

SC&A

STEPHAN, COLE & ASSOCIATES  
REAL ESTATE ANALYSTS

**REAL ESTATE APPRAISAL REPORT**

OF

VACANT PROPERTY  
FORMER GOLF CLUB PROPERTY  
4003 PALM TREE BOULEVARD  
CAPE CORAL, FLORIDA 33904

EFFECTIVE DATE: FEBRUARY 9, 2014  
DATE OF REPORT: FEBRUARY 25, 2014

**PREPARED FOR**

RYAN COMPANIES  
c/o BENCHMARK, INC.  
16836 MCGREGOR BOULEVARD  
FORT MYERS, FLORIDA 33908  
ATTN: MR. BILL MCHALE

FILE #: 14-001

SC&A

The logo for Stephan, Cole & Associates, featuring the letters 'SC&A' in a large, white, serif font centered on a dark gray rectangular background.

STEPHAN, COLE & ASSOCIATES

REAL ESTATE ANALYSTS

February 25, 2014

Ryan Companies  
c/o Benchmark, Inc.  
16836 McGregor Boulevard  
Fort Myers, Florida 33908

Attn: Mr. Bill McHale

Re: Vacant Property/Former Golf Club Property  
4003 Palm Tree Boulevard  
Cape Coral, Florida 33904  
File No: 14-001

Dear Mr. McHale:

As you requested, we have made an appraisal of the above-referenced subject property as of the effective date noted. This property is legally and physically described within the body of the attached appraisal report intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice.

The purpose of this appraisal is to estimate the *as-is* market value of the fee simple interest in the subject property (Scenario #1), as well as the value of the property utilizing the *hypothetical condition* that the property has zoning/land use approval for residential development (Scenario #2) and as a mixed use development (Scenario #3). February 9, 2014 is the effective date of appraisal. Market Value, Hypothetical Condition and Fee Simple ownership are defined within the attached report. Our value conclusions are sensitive to the legal and permissible uses to which the subject is bound, as well as the physical attributes it is perceived to possess. It should be noted that Stephan, Cole & Associates has not appraised this property, nor have we performed other real estate related activities in conjunction with this property, within the past three years.

**Scenario # 1-As Is:** In our report, you will find that, after consideration of all the available facts and data, it is our opinion that the *as-is* market value of the fee simple interest in the subject property, in terms of cash and under market conditions existing as of February 9, 2014, was:

Ten Million Five Hundred Ten Thousand Dollars .....\$10,510,000

**Scenario # 2-As Approved for Residential Development:** Additionally, after consideration of all the available facts and data, it is our opinion that the market value of the fee simple interest in the subject property, utilizing the *hypothetical assumption* that the site is approved for residential development, in terms of cash and under market conditions existing as of February 9, 2014, was:

Ten Million Five Hundred Ten Thousand Dollars .....\$10,510,000

**Scenario #3-As Approved for Mixed Use Development:** Finally, after consideration of all the available facts and data, it is our opinion that the market value of the fee simple interest in the subject property, utilizing the *hypothetical assumption* that the site is approved for mixed use development as defined herein, in terms of cash and under market conditions existing as of February 9, 2014, was:

Twelve Million Four Hundred Thirty Thousand Dollars .....\$12,430,000

The basis for these conclusions is explained in detail in the contents of the attached appraisal report. Reference is made to the following Assumptions and Limiting Conditions which are described in detail on page 46, as well as the Special Conditions and Assumptions located on page 49 and the *Extraordinary Assumptions* located on page 50 within said report.

Respectfully submitted,

STEPHAN, COLE & ASSOCIATES



Digitally signed by William  
W Cole  
Date: 2014.02.25 18:15:27  
-05'00'

William W. Cole

State-certified general real estate appraiser RZ2298

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## EXECUTIVE SUMMARY

**Appraisers:**

William W. Cole  
Stephan, Cole & Associates

**Subject:**

Vacant 175.17 Acre Property  
Former Golf Club Property  
4003 Palm Tree Boulevard  
Cape Coral, Florida 33904



**Purpose:**

To provide the appraiser's best estimate of the *as-is* market value of the subject real property as of February 9, 2014, the effective date of appraisal. Additionally, to estimate the value of the property under the *hypothetical condition* that it is approved for residential development and mixed use development. These are identified as Scenarios 1 (As-Is), 2 (Residential) and 3 (Mixed Use).

**Intended Use:** The intended use of this appraisal is to assist our client in negotiations for a potential sale of the property to the City of Cape Coral.

**Intended User:** This appraisal is made for the exclusive use of our client, Ryan Companies, and its use by others is strictly prohibited.

**Interest Valued:** Fee Simple Ownership

**Effective Date of Value:** February 9, 2014

**Date of Report:** February 25, 2014

**Report Type:** This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. As such, it presents discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value.

**Competency Statement:** Within the Uniform Standards of Professional Appraisal Practice (USPAP), there is a competency rule whereby “an appraiser must be competent to perform the assignment.” Competency is stated to require: “1. the ability to properly identify the problem to be addressed; 2. the knowledge and experience to complete the assignment competently; and 3. Recognition of, and compliance with, laws and regulations that apply to the appraiser or to the assignment.”

Regarding the subject property, Stephan, Cole & Associates possesses the necessary knowledge and experience to competently complete the assignment.

**Market Value Estimates:**

\$10,510,000 – Scenario 1 (As-Is)

\$10,510,000 – Scenario 2 (Residential)

\$12,430,000 – Scenario 3 (Mixed Use)

## **SCOPE OF WORK**

The Scope of Work refers to the type and extent of research and analyses in an assignment. It must include the research and analyses that are necessary to develop a credible result. Scope of Work includes the extent to which the property was identified and inspected, the type and extent of data researched, and the type and extent of analyses applied.

### **Extent of Property Identification/Inspection:**

For this analysis, the subject property was identified through public records as well as other sources for information including the legal description, site size, zoning, land use, real estate assessment/taxes and physical information relating to the subject.

In addition, a site visit for the subject property was performed on February 9, 2014 by William W. Cole. The subject site was previously operated as a golf course. There are limited direct access points to the property and a significant amount of single-family homes surrounding the property. Therefore, we viewed the site from adjacent roadways as well as walking a portion of the actual site. It is advised to have an environmental inspection prepared by a qualified professional that offers such inspection if there is any concern regarding adverse or negative conditions.

### **Extent of Data Researched:**

In conducting this appraisal, the following data sources were researched: public records of Lee County and the City of Cape Coral, Loopnet (a commercial marketing website), the *PriceWaterhouseCoopers Real Estate Investor's Survey*, CoStar, MLS Advantage and interviews with market participants.

### **Type and Extent of Analyses Applied:**

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. Further, based upon our subsequently-estimated highest and best use, we have utilized the sales comparison approach exclusively in estimating market value. This Appraisal Report summarizes the appraiser's data, analyses and conclusions.

## **DEFINITIONS OF VALUE ESTIMATED**

The purpose of the valuation process is to estimate the value of a real property interest, so the specific type of value and the interests involved must be clearly identified. Types of appraised value include market value, use value, going-concern value, investment value, assessed value and insurable value. As discussed above, this appraisal estimates the *as-is* market value of the subject property (Scenario 1), as well as the value of the property under the *hypothetical condition* that it has approval for residential development (Scenario 2) and the value of the property under the *hypothetical condition* that it is approved for mixed use development (Scenario 3).

For agencies that regulate federally insured financial institutions in the United States and conforming to 12 CFR Part 34, Real Estate Appraisals and Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (“FIRREA”); and the Interagency Appraisal and Evaluation Guidelines, Federal Register, Volume 75, No. 237, December 10, 2010, **market value** is defined in the Agencies’ Appraisal Regulations as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.

**Hypothetical Condition** – “That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.”<sup>1</sup>

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<sup>1</sup> *The Dictionary of Real Estate Appraisal, Fifth Edition, Page 97.*  
*Stephan, Cole & Associates*

## **INTEREST VALUED**

The subject property is being valued under fee simple ownership. Fee simple estate is defined as "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat." *The Dictionary of Real Estate Appraisal, Fifth Edition, Page 78.*

## **MARKETING AND EXPOSURE TIME**

In order to estimate the marketing period for the subject property, we have relied upon several sources of information. As will be illustrated in a subsequent section, the comparable land sales utilized within the following sales comparison approach experienced the following marketing times:

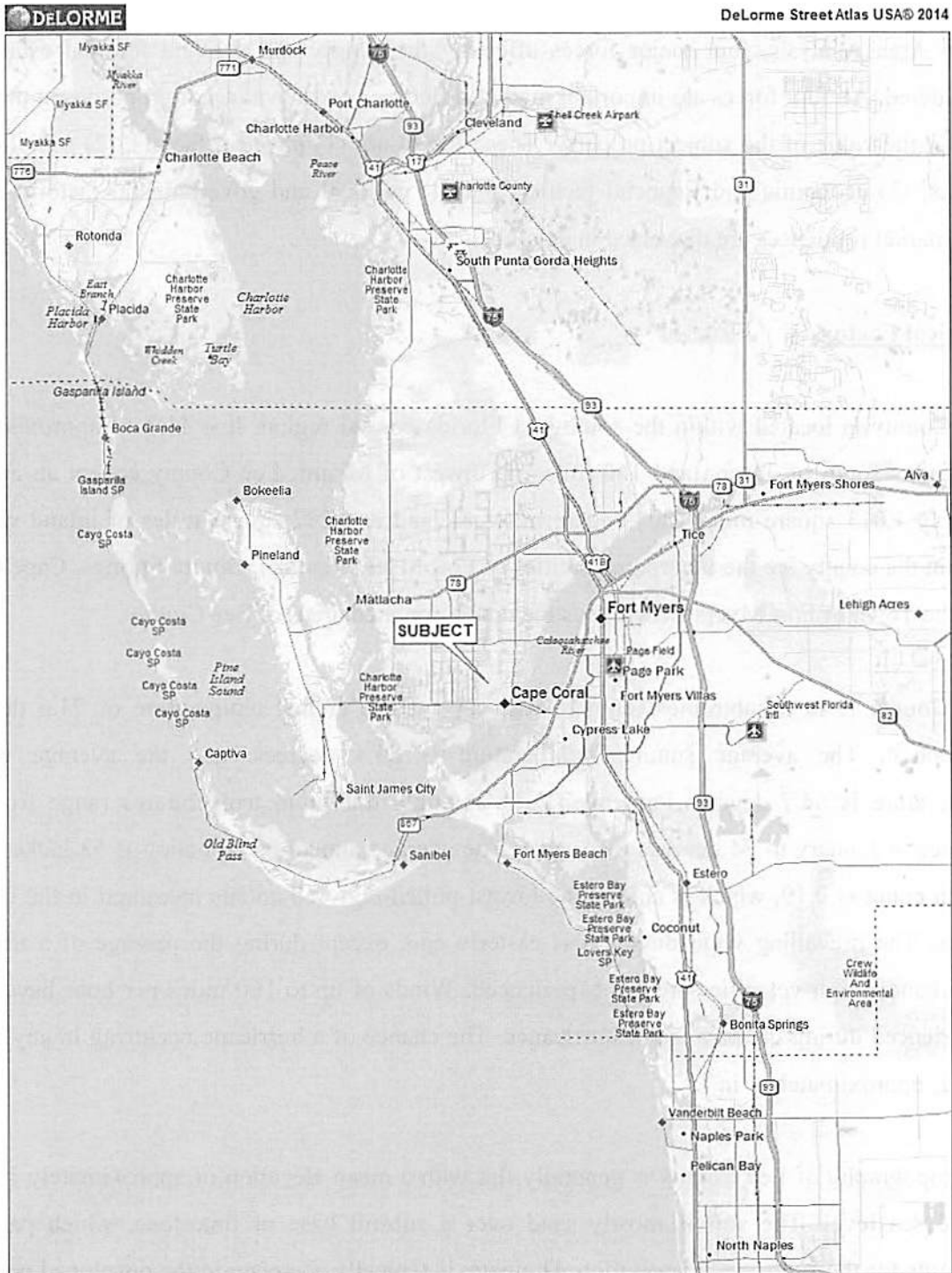
<b>SALE</b>	<b>DATE</b>	<b>LAND SIZE(acres)</b>	<b>MARKETING TIME (MO'S)</b>
1	Mar-13	106.2	NA
2	July-13	25.9	10
3	July-13	16.35	NA
4	Jan-14	49.62	35
<b>Averages</b>		<b>49.52</b>	<b>22.55</b>
<b>Subject</b>	<b>Feb-14</b>	<b>175.17</b>	<b>--</b>

Further, according to a recent CRE Consultants *MarketView* report on the Southwest Florida Residential Development Land Sector, activity in the Southwest Florida residential market slowly emerged during the 2010 through 2011 sluggish recovery of the economy. In 2012 and 2013, it increased significantly and has continued to do so. New construction has been occurring at a rapid pace and new home prices are increasing according to developer reports. Neal Communities, DR Horton and Taylor Morrison are a few of the developers who have recently purchased development sites in Southwest Florida. Single-family permits are on the rise and demand has increased.

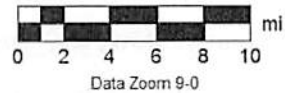
According to a recent *MarketView, Southwest Florida Commercial Land Report* prepared by CRE Consultants, commercial land prices on a per square foot basis in Lee County have been flat, but sale volume is increasing significantly. With many new residential communities, either planned or underway, it is not unreasonable that commercial activity should soon follow as residential development tends to pave the way for commercial support. The bulk of commercial land sales in Southwest Florida during 2013 took place in Lee County. There were 93 commercial land sales in Lee County during the first six months of 2013 compared to 66 sales during the entire year of 2012.

The available data indicated that exposure time (i.e. the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded in this analysis as of the date of valuation) would have been 12 to 24 months. The estimated marketing time (i.e. the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this evaluation) is estimated to be approximately 12 months. Both of these estimates assume that the property would be actively marketed by a competent real estate professional and that zoning/land use issues can be resolved in a reasonable timeframe.

# REGIONAL MAP



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## **LEE COUNTY AREA ANALYSIS**

In an Area Analysis, four major forces affecting the supply and demand for real estate are considered. All four forces are important market influences on the values of properties in the area and on the value of the subject property. These forces are (1) physical factors, (2) sociological factors, (3) economic and financial factors, and (4) political and governmental factors. These four market influences are discussed in detail below.

### **Physical Factors**

Lee County is located within the southwest Florida coastal region. It is located approximately 135 miles south of Tampa and 160 miles northwest of Miami. Lee County covers an area of roughly 1,013 square miles (804 square miles of land and 237 square miles of inland water). Within the county are the incorporated cities of Fort Myers, Sanibel, Bonita Springs, Cape Coral and the Town of Fort Myers Beach, plus the unincorporated areas of Lee County.

Lee County is in a subtropical climate with an average annual temperature of 74.6 degrees Fahrenheit. The average summer temperature is 83.4 degrees, and the average winter temperature is 64.7 degrees Fahrenheit. The monthly minimum temperatures range from 53 degrees in January to 74 degrees in August. The average annual precipitation is 53 inches. The pollen count is 0.19, which is among the lowest pollen-ragweed counts measured in the United States. The prevailing wind direction is easterly and, except during the passage of a tropical disturbance, high velocities are not experienced. Winds of up to 160 miles per hour have been experienced during the passage of hurricanes. The chance of a hurricane occurring in any given year is approximately 1 in 12.

The topography of Lee County is generally flat with a mean elevation of approximately 12 feet above sea level. The soil is mostly sand over a subsoil base of limestone, which partially accounts for the subtropical vegetation. Drainage is typically adequate in the developed portions of the County; however, due to the high water table, provisions for drainage are generally accomplished by a system of drainage canals, holding ponds and landfill.

Interstate 75 and US Highway 41 connect Lee County with Tampa to the north and Miami to the southeast. The majority of development has occurred in the areas surrounding US Highway 41. Also, Interstate 75, located six miles east of US Highway 41, has opened a substantial amount of undeveloped area in the County, such as the Gateway community.

Due to the high growth rate and large influx of tourists during winter months, current roadways struggle to handle traffic during rush hours at certain times of the year. Major tie-ups have occurred on bridges and at key intersections. The Edison bridge (Business US 41) connecting Fort Myers to North Fort Myers and the Mid-point bridge connecting Cape Coral to Fort Myers have helped to alleviate much of the traffic congestion. These traffic problems have existed for several years and do not appear to have a measurable effect on new residents or tourists to Lee County. Large population increases, insufficient data on existing alternative water sources, and peak demands occurring through the winter months, are causing substantial concern over the area's ability to meet future demands on the water supply. Existing supplies are adequate in most areas of the county and studies are underway to deal with anticipated future demands.

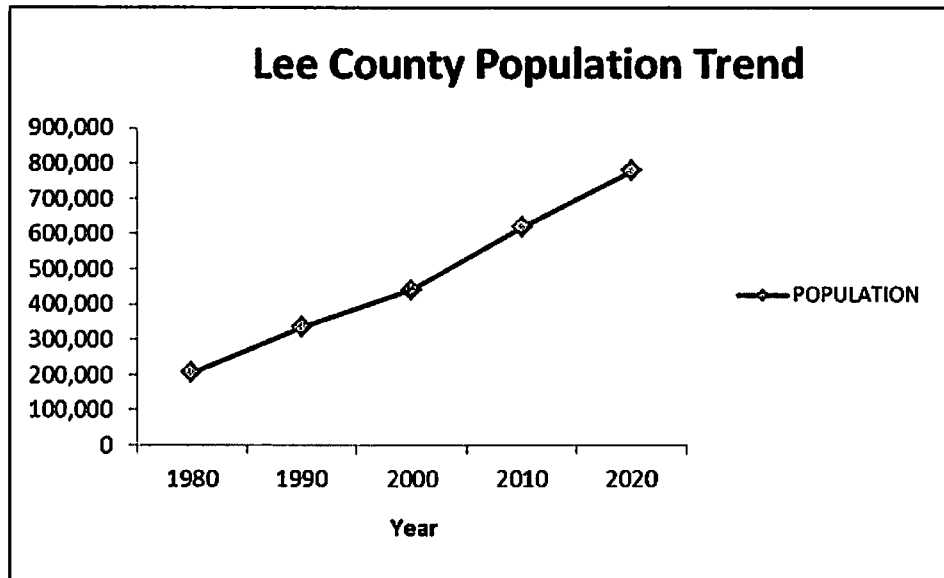
The Southwest Florida International Airport, which opened in May 1983, is located just east of Fort Myers. The new Mid-Point Terminal opened in late 2005, and has expanded the service offered by many of the major airline companies. The Southwest Florida International Airport serviced more than 7.6 million passengers in 2013.

Considering all these factors, Lee County has a reputation of providing a desirable environment in which to live.

### **Sociological Factors**

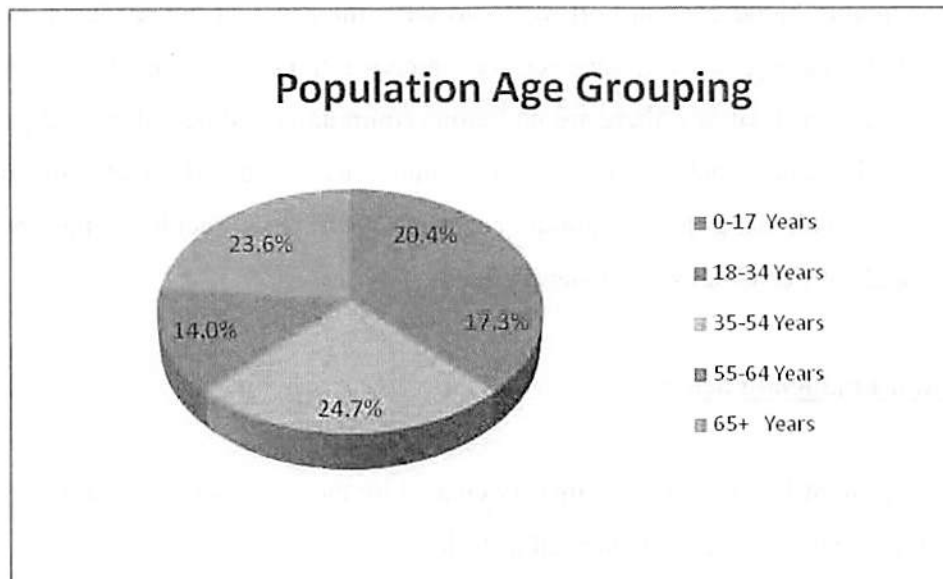
Primarily the result of migration, Lee County had been recognized as one of the fastest growing counties in the United States. The annual growth rate between 2000 and 2010 was 40.3%. The following table shows the anticipated growth in population through the year 2020. This information was obtained through the University of Florida-Bureau of Economic and Business Research and the United States Census Bureau.

<b>YEAR</b>	<b>POPULATION</b>
1980	205,266
1990	335,113
2000	440,888
2010	618,754
2020	779,800



This rapid growth in population had, to a great extent, resulted from the migration of elderly people from northern states. The market, age-wise, for housing and other items is changing in Lee County as the population increases. As is shown in the table below, over 23% of the population is at least 65 years old.

<b>AGE</b>	<b>PERCENTAGE</b>
0-17 Years	20.4%
18-34 Years	17.3%
35-54 Years	24.7%
55-64 Years	14.0%
65+ Years	23.6%



Future projections through the year 2020 indicate that the 0-44 year age groups will be decreasing percentage-wise, while the older age groups will be increasing on a percentage basis. This is explained by the high rate of anticipated migration into the Lee County area by retirees.

The school system in Lee County consists of 107 public schools, including 21 charter schools, from kindergarten through the twelfth grades. There are also 16 private schools. The Lee County School System has a good reputation, with the Scholastic Aptitude Test Scores of the students being similar to the National average. Further, Edison State College (soon to become Florida Southwestern State College) offers two and four year degrees. Finally, Florida Gulf Coast University is the newest four-year university in Florida. It opened in 1997 on over 900 acres near the Alico Road and I-75 intersection in south Lee County. The mission of this university is undergraduate education ranging from arts and sciences, business, environmental science, computer science, education and nursing, to social services. Specialized degree programs draw students from throughout Florida and beyond, especially as alternative teaching systems and technology is employed. FGCU has experienced tremendous growth, quadrupling enrollment over its first 10 years.

Since many of the residents of Lee County are elderly, two important considerations are recreational and medical facilities. Medical facilities in Lee County consist of five modern hospitals including The Children's Hospital at Health Park Florida, privately owned nursing homes, a County maintained nursing home for the aged, and a mental health clinic. In addition,

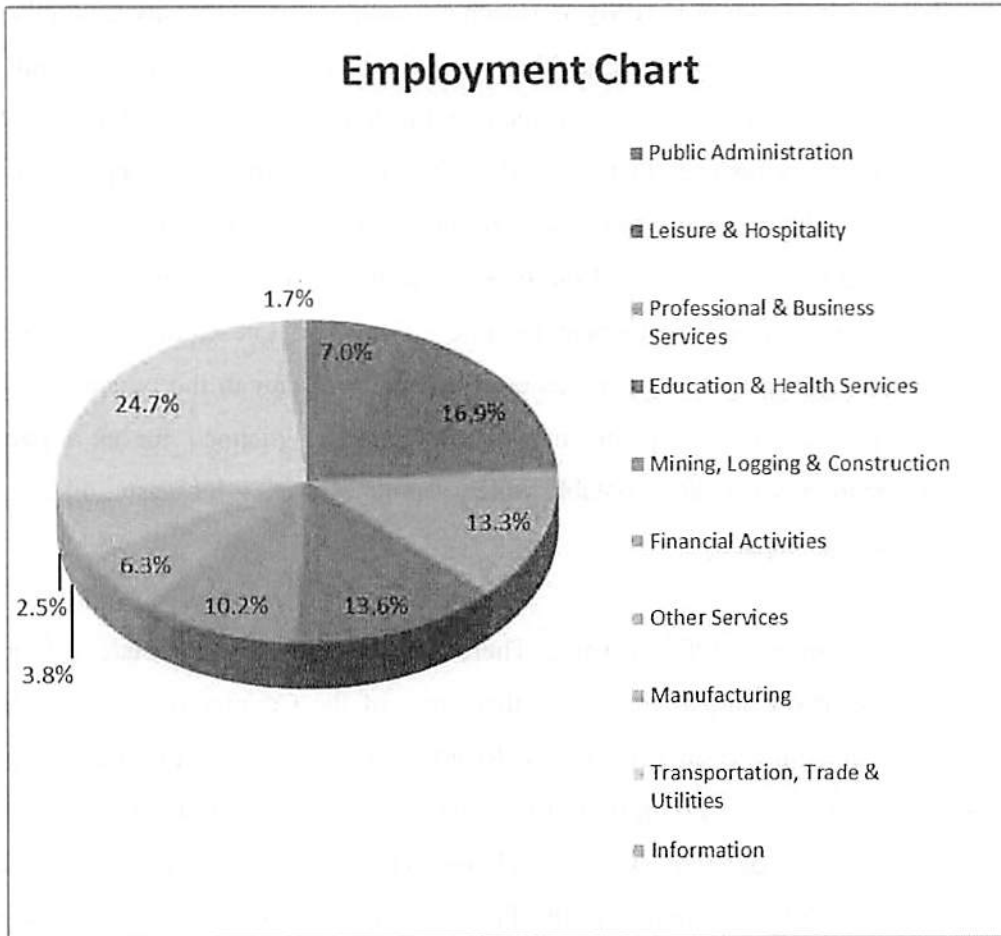
*Stephan, Cole & Associates*

there is a community blood bank in Fort Myers to serve the needs of the residents. Further, Lee County has a 9-1-1 emergency telephone service which is rated as one of the best in the country. Regarding recreational facilities, there are numerous community and neighborhood parks in Lee County open to the general public. There are also numerous public and private golf courses and tennis courts, as well as miles of public beaches. With these facilities, the medical and recreational needs of Lee County residents are adequately served.

**Economic and Financial Factors**

The economic base of Lee County is primarily created by the construction and tourist industries. Employment, percentage-wise, is delineated as follows:

Transportation, Trade & Utilities	21.9%
Leisure & Hospitality	15.0%
Education & Health Services	12.1%
Professional & Business Services	11.8%
Mining, Logging & Construction	9.1%
Public Administration	6.2%
Financial Activities	5.6%
Other Services	3.4%
Manufacturing	2.2%
Information	1.5%



During the 2006 to 2010 timeframe, the downturn in the national housing market was especially evident throughout Southwest Florida. However, over the past seven years, there has been a resurgence of residential construction. This, in part, has helped to stabilize the overall real estate economy.

The median household income in Lee County was \$50,014 in 2010, up from \$40,766 in 2001. The cost of living index in Lee County, as of January 2014, was 92 which is slightly lower than in many other parts of the Country (US average is 100). The reverse had been true in recent years due to the business and industries having to import almost all required goods and materials. Also, tourists pay premium prices, and this raises the cost of goods and services in general.

**Political and Governmental Factors**

Lee County is governed by five commissioners elected to four year terms, with elections occurring every two years. The five incorporated cities of Fort Myers, Cape Coral, Bonita

Springs, Sanibel and the Town of Fort Myers Beach are each governed by City Councils with the number of seats ranging from five for Fort Myers and Sanibel to seven for Cape Coral, and the length of terms ranging from two years for Cape Coral to four years for Fort Myers and Sanibel. Lee County has zoning ordinances that cover the entire County with the exception of the five incorporated cities, which have their own zoning ordinances. Lee County also has a Comprehensive Land Use Plan. As Lee County adopted their Comprehensive Land Use Plan in September 1988, concurrency management became effective in Lee County as of September 1989. The concurrency management plan generally states that prior to the issuance of building permits, all infrastructure improvements must be included or planned for as a part of the development. Concurrency considers potable water, sanitary sewer, solid waste, drainage, parks and recreation, and road capacity.

The basis of tax assessment is 100% of value. There is no income tax in the State of Florida, and state sales taxes are 6%. Comparisons with other areas of the Country indicate that taxes are substantially lower for industry in Lee County. Residents of the State of Florida, living in their own homes, are eligible for an exemption of the first \$25,000 of assessed value from operating taxes, plus an additional \$25,000 (which excludes school board taxes) for properties with assessed values over \$50,000. Therefore, the Florida Homestead Exemption Act makes home ownership in Florida very attractive.

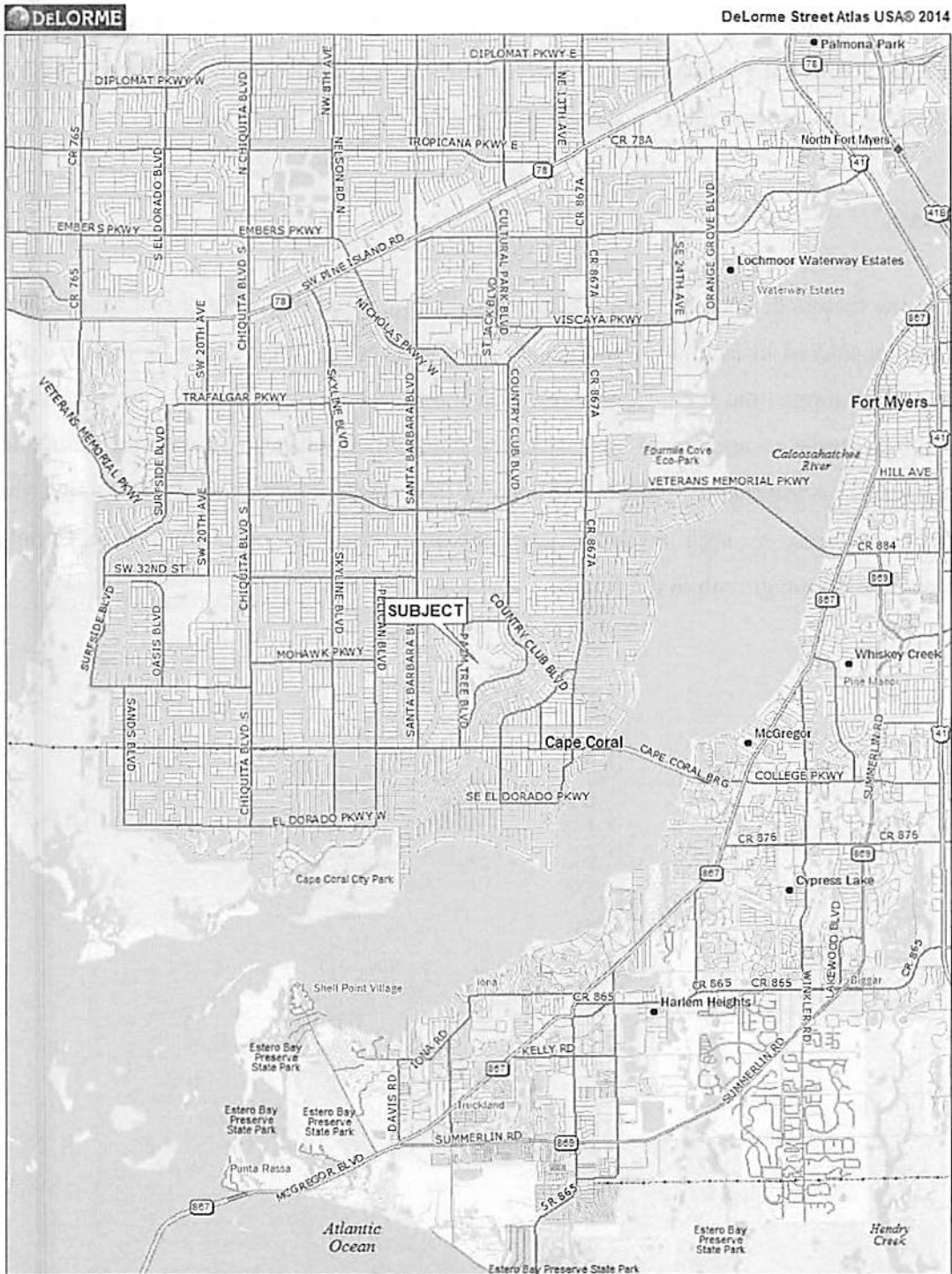
The Municipal Services which are provided vary throughout the County. The Florida Power and Light Company serves Fort Myers and the southern portion of Lee County, while the Lee County Electric Cooperative serves the northern and eastern sections of the County, together with Cape Coral. There are several water systems, both public and private, which serve various portions of the County including all of the City of Fort Myers, much of the City of Cape Coral, and all of Sanibel. Sewage systems are in use in many parts of the County, including all of Fort Myers and much of Cape Coral, through a number of systems. Other areas of the County rely upon septic tanks and sewage treatment plants for disposal. Garbage and trash collection is obtained through either public services or franchised operators in various parts of the County. Other municipal services include bus systems, civic center, public libraries, and municipal docks on the Caloosahatchee River near downtown Fort Myers. Law enforcement agencies include the Florida State Highway Patrol, the Lee County Sheriff's Department, the Cape Coral Police Department, and the Fort Myers Police Department. Costs for these services are on average with surrounding

areas. With the exception of public utilities in some portions of the County, these municipal services are adequate at present. Water management has become a significant issue over the past decade, as Southwest Florida has experienced several years of drought conditions. Restrictions are currently in place that limits irrigation for most users within the county.

### **Summary**

Each of the factors discussed above affects the cost, price, and the value of real estate; therefore, they are considered in estimating the value of the subject property. It can be concluded by the above observations that Lee County has favorable economic prospects for the long-term, especially with the resurgence in the residential market that will also affect the commercial real estate market. Additionally, the new residential construction is positively impacting the Lee County workforce, as seen in lower unemployment rates. In conclusion, Lee County can anticipate economic growth in the future.

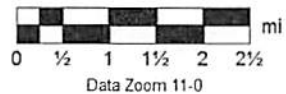
# MARKET AREA MAP



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## **MARKET AREA ANALYSIS**

According to *The Appraisal of Real Estate, Fourteenth Edition*, "Market areas are defined by a combination of factors- e.g., physical features, the demographic and socioeconomic characteristics of the residents or tenants, the condition of the improvements (age, upkeep, ownership, and vacancy rates), and land use trends."

**Physical Description:** The subject property is located between Palm Tree Boulevard and Country Club Boulevard in South Cape Coral. This places the property slightly north of Cape Coral Parkway and the Downtown Redevelopment Area, west of Del Prado Boulevard and south of Veterans Memorial Parkway.

The topography of the subject market area is generally level, with drainage being typically adequate. Utilities generally available throughout the market area consist of water, sewer, telephone service and electricity. The capacity of these services appears adequate for existing usage as well as most potential uses which would be commensurate with existing land use patterns.

Transportation access into the market area is provided primarily by Cape Coral Parkway and Veterans Memorial Parkway which run in an east/west direction along with Del Prado Boulevard, Country Club Boulevard and Santa Barbara Boulevard which run in a north/south direction.

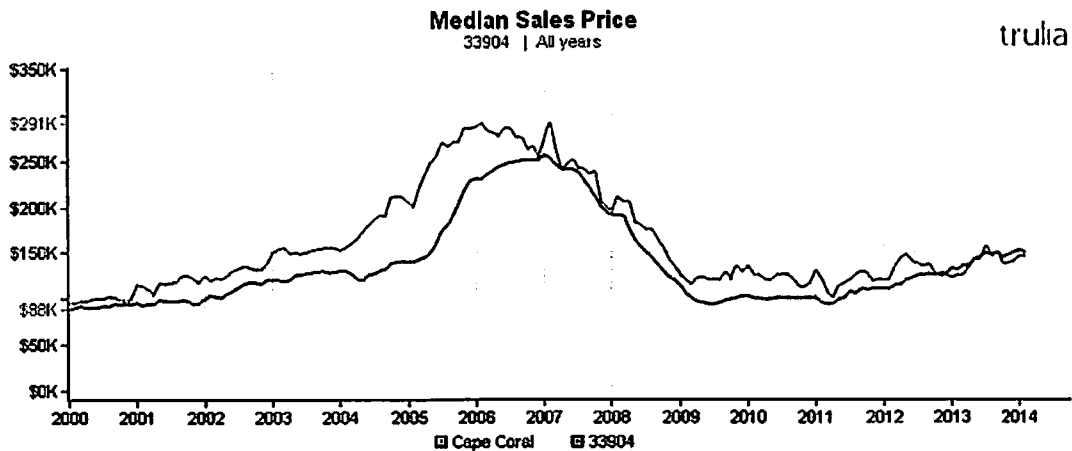
**Developmental Activity:** The subject market area originally began developing with the initial construction of the City of Cape Coral in the late 1950's and early 1960's. Primary development within the market area is residential in nature, consisting of a combination of single-family residences, duplexes and condominium projects, many of which are located on saltwater canals. The primary exception is the Downtown Core Area located along Cape Coral Parkway at the southern end of the market area. This area is primarily developed with commercial uses consisting of a combination of professional offices and general retail stores as well as restaurants and other supporting uses.

In the early 1970's and 1980's, the City had begun to recognize that areas of blight existed and needed to be addressed. In 1987, the City Council adopted the first Redevelopment Area Plan and established the Redevelopment Area Trust Fund. The Community Redevelopment Agency was established in 1994 by the City Council, and consists of an appointed Board of Commissioners and staff. Several projects have been undertaken since this time to improve the streetscapes, city parking areas and create pocket parks. However, many problems still existed such as diversity of lot sizes and ownership and infrastructure problems. In 2003, the Redevelopment Area was expanded, and then expanded again in September 2009 to include several adjacent areas. The Community Redevelopment Plan is intended to revitalize and transform the CRA from an area of older, single-story strip center structures and blighted multifamily residential neighborhoods, to a compact urban village with consistent planning and architectural standards. Within this broad goal, the plan is to create a community that is pedestrian friendly, provides for open spaces and encourages high quality projects that are commercial or mixed use in nature. Further, new projects are encouraged to utilize structured parking, maximize views and connections with the Caloosahatchee River and other waterways, and transform the area into a regional destination for visitors and new residents.

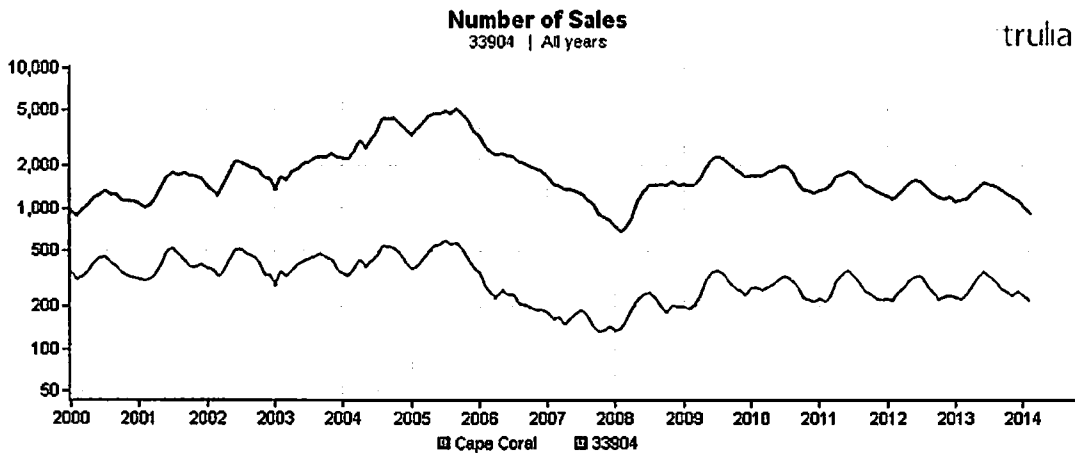
The CRA is divided into three different zoning designations, all of which provide for high density residential and commercial development, mixed uses and extensive building and development guidelines. Further, in order to assist in the redevelopment process and encourage private development, there are a variety of economic incentives offered by the City of Cape Coral such as cash and impact fee deferments. Specific to the CRA is the Tax Increment Financing (TIF) program, whereby tax dollars generated over and above a base year amount (1987 for the initial redevelopment area, and 2003 and 2009 for the expanded areas) are available for projects within the CRA to assist in public and private project development. The emphasis placed on the CRA by the City of Cape Coral, and the extensive work done by the Community Redevelopment Agency, resulted in a substantial amount of development interest over the past several years. There are numerous projects of varying sizes that have been developed or are proposed. Most of the projects that have been completed are smaller in scale than the transformational projects that were planned and highly anticipated in the CRA. Many of the larger transformational projects appear to be on hold, or have been cancelled all together.

The most recent development project, located at the northeast corner of Cape Coral Parkway East and Del Prado Boulevard, is within the main commercial corridor of the CRA. The 2.36 acre property was purchased in August 2013. At the time of sale, the property had several structures which are planned for demolition and redevelopment of the site with a Culver's restaurant is anticipated. This redevelopment purchase provides further support for the viability of the immediate market area and overall market growth.

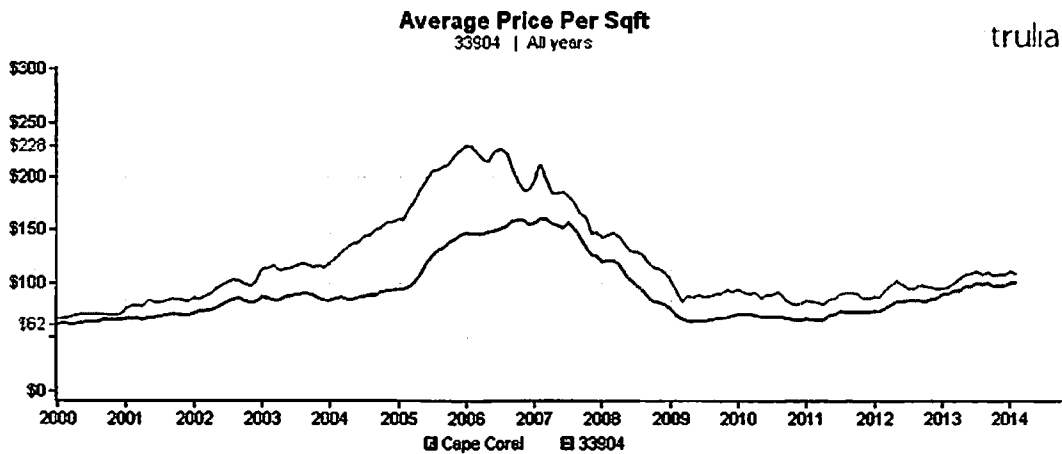
As indicated in the following graph, the median sale price for homes in the Cape Coral 33904 market was \$146,000 for the November 2013 to February 2014 time period according to data supplied by *Trulia.com*. This represents an increase of 7% compared to the prior quarter and an increase of 16.9% compared to the prior year. Sale prices have appreciated 22.2% over the past five years in the Cape Coral marketplace (33904). The following graph clearly shows the significant increase in home prices during the 2005 to 2007 time frame followed by the dramatic decline in home prices between 2007 and 2010. It also shows the stabilization process and transformation to appreciation over the past two to three years within the Cape Coral marketplace.



The following chart illustrates the number of sales within the marketplace which very clearly shows the seasonal trends and displays a somewhat stable market:



The following chart illustrates the average price per square foot for homes in the 33904 market area of Cape Coral. This chart also shows the appreciation and then decline from the recent recession as well as the process of stabilization and, most recently, appreciation within the market:



**Market Area Life Cycle:** The life cycle of a market area usually consists of the following stages:

1. **Growth** - A period during which the market area gains public favor and acceptance.
2. **Stability** - A period of equilibrium without marked gains or losses.
3. **Decline** - A period of diminishing demand.

4. Revitalization - A period of renewal, modernization, and increasing demand.

Although these stages describe the life cycle of market areas and districts in a general way, they should not be used as specific guides to market trends. Many market areas remain stable for a very long time, and decline is not necessarily eminent in all older areas. Unless decline is caused by a specific external influence, it may proceed at a barely perceptible rate and can be interrupted by a change in use or a revival of demand. Therefore, there is no definite life expectancy for a market area. In our opinion, the subject market area is currently transitioning from a period of decline through stability and has recently entered a period of growth.

**Conclusion:** Overall, the subject property lies to the north of the Downtown Redevelopment Area of Cape Coral. This area has historically been developed with single-family and multi-family residential uses along with supporting commercial uses along the primary roadways. The area is mostly developed at the present time and redevelopment has been encouraged by the City of Cape Coral. Numerous redevelopment projects were planned, but were either canceled or failed during the recent recession. New development is in the early stages of planning post-recession and should continue as the economy continues to improve.



## **PROPERTY DESCRIPTION**

**Ownership History:** The current owner of the subject property is Florida Gulf Venture, LLC. There have reportedly been no transfers involving the subject property during the past three years according to Lee County records. As of the effective date of appraisal, there are no known listings or contracts for purchase relating to the subject property.

**Site Analysis:** The subject property is located at 4003 Palm Tree Boulevard, and is legally described within a lengthy legal description contained in the Addenda to this report. Legal counsel should verify the legal description before it is relied upon. The legal description was obtained from public records and is assumed to be correct.

**Physical Components:** The subject property is irregular in shape, containing approximately 175.174 acres according to the Lee County Property Appraiser's records. This appraisal assumes that the site area is accurate and, that if found to be inaccurate, the right to amend this appraisal is reserved. The topography of the site is relatively level with the exception of various topographical features associated with the former golf course development. The property is at road grade or slightly above in most places. The subject property is located in Flood Hazard Zones X and AE (Elevation 7') according to FEMA Map Number 12071C 0405 F dated August 28, 2008. Typically, improved properties in Zone X do not require flood insurance; however, improved properties located within Zone AE (Elevation 7') typically do require flood insurance. A copy of the FEMA Flood Map is included in the Addenda section of this report.

**Easements and Encroachments:** There are no known adverse easements, encroachments, or other items of a similar nature affecting the subject property. However, this must be verified by a current certified survey encompassing the entire subject site, and an appropriate professional be retained to interpret this information if needed.

**Utilities:** Utilities available to the property consist of water and sewerage service as provided by the City of Cape Coral, electricity as provided by the Lee County Electric Cooperative and telephone service as provided by CenturyLink. Police and fire protection are also provided by the City of Cape Coral. The capacity of these services appears adequate.

**Transportation Access:** Transportation access to the subject property is gained via Palm Tree Boulevard which can be accessed from Country Club Boulevard to the east or from Cape Coral Parkway at its southern terminus. Therefore, transportation access is considered to be adequate at the present time. The 2012 annual average daily traffic count along Palm Tree Boulevard in proximity to the subject was 8,800, and the 2012 annual average daily traffic count along Cape Coral Parkway in proximity to Palm Tree Boulevard was 42,873.

**Zoning:** The property is currently zoned R-1B (Single-Family Residential District) under the zoning ordinances of the City of Cape Coral. This is described as follows:

These districts are established to:

- (1) Encourage and protect single-family development at a variety of densities with varying dimensional requirements;
- (2) Permit other uses generally compatible with such residential uses.

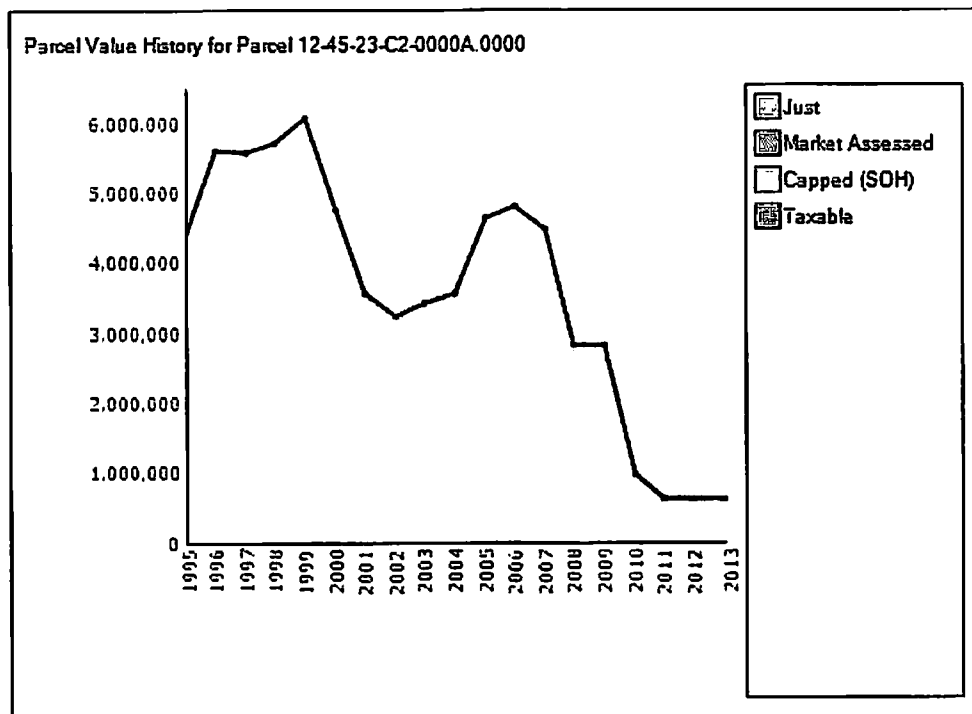
The property is also designated Park and Recreation Facilities (PK) under the Cape Coral Future Land Use Plan. The PK land use designates public parking, recreational facilities and open space as permissible uses. The PK land use limits development potential for the subject property. The PK land use supersedes the R-1B zoning which means that an amendment to the future land use would be required for residential development of the site under the existing zoning designation. The property owner filed an application in 2007 to amend the future land use of the subject site to mixed use (MU). This amendment was denied by the City Council in 2009. Reportedly, the application was denied due to the potential for industrial uses that are allowed within the MU classification. More recently, the City has indicated a willingness to entertain a land use amendment for the subject. Moreover, as the intended use of this appraisal is for potential sale to the City of Cape Coral, a land use amendment, zoning change, or both, could easily be obtained by the City of Cape Coral utilizing their resources.

As previously discussed, this appraisal will provide three valuation scenarios. **Scenario 1** will be an as-is value based upon the property in its current condition with R-1B zoning and a future land use designation of PK. **Scenario 2** will be based upon the *hypothetical assumption* that the subject property has a future land use designation of single-family which allows for a density of 4.4 units per acre. Single-family and multi-family future land use designations are the predominant land uses surrounding the subject property and throughout Cape Coral. **Scenario 3**

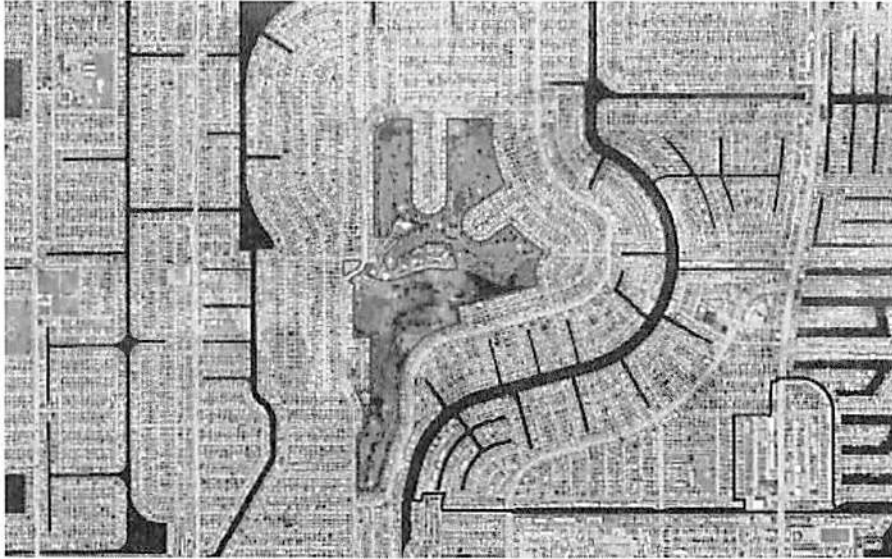
*Stephan, Cole & Associates*

is based upon the *hypothetical assumption* that the subject property has zoning and a future land use designation of mixed use (MU) allowing for 400 single-family units, 400 multi-family units, 325,000 square feet of commercial retail space and 100,000 square feet of professional office space.

**Assessment/Tax Data:** For taxation purposes, the property is identified by STRAP Number 12-45-23-C2-0000A-0000. The property was assessed for the current tax year with a just value of \$627,490 (as of January 1, 2013). The tax liability (due March 2014) is \$13,723.07. These taxes have been paid in full as of the effective date of this appraisal and there are no outstanding or past due taxes at this time. A comparison of this assessed value with our subsequently-estimated market value reveals the reasonableness of the assessment level. Finally, the following chart illustrates the assessment history for the subject property:



**Subject Photographs:**



**Aerial View of Subject Property  
(Provided by Lee County)**



**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 Northerly**



**Palm Tree Boulevard Looking Southerly**



**Wildwood Parkway Looking Easterly**



**Wildwood Parkway Looking Westerly**

## HIGHEST AND BEST USE ANALYSIS

**Definition:** Highest and best use is defined in *The Appraisal of Real Estate, Fourteenth Edition* as “the reasonably probable use of property that results in the highest value.”

It is recognized that, in cases where a site has existing improvements, the highest and best use of the site may be different from the existing use. However, the existing use will continue unless and until the land value in its highest and best use exceeds the sum of the value of the entire property in its existing use plus the cost to remove the improvements.

**Highest and Best Use as Vacant:** In estimating the highest and best use of the site as though vacant, four criteria are analyzed. These are (1) legally permissible uses, (2) physically possible uses, (3) financially feasible uses, and (4) maximally productive uses.

**Scenario 1:** As discussed previously, the subject site contains 175.174 acres; therefore, it is of sufficient size to accommodate any of a number of legally permissible uses. The property is generally level and available for development with all utilities provided within the area of the subject property. The subject property is irregular in shape and is nearly 100% surrounded by single-family homes or multi-family residential development. The property is zoned R-1B which is a single-family zoning classification within the City of Cape Coral. The property is designated PK under the future land use plan which is not consistent with the zoning and severely limits the development potential of the site as-is. Surrounding land uses would seem to indicate that an amendment of the land use plan allowing single-family would be reasonable. Additionally, third party conversations have indicated that the City of Cape Coral may be amenable to amending the land use to allow for development of the site. Demand for residential units in the Cape Coral area has been strong over the past two to three years. Due to the current demand for residential uses within the market area, it is our opinion that development of the site with a residential use would be the most financially feasible use of the property assuming a land use amendment could be obtained.

Based upon the above information, the highest and best use for the subject property is estimated to be for some type of residential development based on the probability of an amendment to the land use plan making it compatible with the current zoning.

**Scenario 2:** As requested by our client, we have estimated the market value of the subject property utilizing the *hypothetical assumption* that the property currently has a land use of single-family allowing for development up to a density of 4.4 units per acre. Based upon this *hypothetical condition*, it is our opinion that the highest and best use would be for single-family residential development. As this appraisal is being written for negotiations for a potential purchase by the City of Cape Coral, it is reasonable to assume that while this land use amendment had not taken place as of the effective date of appraisal, it could occur within a relatively short period of time.

**Scenario 3:** Finally, at the request of our client, we have estimated the value of the subject property utilizing the *hypothetical assumption* that the subject property is zoned mixed use and has a land use amendment which would allow for 400 single-family units, 400 multi-family units, 325,000 square feet of commercial retail uses and 100,000 square feet of office uses. This is contrary to the current zoning and land use and would require a zoning change and land use amendment.

## **SUMMARY OF ANALYSIS AND VALUATION**

### **Sales Comparison Approach:**

The sales comparison approach is based upon the principle of substitution, meaning that a prudent purchaser would not pay more for a property than the cost of acquiring a comparable substitute property. The application of the sales comparison approach involves selecting a number of competitive properties which have recently sold on the market. The information derived from this selection is analyzed through an adjustment process which develops indications of what the competitive properties would have sold for if they possessed all the important characteristics of the subject property.

### **Scenario 1 – As Is Market Value**

In the as-is scenario for the subject property we will analyze the property in its current condition with its R-1B zoning and PK future land use designation. Since the zoning and land use conflict it is necessary to initially analyze the subject property as though the future land use designation has been changed to allow for development of the property to its highest and best use. In this scenario, we have considered whether it is appropriate to adjust the value to account for a land use change. This could be accomplished by utilizing sales of similar properties with conflicting and restricting zoning or land use elements, through a process of adjusting or utilizing time deductions for the holding period and risk assessment to accomplish the land use or zoning change. However, based upon the review of available information as well as the fact that this appraisal is being prepared for the specific purpose of assisting our client in negotiating a sale of the property to the City of Cape Coral, we do not believe that an adjustment or deduction is appropriate. The City of Cape Coral has numerous resources and should be able to accomplish a land use amendment for the subject property in a reasonable amount of time. It is not unusual for raw land purchasers to anticipate a holding period of six to 18 months to accomplish zoning changes, land use amendments, entitlement issues, mitigation process, or various other obstacles that need to be resolved before development can occur. Therefore, we have analyzed four sales of residential development properties based upon their price per acre indications and compared them to the subject for an as-is value.

## **Scenario 2 – Residential**

The second scenario analyzed in this report is based upon the *hypothetical condition* that the subject property had the proper zoning and land use as of the effective date of appraisal allowing for single-family development. This is contrary to what actually existed as of the effective date of appraisal. We have made the specific *hypothetical assumption* that the property has a future land use designation of single-family residential allowing for a maximum density of 4.4 units per acre. This analysis utilizes the same four sales as Scenario 1.

## **Scenario 3 – Mixed Use**

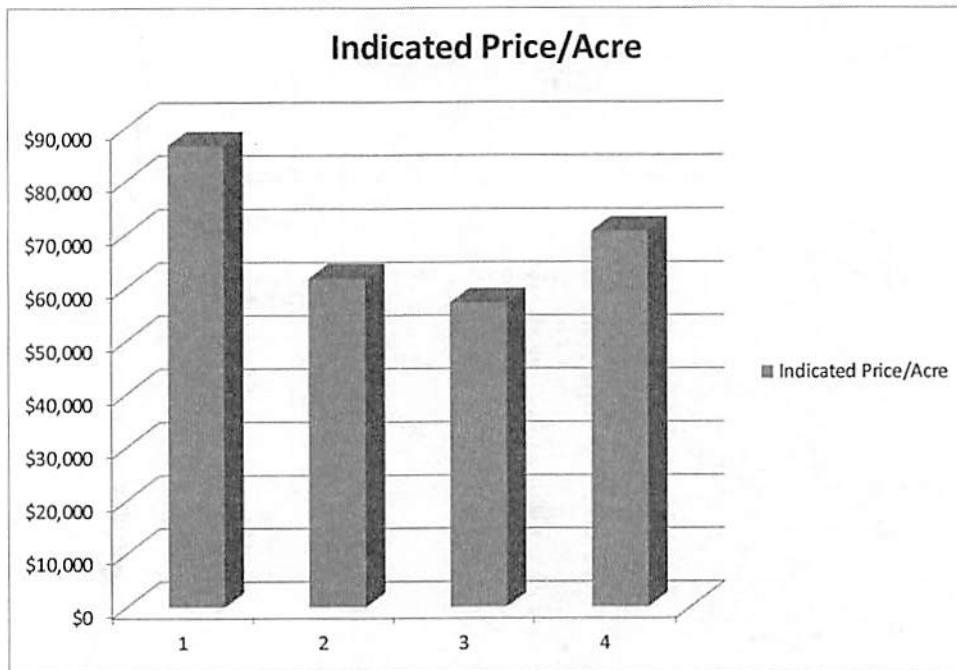
The third scenario analyzes the value of the subject property based upon the *hypothetical condition* that the property had zoning and future land use allowing for mixed use development as of the effective date of appraisal. This is contrary to what actually existed as of the effective date of appraisal. The assumption utilized is that the subject was available for development with 400 single-family homes, 400 multi-family units, 325,000 square feet of commercial retail space and 100,000 square feet of office space. The same four single-family residential sales utilized in Scenarios 1 and 2 will be utilized for the single-family residential component in Scenario 3. Additionally, five sales of multi-family sites will be utilized on a price per unit basis and five sales of commercial sites will be utilized on a price per square foot basis for the multi-family and the commercial components, respectively.

## **Methodology**

Within the sales comparison approach we have researched the market area for comparable sales of properties similar to the subject property. The subject property is a relatively unique property and there are very few properties within the market area which would be considered comparable. Therefore, we have identified the most similar sales of each component for the subject and utilized that information to compare to the subject property. We have utilized qualitative analysis for this appraisal as this type of adjustment process considers comparable sales as superior, inferior or similar. Due to the lack of supporting data, quantitative adjustments could not be supported. Therefore, the analysis of the subject property under the previously defined three scenarios follows:

**Scenario 1-As Is and Scenario 2-Residential:**

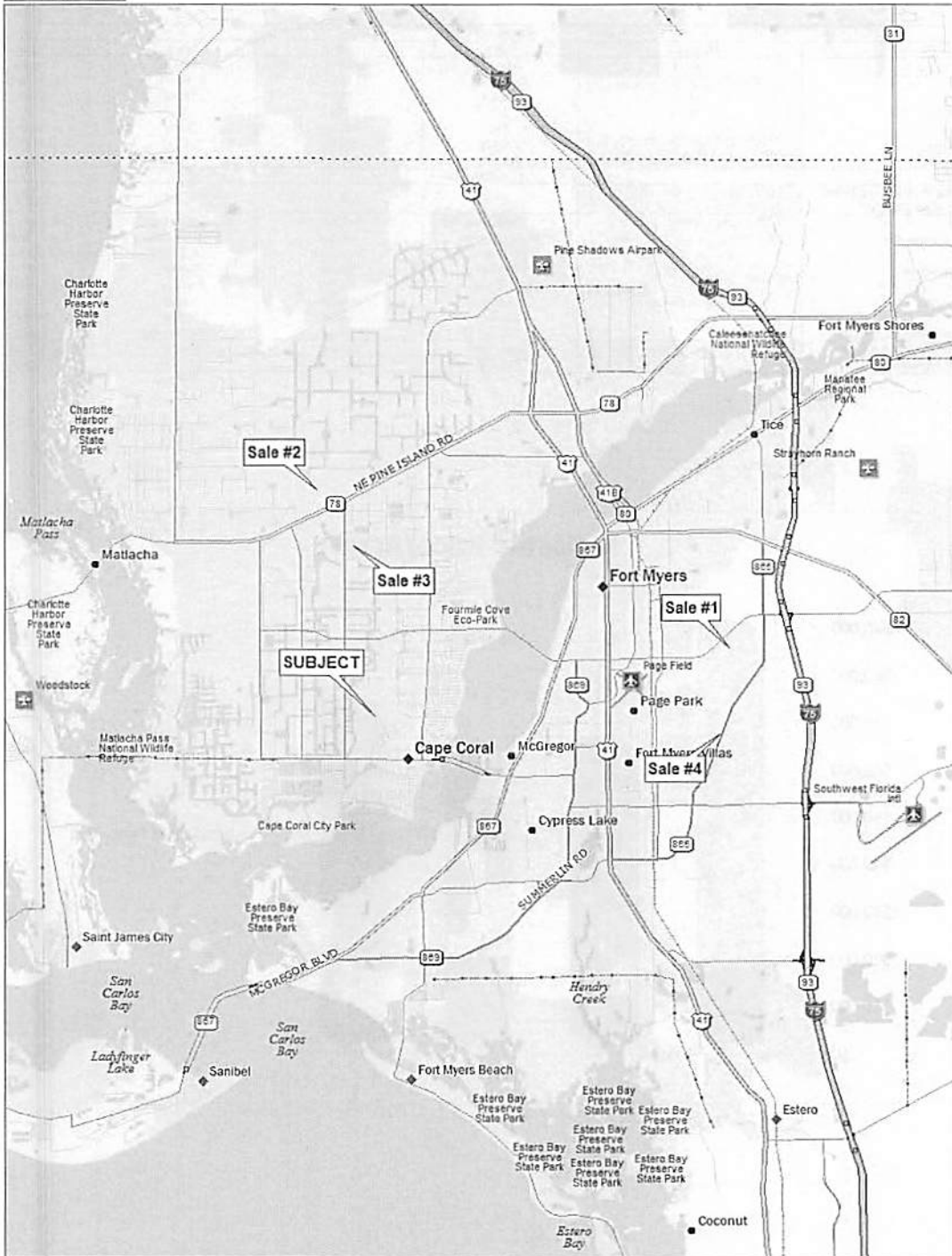
SALES SUMMARY					
	SUBJECT	Sale 1	Sale 2	Sale 3	Sale 4
Sale Date	Feb-14	Mar-13	Jul-13	Jul-13	Jan-14
Sale Price		\$9,200,000	\$1,600,000	\$934,783	\$3,500,000
Size (Acres)	175.17	106.20	25.90	16.35	49.62
Number of Units	N/A	297	200	44	115
Density	--	2.80	7.72	2.69	2.32
Price Per Unit	--	\$30,976	\$8,000	\$21,245	\$30,435
Price Per Acre	--	\$86,629	\$61,776	\$57,173	\$70,536
COMPARISON					
Property Rights, Financing Terms, Conditions of Sale, Market		Typical	Bank Sale	Typical	Typical
Location	4003 Palm Tree Blvd, Cape Coral	4781 Winkler Ave, FM	Siesta Lakes, CC	283 Destiny Cir, CC	Cobblestone, FM
Location - Comparison		Slightly Superior	Inferior	Slightly Inferior	Slightly Superior
Access	Palm Tree Boulevard	Winkler Avenue	NW 1st Ln	SE 8th St	Pensance & Six Mile Cypress
Access Comparison		Similar	Similar	Similar	Similar
Size/Utility		Slightly Superior	Superior	Superior	Slightly Superior
Utilities	Full Available	Similar	Similar	Similar	Similar
Zoning	R-1B	Similar	Similar	Similar	Similar
Entitlements-Infrastructure		Superior	Similar	Slightly Superior	Similar
Overall Comparison with Subject		Superior	Similar	Similar	Slightly Superior
Indicated Price/Acre		\$86,629	\$61,776	\$57,173	\$70,536



# LAND SALE MAP

DE LORME

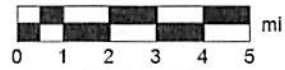
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Data Zoom 10-0

**Analysis: Sale Number 1** is the March 2013 sale of a 106.2 acre parcel located within the southwest quadrant of Challenger Boulevard and Winkler Avenue in Fort Myers. This property sold for \$9,200,000, or \$86,629 per acre. This property was approved for 297 units for a resulting density of 2.80 units per acre. The purchase was financed with a Purchase Money Mortgage from the seller; however, this reportedly did not affect the purchase price as it was at market terms. The location is considered slightly superior to that of the subject property, access is similar, site size/utility is considered slightly superior, utilities and zoning are considered similar and, finally, entitlements/infrastructure are considered superior due to the property being cleared and partially improved with infrastructure. The overall comparison of Sale Number 1 indicates that it is superior to the subject property. The final indicated price per acre is \$86,629.

**Sale Number 2** is the July 2013 sale of a 25.90 acre parcel located to the north of Pine Island Road and east of Nelson Boulevard in Cape Coral. This property sold for \$1,600,000, or \$61,776 per acre. This property was approved for 400 multi-family units; however, the buyer planned to rework the site plan only developing approximately 200 units for a resulting density of 7.72 units per acre. This was a bank sale which is not uncommon in the current marketplace, but can provide downward pressure on sale prices. The location of this property is considered to be inferior to that of the subject property, access is considered similar, site size/utility is considered superior, utilities, zoning and entitlements are all considered to be similar to that of the subject property. The overall comparison of Sale Number 2 is similar to the subject property. The final indicated price per acre is \$61,776.

**Sale Number 3** is the July 2013 sale of a 16.35 acre parcel located at 215 Destiny Circle in Cape Coral. This property sold for \$934,783, or \$57,173 per acre. This property was approved for 43 units for a resulting density of 2.63 units per acre. The conditions of sale were typical. The location of this property is considered slightly inferior to that of the subject property, access is considered similar, site size/utility is considered superior, utilities and zoning are considered similar and, finally, entitlements/infrastructure are considered slightly superior as the sale property was improved with an internal roadway and subdivided at the time of sale. The overall comparison of Sale Number 3 indicates that it is similar to the subject property. The final indicated price per acre is \$57,173.

**Sale Number 4** is the January 2014 sale of a 49.62 acre parcel located at the northeast corner of Penzance Boulevard and Six Mile Cypress Parkway in Fort Myers. This property sold for \$3,500,000, or \$70,536 per acre. This property was approved for 216 units; however, the buyer is planning to develop the property with 115 single-family units, for a resulting density of 2.32 units per acre. The conditions of sale were typical. The location of this property is considered slightly superior to that of the subject property, access is considered similar, site size/utility is considered slightly superior as this property is smaller than the subject, utilities, zoning and entitlements/infrastructure are considered similar to the subject property. The overall comparison of Sale Number 4 indicates that it is slightly superior to the subject property. The final indicated price per acre is \$70,536.

As illustrated above, these sales are arranged in chronological order according to dates of sale, with Sale Number 1 being the oldest sale and Sale Number 4 being the most recent transaction. Sale Numbers 2, 3 and 4 are the most recent sales, providing unit values of \$61,776, \$57,173 and \$70,536 per acre, respectively. Sale Numbers 1, 3 and 4 were most similar to the subject when considering density. Sale Numbers 2 and 3 had an overall comparison of similar to the subject, while Sale Number 1 was considered superior and Sale Number 4 was considered slightly superior.

**Conclusion:** After completing an analysis of the above-illustrated information, we have estimated an appropriate unit value of \$60,000 per acre. Multiplying this unit value by the 175.174 acres contained within the subject site provides a value indication of \$10,510,440 or, in round figures, \$10,510,000. As previously discussed, in our opinion there are no further discounts or adjustments required; therefore, the value estimate for Scenarios 1 and 2 has been determined by the preceding analysis at \$10,510,000 as of the effective date of appraisal.

### **Scenario 3: Mixed Use**

As previously discussed in this report, Scenario 3 involves utilizing the *hypothetical assumption* that the subject property was approved for mixed use development as of the effective date of appraisal. The zoning and land use as of the effective date of appraisal would not allow for mixed use development; therefore, this is contrary to what existed as of the date of appraisal. However, for purposes of this analysis, our client has requested that we utilize this *hypothetical assumption*. We are analyzing the subject property as if it was approved for development of 400 single-family homes, 400 multi-family units, 325,000 square feet of commercial retail space and 100,000 square feet of office space. In order to estimate value under this scenario, we have utilized the previously discussed set of single-family residential sales, along with a new set of multi-family land sales and a new set of commercial land sales. These three sets of sales were utilized to analyze the various components of the subject property under the mixed use development plan. Utilizing a typical land-to-building ratio of 3:1 for the commercial land acreage would require 29 acres of the subject site for the commercial component. This is calculated by adding the 325,000 square feet of commercial retail space to the 100,000 square feet of office space for a total of 425,000 square feet of potential building area. This figure is then multiplied by three to represent the 3:1 land-to-building ratio and the result is divided by 43,560 square feet (the number of square feet contained within an acre) for a result of 29.27 which is rounded to 29 acres. The multi-family land area was calculated utilizing a density of 16 units per acre. This simple calculation is expressed by 400 units divided by 16 (units per acre) resulting in 25 acres for the multi-family component. The remaining land is that which would be utilized for the single-family development. The remainder is 121.174 acres which results in a density of 3.3 units per acre similar to the density found in three of our single-family sales and similar to single-family residential density in general in the market area.

For an estimate of the market value of the single-family component, we have simply utilized the same four sales and analysis from Scenarios 1 and 2 which produced a per unit value indication of \$60,000 per acre. Therefore, \$60,000 per acre times the 121.74 acres associated with the potential 400 single-family units provides a value for the single-family component of \$7,270,440 or, in round figures, \$7,270,000.

To estimate the value of the multi-family land component, we have utilized five sales and analyzed those sales on a price per unit basis. When analyzing sales on a price per unit basis,

density is of utmost importance. All five sale properties utilized were significantly smaller than the subject property, but were located in relatively close proximity to the subject and provided similar densities. This information is displayed in the following chart:

SALES SUMMARY						
	SUBJECT	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Sale Date	Feb-14	Nov-12	Dec-12	Dec-12	Mar-13	Jun-13
Sale Price		\$20,000	\$30,000	\$58,000	\$180,000	\$120,000
Size (Acres)	25.00	0.33	0.46	0.57	1.04	1.77
Number of Units	400.00	7	8	9	17	48
Density	16.00	21.08	17.43	15.79	16.33	27.12
Price Per Unit	--	\$2,857	\$3,750	\$6,444	\$10,588	\$2,500
Price Per Acre	--	\$60,241	\$65,359	\$101,754	\$172,911	\$67,797
COMPARISON						
Property Rights, Financing Terms, Conditions of Sale, Market		Bank Sale	Typical	Typical	Typical	Bank Sale
Location	4003 Palm Tree Blvd, Cape Coral	4824 Palm Tree Dr, CC	4345 Country Club Blvd, CC	7 Coronado Pkwy	3523 Country Club Blvd, CC	7777 Four Mile Cove Pkwy, CC
Location - Comparison		Similar	Similar	Similar	Superior (Canal)	Similar
Access	Palm Tree Boulevard	Palm Tree	Country Club	Coronado	Country Club	Four Mile Cove
Access Comparison		Similar	Similar	Similar	Similar	Similar
Size/Utility		Superior	Superior	Superior	Superior	Superior
Utilities	Full Available	Similar	Similar	Similar	Similar	Similar
Zoning/Density	R-11B	Inferior	Similar	Similar	Similar	Inferior
Entitlements-Infrastructure		Similar	Similar	Similar	Similar	Similar
Overall Comparison with Subject		Inferior	Similar	Similar	Superior	Inferior
Indicated Price/Unit		\$2,857	\$3,750	\$6,444	\$10,588	\$2,500

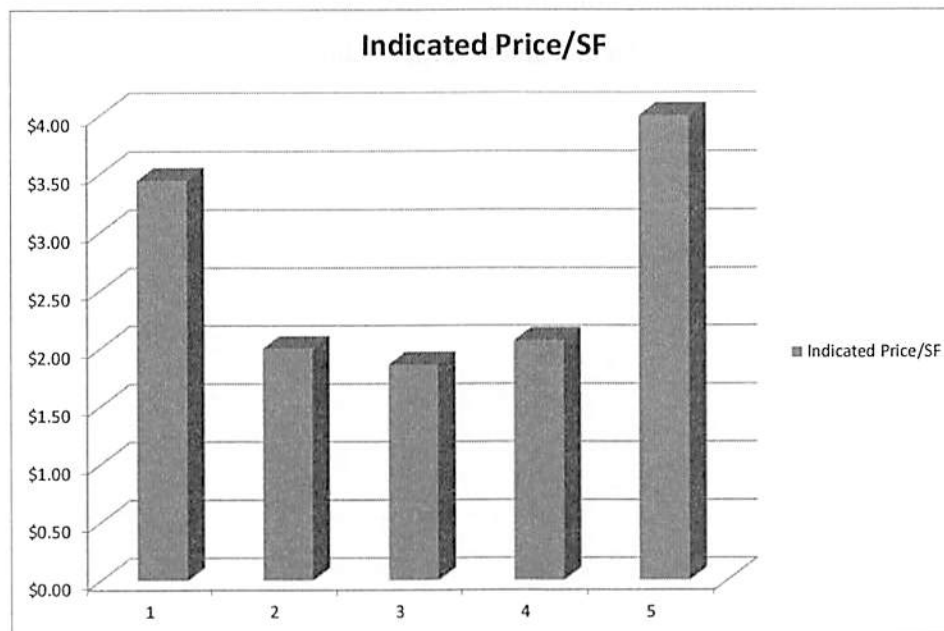


As illustrated above, these sales are arranged in chronological order according to dates of sale, with Sale Number 1 being the oldest sale and Sale Number 5 being the most recent transaction. Sale Numbers 4 and 5 are the most recent sales, providing unit values of \$10,588 and \$2,500 per allowable unit. When considering density, Sale Numbers 1 and 5 had a higher density than the subject property. This typically results in a lower price per unit as there is an inverse relationship. Sale Numbers 2, 3 and 4 had densities of 17.43 units per acre, 15.79 units per acre and 16.33 units per acre, respectively. These are the three best comparisons for the subject based upon density alone. However, Sale Number 4 was influenced by its location along a saltwater canal.

This makes Sale Number 4 somewhat superior to the subject property. Therefore, Sale Numbers 2 and 3 are considered most similar overall to the subject property and provided indications of \$3,750 per unit and \$6,444 per unit. Based upon this analysis, the estimated per unit value for the multi-family component of the subject property would be \$5,000. Multiplying the per unit value of \$5,000 by the 400 multi-family units assumed for this component of the property equates to a value estimate of \$2,000,000.

Finally, to estimate a value for the commercial component of the subject property we have utilized five commercial land sales. This land sale information is summarized in the following chart:

SALES SUMMARY						
	SUBJECT	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Sale Date	Feb-14	Mar-12	Aug-12	Dec-12	May-13	Jul-13
Sale Price		\$2,250,000	\$2,126,610	\$3,150,000	\$1,312,500	\$5,519,923
Size (Acres)	29.00	14.99	24.41	38.86	14.58	31.69
Size (SF)	1,263,240.00	653,034	1,063,300	1,692,698	635,173	1,380,505
Density	--	--	--	--	--	--
Price Per Acre	--	\$150,080	\$87,120	\$81,062	\$90,008	\$174,174
Price Per SF	--	\$3.45	\$2.00	\$1.86	\$2.07	\$4.00
COMPARISON						
Property Rights, Financing Terms, Conditions of Sale, Market		Govt Purchaser	Typical	Typical	Bank Sale	PMM
Location	4003 Palm Tree Blvd, Cape Coral	1717 Corbett Rd, CC	8648 Dayshore Rd, NIM	4440 Colonial Blvd, FM	2020 NE Pine Island Rd, CC	NEC Pine Island & NE 24th Av
Location - Comparison		Slightly Inferior	Similar	Slightly Superior	Similar	Slightly Superior
Access	Palm Tree Boulevard	Diplomat	Dayshore	Colonial	Pine Island	Pine Island
Access Comparison		Similar	Similar	Slightly Superior	Similar	Slightly Superior
Size/Utility		Slightly Superior	Similar	Inferior	Slightly Superior	Inferior
Utilities	Full Available	Similar	Similar	Similar	Similar	Similar
Zoning/Density	R-1B	Similar	Similar	Similar	Similar	Similar
Entitlements-Infrastructure		Similar	Similar	Similar	Similar	Similar
Overall Comparison with Subject		Slightly Superior	Similar	Similar	Similar	Superior
Indicated Price/SF		\$3.45	\$2.00	\$1.86	\$2.07	\$4.00



As illustrated above, these sales are arranged in chronological order according to dates of sale, with Sale Number 1 being the oldest sale and Sale Number 5 being the most recent transaction. Sale Numbers 4 and 5 are the most recent sales, providing unit values of \$2.07 per square foot and \$4.00 per square foot. The various conditions of sale are reported on the previous chart, but it should be noted that Sale Number 1 was a government purchase, Sale Number 4 was a bank sale, and Sale Number 5 was purchased utilizing a Purchase Money Mortgage with a scheduled payback. The five land sales provided a range from \$1.86 per square foot to \$4.00 per square foot and an average of \$2.67 per square foot. Sale Number 1 had a final rating of slightly superior and Sale Number 5 had a final rating of superior as compared to the subject, while the remaining sales were considered similar. Based upon this analysis, we have estimated a per unit value for the commercial component of the subject property at \$2.50 per square foot. The commercial component value is calculated based upon 29 acres at \$2.50 per square foot for a resulting value indication of \$3,158,100 or, in round figures, \$3,160,000.

The final estimate of value for the subject property under the *hypothetical assumption* associated with Scenario 3 is calculated as follows:

Single-Family Component:	\$ 7,270,000
Multi-Family Component:	\$ 2,000,000
Commercial Component:	<u>\$ 3,160,000</u>
Total Value:	\$12,430,000

**Reconciliation And Value Conclusion:** At this point in the appraisal, all factors and data believed to have any relationship to the *as-is* market value of the subject property have been considered in detail. For reasons previously discussed, the cost approach has been omitted in this analysis. Additionally, we have analyzed the subject property under three scenarios. Scenario 1 is the *as-is* value. Scenario 2 is utilizing the *hypothetical assumption* that the property was approved for single-family development, and Scenario 3 utilized the *hypothetical assumption* that the subject property was approved for mixed use development as of the effective date of appraisal. These *hypothetical assumptions* have been discussed in detail within the report.

**Scenario # 1-As Is:** In our report, you will find that, after consideration of all the available facts and data, it is our opinion that the *as-is* market value of the fee simple interest in the subject property, in terms of cash and under market conditions existing as of February 9, 2014, was:

Ten Million Five Hundred Ten Thousand Dollars .....\$10,510,000

**Scenario # 2-As Approved for Residential Development:** Additionally, after consideration of all the available facts and data, it is our opinion that the market value of the fee simple interest in the subject property, utilizing the *hypothetical assumption* that the site is approved for residential development, in terms of cash and under market conditions existing as of February 9, 2014, was:

Ten Million Five Hundred Ten Thousand Dollars .....\$10,510,000

**Scenario #3-As Approved for Mixed Use Development:** Finally, after consideration of all the available facts and data, it is our opinion that the market value of the fee simple interest in the subject property, utilizing the *hypothetical assumption* that the site is approved for mixed use development as defined herein, in terms of cash and under market conditions existing as of February 9, 2014, was:

Twelve Million Four Hundred Thirty Thousand Dollars .....\$12,430,000

STEPHAN, COLE & ASSOCIATES



Digitally signed by William W  
Cole  
Date: 2014.02.25 18:16:08 -05'00'

William W. Cole

State-certified general real estate appraiser RZ2298

## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, the minimum requirements of Standards Rule 2-2(a) were met when developing the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocation for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.
19. 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.
20. We are prepared, but not required, to give testimony or attendance in court by reason of this appraisal, with reference to the property in question, unless additional arrangements are made thereafter.

## **SPECIAL CONDITIONS AND ASSUMPTIONS**

The information obtained from the appropriate regulatory office concerning the zoning of the subject property is assumed to be correct. This appraisal is dependent upon written verification of said zoning classification being obtained from said regulatory office.

It should be noted that there are no personal properties, fixtures, or intangible items attached to the real estate which have been involved in this valuation.

We hereby assume that there are no undisclosed or hidden environmental conditions or contaminants, or building materials that will have any negative impact on the subject property.

The oil, gas and mineral rights for the subject property may have been reserved to a previous owner. We hereby assume that, if this condition exists, the terms of this restriction do not include surface access rights to the property.

A party receiving a report copy from the client does not, as a consequence, become a party to the appraiser-client relationship. Parties who receive a copy of an appraisal, consulting, or review report as a consequence of disclosure requirements applicable to an appraiser's client do not become intended users of the report, unless the client specifically identifies them at the time of the assignment. The appraiser's obligation to intended users other than the client is limited to addressing their requirements as identified by the client at the time the appraiser accepts the assignment.

Confidentiality is always a priority with Stephan, Cole & Associates. Confidential information is data that is either, a) identified by the client as confidential when providing it to an appraiser and that is not available from any other source, or, b) classified as confidential or private by applicable law or regulation. Such information is retained within our physical work files located in our office, and is not otherwise disseminated.

## **EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS**

The subject site contains approximately 175.174 acres according to the Lee County Property Appraiser's records. We were not provided with a site survey and have utilized the Property Appraiser's records for this analysis. However, this appraisal is predicated on this information being accurate and we reserve the right to amend this appraisal based upon authoritative information to the contrary.

This appraisal, and the as-is value reported under Scenario 1, is based upon the extraordinary assumption that the subject property can receive a land use amendment within a reasonable amount of time to allow for single-family residential development. the current land use (PK) would not allow for single-family residential development; however, this is not consistent with the subject property's current zoning nor is it consistent with the surrounding land uses. It appears reasonable to assume that a land use amendment to residential development could be obtained and the likelihood of this amendment, if the site was purchased by the City of Cape Coral, is increased dramatically.

In addition to appraising the property as-is under Scenario 1 we have utilized two additional scenarios based upon hypothetical conditions. These scenarios were noted numerous times within the body of the report and the assumptions have been previously detailed. However, the reader should understand that Scenario 2 is based upon the subject property having a land use allowing for single-family development and Scenario 3 is based upon the subject having zoning and land use allowing for mixed use development. These assumptions are both contrary to what existed as of the effective date of appraisal.

## **CERTIFICATION**

I certify that, to the best of my knowledge and belief,...

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions as well as requirements (if any), and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA).
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The use of this report is subject to the requirements of the State of Florida relating to review by the Real Estate Appraisal subcommittee of the Florida Real Estate Commission.

- I am currently a State-certified general real estate appraiser, in accordance with requirements set forth in Section 475.612 of the Florida Statutes. My State Certification No. is RZ2298.
- The By-Laws and Regulations of the Institute require each designated Member and Associate Member to control the use and distribution of each appraisal report signed by such designated Member or Associate Member. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatory of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the media, sales media or other media for public communication without the prior written consent of the signatory of this appraisal report.
- As of the date of this report, I, William W. Cole, have completed the Standards and Ethics Education requirement of the Appraisal Institute for Associate Members.
- As of the date of this report, I have completed the requirements of the continuing education program of the State of Florida.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this report.
- This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or approval of a loan.
- The undersigned appraiser has experience in appraising properties of this type and thus meets the competency requirements.
- The undersigned appraiser affirms that Stephan, Cole & Associates has not appraised this property, nor have we performed other real estate related activities in conjunction with this property, within the past three years.

**STEPHAN, COLE & ASSOCIATES**



Digitally signed by William W  
Cole  
Date: 2014.02.25 18:16:32 -05'00'

**William W. Cole**

**State-certified general real estate appraiser RZ2298**

*Stephan, Cole & Associates*

# **ADDENDA**

# **EXHIBIT "A"-PROPERTY PROFILES**



# Lee County Property Appraiser

Tax Year 2013



Next Lower Parcel Number Next Higher Parcel Number Tax Estimator Cape Coral Fees Tax

[Bills Print](#)

## Property Data for Parcel 12-45-23-C2-0000A.0000

<b>Owner of Record</b> FLORIDA GULF VENTURE LLC c/o RYAN COMPANIES US INC 50 S 10TH ST STE 300 MINNEAPOLIS MN 55403	<a href="#">[ Tax Map Viewer ]</a> 	<b>Image of Structure</b>  <p style="text-align: center;"> <a href="#">← Photo Date November of 2009 →</a> </p>
<b>Site Address</b> 4003 PALM TREE BLVD CAPE CORAL FL 33904	<a href="#">[ Pictometry Aerial Viewer ]</a>	
<b>Legal Description</b> CAPE CORAL UTS 9/14/15 PB 13 PGS 18/67/72 TR A UT 14 + 15 PT TR B TR C GOLF DESC IN OR 3408 PG 3036 + CC UN 9 BLK 251 LOTS 1A + 1B + TR A UNIT 9		

**Classification / DOR Code**  
 VACANT COMMERCIAL / 10

 <b>Property Values</b> (2013 Tax Roll) 	<b>Exemptions</b>	<b>Attributes</b>
<b>Just</b> 627,490	<b>Homestead / Additional</b> 0 / 0	<b>Land Units Of Measure</b> 175.17 AC
<b>Assessed</b> 627,490	<b>Widow / Widower</b> 0 / 0	<b>Units</b> 175.17
<b>Portability Applied</b> 0	<b>Disability</b> 0	<b>Frontage</b> 0
<b>Cap Assessed</b> 627,490	<b>Wholly</b> 0	<b>Depth</b> 0
<b>Taxable</b> 627,490	<b>Senior</b> 0	<b>Total Number of Buildings</b> 0
<b>Cap Difference</b> 0	<b>Agriculture</b> 0	<b>Total Bedrooms / Bathrooms</b> 0 / 0

Total Living Area ⓘ 0

1st Year Building on Tax Roll ⓘ 0

Historic District No

⊕ Taxing Authorities

▣ Sales / Transactions

Sale Price	Date	OR Number	Type	Description	Vacant/Improved
4,000,000.00	02/02/2006	<u>2006000314183</u>	08	<b>Sales disqualified as a result of examination of the deed</b> Disqualified (Doc Stamps Greater than .70/SP Gr. than \$100)	I
3,600,000.00	05/04/2001	<u>3408/3036</u>	06	<b>Sales qualified and included for sales ratio analysis</b> Qualified (Fair Market Value / Arms Length / One STRAP #)	I
5,528,000.00	02/07/2000	<u>3218/703</u>	04	<b>Sales disqualified as a result of examination of the deed</b> Disqualified (Multiple STRAP # - 01,03,04,07)	I
3,500,000.00	06/30/1999	<u>3141/655</u>	04	<b>Sales disqualified as a result of examination of the deed</b> Disqualified (Multiple STRAP # - 01,03,04,07)	I
735,100.00	08/01/1985	<u>1800/4611</u>	02	<b>Sales qualified but excluded from sales ratio analysis</b> Qualified (Multiple STRAP # / 06-09I)	I
100.00	01/01/1900	<u>315/251</u>	04	<b>Sales disqualified as a result of examination of the deed</b> Disqualified (Multiple STRAP # - 01,03,04,07)	V

⊕ Building/Construction Permit Data

⊕ Parcel Numbering History

⊕ Solid Waste (Garbage) Roll Data

⊕ Flood and Storm Information


**Appraisal Details**  
**Land**

**Land Tracts**

Use Code	Use Code Description	Depth	Frontage	Number of Units	Unit of Measure
1000	Commercial, Vacant	0	0	175.17	Acres

**Land Features**

Description	Year Added	Units
BLACK TOP - IMPROVED	1966	49,990

Real Property Information					
<b>Account</b>	<b>Tax Year</b>	<b>Status</b>			
12-45-23-C2-0000A.0000	2013	PAID			
<b>Original Account</b>	<b>Instrument No</b>				
12-45-23-C2-0000A.0000	2006000314183				
<b>Owner</b>					
FLORIDA GULF VENTURE LLC RYAN COMPANIES US INC					
<b>Physical Address</b>		<b>Mailing Address</b>			
4003 PALM TREE BLVD CAPE CORAL FL 33904		50 S 10TH ST STE 300 MINNEAPOLIS MN 55403 USA			
<b>Legal Description</b>					
CAPE CORAL UTS 9/14/15 PB 13 PGS 18/67/72 TR A UT 14 + 15 PT TR B TR C GOLF DESC IN OR 3408 PG 3036 + CC UN 9 BLK 251 LOTS 1A + 1B + TR A UNIT 9					
<b>Outstanding Balance as of 2/25/2014</b>			\$0.00		
<b>District</b>		279			
<b>Market Assessed Value</b>			\$627,490		
<b>Cap Assessed Value</b>			\$627,490		
<b>Taxable Value</b>			\$627,490		
<b>Combined Tax &amp; Assessment Amount</b>			\$13,723.07		
<b>Ad Valorem Taxes</b>					
<b>Taxing Authority</b>	<b>Mill Rate</b>	<b>Assessed</b>	<b>Exempt</b>	<b>Taxable</b>	<b>Amount</b>
LEE COUNTY GENERAL REVENUE	4.1506	627,490	0	627,490	\$2,604.46
PUBLIC SCHOOL - BY LOCAL BOARD	2.2480	627,490	0	627,490	\$1,410.60
PUBLIC SCHOOL - BY STATE LAW	5.3500	627,490	0	627,490	\$3,357.07
CITY OF CAPE CORAL	7.7070	627,490	0	627,490	\$4,836.07
LEE COUNTY ALL HAZARDS - MSTU	0.0693	627,490	0	627,490	\$43.49
LEE COUNTY LIBRARY FUND	0.5956	627,490	0	627,490	\$373.73
CITY OF CAPE CORAL SOLID WASTE-MSTU	0.0616	627,490	0	627,490	\$38.65
SFL WATER MGMT-DISTRICT LEVY	0.1685	627,490	0	627,490	\$105.73
SFL WATER MGMT-EVERGLADE CONST	0.0587	627,490	0	627,490	\$36.83
SFL WATER MGMT-OKEECHOBEE LEVY	0.1838	627,490	0	627,490	\$115.33
LEE COUNTY HYACINTH CONTROL	0.0291	627,490	0	627,490	\$18.26
LEE COUNTY MOSQUITO CONTROL	0.2520	627,490	0	627,490	\$158.13
WEST COAST INLAND NAVIGATION DISTRICT	0.0394	627,490	0	627,490	\$24.72
<b>Non-Ad Valorem Assessments</b>					
<b>Taxing Authority</b>	<b>Rate</b>	<b>Basis</b>	<b>Amount</b>		
CITY OF CAPE CORAL STORMWATER ANNUAL	1.0000	ACTL LEVY	\$600.00		
<b>Nov 2013</b>	<b>Dec 2013</b>	<b>Jan 2014</b>	<b>Feb 2014</b>	<b>Mar 2014</b>	
\$13,174.15	\$13,311.38	\$13,448.61	\$13,585.84	\$13,723.07	

STRAP	124523C20000A0000
Owner_Strap	124523C20000A0000
Block	0251
Lot	001A
Street_Number	4003
Site_Address	4003 PALM TREE BLVD
Site_Unit_Number	
SiteZip	33904
Owner_Name	FLORIDA GULF VENTURE LLC
OwnerOthers	
OwnerCareOf	RYAN COMPANIES US INC
Mailing_Addr1	50 S 10TH ST STE 300
Mailing_Addr2	
Mailing_City	MINNEAPOLIS
Mailing_State	MN
Mailing_Zip	55403
Improved	N
Foreign_Address	
State_Use_Code	10
Future_Land_Use	<u>PK</u>
Zoning	<u>RIB</u>
Legal	CAPE CORAL UTS 9/14/15 PB 13 PGS 18/67/72 TR A UT 14 + 15 PT TR B TR C GOLF DESC IN OR 3408 PG 3036 + CC UN 9 BLK 251 LOTS 1A + 1B + TR A UNIT 9
Council_District	4
CO_Date	
Building	
WATER	<u>BMISC</u>
SEWER	<u>BMISC</u>
IRRIGATION	<u>A827*</u>
Est. Loan Payoff	Run Report
GACUNT	09-0
Building_Impervious	57026
Open_Air_Impervious	135319
Coastal_Hazard	
Flood_Zone	AE-7
FIRM_Panel_No	0405
Sewer_Impact_Dist	1
DORcode	10
Assessed	627490
Land	627490
SaleIDate	2006-02-02T00:00:00
SaleIAmount	4000000
SaleIVI	1
Taxable	627490
Just	627490
WhlyAmount	
HstdAmount	
CENSUS	105.02
TotalArea	
SQFT	7631285.2028193
Building Permits	Run Report
SITE_DESCRIPTION	
Property Restrictions	Run Report
Link To LEEPA	<u>10095249</u>
FOLIOID	10095249

# **EXHIBIT “B”-DEED**

12/5/06  
D.S.B.

This document prepared by  
and after recording return to:  
Jeffrey C. Shannon, Esq.  
Fowler White Boggs Banker P.A.  
501 E. Kennedy Blvd., Suite 1700  
Tampa, Florida 33602

PROPERTY I.D. # 12-45-23-C2-00001A.0000

**SPECIAL WARRANTY DEED**

THIS SPECIAL WARRANTY DEED, made this 2<sup>nd</sup> day of February, 2006, by  
THE GOLF CLUB OF SOUTHWEST FLORIDA, LLC, a Florida limited liability  
company, ("Grantor"), whose address is 4003 Palm Trace Blvd., Cape Coral, Florida, 33904, to  
FLORIDA GULF VENTURE, LLC, a Delaware limited liability company, ("Grantee"),  
whose address is 101 E. Kennedy Blvd., Suite 2450, Tampa, Florida, 33602.

**WITNESSETH:**

That Grantor, for and in consideration of the sum of \$10.00 and other good and valuable  
consideration, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, and  
convey unto Grantee and Grantee's heirs, successors and assigns, the following described land  
(the "Land") in LEE County, Florida:

See Exhibit "A" attached hereto and incorporated herein by  
reference for the description of the land conveyed herein.

NOTE: The above described land is not the homestead property of the Grantor.

TOGETHER with all the tenements, hereditaments, and appurtenances thereto.

This conveyance is made subject to those matters described on Exhibit "B" attached  
hereto and to applicable zoning ordinances, matters appearing on any recorded plat of the land,  
and taxes for the current year.

TO HAVE AND TO HOLD the same unto Grantee and Grantee's heirs, successors and  
assigns in fee simple forever.

And Grantor does hereby covenant with Grantee that, except as noted above, title to the  
Land is free from all encumbrances made by Grantor, and that Grantor will warrant and defend  
the same against the lawful claims and demands of all persons claiming by, through or under  
Grantor (except as noted above), but against none other.

IN WITNESS WHEREOF, the Grantor has executed this deed the day and year first above-written.

Signed, sealed and delivered  
in the presence of:

THE GOLF CLUB OF SOUTHWEST FLORIDA,  
a Florida limited liability company,

[Signature]  
Name: Kent Carlson

By: [Signature]  
Name: G. Scott Siler

[Signature]  
Name: MARK M. ANDERSON

Title: Manager  
Address: 101 W. Kennedy Blvd., Suite 101  
Tampa, Florida 33602

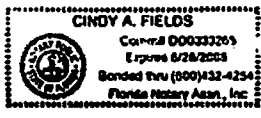
STATE OF FLORIDA  
COUNTY OF LEE

The foregoing instrument was acknowledged before me this 2 day of August, 2006,  
by G. SCOTT SILER, Manager of The Golf Club of Southwest Florida, LLC, a Florida limited  
liability company, on behalf of said company, who is personally known to me or has produced  
as identification.

[Signature]  
Print Name: CINDY FIELDS.  
(Notary Public)

My Commission Expires: 6-28-08

(AFFIX NOTARY SEAL)



File #: 06030468

Agent File Number: Golf Club of SW FL

### Exhibit "A" Attachment

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°37'03"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 80°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 160°00'00" (CHORD=N90°00'00"E, 600.00 FEET) FOR 842.48 FEET TO THE POINT OF TANGENCY AND N00°00'00"E FOR 640.00 FEET TO THE NORTHEAST CORNER OF LOT 32-R OF BLOCK 480 OF SAID REPLAT OF SAID CAPE CORAL UNIT 15, BEING ALSO THE SOUTHEAST CORNER OF LOT 33, BLOCK 480 OF SAID CAPE CORAL UNIT 15 AS RECORDED IN SAID PLAT BOOK 13, PAGES 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 144.38 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHEAST, THEN RUN ALONG SAID CURVE HAVING A RADIUS OF 2110.00 FEET AND A CENTRAL ANGLE OF 26°39'34" (CHORD=S13°19'47"E, 972.94 FEET) FOR 981.77 FEET TO AN INTERSECTION WITH THE SOUTHEASTERLY LINE OF SAID TRACT A, BEING ALSO THE NORTHWESTERLY

Continued on next page

File #: 06030468

Agent File Number: Golf Club of SW FL

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 160°00'00" (CHORD=534°50'00"E, 600.00 FEET) FOR 342.48 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 172°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 258 OF SAID CAPE CORAL UNIT 8 AND THE NORTHEASTERLY CORNER OF SAID TRACT C OF SAID CAPE CORAL UNIT 8 AND A POINT ON A CURVE CONCAVE TO THE SOUTHEAST; THENCE RUN ALONG THE LINE COMMON TO SAID BLOCK 258 AND SAID TRACT C THE FOLLOWING COURSES: ON SAID CURVE HAVING A RADIUS OF 550.00 FEET AND A CENTRAL ANGLE OF 58°48'11" (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 8, 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 8.00 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 8, 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 8, 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, 1338.28 FEET) FOR 1439.90 FEET TO THE POINT OF TANGENCY, THEN S00°00'00"E FOR 894.28 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°17'08" (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°17'08" (CHORD=S21°36'33"W, 573.19 FEET) FOR 574.90 FEET TO THE POINT OF TANGENCY, THEN S14°00'00"W FOR 482.41 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 78°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°00'01"E ALONG THE WEST LINE OF SAID TRACT C AND THE SAID EAST RIGHT OF WAY LINE FOR 952.57 FEET TO THE SOUTHWEST

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File #: 06030468

Agent File Number: Golf Club of SW FL

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 133.18 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST, THEN ALONG SAID CURVE HAVING A RADIUS OF 776.00 FEET AND A CENTRAL ANGLE OF 35°50'08" (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, N80°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=N181°41"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, 280.78 FEET) FOR 289.84 FEET; THENCE RUN S71°53'18"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°35'56"E FOR 28.77 FEET, S66°35'06"E FOR 176.57 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 118.88 FEET, S23°07'58"E FOR 12.00 FEET, N86°52'04"E FOR 465.80 FEET, N80°38'24"E FOR 230.45 FEET, S84°00'34"E FOR 388.48 FEET, N36°20'54"E FOR 57.58 FEET AND N18°02'20"W FOR 185.83 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, S48°33'45"W FOR 181.17 FEET, S20°55'22"W FOR 37.19 FEET,

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File #: 06030468

Agent File Number: Golf Club of SW FL

S18°32'04"W FOR 47.88 FEET, S30°00'37"W FOR 53.18 FEET, S13°41'21"W FOR 50.00 FEET, S50°08'31"W FOR 50.00 FEET AND S78°25'37"W FOR 43.65 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 192.23 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 8, 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°12'08"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: N85°54'37"E FOR 171.90 FEET, N58°30'00"E FOR 187.48 FEET, N01°42'38"W FOR 206.28 FEET, N65°21'01"W FOR 181.24 FEET, S46°27'57"W FOR 99.78 FEET, S34°51'30"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°12'08"W, LEAVING SAID WATER TREATMENT SITE, FOR 77.14 FEET AND S88°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°00'01" EAST, 88.0 FEET ALONG THE SAID EASTERLY RIGHT OF WAY LINE; THENCE EAST 88.0 FEET TO THE POINT OF BEGINNING; THENCE NORTH 0°00'01" EAST, 100.0 FEET; THENCE EAST 100.0 FEET; THENCE SOUTH 0°00'01" 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 8, ACCORDING TO PLAT THEREOF RECORDED IN PLAT BOOK 13, PAGES 7 TO 18, INCL., OF THE PUBLIC RECORDS OF LEE COUNTY, FLORIDA.

**Exhibit "B"**

**[Permitted Exceptions]**

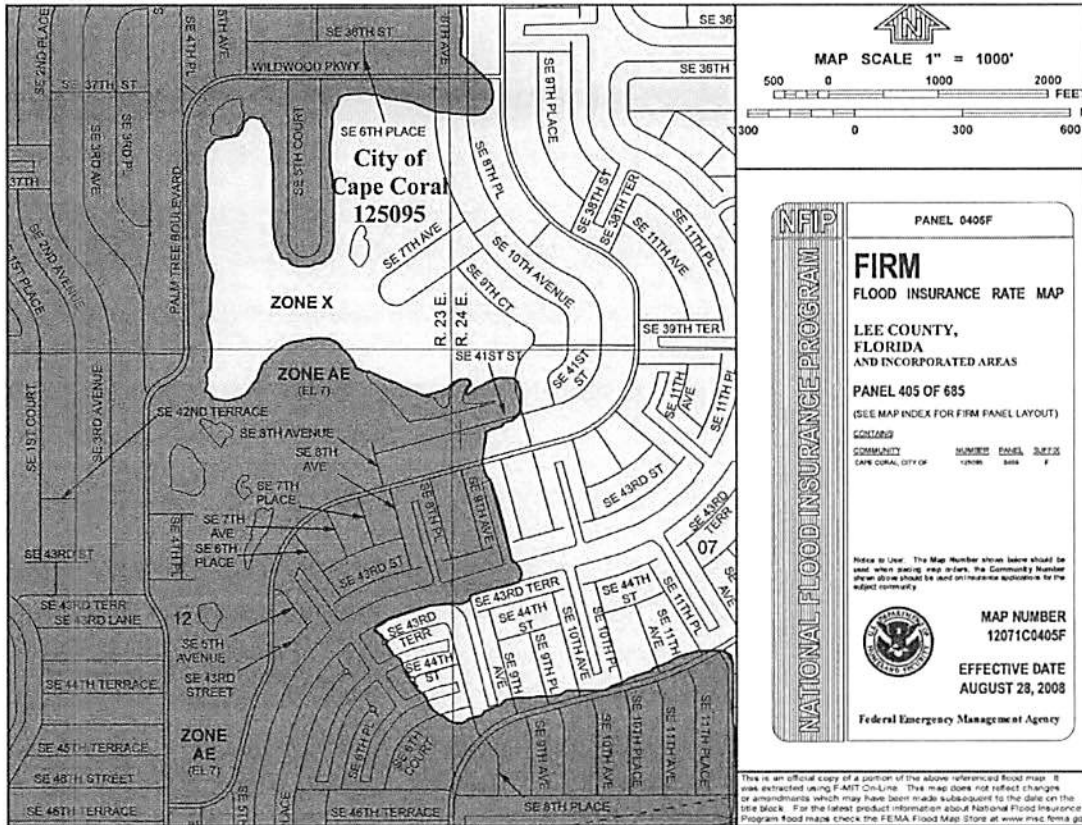
1. All assessments and taxes for the year 2006 and all subsequent years, which are not yet due and payable.
2. Any encroachments, easements, measurements, variations in area or content, party walls or other facts which a correct survey of the premises would show.
3. Dedications, easements and other matters stated and shown on the Plat of Cape Coral, Unit 9 as recorded in Plat Book 13, page(s) 7 thru 18.
4. Dedications, easements and other matters stated and shown on the Plat of Cape Coral, Unit 14 as recorded in Plat Book 13, page(s) 61 thru 68.
5. Dedications, easements and other matters stated and shown on the Plat of Cape Coral, Unit 15 as recorded in Plat Book 13, page(s) 69 thru 75 and Ordinance 80-02 recorded in Official Records Book 3727, page 1433.
6. Easements reserved for utilities as described in Warranty Deed recorded in Official Records Book 315, page 251 and Grant of Easement for Utilities as recorded in Official Records Book 682, page 829 and assigned by Assignment of Easements recorded in Official Records Book 753, page 509 and further assigned by Assignment recorded in Official Records Book 3141, page 659.
7. Easement for utility rights-of-way as described by Warranty Deed recorded in Official Records Book 1071, page 708.
8. Ordinance 21-95 Approving a Planned Development recorded in Official Records Book 2600, page 3665.
9. Terms, conditions and provisions of that certain Sub Lease (Business Lease) by and between Avatar Properties, Inc., f/k/a GAC Properties, Inc. and Florida Cablevision Management Corp. recorded in Official Records Book 1741, page 975.
10. Permanent Utility Easement in favor of the City of Cape Coral recorded in Official Records Book 3390, page 1719.
11. Terms, conditions and provisions of that certain unrecorded communications Site Lease Agreement by and between Florida Cablevision Management Corp. d/b/a Time Warner Cable and Nextel South Corp d/b/a Nextel Communications as disclosed by the Memorandum of Agreement recorded in Official Records Book 3398, page 4156 and Memorandum of Agreement recorded in Official Records Book 4622, page 1003.

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12. Easement (Golf Cart Paths) recorded in Official Records Book 3408, page 3041.
13. Easement (Irrigation Easement) recorded in Official Records Book 3408, page 3051.
14. Easement (Drainage Easement) recorded in Official Records Book 3408, page 3060.
15. Easement (Golf Course Grounds and Cart Path) recorded in Official Records Book 3408, page 3070.
16. Terms, conditions and provisions of that certain Memorandum of Operating Agreement between The Golf Club of Southwest Florida, L.L.C., a Florida limited liability company and Cape Coral Country Club, Inc., a Florida corporation recorded in Official Records Book 3408, page 3100.
17. Ingress/Egress and Utility Easement recorded in Official Records Book 3469, page 49.
18. Memorandum of License by and between Time Warner Cable and Metro PCS California/Florida, Inc., recorded in Official Records Book 3678, page 3958.
19. Easement (Ingress/Egress and Utilities) as recorded in Official Records Book 3698, page 5461.
20. Ingress/Egress and Utility Easement recorded in Official Records Book 3727, page 1438.
21. Ingress/Egress and Utility Easement recorded in Official Records Book 3727, page 1450.
22. Easement granted to Lee County Electric Cooperative, Inc. recorded in Official Records Book 3824, page 3470 and Official Records Book 4059, page 3118.
23. Easement by and between The Golf Club of Southwest Florida, LLC, and Banyan Trace Master Association, Inc. recorded in Official Records Book 4135, page 2541.
24. Pending disbursement of the full proceeds of the loan secured by the mortgage described herein, this policy insures only to the extent of the amount actually disbursed plus interest accrued thereon, but increase as the disbursements are made in good faith and without knowledge of any defects in, or objections to, the title, up to the face amount of the policy.
25. Ordinance 80-02 regarding utility rights of way easement as recorded in Official Records Book 3727, page 1433.

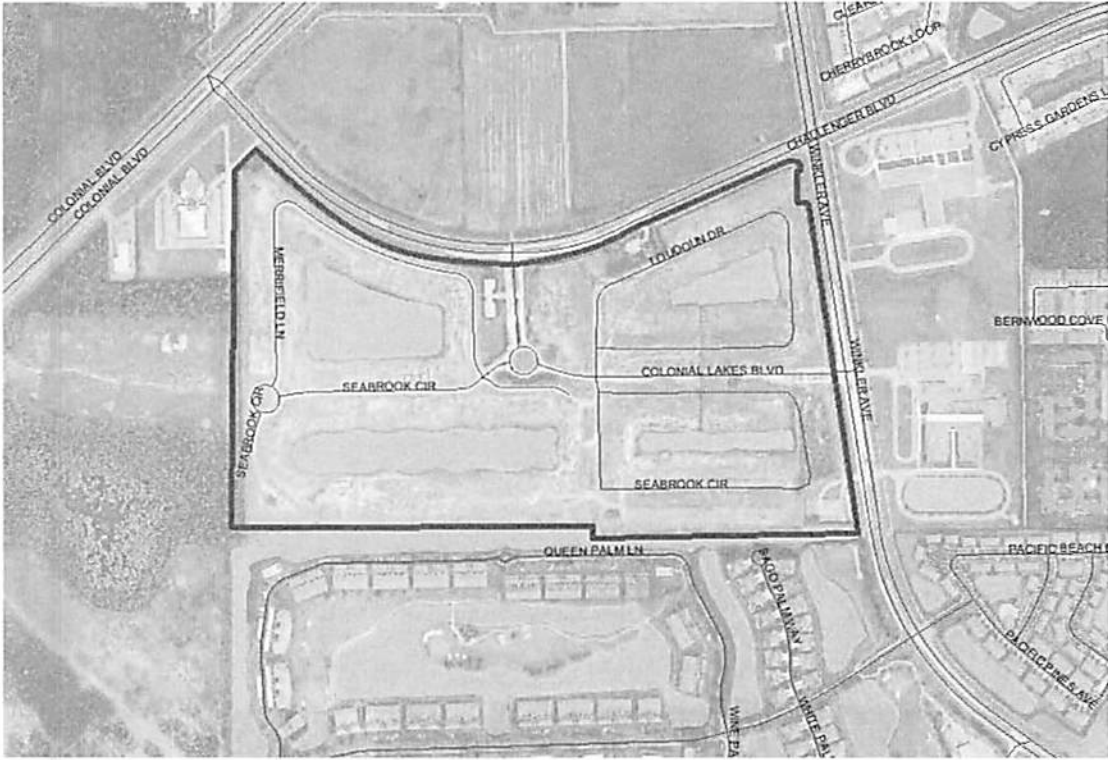
All recording references are to the public records of Lee County, Florida.

# **EXHIBIT “C”-FLOOD MAP**



**EXHIBIT “D”-SINGLE-FAMILY  
LAND SALES**

## Land Sale No. 1



### Property Identification

Record ID	7883
Property Type	Residential, Single-Family Homesite
Address	4781 Winkler Avenue, Fort Myers, Lee County, Florida 33966
Location	SWQ of Challenger Blvd and Winkler Ave
Tax ID	33-44-25-P4-00007.0000

### Sale Data

Grantor	Toll Ft. Myers Limited Partnership
Grantee	NC Naples 132, LLC
Sale Date	March 12, 2013
Deed Book/Page	2013000060937
Property Rights	Fee Simple
Conditions of Sale	Arm's-Length
Financing	P.M.M.
Sale History	None within the past five years
Legal Desc.	Lengthy
Verification	Land Solutions; Other sources: Public Records

Sale Price	\$9,200,000
Cash Equivalent	\$9,200,000

**Land Sale No. 1 (Cont.)**

**Land Data**

<b>Zoning</b>	PUD, Planned Unit Development
<b>Topography</b>	Generally Level
<b>Shape</b>	Irregular
<b>Flood Info</b>	Zone X
<b>HBU</b>	Planned Residential Development
<b>FLU</b>	Traditional Community
<b>Access</b>	Challenger Blvd and Winkler Ave

**Land Size Information**

<b>Gross Land Size</b>	106.200 Acres or 4,626,072 SF
<b>Planned Units</b>	297

**Indicators**

<b>Sale Price/Gross Acre</b>	\$86,629
<b>Sale Price/Gross SF</b>	\$1.99
<b>Sale Price/Planned Unit</b>	\$30,976

**Remarks**

This sale is of an undeveloped residential community located southwest of Challenger Boulevard and Winkler Avenue in Fort Myers. The property is cleared and partially developed with some supporting infrastructure and an improved gatehouse

The property is reportedly zoned for 297 homes. The Grantee, developer Neal Communities, plans to build single-family and paired homes on the site with a large community amenity center. The Grantee used a purchase money mortgage with the seller, developer Toll Brothers, to finance the property.

Land Sale No. 2



**Property Identification**

<b>Record ID</b>	7938
<b>Property Type</b>	Residential, Multi-Family
<b>Property Name</b>	Siesta Lakes
<b>Address</b>	Cape Coral, Lee County, Florida 33993
<b>Location</b>	N of Pine Island Rd, E of Nelson Blvd
<b>Tax ID</b>	11-44-23-C4-02580.0000

**Sale Data**

<b>Grantor</b>	Redus Florida Land, LLC (Wells Fargo)
<b>Grantee</b>	Rekha Nischal and Raj Kumar
<b>Sale Date</b>	July 22, 2013
<b>Deed Book/Page</b>	2013000118111
<b>Property Rights</b>	Fee Simple
<b>Marketing Time</b>	310 DOM
<b>Conditions of Sale</b>	Arm's-Length (REO Sale)
<b>Financing</b>	Cash to Seller

**Land Sale No. 2 (Cont.)**

**Sale History** No arm's-length transfers in the past five years  
**Legal Desc.** Unit 37, Blk 2580  
**Verification** Billy Rollins, Broker; 239-489-4066, July 26, 2013; Other sources:  
CoStar, Public Records, Confirmed by N. Chouinard

**Sale Price** \$1,600,000  
**Cash Equivalent** \$1,600,000

**Land Data**

**Zoning** RD, Residential Development  
**Topography** Generally Level  
**Utilities** Full Available  
**Shape** Irregular  
**Flood Info** Zone X  
**HBU** Planned Residential Development  
**FLU** Single Family/Multi Family by PDP  
**Access** NW 1st LN

**Land Size Information**

**Gross Land Size** 25.900 Acres or 1,128,204 SF  
**Planned Units** 200

**Indicators**

**Sale Price/Gross Acre** \$61,776  
**Sale Price/Gross SF** \$1.42  
**Sale Price/Planned Unit** \$8,000

**Remarks**

This land sale is of a partially developed multi-family project located east of Nelson Road North in Cape Coral. The property was bank owned at the time of sale and was purchased by investors from Canada who area reportedly planning to reduce the planned density and re-market or develop the subject depending upon market conditions.

The property was approved for development of 400 multi-family units in multi-story mid-rise buildings. Horizontal development was reportedly completed at an estimated expense of \$3,500,000; however, it was unclear how much of the existing infrastructure would be usable and it was not considered to add a significant amount of value given that the purchasers are planning to re-work the site plan. The final density is anticipated to be approximately 200 units; however, no plans were finalized.

### Land Sale No. 3



#### Property Identification

<b>Record ID</b>	8074
<b>Property Type</b>	Residential
<b>Property Name</b>	Celebration Cape
<b>Address</b>	283 Destiny Circle, Cape Coral, Lee County, Florida 33990
<b>Location</b>	SEQ of Santa Barbara Blvd and SE 8th St
<b>Tax ID</b>	24-44-23-C1-00501-00CE ++

#### Sale Data

<b>Grantor</b>	Premier Property of Cape Coral, Inc.
<b>Grantee</b>	D.R. Horton, Inc.
<b>Sale Date</b>	July 25, 2013
<b>Deed Book/Page</b>	20130000174215
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Arm's Length
<b>Financing</b>	Cash to seller
<b>Sale History</b>	12/2009, \$745,000 (0.51%/mo inc)
<b>Legal Desc.</b>	Pinewood Lakes Subdivision

**Land Sale No. 3 (Cont.)**

**Verification** Mark Walker - grantee; 225-2600, February 25, 2014; Confirmed by B. Cole

**Sale Price** \$934,783  
**Cash Equivalent** \$934,783

**Land Data**

**Zoning** R1BD, Residential  
**Topography** Generally Level  
**Utilities** Full Available  
**Flood Info** Zone B  
**HBU** Single-family residential  
**FLU** Single Family (SF)

**Land Size Information**

**Gross Land Size** 16.350 Acres or 712,206 SF  
**Actual Units** 44

**Indicators**

**Sale Price/Gross Acre** \$57,173  
**Sale Price/Gross SF** \$1.31  
**Sale Price/Actual Unit** \$21,245

**Remarks**

This is the sale of a fully platted, single-family subdivision complete with infrastructure, water retention pond and perimeter buffer wall. The lots range in size from 9,453 square feet to 18,373 square feet. The typical lot dimensions are 70' x 140'. The retention pond and other common areas were turned over to the HOA. The lots required significant amounts of fill subsequent to purchase to make them developable.

## Land Sale No. 4



### Property Identification

Record ID	8068
Property Type	Residential, Single Family
Property Name	Cobblestone
Address	7541 Penzance Boulevard, Fort Myers, Lee County, Florida 33966
Location	NWC of Penzance Blvd & Six Mile Cypress Pkwy
Tax ID	08-45-25-00-00004-0040 +

### Sale Data

Grantor	Pacific Peak, Inc.
Grantee	Neal Communities of Southwest Florida, LLC
Sale Date	January 03, 2014
Deed Book/Page	2014000004245
Property Rights	Fee Simple
Marketing Time	1064 DOM
Conditions of Sale	Arm's Length
Financing	PMM \$2,750,000
Sale History	3/2010, \$1,800,000 (2.1%/mo inc)
Legal Desc.	Lengthy

**Land Sale No. 4 (Cont.)**

**Verification** Jason Frost - Grantee Rep; February 20, 2014; Confirmed by B. Cole

**Sale Price** \$3,500,000

**Cash Equivalent** \$3,500,000

**Land Data**

**Zoning** RPD, Residential Planned Dev.  
**Topography** Generally Level w/ some wetlands  
**Utilities** Full Public Available  
**Shape** Irregular  
**Flood Info** Zone X  
**HBU** Residential Development  
**FLU** Central Urban  
**Access** Six Mile Cypress

**Land Size Information**

**Gross Land Size** 49.620 Acres or 2,161,447 SF  
**Useable Land Size** 27.600 Acres or 1,202,256 SF , 55.62%  
**Wetlands Land Size** 22.020 Acres or 959,191 SF , 44.38%  
**Planned Units** 115

**Indicators**

**Sale Price/Gross Acre** \$70,536  
**Sale Price/Gross SF** \$1.62  
**Sale Price/Useable Acre** \$126,812  
**Sale Price/Useable SF** \$2.91  
**Sale Price/Planned Unit** \$30,435

**Remarks**

This vacant site is zoned for a maximum of 216 residential dwelling units with permitted uses including detached single-family as well as multifamily, townhouse and coach home units with clubhouse and amenities. However, the buyer is only planning on developing the site with 115 single-family units and amenities. The site has standard environmental issues and a mitigation plan was approved and adopted prior to closing

Additional STRAP #s: 08-45-25-00-00003-2000, 08-45-25-00-00004-0030 and 08-45-25-00-00004-001A.

**EXHIBIT “E”-QUALIFICATIONS  
AND STATE CERTIFICATION**

## **QUALIFICATIONS OF WILLIAM W. COLE**

**State-certified general real estate appraiser RZ2298**

### **EDUCATION**

Bachelor of Science in Business Administration, Graduate of Western Carolina University, Cullowhee, NC, 1991

#### **Appraisal Institute Courses:**

Course 110: Appraisal Principles - January 1994  
Course 120: Appraisal Procedures - March 1994  
Course 310: Basic Income Capitalization - July 1995  
Course 320: General Applications - September 1996  
Course 410: Standards of Professional Practice, Part A (USPAP) - March 1994  
Course 420: Standards of Professional Practice, Part B - July 1996  
Course 430: Standards of Professional Practice, Part C - December 2000  
Course 510: Advanced Income Capitalization - December 1999  
Course 520: Highest & Best Use and Market Analysis - October 1995  
Course 530: Advanced Sales Comparison and Cost Approaches - October 2000  
Course 540: Report Writing & Valuation Analysis - May 2001  
Course 550: Advanced Applications - April 2002  
Comp: General Comprehensive Exam - August 2002  
Seminars: Special Purpose Properties - 1996  
State of Florida Core Law Seminar - 1996, 2000, 2004, 2006, 2008, 2010, 2012  
USPAP Update – 2004, 2006, 2008, 2010, 2012  
Income Capitalization - 2004  
Developing & Growing an Appraisal Practice – 2004, 2006  
Florida Supervisor/Trainee Roles & Relationships – 2008, 2010  
Business Practice & Ethics – 2009, 2011  
Hotel Appraising – New Techniques – 2010  
Introduction to Expert Witness Testimony – 2010  
Appraisal Curriculum Overview – 2011  
Nuts & Bolts of Green Building for Appraisers - 2012

### **EXPERIENCE**

1993-1997 Stewart, Stephan & Bowen, Inc., Fort Myers, Florida  
1996-1997 Entreen Associates, Inc., Saint Petersburg, Florida  
1997-1998 Armalavage & Associates, Inc., Naples, Florida  
1998-2005 Stephan & Associates, Fort Myers, Florida  
Current: Stephan, Cole & Associates, Fort Myers, Florida

### **CERTIFICATION/LICENSES**

State-certified general real estate appraiser RZ2298

Candidate for Designation, Appraisal Institute

Qualified as expert witness by the State of FL Twelfth & Twentieth Judicial Circuit Courts & US Bankruptcy Court

### **APPRAISAL BACKGROUND**

Experienced in appraising most types of commercial properties, and successful as an expert witness and expert consultant. Published co-author of "Flood Zone Revisions and Economic Loss: An Example from Florida" in *The Appraisal Journal*, Winter 2011.

### **PARTIAL CLIENT LIST**

American Momentum, Bank United, BB&T, BMO Harris, Busey, Capital Bank, Carlton Fields, Central Bank, CNL, Coconut Grove Bank, Colliers Int. Valuation, Edison National, Encore National Bank, FineMark, First Citizens, First Horizon, First National Bank Gulf Coast, Florida Community Bank, Florida Shores, Goodwill, Iberia, Knott Ebelini Hart, Landmark Bank, Montgomery Bank, Mutual of Omaha, Nationwide, Northern Trust, Preferred Community, Regions, Reliance Bank, Roetzel & Andress, Rogers Towers, Sabadell United, SunTrust, Synovus, Wells Fargo, US Dept of the Interior, Department of Environmental Protection, Private Individuals and Attorneys.

AC#659344

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION  
FLORIDA REAL ESTATE APPRAISAL BD

SEQ# L12110202887

DATE	BATCH NUMBER	LICENSE NBR
11/02/2012	128141308	RZ2298

The CERTIFIED GENERAL APPRAISER  
Named below IS CERTIFIED  
Under the provisions of Chapter 475 FS.  
Expiration date: NOV 30, 2014

COLE, WILLIAM W  
1919 COURTNEY DR #9  
FORT MYERS FL 33901

RICK SCOTT  
GOVERNOR

DISPLAY AS REQUIRED BY LAW

KEN LAWSON  
SECRETARY