square feet, a minimum width of 80', a minimum depth of 100', a 25' front setback, and a maximum building height of 30'. Further specific allowable uses are set forth in the Land Development Code and the reader is encouraged to read and review these if further detail is required. The following is a link to the full zoning: https://library.municode.com/fl/cape_coral/codes/code_of_ordinances?nodeId=ARTIIDIRE_S2.7DIRE_1SIMIREDI

Finally, the link to the most recent applicable zoning ordinance is shown below. With restrictions, said ordinance allows for resorts over 25 acres, private parks, cultural facilities (excluding zoos) and sports academies along with other uses: https://library.municode.com/FL/cape_coral/ordinances/code_of_ordinances?nodeId=835924



FUTURE LAND USE:

The subject property has a Future Land Use designation of Park and Recreation Facilities (PK). The PK land use designates public parking, recreational facilities, and open space as permissible uses. The definition of recreational facilities as found in the City's Land Use and Development Regulations include commercial, personal, private, and public uses.

The PK land use designation creates some limitations for development on the subject property. The former golf course development, based upon reviews of consultant reports from the subsequently-discussed lawsuit, was operating as a legal, non-conforming use. The golf course was not permitted under the City's current code as its development predated the City's incorporation. However, as the use has been abandoned for over a year, the legal non-conforming status has expired and development as a golf course would require approval as a special exception. Moreover, although the subject property is zoned R-1B which allows for single-family residential development, the land use classification supersedes the zoning and, as such, an amendment to the Future Land Use would be required for any uses outside of Park and Recreation Facilities. It should be noted that, in April 2007, the property owner filed an application to amend the Future Land Use Map (LU07-01000015) to Mixed Use (MU). This amendment was denied by City Council in May 2009. According to the City of Cape Coral, the application was denied primarily due to the potential for industrial development within the MU land use classification. Finally, according to information supplied by our client, the subject property was under contract for purchase and sale in 2017 to D.R. Horton for an undisclosed sum. The property owner went through the process of attempting to amend the Future Land Use designation on the property to allow for residential development on the site. The Future Land Use Plan would have been changed from PK (Parks and Recreation) to SF (Single Family Residential). However, just prior to the City Council hearing, D.R. Horton cancelled their contract to purchase the property. The vote to change the Land Use continued, and the City Council denied the application.

As previously noted, this appraisal analyzes the property in its current condition with R-1B zoning and PK land use (Scenario #1). In addition, this appraisal analyzes the property under two separate hypothetical scenarios:

1. Scenario #2: The subject property has a Future Land Use designation of Single Family which would have an allowable density of 4.4 units per acre. The Single Family Future Land Use designation is the predominant surrounding land use in this area and the predominant land use in all of Cape Coral.
2. Scenario #3: The subject property has a Future Land Use designation of Mixed Use (MU) and has zoning/land use approval for 400 single family units, 400 multi-family units, 325,000 square feet of retail space, and 100,000 of office space.



SEC. V: HIGHEST & BEST USE ANALYSIS

Real estate is valued in terms of its highest and best use. Highest and best use is the use which would be the most profitable and 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. Highest and best use is defined by *The Dictionary of Real Estate Appraisal, Sixth Edition*, as follows:

1. *The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.*
2. *The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)*
3. *[The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)*

The Highest and Best Use Analysis begins with an analysis of the property as if vacant and available to be put to its highest and best use. The property is further analyzed if there are improvements, either existing or proposed, for the site. The four criteria of highest and best use are as follows:

- Legally Permissible Use - what uses are permitted by zoning and deed restrictions on the subject property?
- Physically Possible Use - what uses are physically possible to put on the site?
- Financially Feasible Use - which possible and permissible uses will produce a net return to the owner of the site?
- Maximally Productive Use - among the feasible uses, which use will produce the highest net return?

PRESENT USE

The subject property is presently considered to be idle land which was formerly utilized as a golf course.

HIGHEST AND BEST USE AS VACANT

The highest and best use analysis of the site as though vacant assumes that a site is either vacant or can be made so through demolition of any improvements. This analysis examines the type of improvement that is most appropriate for a particular site.

Legally Permissible

The subject property is zoned R-1B which is a single family residential zoning classification within the City of Cape Coral. It also has a Future Land Use designation of PK (Park and Recreation Facilities). This Future Land Use category is associated with this property due to its prior configuration as a golf course development. As previously noted, given the PK land use, there are significant limitations as to the development rights on this property under the "as-is" scenario. This PK land use allows for public parks, recreational facilities and open spaces. The golf course was a special exception. However, this approval no longer exists since the property has been abandoned for numerous years.

Based upon a review from a land planner representing the City of Cape Coral in the 2009 lawsuit between Florida Gulf Venture and the City of Cape Coral, it appears that, given the surrounding residential land uses of single family residential, this would be a reasonable development potential for the subject property. However, in order



to develop single family and/or multi-family residences, an amendment to the Future Land Use Plan would be required. After conversations with the City of Cape Coral and reviewing land planner documents related to the aforementioned lawsuit, it is our opinion that there is a reasonable probability that the subject property would be granted an amended land use to Single Family Residential. It is recognized that a change in the Future Land Use was denied in 2017; however, this analysis assumes that a single-family residential development with proper buffers would be obtainable in the future.

Physically Possible

Various physical factors have an effect upon the uses to which a property may be developed. These factors may include, but are not limited to: size, shape, topography, and soil conditions. The subject property consists of 175.19 acres and is located along the east side of Palm Tree Boulevard, west of Country Club Boulevard and just north of Cape Coral Parkway within the southeast section of Cape Coral. Physically, almost any use could be utilized to improve the property. However, any intensive development would require improvements to the sewer system capacity. The subject property is irregular in shape and is nearly 100% surrounded by single family homes along with a multi-family development. Physically, the irregular shape of the property and the need for a buffer between existing houses and any new development would create some limitations for developing the property. There are no significant wetland issues known on the subject property. Again, almost any improvement could be physically developed on the site; however, given the legally permissible uses, a single family residential development would be most likely.

Financially Feasible

The demand for single family residential units within the Cape Coral area, although previously impacted by the recession, has experienced a strong rebound over the past several years with new construction occurring. For the past six to seven years, this area has seen a resurgence in activity in terms of purchasing existing homes as well as lots and land. Given the Park and Recreation Facilities land use on the subject property, the appraisers considered the potentially legal uses as being residential development or a park and recreation type use. It is our opinion that residential development (with a land use amendment) would be the most financially feasible use of the property. Development into a golf course was also considered; however, this also would require a special exception to the existing use and would not be a feasible use given the lack of demand for this type of product. Finally, due to overall locational characteristics along with the lack of exposure to a primary traffic arterial, a strictly commercial development of the parcel does not appear to be feasible.

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 amending the existing land use to include residential development. Development into a single family residential project is not a currently legal option, but is considered to be the highest and best use of the land based upon the reasonable probability of receiving an amendment to the Future Land Use Plan. It is recognized that there is a risk and time issues which would occur with a Land Use change as evidenced by the 2017 denial of a Land Use Amendment on the property.

Scenario #2: In addition, this appraisal estimates the market value of the subject property assuming that the property currently has a land use designation of Single Family Residential which would allow for development up to a density of 4.4 units per acre. This scenario does not assume full permits but, rather, zoning and land use designation in place for such. Based on this Hypothetical Condition, it is our opinion the highest and best use would be for single family residential development.

Scenario #3: Also, this appraisal estimates the market value of the subject property assuming that the property is zoned MU, or Mixed Use, and has a land use designation which would allow for 400 single family units, 400 multi-family units, 325,000 square feet of retail development, and 100,000 square feet of office development. Based upon this scenario, we will estimate the value of the property with these uses. In our opinion, residential development would represent the most financially feasible use of the property; however, under this Hypothetical



Condition, we will also estimate value based upon a commercial component to this property. Moreover, given the surrounding uses which are solely residential, it is our opinion that any commercial approvals would be more of a challenge to achieve.



SEC. VI: VALUATION OF SUBJECT PROPERTY

THE APPRAISAL PROCESS

There are three standard approaches to property valuation:

- Cost Approach to Value
- Sales Comparison Approach to Value
- Income Approach to Value

Each of these three approaches usually will indicate a slightly different value. After all of the factors of the three approaches have been carefully weighed, the indicators of value are correlated to a final opinion of value.

Cost 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. Next, accrued depreciation is estimated 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 older and/or adequate land sales are not available, the Cost Approach provides a less reliable result.

Sales Comparison Approach to Value

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 recently. The Sales Comparison Approach is most reliable when the comparable sales are very similar to the subject property and have occurred relatively recently. Conversely, when large or numerous adjustments are necessary, the Sales Comparison Approach is less reliable.

Income Approach to Value

The Income Approach to Value is normally applied to commercial or 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 often the most reliable approach in the valuation of commercial properties as it best represents investors' and lenders' actions in the marketplace

Approaches Developed

As discussed within the Scope of Work section of this report, we have utilized the Sales Comparison Approach exclusively in estimating market value. As previously noted, this appraisal values the property under three scenarios as follows:

Scenario #1 - "As Is" Market Value: In this scenario, we will estimate the "As Is" market value of the subject property given its R-1B zoning and PK Future Land Use classification. As there are limitations due to the PK Future Land Use classification, we will first estimate the market value as though the property has a Future Land Use designation which would allow the property to be developed at its highest and best use of single-family residential development. Therefore, we will first analyze the property under Scenario #2 and then make appropriate adjustments to account for the less desirable PK Future Land Use designation by accounting for the time and expense of changing said designation.

Scenario #2 - As Single-Family Residential: In this scenario, we are estimating the market value of the subject property based upon the Hypothetical Condition that the property has zoning and land use entitlements to allow for single family residential development. We are assuming that the property has a Future Land Use designation of Single Family Residential which allows for a maximum density of 4.4 units per acre.



Scenario #3 - As Mixed-Use Development: In this scenario, we are estimating the market value of the subject property based on the Hypothetical Condition that the property is zoned and has a Future Land Use designation which would allow for 400 single family units, 400 multi-family units, 325,000 square feet of retail space, and 100,000 square feet of office space.



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 property.

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 marketplace. The Sales Comparison Approach is based upon the principle of substitution, which states that a prudent person will not pay more to buy a property than it would 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/she 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 important attributes of the comparable properties with the corresponding attributes 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.

Source: Appraisal Institute, The Appraisal of Real Estate, 14th edition. (Chicago: Appraisal Institute, 2013).

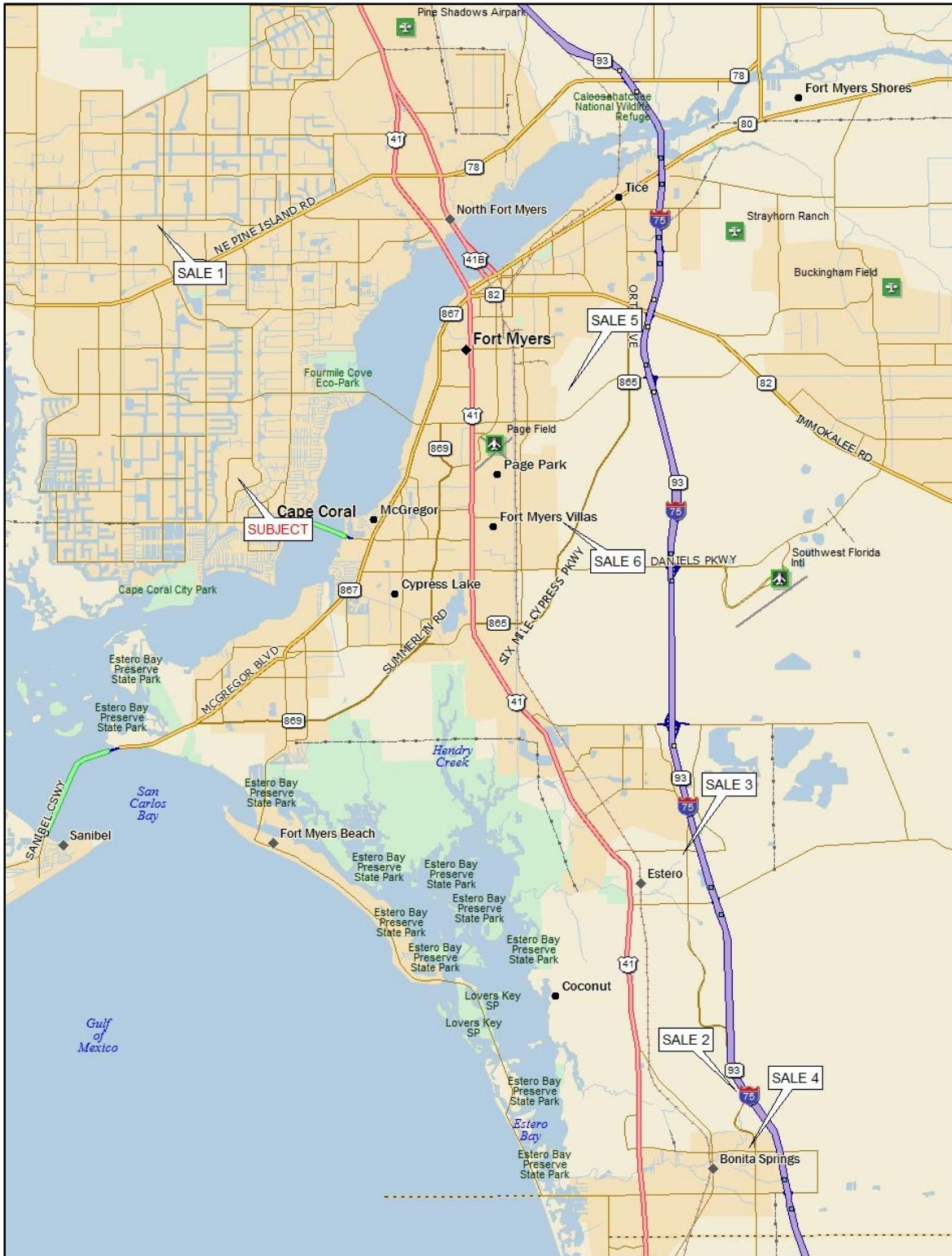
In order to derive adjustments between the subject property and the comparable sales, it is our opinion that the comparable sales characteristics should be analyzed based upon a qualitative basis in which the comparable sales are adjusted in terms of their superiority, inferiority, or similarity. These qualitative adjustments will be made based upon our knowledge of the subject property and the comparable sales, our experience appraising similar properties, our knowledge of the market area, and our experience in the appraisal field.

Scenario #2 – As Single Family Residential

In estimating the market value of the subject property under Scenario #2 via the Sales Comparison Approach, we have analyzed the following comparable sales:



COMPARABLE LAND SALES MAP





COMPARABLE LAND SALE – SF1

2657



DATE OF SALE: April 11, 2016

ADDRESS: Tropicana Parkway East

SALE PRICE: \$4,775,000

STRAP #: 10-44-23-C2-00003.0000

SALE PRICE (ADJUSTED): \$4,775,000

SALE CONDITIONS: Arm's length

RECORDING: 2016000076490

UTILITIES: Electricity/Telephone

GRANTOR: Ronald E Inge, Trustee, et al

ZONING: RD, MR

GRANTEE: Stonewater II, LLC

LAND USE: SF/MF by PDP/Comm Act Ctr

FINANCING: Cash to seller

SALE HISTORY: None in past 5 years

TOPOGRAPHY: Cleared

ACCESS: Tropicana Parkway E

VERIFICATION: Tad Yeatter

HIGHEST AND BEST USE: Residential

SITE AREA: 8,637,512 Square Feet

UNIT OF VALUE: \$0.55 Per SF

198.290 Acres

\$24,081 per AC

118.97 Net Acres

\$40,135 per Net AC

ALLOWABLE UNITS: 340

\$14,044 Per Unit

COMMENTS: The sale property is located at the southwest corner of Tropicana Parkway E and Nelson Road N in northwest Cape Coral. There are multiple lakes (40%) located on the property. The property was purchased for the development of a 340 lot subdivision. The subdivision has been approved and all permits are in place. The property is located in the North 2 area of the City of Cape Coral proposed utilities extension area. The construction in this area is expected to begin anytime from 2018 to 2020. There are currently no water or sewer services available to the property.

Additional STRAP number: 10-44-23-C1-00002.0000



COMPARABLE LAND SALE – SF2

1085



DATE OF SALE: August 10, 2016

ADDRESS: Imperial Parkway

SALE PRICE: \$10,924,000

STRAP #: 24-47-25-B4-00001.0010

SALE PRICE (ADJUSTED): \$10,924,000

SALE CONDITIONS: Arm's length

RECORDING: 2016000171332

UTILITIES: All Available

GRANTOR: Tex Development, LLC

ZONING: MPD

GRANTEE: The School Board of Lee County, Florida

LAND USE: HDMU

FINANCING: Cash

SALE HISTORY: None in the previous three years

TOPOGRAPHY: Cleared

ACCESS: Direct (Intersection)

VERIFICATION: Dawn Huff/Lee County School District

HIGHEST AND BEST USE: Residential

SITE AREA: 3,300,977 Square Feet
75.780 Acres

UNIT OF VALUE: \$3.31 Per SF
\$144,154 per AC
\$36,053 Per Unit

ALLOWABLE UNITS: 303

COMMENTS: This is the sale of a residential property is located at the northwest corner of Imperial Parkway and Shangri-La Road in Bonita Springs. This tract was originally part of a larger parcel owned by Centex Homes, which was previously approved as a planned development and includes the Hawthorne Neighborhood. The sale includes a conservation easement (10+- acres) located at the northwest corner of the site, which was granted to the SFWMD on 02/2005 by Centex Homes. The site is entitled for 303 units. The property was purchased by the Lee County School District with plans to construct a high school on the site. Per Dawn Huff, the sales price was originally \$11,000,000 but there were costs involved in the cleanup of oil contamination on the site resulting in the sales price of \$10,924,000.



COMPARABLE LAND SALE – SF3

2819



DATE OF SALE: December 19, 2016

ADDRESS: Alico Road

SALE PRICE: \$17,050,000

STRAP #: 10-46-25-00-00001.1010

SALE PRICE (ADJUSTED): \$17,050,000

SALE CONDITIONS: Arm's length

RECORDING: 2016000266374

UTILITIES: Full

GRANTOR: Chico's Retail Services, Inc.

ZONING: RPD

GRANTEE: Pulte Home Corporation

LAND USE: Urban Community-95%, Wetlands-5%

FINANCING: Cash

SALE HISTORY: Prior sale 7/2007, \$34,389,900

TOPOGRAPHY: Partially cleared

ACCESS: Direct (Intersection)

VERIFICATION: Pulte Homes

HIGHEST AND BEST USE: Residential development

SITE AREA: 4,602,114 Square Feet
105.650 Acres

UNIT OF VALUE: \$3.70 Per SF
\$161,382 per AC
\$49,421 Per Unit

ALLOWABLE UNITS: 400

COMMENTS: The property is located at the southwest corner of Alico Road and Three Oaks Parkway in Fort Myers. A residential community with 345 single family home sites is planned for the site.



COMPARABLE LAND SALE – SF5

3223



DATE OF SALE: August 04, 2017

ADDRESS: Winkler Avenue Extension

SALE PRICE: \$5,400,000

STRAP #: 32-44-25-P4-00060.0000 & 32-44-25-P4-00060.0010

SALE PRICE (ADJUSTED): \$5,400,000

SALE CONDITIONS: Arm's Length

RECORDING: 2017000170185

UTILITIES: Full

GRANTOR: Colonial Hammock SWFL, LLC

ZONING: PUD

GRANTEE: Calatlantic Group, Inc.

LAND USE: T/C (Traditional Community)

FINANCING: Cash

SALE HISTORY: Prior sale was of multiple parcels

TOPOGRAPHY: Cleared

ACCESS: Intersection

VERIFICATION: Rob Mintz/Land Solutions

HIGHEST AND BEST USE: Residential

SITE AREA: 2,653,240 Square Feet
60.910 Acres

UNIT OF VALUE: \$2.04 Per SF
\$88,655 per AC
\$21,951 Per Unit

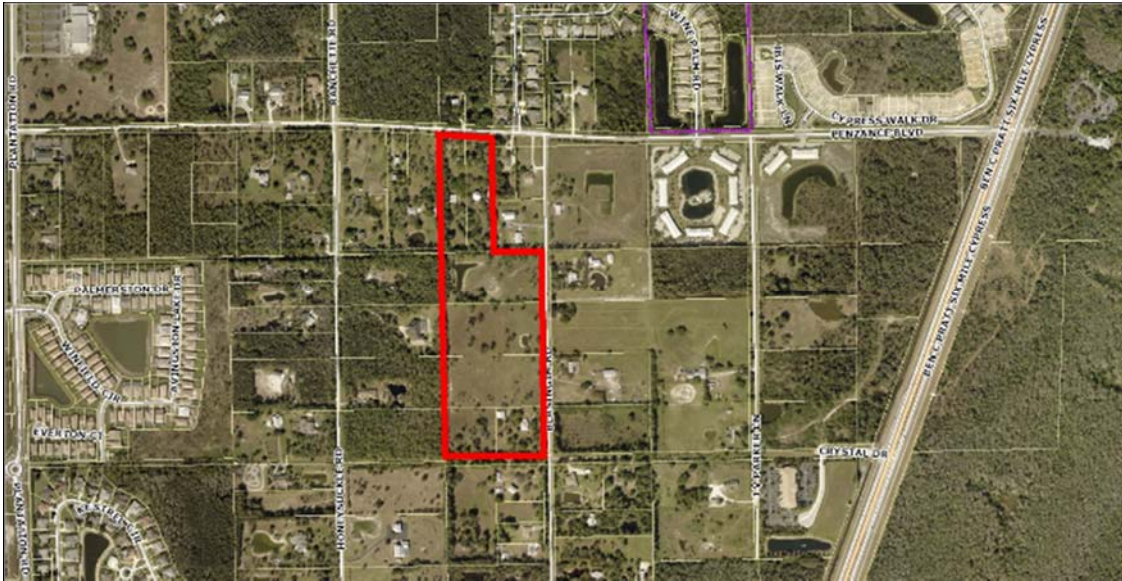
ALLOWABLE UNITS: 246

COMMENTS: The property is located in the northeast quadrant of Veronica S Shoemaker Boulevard and Winkler Avenue and on the north side of Colonial Boulevard in Fort Myers. The site is to be developed with a single-family development known as Castalina. There will be a total of 246 units of which 108 are twin villas and 138 single-family lots.



COMPARABLE LAND SALE – SF6

3179



DATE OF SALE: January 05, 2018

SALE PRICE: \$2,500,000

SALE PRICE (ADJUSTED): \$2,500,000

RECORDING: 2018000005113

GRANTOR: Blasingim Road Property, LLC

GRANTEE: Neal Communities of Southwest Florida, LLC

FINANCING: Cash

TOPOGRAPHY: Partially cleared

VERIFICATION: Jason Frost/Neal Communities

SITE AREA: 1,051,103 Square Feet
24.130 Acres

ALLOWABLE UNITS: 104

ADDRESS: 7030 Penzance Boulevard

STRAP #: 08-45-25-00-00003.0010

SALE CONDITIONS: Arm's Length

UTILITIES: Full

ZONING: RPD

LAND USE: Central Urban

SALE HISTORY: Prior sales were of separate parcels

ACCESS: West of Six Mile Cypress Pkwy

HIGHEST AND BEST USE: Residential

UNIT OF VALUE: \$2.38 Per SF
\$103,605 per AC
\$24,038 Per Unit

COMMENTS: The property is located on the south side of Penzance Boulevard and the west side of Blasingim Road in Fort Myers. There are a total of 7 properties included in the sale. The property is an RPD and will be developed with Windsong, a gated residential community of 104 paired villas. There were some older homes on the property having no contributory value.



Comparable Land Sales Chart

The comparable sales and our analysis thereof are summarized in the following chart:

	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Transaction Data:							
Date of Sale:		Apr-16	Aug-16	Dec-16	May-17	Aug-17	Jan-18
Sale/Listing Price:		\$4,775,000	\$10,924,000	\$17,050,000	\$1,800,000	\$5,400,000	\$2,500,000
Sale/Listing Price (Adjusted):		\$4,775,000	\$10,924,000	\$17,050,000	\$1,800,000	\$5,400,000	\$2,500,000
Physical Data:							
Street Address:	4003 Palm Tree Boulevard	Tropicana Parkway E	Imperial Parkway	Alico Road	E. Terry Street	Winkler Avenue	7033 Penzance Blvd
City:	Cape Coral	Cape Coral	Bonita Springs	Fort Myers	Bonita Springs	Fort Myers	Fort Myers
Site Area (sq.ft.):	7,631,251	5,182,507 (Net)	3,300,977	4,602,114	524,898	2,653,240	1,051,106
Site Area (acres):	175.19	118.97	75.78	105.65	12.05	60.91	24.13
# of Units:	771	340	303	345	44	246	107
Density (U/A):	4.40 (Max)	2.86	4.00	3.27	3.65	4.04	4.43
Topography:	Level	Lakes - 40%	Level	Level (95% Uplands)	Level	Level	Level
Shape:	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
Utilities:	Full	Full in 2019	Full	Full	Full	Full	Full
Use Data:							
Zoning:	R-1B	RD/MR	MPD	RPD	RPD	CG	RPD
Land Use:	PK	SF/MF	HDMU	Urban Community	MDR	Traditional Community	Central Urban
Highest and Best Use:	S/F Residential	S/F Residential	S/F Residential	S/F Residential	S/F Residential	S/F Residential	S/F Residential
Sales Price Analysis:							
Price per Acre:		\$40,135	\$144,154	\$161,382	\$149,378	\$88,655	\$103,605
Transactional Adjustments:							
Financing Terms:		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(Per Acre):		\$40,135	\$144,154	\$161,382	\$149,378	\$88,655	\$103,605
Conditions of Sale:		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(Per Acre):		\$40,135	\$144,154	\$161,382	\$149,378	\$88,655	\$103,605
Expenditures After Purchase:		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(Per Acre):		\$40,135	\$144,154	\$161,382	\$149,378	\$88,655	\$103,605
Market Conditions (time):		22.0%	18.0%	14.0%	9.0%	6.0%	1.0%
(Adjusted Price per AC):		\$48,964	\$170,102	\$183,975	\$162,822	\$93,975	\$104,641
Physical Adjustments:							
Location:		Inferior	Slightly Superior	Superior	Slightly Inferior	Equal	Inferior
Exposure (Frontage):		Superior	Superior	Superior	Superior	Superior	Equal
Access:		Equal	Equal	Superior	Equal	Superior	Equal
Size (Site Area):		Equal	Superior	Equal	Superior	Superior	Superior
Topography:		Superior	Equal	Equal	Equal	Equal	Equal
Shape:		Equal	Superior	Superior	Superior	Superior	Superior
Utilities:		Equal	Superior	Superior	Superior	Superior	Superior
Zoning/Land Use:		Equal	Equal	Equal	Equal	Equal	Equal
Overall Comparability:		Inferior	Superior	Superior	Superior	Superior	Superior

Description of Sales

Sale 1 is the April 2016 sale of the residential property located at the southwest corner of Tropicana Parkway East and Nelson Road North in Cape Coral. This property sold for \$4,775,000, or \$40,135 per net usable acre. This sale required an upward market conditions adjustment of 22% to account for increasing values in the marketplace which resulted in a transactionally adjusted price of \$48,964 per acre. This sale is considered to be inferior to the subject property with respect to location, and superior with respect to exposure and topography.

Sale 2 is the August 2016 sale of the residential property located at the northeast corner of Imperial Parkway and Shangri-La Road in Bonita Springs, also having frontage along Interstate 75. This property sold for \$10,924,000, or \$144,154 per acre. This sale required an upward market conditions adjustment of 18% to account for increasing values in the marketplace which resulted in a transactionally adjusted price of \$170,102 per acre. This sale is considered to be superior to the subject property with respect to location, exposure, size, shape, and utilities.

Sale 3 is the December 2016 sale of the residential property located at the southwest corner of Alico Road and Three Oaks Parkway in Fort Myers. This property sold for \$17,050,000, or \$161,382 per acre. This sale required an upward market conditions adjustment of 14% to account for increasing values in the marketplace which resulted in a transactionally adjusted price of \$183,975 per acre. This sale is considered to be superior to the subject property with respect to location, exposure, access, shape, and utilities.

Sale 4 is the May 2017 sale of the residential property located at the northeast corner of East Terry Street and Imperial Parkway in Bonita Springs. This property sold for \$1,800,000, or \$149,378 per acre. This sale required an upward market conditions adjustment of 9% to account for increasing values in the marketplace which



resulted in a transactionally adjusted price of \$162,822 per acre. This sale is considered to be inferior to the subject property with respect to location and superior with respect to exposure, size, shape, and utilities.

Sale 5 is the August 2017 sale of the residential property located in the northeast quadrant of Winkler Avenue and Veronica S. Shoemaker Boulevard in Fort Myers. This property sold for \$5,400,000, or \$88,655 per acre. This sale required an upward market conditions adjustment of 6% to account for increasing values in the marketplace which resulted in a transactionally adjusted price of \$93,975 per acre. This sale is considered to be superior to the subject property with respect to exposure, access, size, shape, and utilities.

Sale 6 is the January 2018 sale of the residential property located at 7033 Penzance Boulevard in Fort Myers. This property sold for \$2,500,000, or \$103,605 per acre. This sale required an upward market conditions adjustment of 1% to account for increasing values in the marketplace which resulted in a transactionally adjusted price of \$104,641 per acre. This sale is considered to be inferior to the subject property with respect to location and superior with respect to size, shape, and utilities.

Analysis of Comparable Data

This analysis is dependent upon adjustments to the sale prices of the comparable sales based on the following elements of comparison outlined by The Appraisal Institute:

1. Real property rights conveyed
2. Financing terms
3. Conditions of sale
4. Expenditures made immediately after purchase
5. Market conditions
6. Location
7. Physical characteristics
8. Economic Characteristics
9. Use
10. Non-realty components of value

For ease of analysis, we have divided this list into two parts. This division is based upon the type of adjustments made for the differences. Elements 1 – 5 are considered to be transactional adjustments, whereas elements 6 – 10 are considered to be physical adjustments.

Transactional Adjustments

There were no transactional adjustments warranted for Property Rights Conveyed, Financing Terms, Conditions of Sale and Expenditures Made Immediately after Purchase for these sales.

In considering Changes in Market Conditions since the time of sale, we must consider the significant changes in the Southwest Florida real estate market. The property value trend found throughout Southwest Florida changed drastically over the past decade or so, with substantial increases during the period of 2002-2005 followed by equally substantial declines during the period of 2006-2009, and this declining trend reversing in 2012. Based upon the previously illustrated information and discussion, the comparable sales have been adjusted at positive 1% per month for market conditions over the timeframe analyzed.



Physical Adjustments

We have considered the following specific physical adjustments to the comparable sales. A brief description of the nature of these characteristics is provided below:

- **Location:** Location refers to the economic attributes of the surrounding market area. These attributes affect the financially feasible uses of the site. Sales 2 and 4 are most similar to the subject property with respect to this factor.
- **Exposure (Frontage):** This refers to the exposure to the fronting thoroughfare (i.e. - capacity/traffic count). Sale 6 is most similar to the subject property with respect to this factor.
- **Access:** This refers to the accessibility of a property (i.e. - frontage road vs. direct frontage, existence of median cuts, etc.). Sales 1, 2, 4, and 6 are most similar to the subject property with respect to this factor.
- **Size (Site Area):** Larger parcels often sell for a lower price per unit than do smaller parcels. This attribute affects the physically possible uses of the site. Sales 1 and 3 are most similar to the subject property with respect to this factor.
- **Topography:** This refers to the physical condition of the property, such as if the property is cleared or if there are significant changes in elevation. Sales 2, 3, 4, 5 and 6 are most similar to the subject property with respect to this factor.
- **Shape:** This refers to the configuration or orientation of the property which might impact the development potential. For example, a property which is a long, narrow rectangle may have difficulty being developed due to setback requirements. Sale 1 is most similar to the subject property with respect to this factor. The subject property is somewhat limited due to its irregular shape and presumed requirement to buffer surrounding property owners in the event of development.
- **Utilities:** The presence or absence of certain utilities can strongly impact the physically possible uses of a site, the second test in the analysis of Highest and Best Use (i.e. - the absence of central sewer may prevent intensive development). For reasons previously discussed, Sale 1 is most similar to the subject property with respect to this factor as it was purchased requiring utilities extensions.
- **Zoning/Future Land Use:** Zoning and Future Land Use directly determine the legally permissible uses of a site, the first test in the analysis of Highest and Best Use. No adjustments for this factor are warranted.

Value Conclusion

Considering all of this information, it is our opinion that the market value of the subject site under Scenario #2 is between \$70,000 and \$80,000 per acre and, as illustrated below, we have concluded at \$75,000 per acre:

<u>Site Area (acres)</u>	<u>Value per Acre</u>	<u>Opinion of Value</u>	<u>Rounded to</u>
175.19	\$75,000	\$13,139,250	\$13,140,000



Scenario #1 – Estimation of “As Is” Market Value

In estimating the “as is” market value considering the current PK future land use in place, we have estimated the value as though the Future Land Use designation allows for single-family residential development and have deducted for the time and risk associated with an amendment to the Future Land Use Plan. We are estimating a duration of approximately 12 to 18 months for a potential property owner to file an application, hire experts, etc. to potentially amend the Future Land Use designation to Single Family Residential. We are also considering the risk and cost in going through the process. Based upon previous attempts to change the Future Land Use designation, and the neighborhood resistance to such changes to the property, there would be significant expense in this process. To account for the delay as well as opportunity costs, we have analyzed the present value of receiving \$13,140,000 at the end of one year with a discount rate of 10%. Once this value was established, we have deducted an additional line item for entrepreneurial incentive at 15% to account for the cost and risk of going through this process. It should be emphasized that this appraisal estimates the ‘market value’ of the subject property based upon its highest and best use, and not a ‘value in use’ to the City of Cape Coral. The following is a summary of the “as is” market value estimate:

Value with amended future land use	\$13,140,000
Present value (\$13,140,000, 1 year, 10%)	\$11,945,455
Less: Entrepreneurial Incentive at 15%	<u>1,791,818</u>
Indicated “As Is” Market Value	\$10,153,636
Rounded to	<u>\$10,150,000</u>

Scenario #3 – Estimation of Market Value as Approved as a Mixed Use Development

Under this Hypothetical Condition, the market value of the subject property has been estimated as though the zoning and future land use allow for a mixed-use development to include 400 single family units, 400 multi-family units, 325,000 square feet of retail space and 100,000 square feet of office space. This information is based upon information requested by our client and represents a Hypothetical Condition for the subject property. In order to estimate the market value under this scenario, a mix of single family residential sales as previously analyzed for Scenarios #1 and #2 was considered, and we have also considered multi-family residential land sales and commercial land sales. The various components were segregated (single family, multi-family, and commercial) into estimated acreages necessary for the various property types. The land necessary for the commercial component based upon other land to building ratios for commercial properties in Cape Coral and throughout Lee County has been estimated by a typical land-to-building ratio of 3:1 which would indicate the requirement of 29 acres for the commercial component under this scenario. We have utilized a total of 22 acres for the 325,000 square feet of retail space and 7 acres for the 100,000 square feet of office space. In estimating the land area for the multi-family residential component, we have estimated a density based upon other properties at 16 units per acre and concluded a requirement of 25 acres for the 400 multi-family residential units. The remaining land for single-family residential development would then be 121.19 acres or approximately 3.3 units per acre which falls in-line with typical single family residential densities. The following is a summary of the estimated land areas for each of the components:

COMPONENT	ESTIMATED LAND AREA (ACRES)
400 Single Family Units	121.19 acres
400 Multi-family Units	25 acres
325,000 Square Feet of Retail Space	22 acres
100,000 Square Feet of Office Space	7 acres

In estimating the market value of the single family residential component, we have utilized a unit value of \$75,000 per acre to value the land associated with a potential of 400 single family homesites. This is estimated as follows:

121.19 acres @ \$75,000 per Acre = \$9,089,250

In estimating the value of the multi-family residential component, we have considered the following sales which are detailed within the Addenda to this report and are summarized as follows:



	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Transaction Data:							
Date of Sale:		Nov-16	Jul-17	Nov-17	Jan-18	Feb-18	Feb-18
Sale/Listing Price:		\$6,381,000	\$10,692,000	\$5,600,000	\$5,319,076	\$1,700,000	\$2,495,000
Sale/Listing Price (Adjusted):		\$6,381,000	\$10,692,000	\$5,600,000	\$5,319,076	\$1,700,000	\$2,495,000
Physical Data:							
Street Address:	4003 Palm Tree Boulevard	Bonita Beach Road	13461 Chana Court	12770/990 Ben C Pratt/Six Mile Cypress Pkwy	Embers Parkway	3616/54 Schoolhouse Road W	4051 Winkler Avenue
City:	Cape Coral	Bonita Springs	Fort Myers	Fort Myers	Cape Coral	Fort Myers	Fort Myers
Site Area (sq.ft.):	1,089,000	914,324	3,017,837	1,115,136	3,033,518 (Net)	510,958	814,136
Site Area (acres):	25.00	20.99	69.28	25.60	69.64	11.73	18.69
# of Units:	400	242	462	225	1,400	160	300
Density (U/A):	16.00	11.53	6.67	8.79	20.10	13.64	16.05
Topography:	Level	Level	Level	Level	Lakes - 34%	Level	Level
Shape:	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
Utilities:	Full	Full	Full	Full w/ Extension	Full in 2019	Full	Full
Use Data:							
Zoning:		CPD	CI	RPD	C-1/RD	CI	CG, RS-6
Land Use:		Interchange Commercial	T/C	Central urban	CAC/SM	RMD, T/C	RLLD, T/C
Highest and Best Use:	MF Residential	MF Residential	MF Residential	MF Residential	MF Residential	MF Residential	MF Residential
Sales Price Analysis:							
Price per Unit:		\$26,368	\$23,143	\$24,889	\$3,799	\$10,625	\$8,317
Transactional Adjustments:							
Financing Terms:		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(Per Unit):		\$26,368	\$23,143	\$24,889	\$3,799	\$10,625	\$8,317
Conditions of Sale:		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(Per Unit):		\$26,368	\$23,143	\$24,889	\$3,799	\$10,625	\$8,317
Expenditures After Purchase:		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(Per Unit):		\$26,368	\$23,143	\$24,889	\$3,799	\$10,625	\$8,317
Market Conditions (time):		15.0%	7.0%	3.0%	1.0%	0.0%	0.0%
(Adjusted Price per Unit):		\$30,323	\$24,763	\$25,636	\$3,837	\$10,625	\$8,317
Physical Adjustments:							
Location:		Superior	Superior	Superior	Inferior	Equal	Equal
Exposure (Frontage):		Superior	Superior	Superior	Equal	Superior	Superior
Access:		Superior	Superior	Superior	Equal	Superior	Superior
Size (Site Area):		Equal	Inferior	Equal	Inferior	Equal	Equal
Topography:		Equal	Equal	Inferior	Equal	Equal	Equal
Density:		Superior	Superior	Superior	Equal	Equal	Equal
Shape:		Superior	Superior	Superior	Equal	Equal	Superior
Utilities:		Superior	Superior	Superior	Equal	Superior	Superior
Zoning/Land Use:		Equal	Equal	Equal	Equal	Equal	Equal
Overall Comparability:		Superior	Superior	Superior	Inferior	Superior	Superior

Based upon an analysis very similar to the one discussed previously, we have estimated a market value for the multi-family residential component of \$9,000 per unit, shown as follows:

$$400 \text{ Multi-family Units @ } \$9,000 \text{ per Unit} = \$3,600,000$$

Lastly, in estimating the market value of the commercial component, we have considered the following sales which are detailed within the Addenda to this report and summarized as follows:



	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6	Comparable No. 7
Transaction Data:								
Date of Sale:		Mar-16	Sep-16	Dec-16	Dec-16	Apr-17	Sep-17	Dec-17
Sale/Listing Price:		\$1,622,000	\$750,000	\$3,000,000	\$4,517,500	\$3,425,000	\$4,625,000	\$715,000
Sale/Listing Price (Adjusted):		\$1,622,000	\$750,000	\$3,000,000	\$4,517,500	\$3,425,000	\$4,625,000	\$715,000
Physical Data:								
Street Address:	4003 Palm Tree Boulevard	1701 Four Mile Cove Pkwy	801 SW Pine Island Road	2200 NE Pine Island Rd	1720/30 NE Pine Island Rd	609 NE Pine Island Road	2201 NE Pine Island Road	780/90 NE 19th Place
City:	Cape Coral	Cape Coral	Cape Coral	Cape Coral	Cape Coral	Cape Coral	Cape Coral	Cape Coral
Site Area (sq.ft.):	1,263,240	471,069	176,949	755,652	472,626	503,554	677,794	240,687
Site Area (acres):	29.00	10.81	4.06	17.35	10.85	11.56	15.56	5.53
Topography:	Level	Level	Level	Level	Level	Level	Level	Level
Shape:	Irregular	Rectangular	Irregular	Irregular	Irregular	Rectangular	Rectangular	Rectangular
Utilities:	Full	Full	Full	Full	Full	Full	Full	Full
Use Data:								
Zoning:		C-1	C-1	Corridor	Corridor	Corridor	Corridor	Corridor
Land Use:		CP/MX	Intensive Development	PIRD	PIRD	PIRD	PIRD	PIRD
Highest and Best Use:	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial	Commercial
Sales Price Analysis:								
Price per Square Foot (Site):		\$3.44	\$4.24	\$3.97	\$9.56	\$6.80	\$6.82	\$2.97
Transactional Adjustments:								
Financing Terms:		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(Per Square Foot):		\$3.44	\$4.24	\$3.97	\$9.56	\$6.80	\$6.82	\$2.97
Conditions of Sale:		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(Per Square Foot):		\$3.44	\$4.24	\$3.97	\$9.56	\$6.80	\$6.82	\$2.97
Expenditures After Purchase:		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(Per Square Foot):		\$3.44	\$4.24	\$3.97	\$9.56	\$6.80	\$6.82	\$2.97
Market Conditions (time):		23.0%	17.0%	14.0%	14.0%	10.0%	0.0%	0.0%
(Adjusted Price per SF):		\$4.24	\$4.96	\$4.53	\$10.90	\$7.48	\$6.82	\$2.97
Physical Adjustments:								
Location:		Inferior	Equal	Inferior	Superior	Equal	Inferior	Inferior
Exposure (Frontage):		Equal	Superior	Superior	Superior	Superior	Superior	Equal
Access:		Equal	Equal	Equal	Equal	Equal	Superior	Equal
Size (Site Area):		Superior	Superior	Equal	Inferior	Superior	Equal	Superior
Topography:		Equal	Equal	Equal	Equal	Equal	Equal	Equal
Shape:		Equal	Equal	Equal	Equal	Equal	Equal	Equal
Utilities:		Superior	Superior	Superior	Superior	Superior	Superior	Superior
Zoning/Land Use:		Equal	Equal	Equal	Equal	Equal	Equal	Equal
Overall Comparability:		Superior	Superior	Superior	Superior	Superior	Superior	Inferior

Based upon an analysis very similar to the one discussed previously, we have estimated a market value for the commercial component at \$4.00 per square foot, shown as follows:

Retail Land - 22 Acres @ \$4.00 per Sq. Ft. = \$3,833,280
 Office Land - 7 Acres @ \$4.00 per Sq. Ft. = \$1,219,680

In order to estimate the total value, we have taken the aggregate of all of the components as follows:

Land for 400 Single Family Homesites \$ 9,089,250
 Land for 400 Multi-family Units 3,600,000
 Land for 325,000 Sq. Ft. of Retail Space 3,833,280
 Land for 100,000 Sq. Ft. of Office Space 1,219,680
 Total \$17,742,210
 Rounded to \$17,740,000



SEC. VII: RECONCILIATION OF OPINIONS OF VALUE

Scenario #1 - "As Is" Market Value	\$10,150,000
Scenario #2 - As Entitled for Single Family Residential	\$13,140,000
Scenario #3 - As Entitled for Mixed Use	\$17,740,000

In estimating the market value under Scenario #1 ("as-is"), the value of the property was estimated as though at its highest and best use which was determined to be single family residential development. From this value, a discount was estimated for the time to achieve this future land use amendment and the risk/cost associated therewith. In Scenario #2, the market value of the subject property was estimated as though the property has a Future Land Use designation which would allow for a single family residential development. In this analysis, numerous residential parcels which have sold within the Lee County market area were analyzed under this Hypothetical Condition. In Scenario #3, the market value of the subject property was estimated as though the property was a mixed-use development with zoning and land use entitlements for 400 single family units, 400 multi-family units, 325,000 square feet of retail space, and 100,000 square feet of office space. In this analysis, single family residential land sales, multi-family residential land sales, and commercial land sales were analyzed to estimate the market value under this Hypothetical Condition.

The above-estimated market values are contingent upon the certification and the assumptions and conditions of this appraisal, if any.

CONTRACTS, LISTINGS & SALES HISTORY

The property was originally developed in 1963 as the Cape Coral Golf and Tennis Resort. This property was improved with an 18-hole golf course, a clubhouse/pro shop, a 100-unit hotel, tennis courts, and other improvements. As of the date of valuation, the building improvements have been razed, and the golf course has sat idle for numerous years and is extremely overgrown. The most recent sale transaction occurred in February 2006 in which a 50% interest in the property was sold for \$4,000,000. According to information provided, this transaction was not considered to be arm's-length.

As of the date of valuation, there are no known listings or contracts for sale relating to the subject property. Also of significance, Florida Gulf Venture, LLC submitted a Future Land Use Amendment (LU07-01000015) in April 2007 to change the Future Land Use from PK (Park and Recreation Facilities) to MX (Mixed Use). In May 2009, the Cape Coral City Council denied this amendment. In 2009, a lawsuit was filed by Florida Gulf Venture, LLC against the City of Cape Coral (Case No. 09-CA-004379). The matter resulted in a bench trial in April 2013. The case claimed that Florida Gulf Venture, LLC was denied development rights; however, the circuit judge, Michael McHugh, determined that Florida Gulf Venture, LLC shall take nothing by this action. Finally, according to information supplied by our client, the subject property was under contract for purchase and sale in 2017 to D.R. Horton for an undisclosed sum. The property owner went through the process of attempting to amend the Future Land Use designation on the property to allow for residential development on the site. The Future Land Use Plan would have been changed from PK (Parks and Recreation) to SF (Single Family Residential). However, just prior to the City Council hearing, D.R. Horton cancelled their contract to purchase the property. The vote to change the Land Use continued, and the City Council denied the application.



ESTIMATION OF MARKETING TIME

Marketing time is defined by the USPAP Advisory Opinion as follows:

1. *The time it takes an interest in real property to sell on the market sub-sequent to the date of an appraisal.*
2. *Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.)*

Marketing time is further discussed in the Advisory Opinion referenced above as follows:

“...Marketing time occurs after the effective date of the market value opinion and the marketing time opinion is related to, yet apart from, the appraisal process. Therefore, it is appropriate for the section of the appraisal report that discusses marketing time and its implications to appear toward the end of the report after the market value conclusion. The request to provide a reasonable marketing time opinion exceeds the normal information required for the appraisal process and should be treated separately from that process.

It is also appropriate for the appraiser to discuss the impact of price/value relationships on marketing time and to contrast different potential prices and their associated marketing times with an appraiser's market value opinion for the subject property...

...Clients concerned with marketing real or personal properties who obtain a market value appraisal as part of their decision-making process should be aware that it may be inappropriate to assume that the value remains stable during the marketing period. Therefore, it is technically incorrect for the user of an appraisal to take a current value opinion, carry it forward to the end of a concluded marketing period, and then discount back to the present...”

Based upon the analysis and conclusions developed in this appraisal, the marketing time for the subject property is estimated to be 12 to 18 months.

ESTIMATION OF EXPOSURE TIME

Inherent in an opinion of market value is the development of an estimate of exposure time for the subject property. Exposure time is defined by the Uniform Standards of Professional Appraisal Practice (USPAP), 2018/19 Edition, as follows:

(The) estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Based upon the analysis and conclusions developed in this appraisal, the exposure time for the subject property is estimated to be 12 months.



SEC. VIII: CERTIFICATION

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with *Uniform Standards of Professional Appraisal Practice*.
- We have made a personal inspection of the property that is the subject of this report. For this analysis, Bruce A. Stephan, MAI conducted an interior and exterior inspection of the subject property on 21 February 2018. Gerald A. Hendry, MAI, CCIM also inspected the property.
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the State of Florida relating to review by its duly authorized representatives. This report also conforms to the requirements of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
- We are currently licensed to conduct appraisal activities and have completed the continuing education requirements set forth with the State of Florida.



- Although other appraisers may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy are maintained at all times with regard to this assignment without conflict of interest.

As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

Bruce A. Stephan, MAI
State-Certified General Real Estate Appraiser, RZ 327

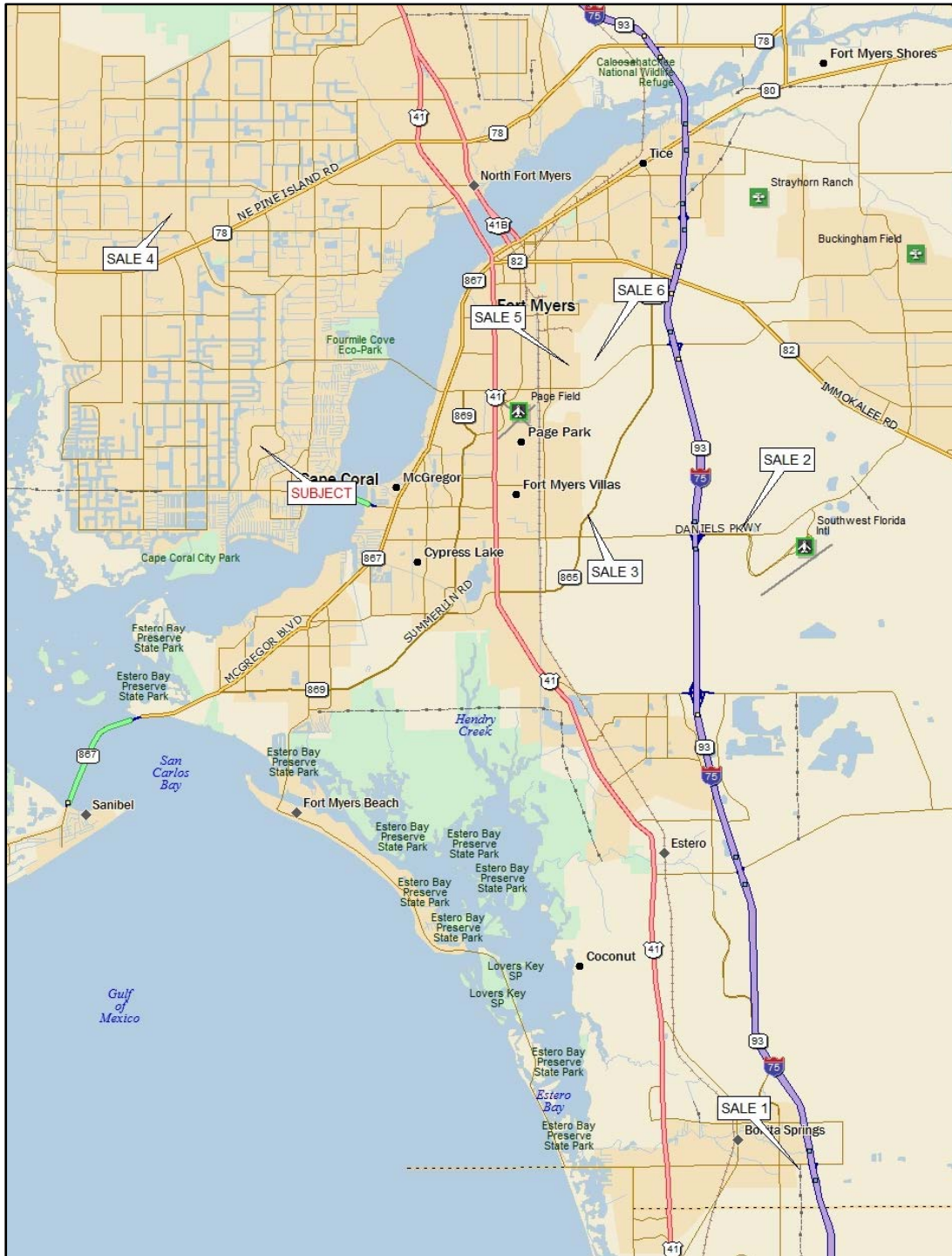
As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

Gerald A. Hendry, MAI, CCIM
State-Certified General Real Estate Appraiser, RZ 2245



SEC. IX: ADDENDA

MULTI-FAMILY RESIDENTIAL LAND SALES MAP





COMPARABLE LAND SALE – MF1

3029



DATE OF SALE: November 29, 2016

SALE PRICE: \$6,381,000

SALE PRICE (ADJUSTED): \$6,381,000

RECORDING: 2016000253674

GRANTOR: Bonita Exchange, LLC

GRANTEE: TRG Bonita Exchange, LLC

FINANCING: Cash

TOPOGRAPHY: Partially cleared

VERIFICATION: Land Solutions, Billy Rollins

SITE AREA: 914,324 Square Feet
20.990 Acres

ALLOWABLE UNITS: 242

ADDRESS: Bonita Beach Road

STRAP #: 06-48-26-B1-2800F.0000

SALE CONDITIONS: Arm's Length

UTILITIES: Full

ZONING: CPD

LAND USE: Interchange Commercial

SALE HISTORY: 5/2016, \$5,200,000

ACCESS: Direct

HIGHEST AND BEST USE: Residential

UNIT OF VALUE: \$6.98 Per SF
\$304,002 per AC
\$26,368 Per Unit

COMMENTS: The property is located at the southwest quadrant of I-75 and Bonita Beach Road in Bonita Springs. A 242 unit apartment community is planned for the site.



COMPARABLE LAND SALE – MF2

3116



DATE OF SALE: July 20, 2017

ADDRESS: 13461 Chana Court

SALE PRICE: \$10,692,000

STRAP #: 23-45-25-P2-00005.0000

SALE PRICE (ADJUSTED): \$10,692,000

SALE CONDITIONS: Arm's Length

RECORDING: 2017000157062

UTILITIES: Water and sewer

GRANTOR: Waterman at Daniels Pkwy, LLC

ZONING: CI

GRANTEE: Legacy Gateway 60, LLC, 60% int, Legacy Gateway 40, LLC, 40% int

LAND USE: T/C and Conservation

FINANCING: Cash

SALE HISTORY: None in previous five years

TOPOGRAPHY: Mostly cleared

ACCESS: Direct

VERIFICATION: Phil Fischler/Fischler Property Company

HIGHEST AND BEST USE: Residential Development

SITE AREA: 3,017,837 Square Feet
69.280 Acres

UNIT OF VALUE: \$3.54 Per SF
\$154,330 per AC
\$23,143 Per Unit

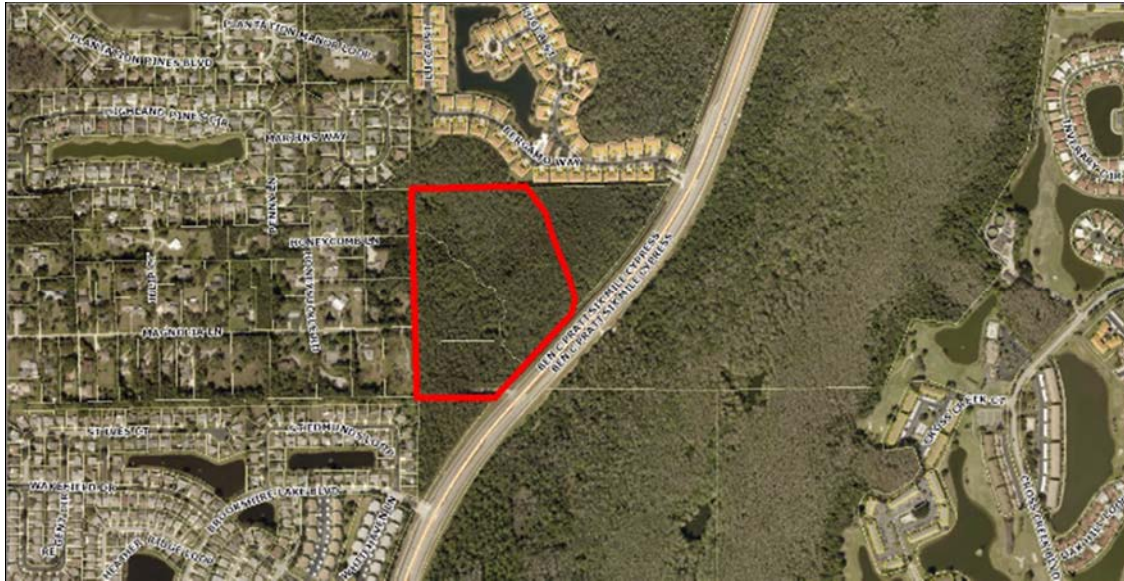
ALLOWABLE UNITS: 462

COMMENTS: The property is located at the northeast corner of Chana Court and Daniels Parkway, east of Treeline Avenue in Fort Myers. A 462 unit single-family and multi-family development is planned for the site. There are approximately 15 acres of wetlands on the property. The property was on the market for approximately 22 months.



COMPARABLE LAND SALE – MF3

3115



DATE OF SALE: November 20, 2017

SALE PRICE: \$5,600,000

SALE PRICE (ADJUSTED): \$5,600,000

RECORDING: 2017000241605

GRANTOR: Cypress Hammock SWFL, LLC

GRANTEE: TEG Cypress LLC

FINANCING: Cash to seller

TOPOGRAPHY: Level, natural state

VERIFICATION: Justin Thibaut/Land Solutions

SITE AREA: 1,115,136 Square Feet
25.600 Acres

ALLOWABLE UNITS: 225

ADDRESS: 12770/12990 Ben C Pratt Six Mile Cypress Parkway

STRAP #: 17-45-25-00-00002.0000, 17-45-25-00-00002.0020, 17-45-25-00-00002.0030

SALE CONDITIONS: Arm's length

UTILITIES: Water at site, sewer by extension

ZONING: RPD

LAND USE: Central Urban

SALE HISTORY: 8/2015 - \$2,725,000 (REO; 4%/mo)

ACCESS: Arterial

HIGHEST AND BEST USE: Multi-family development

UNIT OF VALUE: \$5.02 Per SF
\$218,750 per AC
\$24,889 Per Unit

COMMENTS: This is the sale for a vacant multi-family parcel located on the west side of Ben C Pratt Six Mile Cypress north of Daniels Parkway in Fort Myers. The property was entitled for 225 multi-family apartment and townhome units in a project to be known as Cypress Hammock. The RPD also allows for 678 ALF/ILF as an alternative. The sale also includes 17-45-25-00-00002.0030 and 17-45-25-00-00002.0020. The property was heavily wooded and consisted of significant wetlands. The density is 8.79 units per acre. The property was on the market for 2 years.



COMPARABLE LAND SALE – MF4

3186



DATE OF SALE: January 15, 2018

ADDRESS: Embers Parkway

SALE PRICE: \$3,500,000

STRAP #: 10-44-24-C3-00006.0200 + 3 additional parcels

SALE PRICE (ADJUSTED): \$5,319,076

SALE CONDITIONS: Arm's Length

RECORDING: 2018000014234

UTILITIES: Electric, phone, water, sewer in 2019

GRANTOR: RA Lakes, LLC

ZONING: C-1/RD

GRANTEE: Embers Lake, LLC

LAND USE: CAC/SM

FINANCING: Cash

SALE HISTORY: 7/2013, \$2,000,000

TOPOGRAPHY: Wooded/Lakes

ACCESS: Direct

VERIFICATION: Phil Fischler/Fischler Property Company

HIGHEST AND BEST USE: Residential

SITE AREA: 4,601,243 Square Feet
105.630 Acres

UNIT OF VALUE: \$1.16 Per SF
\$50,356 per AC
\$3,799 Per Unit

ALLOWABLE UNITS: 1400

COMMENTS: The property is located at the northwest corner of Embers Parkway and Nelson Road N in Cape Coral. The sale includes four properties totaling 105.63 acres including 35.99 (34%) of lakes. The property is entitled residential land with approval for 1,400 multi-family units. Surrounding infrastructure is in place including electric, water, telephone and data and public roadways. The City of Cape Coral is currently installing sanitary sewer mains and a sewer lift station which is scheduled to be completed in the second quarter of 2019. There is a City of Cape Coral Utilities balance payoff in the amount of \$1,819,076.18 which is the responsibility of the buyer.

The properties included in this sale are: 10-44-23-C3-00006.0020, 10-44-23-C3-00006.0250, 15-44-23-C2-03049.0150, 15-44-23-C2-03049.0170



COMPARABLE LAND SALE – MF5

3194



DATE OF SALE: Under Contract

SALE PRICE: \$1,700,000

SALE PRICE (ADJUSTED): \$1,700,000

RECORDING: Not yet recorded

GRANTOR: Mediterranea by Alton Homes

GRANTEE: N/A

FINANCING: Cash

TOPOGRAPHY: Wooded

VERIFICATION: Listing agent

SITE AREA: 510,958 Square Feet
11.730 Acres

ALLOWABLE UNITS: 160

ADDRESS: 3616-3654 Schoolhouse Road W

STRAP #: 31-44-25-P2-00500.006A

SALE CONDITIONS: Arm's Length

UTILITIES: Full

ZONING: CI

LAND USE: RMD, T/C

SALE HISTORY: None in previous three years

ACCESS: Intersection

HIGHEST AND BEST USE: Residential

UNIT OF VALUE: \$3.33 Per SF
\$144,928 per AC
\$10,625 Per Unit

COMMENTS: The property is located at the northeast corner of Schoolhouse Road W and Winkler Avenue in Fort Myers. The site also has frontage on the west side of Schoolhouse Road E in Fort Myers.



COMPARABLE LAND SALE – MF6

3195



DATE OF SALE: Under Contract

ADDRESS: 4051 Winkler Avenue

SALE PRICE: \$2,495,000

STRAP #: 32-44-25-P2-00000.1000 & 32-44-25-P2-00063.0020

SALE PRICE (ADJUSTED): \$2,495,000

SALE CONDITIONS: Arm's Length

RECORDING: Not yet recorded

UTILITIES: Full

GRANTOR: JJ & W Wilson Company III, LLC

ZONING: CG, RS-6

GRANTEE: N/A

LAND USE: RLD, T/C

FINANCING: N/A

SALE HISTORY: None in previous five years

TOPOGRAPHY: Partially cleared

ACCESS: Direct

VERIFICATION: Jonathan Richards/The LIHTC Group

HIGHEST AND BEST USE: Residential Multi-Family

SITE AREA: 814,136 Square Feet
18.690 Acres

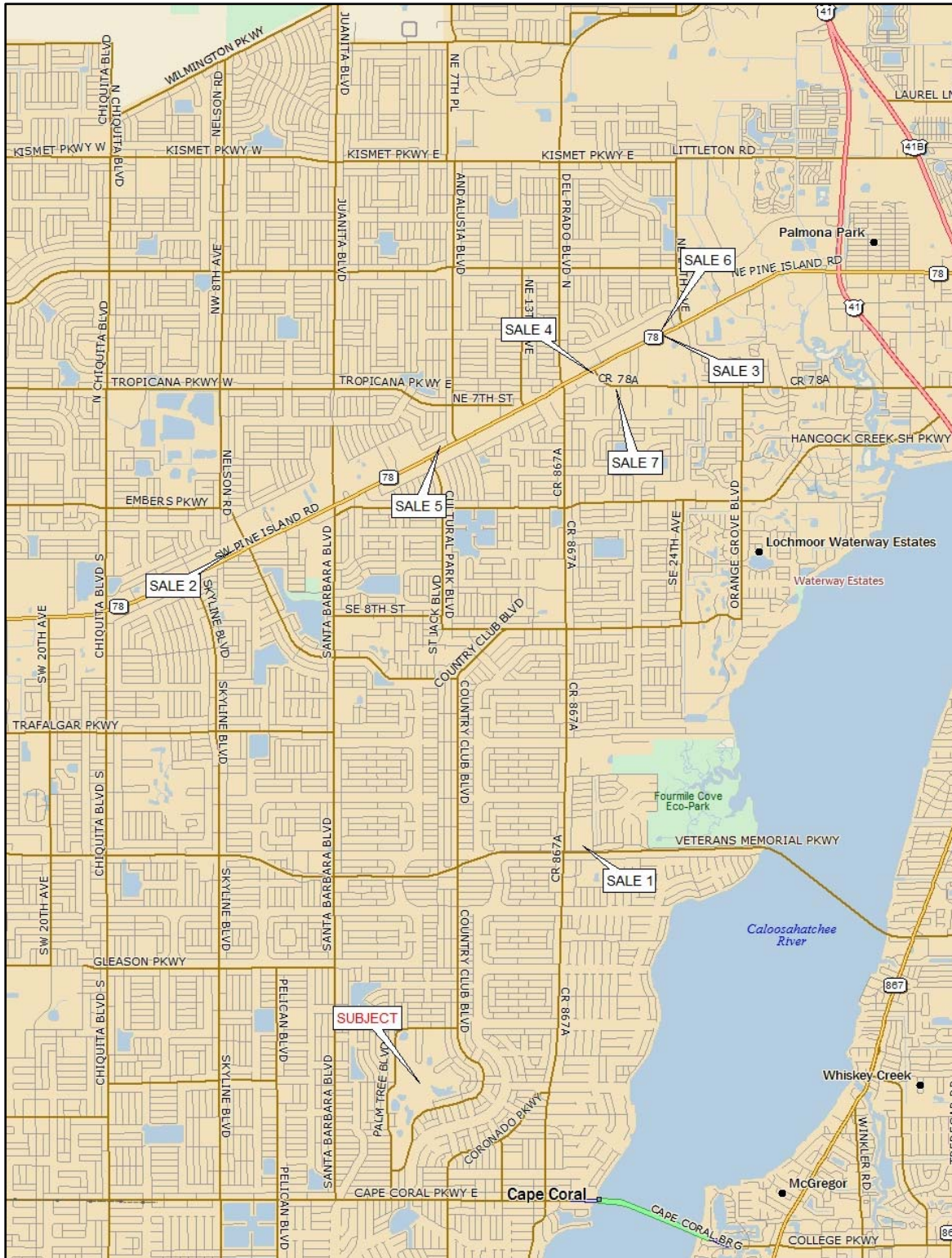
UNIT OF VALUE: \$3.06 Per SF
\$133,494 per AC
\$8,317 Per Unit

ALLOWABLE UNITS: 300

COMMENTS: The property is located on the north side of Winkler Avenue, east of Veronica S Shoemaker Boulevard in Fort Myers. The sale consists of two adjacent parcels containing a total of 18.69 acres. The south parcel with frontage on Winkler Avenue is zoned Commercial General allowing for up to 25 units per acre. The north 7.18 acres is zoned RS-6, which allows for 6.22 units per acre with plans to be rezoned to multi-family to allow a total of 250 to 350 multi-family units on the entire property. An apartment complex known as Montego Square is planned for the site. The property went under contract in September of 2017 and plans to close by the end of 2018. The listing price for the property is \$2,495,000 and the broker stated that the contract price is very close to the list price. The property was on the market for approximately one year.



COMMERCIAL LAND SALES MAP





COMPARABLE LAND SALE – COM1

2703



DATE OF SALE: March 31, 2016

SALE PRICE: \$1,622,000

SALE PRICE (ADJUSTED): \$1,622,000

RECORDING: 2016000068347

GRANTOR: Kirby Family Limited Partnership #3

GRANTEE: Four Mile Cove, LLC

FINANCING: Cash

TOPOGRAPHY: Cleared

VERIFICATION: Shawn Stoneburner/Cushman & Wakefield

SITE AREA: 471,069 Square Feet
10.814 Acres

ADDRESS: 1701 Four Mile Cove Parkway

STRAP #: 29-44-24-C1-00002.0000

SALE CONDITIONS: Arm's Length

UTILITIES: Full

ZONING: C-1

LAND USE: CP/MX

SALE HISTORY: None in prior 3 years

ACCESS: Four Mile Cove Parkway

HIGHEST AND BEST USE: Commercial development

UNIT OF VALUE: \$3.44 Per SF
\$149,987 per AC

COMMENTS: The property is located at the northeast corner of Four Mile Cove Parkway and Coach Road in Cape Coral, just east of Del Prado Boulevard. An ALF facility with 116 units is planned for the site.



COMPARABLE LAND SALE – COM2

2751



DATE OF SALE: September 12, 2016

SALE PRICE: \$750,000

SALE PRICE (ADJUSTED): \$750,000

RECORDING: 2016000201809 & 201600020

GRANTOR: Patrina A Guarino

GRANTEE: North West Cape Partners, LLC &
Radiology Regional Center PA

FINANCING: Cash

TOPOGRAPHY: Wooded

VERIFICATION: Third Party

SITE AREA: 176,949 Square Feet
4.062 Acres

ADDRESS: 801 SW Pine Island Road

STRAP #: 15-44-23-00-00001.0000, et al

SALE CONDITIONS: Arm's Length

UTILITIES: Full Available

ZONING: C-1

LAND USE: Intensive Development

SALE HISTORY: None in prior three years

ACCESS: Direct (Closed Median)

HIGHEST AND BEST USE: Commercial

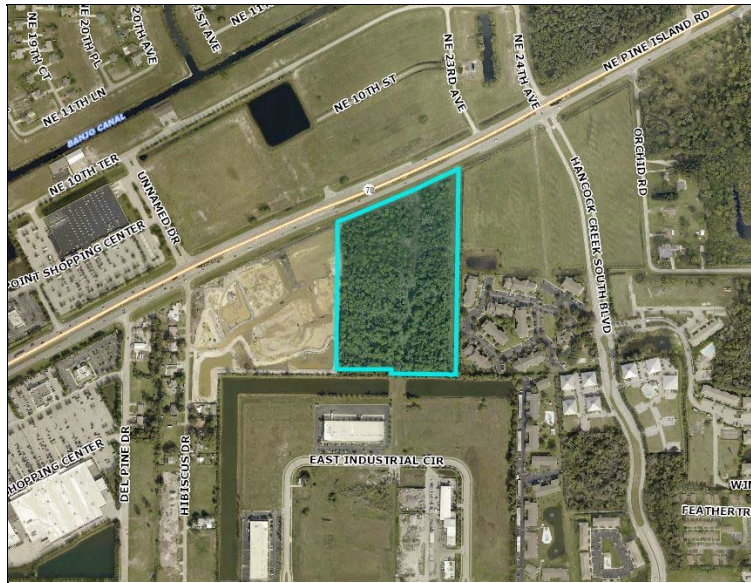
UNIT OF VALUE: \$4.24 Per SF
\$184,629 per AC

COMMENTS: This is the sale of a commercial parcel located on the north side of SW Pine Island Road and the south side of SW 2nd Terrace, just west of Nicholas Parkway in Cape Coral. There were two transactions involved in the sale by the same seller to the same buyers but with two separate entity names. Most of this parcel is located outside of the city limits of Cape Coral.



COMPARABLE LAND SALE – COM3

2811



DATE OF SALE: December 01, 2016

ADDRESS: 2200 NE Pine Island Road

SALE PRICE: \$3,000,000

STRAP #: 05-44-24-C3-01601.0000 & 05-44-24-C3-00006.008A

SALE PRICE (ADJUSTED): \$3,000,000

SALE CONDITIONS: Arm's Length

RECORDING: 2016000255842

UTILITIES: Full - direct or extension

GRANTOR: Terracap PI Partners LP

ZONING: Corridor

GRANTEE: Pine Island Real Holdings, LLC

LAND USE: PIRD

FINANCING: Cash

SALE HISTORY: \$1,250,000 9/30/2014

TOPOGRAPHY: Heavily wooded

ACCESS: Direct (Partial Median)

VERIFICATION: Phil Fischler - Fischler Property Company

HIGHEST AND BEST USE: Commercial development

SITE AREA: 755,652 Square Feet
17.347 Acres

UNIT OF VALUE: \$3.97 Per SF
\$172,937 per AC

COMMENTS: This is a 17.35 acre commercial land sale located on the south side of Pine Island Road, west of Hancock Creek Boulevard and east of Del Prado Boulevard N in Cape Coral. Per Phil Fischler, the property is heavily wooded with mostly pine trees and gopher tortoise burrows were discovered by environmental consultants. The seller paid approximately \$10,000 for the study and to have the tortoises relocated. There were no reported wetlands on the property. The seller also paid for engineers to process DOT improvements for roadway access to Pine Island Road and for a median cut to the property. The broker wasn't sure of the exact plans for the property but stated that the buyer is a car dealer and represented himself in the transaction. The property was on the market for a little over a year.



COMPARABLE LAND SALE – COM4

2976



DATE OF SALE: December 29, 2016

SALE PRICE: \$4,517,500

SALE PRICE (ADJUSTED): \$4,517,500

RECORDING: 2016000274076 &

GRANTOR: Lee Memorial Hospital, Inc.

GRANTEE: LG Pine Island and Pondella, LLC

FINANCING: Cash

TOPOGRAPHY: Cleared

VERIFICATION: Third Party

SITE AREA: 472,626 Square Feet
10.850 Acres

ADDRESS: 1720-1730 NE Pine Island Road & 1701 Old Pondella Road

STRAP #: 05-44-24-C4-00103.0000, 05-44-24-C4-00103.0010, 08-44-24-C1-01200.E000

SALE CONDITIONS: Arm's Length

UTILITIES: Full

ZONING: Corridor

LAND USE: PIRD

SALE HISTORY: None in previous 5 years

ACCESS: Direct (Intersection)

HIGHEST AND BEST USE: Commercial

UNIT OF VALUE: \$9.56 Per SF
\$416,359 per AC

COMMENTS: The property is located at the southwest corner of NE Pine Island Road and Pondella Road and on the north side of Old Pondella Road in Cape Coral. The sale also includes a non-contiguous parcel located across the street on Old Pondella Road.

Strap Numbers: 05-44-24-C4-00103.0000 & 05-44-24-C4-00103.0010: \$4,308,000, Instrument #2016000274076

Strap Number : 08-44-24-C1-01200.E000, \$209,500, Instrument #20160000274077



COMPARABLE LAND SALE – COM5

2977



DATE OF SALE: April 17, 2017

ADDRESS: 609 NE Pine Island Road

SALE PRICE: \$3,425,000

STRAP #: 12-44-23-C3-02377.0510, et al.

SALE PRICE (ADJUSTED): \$3,425,000

SALE CONDITIONS: Arm's Length

RECORDING: 2017000101046

UTILITIES: Full

GRANTOR: Rosario Cirrincione, Biagio Cirrincione,
Anthony Lomardo and Guiseppina Cir

ZONING: Corridor

GRANTEE: Pine Island Real Holdings, LLC

LAND USE: PIRD

FINANCING: Conventional

SALE HISTORY: None in previous 5 years

TOPOGRAPHY: Cleared

ACCESS: Intersection

VERIFICATION: Annette Barbaccia/Miloff Aubuchon
Realty

HIGHEST AND BEST USE: Commercial

SITE AREA: 503,554 Square Feet
11.560 Acres

UNIT OF VALUE: \$6.80 Per SF
\$296,280 per AC

COMMENTS: The property is located at the northwest corner of NE Pine Island Road and NE 7th Place in Cape Coral. The sale contains a total of 37 parcels. Per Annette Barbaccia, a survey was completed on the property and the total site size is 11.56 acres. She said that the property had been on the market for a few years.



COMPARABLE LAND SALE – COM6

2978



DATE OF SALE: September 01, 2017

SALE PRICE: \$4,625,000

SALE PRICE (ADJUSTED): \$4,625,000

RECORDING: 2017000193612

GRANTOR: Pine I R, LLC

GRANTEE: Cape Coral Auto Land, LLC

FINANCING: Cash

TOPOGRAPHY: Cleared

VERIFICATION: Broker: Anette Barbaccia/Milloff
Aubuchon Realty

SITE AREA: 677,794 Square Feet
15.560 Acres

ADDRESS: 2201 NE Pine Island Road

STRAP #: 05-44-24-C2-03551.0000

SALE CONDITIONS: Arm's Length

UTILITIES: Full

ZONING: Corridor

LAND USE: PIRD

SALE HISTORY: None in the prior 3 years

ACCESS: Direct (Partial median)

HIGHEST AND BEST USE: Commercial

UNIT OF VALUE: \$6.82 Per SF
\$297,237 per AC

COMMENTS: This is the sale of a commercial parcel located on the NE Pine Island Road and NE 23rd Avenue and on the south side of NE 10th Terrace in Cape Coral. The property is cleared, filled and has all utility assessments paid. The property has a right in/right out from Pine Island Road and also a left turn median cut from Pine Island Road. It was purchased for development with a Nissan auto dealership.



QUALIFICATIONS OF BRUCE A. STEPHAN, MAI

EDUCATIONAL BACKGROUND AND TRAINING:

Bachelor of Science in Business Administration, with a major in Real Estate, 1974, Florida State University, Tallahassee, Florida.

Analyzing Operating Expenses – 2007

Appraising & Analyzing Office Buildings – 2010

The Discounted Cash Flow Model – 2011

Analyzing Tenant Credit Risk – 2011

Business Practices & Ethics – 2011

Critical Thinking in Appraising – 2014

The Sales Comparison Approach – 2016

Florida Appraisal Laws – 2016

National USPAP Course – 2016

Appraisal of Owner-Occupied Commercial Properties - 2016

EXPERIENCE:

Currently an associate appraiser with Maxwell, Hendry & Simmons, LLC, Fort Myers, Florida.

Founder and owner with Stephan Cole and Associates, Fort Myers, Florida, 2005 – 2017.

Founder and owner with Stephan & Associates, Fort Myers, Florida, 1998 – 2005.

Founder and owner with Stewart, Stephan and Bowen, Fort Myers, Florida, 1980 – 1998.

Associate Appraiser with Powell, Totten & Boyd, Salem, Oregon, 1977 – 1980.

Staff Appraiser with Gulf Federal Savings & Loan Association, Fort Myers, Florida, 1975 – 1977.

PROFESSIONAL AFFILIATIONS:

Appraisal Institute - MAI

State-Certified General Real Estate Appraiser, RZ 327



State-Licensed Real Estate Broker, BK #357501

Real Estate Investment Society (Board of Governors)



RE-CERTIFICATION:

As of the date of this report, Bruce A. Stephan, MAI, SRA has completed the requirements under the continuing education program of the Appraisal Institute.

RICK SCOTT, GOVERNOR		KEN LAWSON, SECRETARY	
STATE OF FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION FLORIDA REAL ESTATE APPRAISAL BD			
LICENSE NUMBER			
RZ327			
The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2018			
STEPHAN, BRUCE A 1057 N WATERWAY DR FORT MYERS FL 33919			
			
ISSUED: 12/26/2016	DISPLAY AS REQUIRED BY LAW		SEQ # L1612260000878



QUALIFICATIONS OF GERALD A. HENDRY, MAI, CCIM

EDUCATIONAL BACKGROUND AND TRAINING:

Master 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.

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

Comprehensive Appraisal Workshop, Dallas, Texas, August 2000.

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

Case Studies in Commercial Highest and Best Use, Appraisal Institute, September 2005.

CCIM CI 102 - Market Analysis for Commercial Investment Real Estate, May 2006.

CCIM CI 103 - User Decision Analysis for Commercial Real Estate, September 2006.

CCIM CI 104 - Investment Analysis for Commercial Real Estate, August 2006.



Appraisal of Local Retail Properties, Appraisal Institute, May 2009.

Subdivision Valuation, Appraisal Institute, September 2009.

Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets, Appraisal Institute, Bradenton, Florida March 2012

EXPERIENCE:

Currently an owner/partner with Maxwell, Hendry & Simmons, LLC, Fort Myers, Florida.

Owner/partner with Maxwell & Hendry Valuation Services, Inc., Fort Myers, Florida, 2004-2013.

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

CCIM Institute - CCIM

State-Certified General Real Estate Appraiser, RZ 2245

State-Licensed Real Estate Broker, BK #0567939

Southwest Florida CCIM District – Board of Directors 2014 – 2016, 2017 President

Real Estate Investment Society - Board of Governors 2002 - 2008, President 2007

Appraisal Institute - West Coast Florida Chapter Board of Directors 2003 - 2008

Appraisal Institute - West Coast Florida Chapter President 2008

Commercial Investment Professionals (CIP) Member

OTHER:

Qualified as an expert witness in the 20th Judicial Circuit Court of Florida and United States Bankruptcy Court Middle District of Florida.

Special Magistrate - Lee County Value Adjustment Board 2012-2014

Guest Lecturer at Florida Gulf Coast University, College of Business Administration 2007-2016



RE-CERTIFICATION:



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

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

LICENSE NUMBER	
RZ2245	

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2018

HENDRY, GERALD A
12600 WORLD PLAZA LANE
BUILDING 63
FORT MYERS FL 33907





ASSUMPTIONS

An assumption is defined by The Appraisal Institute in *The Dictionary of Real Estate Appraisal, Sixth Edition* as follows:

"That which is taken to be true."

Please review the following assumptions, which we have "taken to be true" about this appraisal.

This appraisal is to be used in whole and not in part. This appraisal report has been prepared at a specified point in time as indicated by the date of valuation. Therefore, this report can neither be used prior to, or subsequent to, the effective 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. 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.

No part of this report shall be used in conjunction with any other appraisal. The appraiser(s) 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. The consideration for the preparation of this appraisal report is the payment by the client 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.

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 to 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 property has been appraised as if 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.

All comparable data utilized are confirmed by Costar Group, Inc., the Local Multiple Listing Service (MLS), parties related to the sale, and/or public records. The data used in compiling this report was secured from sources considered reliable and authentic and, so far as possible, was verified. However, no responsibility is assumed for its accuracy or correctness.

Unless otherwise noted, no survey or plans were requested or provided and information regarding the subject property has been gathered from the appropriate public records. It is assumed that the legal descriptions, site sizes and boundaries utilized are correct, that the improvements (if applicable) 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. Marketable title, but not responsibility as to legal matters, is assumed. This appraisal is subject to a current survey and title search.

The appraiser is not qualified to ascertain the presence of internal damages to the subject structure(s) (such as adverse settlement, insect damage, etc.), physical hazards (such as radon, urea formaldehyde foam insulation, asbestos, lead paint, etc.), or environmental conditions (such as wetlands, eagle's nest's, etc.) and assumes no responsibility for such conditions. Information regarding possible conditions was neither requested, nor gathered, 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 information, research, or investigation. Unless otherwise stated in this report, the existence of hazardous materials on the subject property was not observed by the appraisers. However, we are not qualified to detect such conditions. The opinions of value contained herein are predicated on the assumption that no such conditions exist which would cause a loss in value. It is recommended that the user retain an expert in these fields if greater detail is required.



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 appraisal 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 property, unless otherwise stated.

Unless otherwise noted, we were not provided with a title search, and we have assumed that the subject property has a unified title, or in absentia, that the right of entry is barred for oil, gas, and mineral rights holders. We have further assumed that no off-site subsurface exploration or extraction activities are occurring, or have occurred, which would have an impact on the subsurface elements of the property, or which would adversely affect the value of the property. No consideration was given within this appraisal as to the time or expense (if any) which would be required to determine or obtain unified title or bar the right of entry. Should this assumption regarding unified title later prove to be false, this could alter the opinions and conclusions contained herein.

The appraiser assumes the roof, plumbing, water treatment, heating, air conditioning, electrical, well, septic tank, sprinkler, and other component systems (if applicable) are currently in satisfactory operating condition, unless otherwise noted in the attached report. The appraiser assumes no liability for the failure of operation or condition of the aforementioned systems.

The Americans with Disabilities Act (ADA) became effective on February 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine if it is in conformity with the various detailed requirements of the ADA. As the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.

This appraisal is subject to an exact determination of building square footage by a qualified architect or builder. 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, if applicable.

EXTRAORDINARY ASSUMPTIONS / HYPOTHETICAL CONDITIONS

Please see the Scope of Work for further details.